

**CERTIFIED
COPY**

BEFORE THE
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

IN THE MATTER OF THE:)
REGULAR MONTHLY BUSINESS)
MEETING)

DATE AND TIME: THURSDAY, NOVEMBER 20, 1997,
9:30 A.M.

PLACE: BOARD HEARING ROOM
8800 CAL CENTER DRIVE
SACRAMENTO, CALIFORNIA

REPORTER: BETH C. DRAIN, RPR, CSR,
CERTIFICATE NO. 7152

BRS FILE NO.: 43039



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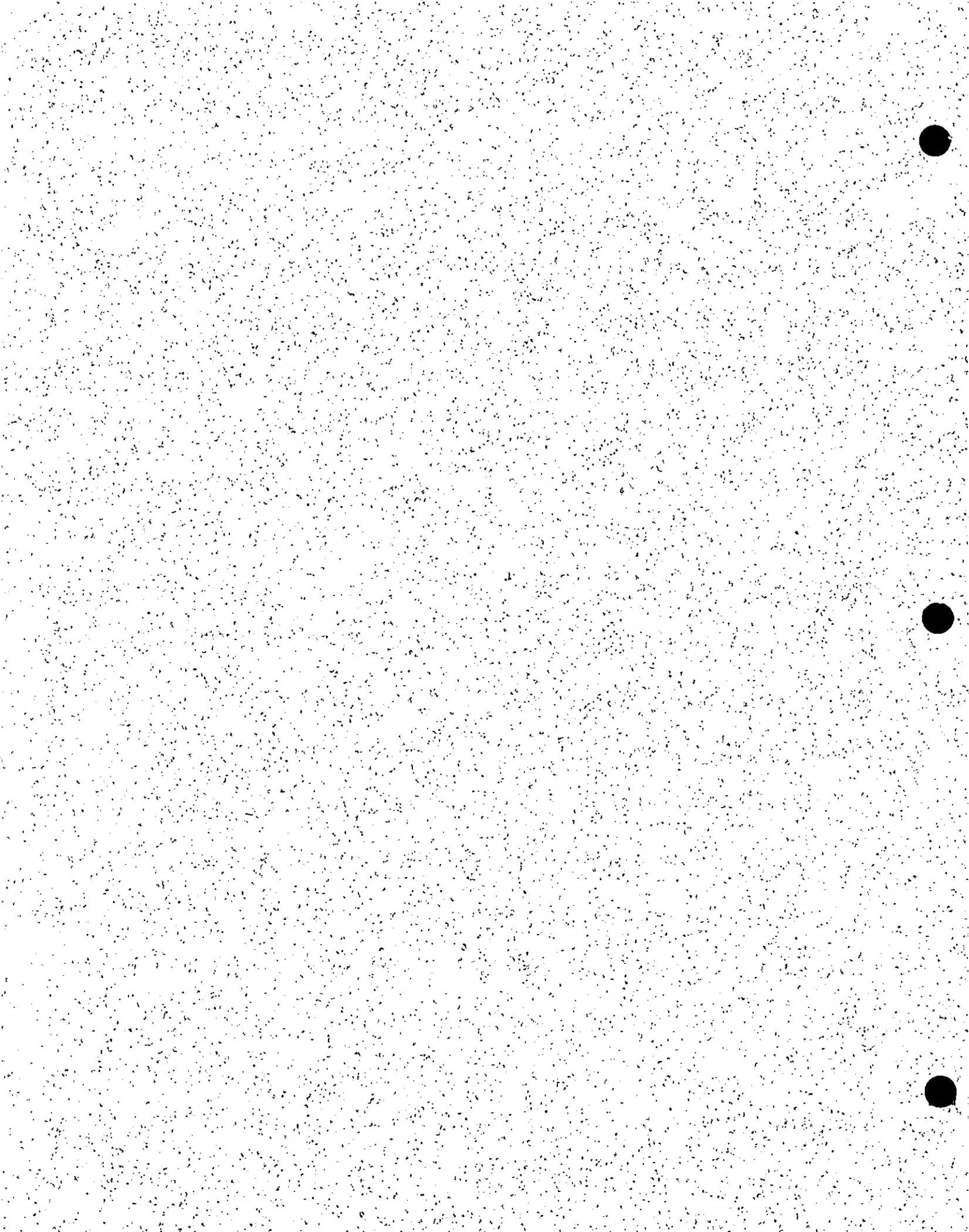
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APPEARANCES

MR. DANIEL G. PENNINGTON, CHAIRMAN
MR. ROBERT C. FRAZEE, VICE CHAIRMAN
MR. WESLEY CHESBRO, MEMBER
MS. JANET GOTCH, MEMBER
MR. STEVEN R. JONES, MEMBER
MR. PAUL RELIS, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER
MR. KEITH SMITH, DEPUTY EXECUTIVE OFFICER
MS. KATHRYN TOBIAS, CHIEF LEGAL COUNSEL
MS. LORI LOPEZ, BOARD SECRETARY
MS. PATTI BERTRAM, ADMINISTRATIVE ASSISTANT



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1 SACRAMENTO, CALIFORNIA; THURSDAY, NOVEMBER 20, 1997

2 9:30 A.M.

3
4 CHAIRMAN PENNINGTON: GOOD MORNING AND
5 WELCOME TO THE SECOND DAY OF THE NOVEMBER MEETING
6 OF THE CALIFORNIA INTEGRATED WASTE MANAGEMENT
7 BOARD. WOULD THE BOARD SECRETARY CALL THE ROLL,
8 PLEASE.

9 THE SECRETARY: BOARD MEMBER CHESBRO.
10 ABSENT. FRAZEE.

11 BOARD MEMBER FRAZEE: HERE.

12 THE SECRETARY: GOTCH.

13 BOARD MEMBER GOTCH: HERE.

14 THE SECRETARY: JONES.

15 BOARD MEMBER JONES: HERE.

16 THE SECRETARY: RELIS.

17 BOARD MEMBER RELIS: HERE.

18 THE SECRETARY: CHAIRMAN PENNINGTON.

19 CHAIRMAN PENNINGTON: HERE. QUORUM IS
20 PRESENT.

21 DO ANY MEMBERS HAVE ANY EX PARTES?

22 MR. RELIS.

23 BOARD MEMBER RELIS: NO.

24 CHAIRMAN PENNINGTON: JONES.

25 BOARD MEMBER JONES: YEAH. I AFTER THE

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1 MEETING YESTERDAY WITH LARRY SWEETSER AND EVAN
2 EDGAR.

3 CHAIRMAN PENNINGTON: VERY GOOD. MRS.
4 GOTCH.

5 BOARD MEMBER GOTCH: NONE. CAUGHT UP.

6 BOARD MEMBER FRAZEE: NONE FOR ME.

7 CHAIRMAN PENNINGTON: ME NEITHER.

8 BOARD MEMBER RELIS: NOBODY WANTED TO TALK
9 TO US.

10 CHAIRMAN PENNINGTON: FOR ANYBODY WHO MAY
11 BE IN THE AUDIENCE WHO WISHES TO ADDRESS THE BOARD,
12 THERE ARE SOME SPEAKER SLIPS ON THE TABLE IN THE
13 BACK. IF YOU'LL FILL THEM OUT, TO MRS. LOPEZ,
14 WE'LL BE GLAD TO HEAR FROM YOU.

15 AND WE WILL NOW MOVE ON TO ITEM 31,
16 CONSIDERATION AND DISCUSSION OF THE BOARD'S
17 STRATEGIC PLAN PRIORITIES. MR. CHANDLER.

18 MR. CHANDLER: THANK YOU, MR. CHAIRMAN,
19 AND AGAIN GOOD MORNING, MEMBERS. I THINK WE ARE
20 WELL POSITIONED TODAY TO MOVE ANOTHER STEP FURTHER
21 INTO OUR DISCUSSION THAT WE KIND OF SET THE STAGE
22 LAST MONTH IN LOOKING AT THE PRIORITY AREAS FOR THE
23 STRATEGIC PLAN.

24 THE WAY WE INTEND TO PROVIDE THIS
25 MORNINGS'S OVERVIEW IS I'M GOING TO GIVE A FEW



1 OPENING REMARKS, AND THEN KEITH WILL FOLLOW ME WITH
2 SOME ADDITIONAL CONTEXT SETTING, AND THEN WE HAVE
3 THE DEPUTIES WHO WILL BEGIN TO SPEAK IN MORE DETAIL
4 ON THE FOUR PRIORITY AREAS. BEFORE I TURN IT OVER
5 TO KEITH AND THE DEPUTIES, LET ME JUST PROVIDE A
6 LITTLE BIT OF SOME HISTORY AND SOME CONTEXT
7 REGARDING TODAY'S ITEM AND OUR PROPOSED STRATEGIC
8 PRIORITIES.

9 TWELVE MONTHS AGO WHEN WE STARTED THE
10 PLANNING PROCESS BY WHICH WE HOPED WE COULD PREPARE
11 THIS CURRENT STRATEGIC PLAN FOR THE BOARD, WE HAD
12 SOME SERIOUS QUESTIONS ABOUT BEING ABLE TO MEET THE
13 GOVERNOR'S DEADLINE. BECAUSE OF OUR HISTORY HERE
14 AT THE BOARD WITH STRATEGIC PLANNING, WE ANTICI-
15 PATED THE SAME LEVEL OF RESISTANCE TO DEVELOPING A
16 PLAN THAT WAS ENCOUNTERED IN 1992 WHEN THE LAST
17 PLAN WAS PREPARED. WE TRIED TO ANTICIPATE PROBLEMS
18 AND PLAN THE PROCESS IN SUCH A WAY TO GET BUY-IN
19 FROM ALL LEVELS OF THE ORGANIZATION, BUT WE WEREN'T
20 SURE WE WERE GOING TO SUCCEED. WE WERE ALSO
21 CONCERNED ABOUT THE POTENTIAL FOR LACK OF FOLLOW-
22 THROUGH IN IMPLEMENTING THE PLAN; IN OTHER WORDS,
23 HAVING IT JUST BECOME A SHELF DOCUMENT.

24 AS IT TURNS OUT, WE'VE MET WITH A LOT
25 OF ENTHUSIASM AND SUPPORT AS WE DRAFTED THE PLAN.



1 WE WERE ABLE TO INVOLVE ALL LEVELS OF THE ORGANIZA-
2 TION AND ARE HERE TODAY TO DESCRIBE TO YOU HOW WE
3 WILL BE IMPLEMENTING THE PLAN BY FOCUSING ON FOUR
4 KEY STRATEGIES IN THE COMING MONTHS.

5 I'D SAY WE'VE COME A LONG WAY SINCE
6 WE BEGAN THIS PROCESS IN NOVEMBER OF LAST YEAR, AND
7 I'D LIKE TO AGAIN ACKNOWLEDGE THE CONTRIBUTIONS AND
8 SUPPORT OF STAFF, SUPERVISORS, AND MANAGERS, THOSE
9 ON MY EXECUTIVE TEAM, AND PARTICULARLY YOU THE
10 BOARD MEMBERS.

11 ONE OF THE THINGS I SAW AS VERY
12 IMPORTANT IN OUR RECENT RECRUITMENT OF A CHIEF
13 DEPUTY DIRECTOR WAS FINDING SOMEONE WITH THE
14 KNOWLEDGE AND SKILL TO HELP US FURTHER REFINE OUR
15 STRATEGIC PLAN TO ENSURE THAT IT BECOMES OUR ROAD
16 MAP TO PROGRESS AND ULTIMATELY SUCCESS IN ACHIEVING
17 OUR GOALS. AND I'M PLEASED WITH THE KNOWLEDGE AND
18 SKILL THAT KEITH SMITH HAS BROUGHT TO THE BOARD IN
19 THESE AREAS AND WITH THE PROGRESS WE HAVE MADE IN
20 FURTHER REFINING OUR GOALS.

21 WE HAVE A LOT TO BE PROUD OF. WE'VE
22 ESTABLISHED CLEAR DIRECTION FOR THE BOARD, WE'VE
23 ACHIEVED CONSENSUS AND BUY-IN THROUGH INVOLVING ALL
24 STAFF AT ALL LEVELS OF THE ORGANIZATION, AND TODAY
25 WE'LL BE FURTHER REFINING OUR GOALS BY FOCUSING OUR



1 EFFORTS ON TWO KEY WASTESTREAMS AND TWO KEY
2 OPERATIONAL STRATEGIES. LET ME EMPHASIZE AGAIN
3 THAT THE PURPOSE OF TODAY'S MEETING IS THE
4 DISCUSSION AND ACTION ON THOSE FOUR RECOMMENDED
5 AREAS, THOSE FOUR RECOMMENDED PRIORITY AREAS, AND
6 NOT NECESSARILY A DISCUSSION ON THE OTHER STAGES OF
7 THE MODEL OR PLACEMENT OF THOSE OTHER ACTIVITIES
8 THAT WE HAVE HIGHLIGHTED IN THE AGENDA ITEM.

9 WE RECOGNIZE THAT OUR PLAN WILL
10 REQUIRE ADDITIONAL REFINEMENT, PARTICULARLY IN THE
11 AREAS OF PERFORMANCE MEASURES AND PARTICULARLY FOR
12 A PLAN FOR COMMUNICATING WHAT WE ARE DOING AND THE
13 PROCESS WE'RE MAKING, NOT ONLY TO THE BOARD, BUT TO
14 THE STAFF AND TO OUR STAKEHOLDERS. CLEARLY THE
15 TEAM APPROACH WE WILL BE DISCUSSING IN DETAIL TODAY
16 WILL CHANGE THE WAY WE MANAGE OUR WORK HERE AT THE
17 BOARD. AND I HOPE THAT YOU WILL BE OPEN TO MAKING
18 THIS APPROACH WORK AND THAT WE WILL ALL LOOK FOR
19 OPPORTUNITIES TO INTEGRATE OUR INDIVIDUAL PIECES OF
20 THE MISSION, GOAL, AND OBJECTIVES INTO A WHOLE.

21 WITH THAT, LET ME TURN IT OVER TO
22 KEITH TO SAY A FEW MORE WORDS BEFORE WE INTRODUCE
23 THE DEPUTY DIRECTORS. THANK YOU.

24 MR. SMITH: GOOD MORNING, BOARD MEMBERS,
25 KEITH SMITH. STAFF HAS DEVELOPED A PLANNING



1 FRAMEWORK DESIGNED TO ACCOMPLISH THE FOLLOWING
2 THINGS: TO FOCUS THE DISCUSSION, THE DECISIONS,
3 AND THE RESOURCES OF THE BOARD ON THE VITAL FEW
4 BOARD STRATEGIES THAT WILL ACCOMPLISH OUR
5 LEGISLATIVE MANDATES AND ACHIEVE THE VISION AND
6 GOALS THAT WE SET FORTH IN THE STRATEGIC PLAN.

7 SECOND, TO IDENTIFY WHEN AND HOW THE
8 IMPORTANT MANY OTHER ACTIVITIES THAT WE DO WILL BE
9 ADDRESSED.

10 AND THIRD, TO CLEARLY PLAN, MANAGE,
11 AND MEASURE PROGRESS TOWARDS ACHIEVING THOSE BOARD
12 MANDATES AND TO PROVIDE ACCOUNTABILITY FOR RESULTS.

13 THE ITEM, AS RALPH HAS INDICATED, HAS
14 MULTIPLE ISSUES. WE WANT TO PRESENT A FAIR AMOUNT
15 OF INFORMATION ABOUT HOW THIS PROCESS WILL WORK.
16 WE'D LIKE TO FOCUS SOME DISCUSSION AROUND THE FOUR
17 PRIORITY AREAS AND CONSIDER THOSE AREAS FOR
18 APPROVAL AS THE BOARD'S FOCUS OVER THE NEXT PERIOD
19 OF A YEAR TO 18 MONTHS, AS WE'LL DISCUSS LATER.

20 WE WERE ASKED TO DO A NUMBER OF
21 THINGS AT THE LAST BOARD MEETING, FIRST AND
22 FOREMOST TO PROVIDE SOME DEFINITION -- CLEARER
23 DEFINITION ABOUT THE TYPES OF ISSUES THAT WERE
24 GOING TO BE CONSIDERED FOR BOARD PRIORITIES AND
25 SOME BETTER DEFINITION OF THE STAGES THAT -- WITHIN



1 THE MODEL THAT WE HAVE RECOMMENDED.

2 AS FAR AS THE TYPES OF ISSUES THAT WE
3 ARE INTENDING TO BRING BEFORE THE BOARD, THEY FALL
4 INTO TWO MAJOR AREAS. WE'RE CALLING THE FIRST AREA
5 WASTESTREAMS. THESE ARE COMBINATIONS OF ONE OR
6 MORE SIMILAR MATERIAL TYPES WHERE A CONCERTED
7 ACTION ACROSS THE WHOLE ORGANIZATION IS ABLE TO
8 EITHER SIGNIFICANTLY REDUCE THE PERCENTAGE OF WASTE
9 IN THAT AREA GOING TO LANDFILL OR WILL SIGNIFI-
10 CANTLY AFFECT A HEALTH, SAFETY, OR ENVIRONMENTAL
11 ISSUE. AND SECOND, OPERATIONAL STRATEGIES, WHICH
12 IS AN INTEGRATED SET OF BOARD ACTIVITIES RUNNING
13 AGAIN ACROSS THE WHOLE ORGANIZATION THAT AGAIN
14 ACHIEVES THE SAME ENDS THERE. SO IT'S TWO AREAS,
15 FOCUSING ON A WASTESTREAM OR FOCUSING ON A BROAD
16 OPERATIONAL STRATEGY.

17 MOVING TO THE MODEL, AND IF YOU MOVE
18 TO PAGE 4 OF THE AGENDA ITEM, YOU CAN FOLLOW SOME
19 OF THE ISSUES THAT I'LL BE TALKING ABOUT HERE, THE
20 ANALYSIS AND DEVELOPMENT STAGE -- UNDERSTANDING WE
21 ARE WELL INTO MANY OF THE -- AS WE LOOK AT VARIOUS
22 ISSUES, BEING A NUMBER OF YEARS INTO THESE ISSUES,
23 MANY OF THEM WILL FALL AT VARIOUS STAGES HERE. BUT
24 IF WE FOLLOW THROUGH, YOU CAN SEE HOW AN ISSUE WILL
25 MOVE FROM BEGINNING TO END OF THIS MODEL.



1 THE FIRST STEP IS ANALYSIS AND
2 DEVELOPMENT. THIS STEP FOCUSES ON DATA COLLECTION,
3 ANALYSIS, TESTING TO DETERMINE IF A STRATEGY CAN
4 SIGNIFICANTLY CONTRIBUTE TO REACHING A BOARD GOAL.
5 THE WASTESTREAMS IN THESE -- IN THIS AREA ARE WHERE
6 WE HAVE A STRATEGY FOR SOURCE REDUCTION OR BALANCED
7 COLLECTION, SEPARATION, AND RECYCLING THAT HAS NOT
8 YET BEEN TESTED -- DESIGNED, TESTED, AND PROVED
9 EFFECTIVE, OR WE HAVE AN EXISTING STRATEGY THAT'S
10 REACHED THE END OF ITS USEFULNESS, AND WE NEED TO
11 GIVE IT A CHARGE, A KICK, AND LOOK FOR NEW
12 APPROACHES TO MOVE IT INTO A FURTHER STAGE OF
13 DEVELOPMENT.

14 WHAT WE'RE ASKING IN THESE AREAS,
15 AND, AGAIN, WE'RE NOT CONSIDERING THESE AREAS TODAY
16 IN ANY GREAT DETAIL, WE'RE LOOKING AT THESE AREAS
17 AS AREAS FOR SIGNIFICANT INVESTMENT AND PREFEREN-
18 TIAL INVESTMENT OF OUR ANALYSIS TIME AND CONTRACT
19 AND GRANT DOLLARS. SIMILARLY FOR OPERATIONAL
20 STRATEGIES, THESE ARE STRATEGIES THAT HAVE NOT YET
21 BEEN TESTED TO BE PROVED EFFECTIVE, AND WE ARE
22 ANALYZING AND DEVELOPING THESE FOR INTRODUCTION AT
23 A LATER DATE.

24 MOVING TO STEP 2, WHEN AND IF WE
25 ESTABLISH THAT EITHER A WASTE STRATEGY OR



1 OPERATIONAL STRATEGY IS VIABLE, IT THEN BECOMES
2 OPEN FOR SELECTION AS FOR STEP 2, WHICH IS THE
3 PLANNING STAGE. WHAT WE'RE ASKING TODAY IS THAT
4 YOU, IN ESSENCE, AGREE TO ALLOW US TO TAKE THE FOUR
5 ISSUES THAT WE ARE GOING TO PROPOSE DIRECTLY TO
6 THIS PLANNING STAGE BECAUSE THE FIRST SIX OR SEVEN
7 WEEKS OF OUR EFFORTS ARE GOING TO BE TO COMPLETE
8 STAGE 2, WHICH WHEN WE PLAN OUR EFFORTS ACROSS THE
9 WHOLE ORGANIZATION IN THIS AREA, WE SET REASONABLE
10 TARGETS FOR THE STRATEGY, WE DETERMINE THE METHODS
11 THAT WE'RE GOING TO USE ACROSS THE WHOLE
12 ORGANIZATION, WE DEFINE HOW PROGRESS IS GOING TO BE
13 MEASURED, WE LOOK AT HOW PROGRESS IS GOING TO BE
14 REPORTED, AND SET THE PLAN IN PLACE.

15 STEP 3 IS THE BOARD IMPLEMENTATION
16 PRIORITY. THESE ARE THE ACTIVE STRATEGIES THAT ARE
17 ON DECK. SO IF I CAN USE A BASEBALL ANALOGY, EVEN
18 THOUGH MY BACKGROUND IS CRICKET AND RUGBY, I'LL USE
19 A BASEBALL STRATEGY. TWO IS THE ON-DECK CIRCLE.
20 TWO IS WHERE WE ARE PREPARING TO MOVE ON AN ISSUE;
21 THREE IS IN THE BATTER'S BOX. THESE ARE THE ONES
22 THAT WE ARE ACTIVELY PURSUING.

23 I INTEND OR THE ORGANIZATION INTENDS
24 TO COME BACK SOMETIME NEXT CALENDAR YEAR WITH
25 SUGGESTIONS FOR WHAT IS IN THE ON-DECK CIRCLE, BUT



1 TODAY WE ARE PROPOSING TO BRING FOUR ITEMS TO YOU
2 TO START AND DO IMMEDIATELY STEP 2 AND THEN
3 IMMEDIATELY MOVE TO STEP 3 AND START THE
4 IMPLEMENTATION PROCESS.

5 STEP FOUR, MAINTENANCE ACTIVITIES.

6 IN THIS STAGE ACTIVITIES ARE MAINTAINED AT
7 APPROPRIATE LEVEL OF RESOURCES THAT REFLECTS THE
8 NEED TO CONTINUE ACTIVITIES THERE, BUT NOT AS A
9 BOARD PRIORITY. THE MAIN ISSUE HERE IS THAT WE ARE
10 NOT INTENDING TO INITIATE MAJOR NEW ACTIVITIES AND
11 MAJOR NEW INITIATIVES IN THIS AREA. THAT IS NOT TO
12 SAY THAT IF NEW INFORMATION, NEW WAYS OF DOING
13 BUSINESS BECOME APPARENT TO US, WE WILL NOT PURSUE
14 THAT. WE ARE NOT GOING TO TURN OUR BRAINS OFF AND
15 NOT IMPROVE IN THAT AREA. IN FACT, IN THESE AREAS
16 WE WILL BE LOOKING FOR CONTINUOUS IMPROVEMENT.
17 WE'LL BE LOOKING FOR NEW WAYS OF DOING BUSINESS,
18 BUT NOT LARGE NEW INVESTMENTS, MAJOR NEW INITIA-
19 TIVES.

20 WE WILL BE LOOKING IN THIS AREA FOR
21 THE POTENTIAL FOR CONSOLIDATION, FOR EFFICIENCIES
22 IN ORDER TO GENERATE RESOURCES TO APPLY TOWARDS THE
23 BOARD IMPLEMENTATION PRIORITY. AND A LARGE NUMBER
24 OF THE BOARD PROGRAMS ARE GOING TO LIE IN THIS
25 AREA.



1 STAGE FIVE, SUNSET. WE WILL ON A
2 FAIRLY REGULAR BASIS, I SUSPECT, BRING YOU
3 STRATEGIES, EITHER ACTIONS ON WASTESTREAMS OR
4 OPERATIONAL STRATEGIES, THAT WE FEEL HAVE REACHED
5 THE END OF THEIR USEFUL LIFE, WHERE WE FEEL THAT NO
6 FURTHER INVESTMENT OF RESOURCES IS WARRANTED AS
7 THEY'RE INCAPABLE OF FURTHERING ANY OF OUR GOALS,
8 SO WE WILL BE BRINGING YOU THOSE SUGGESTIONS.

9 WE'LL BE LOOKING AT ALSO AREAS WHERE
10 REGULATION MAY HAVE PROVED EXCESSIVELY BURDENSOME,
11 AND WE'RE LOOKING TO REDUCE THAT LEVEL OF
12 REGULATION. AND THIRD, WHERE PROGRAM EFFORT IS
13 BETTER CONDUCTED BY AN OUTSIDE AGENCY, AND WE'LL BE
14 ACTIVELY LOOKING FOR THOSE OPPORTUNITIES TO SHARE
15 THE RESPONSIBILITY OR TRANSFER THE RESPONSIBILITY
16 TO ANOTHER AGENCY TO CONTINUE EFFORTS IN THAT
17 AREA: I THINK WE'VE DONE THAT IN A NUMBER OF
18 AREAS.

19 FINALLY, AND THIS IS NOT PART OF THE
20 FIVE STAGES, BUT IS AN IMPORTANT PART OF THE
21 ORGANIZATION, SUPPORT ACTIVITIES. THERE ARE A
22 NUMBER OF ACTIVITIES, THE ADMINISTRATIVE SUPPORT,
23 THE EXECUTIVE AND LEGAL AND OTHER SUPPORT
24 ACTIVITIES, THAT ARE KIND OF THE BASE OR THE
25 UNDERPINNING FOR OUR EFFORTS. ONCE AGAIN, WE ARE



1 NOT IGNORING THOSE AREAS.

2 WE'LL BE LOOKING TO THOSE AREAS FOR
3 IMPROVEMENTS. KARIN FISH, WHO'S BEEN HERE A VERY
4 SHORT TIME, IS ALREADY INITIATING SOME ACTIONS IN
5 HER AREA TO STREAMLINE AND REFINE HOW THEY DO
6 BUSINESS THERE. AND WE'LL BE LOOKING AT THESE
7 AREAS FOR, AGAIN, FOR SOURCE OF FURTHER RESOURCES
8 FOR APPLICATION TOWARDS THE BOARD PRIORITIES.

9 SO WHAT WE'RE LOOKING AT IS A LIFE
10 CYCLE FOR THESE BOARD STRATEGIES TO MOVE THEM FROM
11 THAT INITIAL RESEARCH AND DEVELOPMENT THROUGH TO
12 EVENTUAL MAINTENANCE OR SUNSET AND TO HAVE A
13 CONSTANT CYCLING OF STRATEGIES THROUGH THIS
14 PROCESS.

15 ON PAGES 6 AND 7 WE HAVE LAID OUT AT
16 LEAST OUR PRELIMINARY REVIEW OF MANY OF THE THINGS,
17 IF NOT MOST OF THE THINGS, THAT ARE GOING ON RIGHT
18 NOW WITHIN THE BOARD. WE HAVE LAID THEM OUT IN THE
19 FIVE STAGES. WHAT WE'D ASK TODAY IS TO FOCUS ON
20 THE THINGS THAT WE'RE ASKING TO PUT IN STAGE 3, THE
21 BOARD IMPLEMENTATION PRIORITY.

22 WE REALIZE THAT THERE'S A LOT OF
23 DISCUSSION AHEAD OF US IN WHERE ALL THESE OTHER
24 THINGS LIE, AND WE INTEND TO PURSUE THAT BOTH WITH
25 THE BOARD, THE ADVISORS, AND WITH STAFF TO BETTER



1 REFINE THAT. WE WOULD ANTICIPATE COMING BACK
2 FAIRLY QUICKLY WITH SOME SUGGESTIONS FOR
3 PREFERENTIAL INVESTMENT IN STAGE 1, THE ANALYSIS
4 AND DEVELOPMENT STAGE. AS I'VE INDICATED, WE WILL
5 PROBABLY BE BRINGING YOU SOME SUGGESTIONS AND
6 RECOMMENDATIONS FOR THE ON-DECK CIRCLE, STEP 2,
7 SOMETIME IN THE NEXT CALENDAR YEAR. BUT AGAIN,
8 WE'RE ANTICIPATING A LOT OF DISCUSSION IN THESE
9 AREAS.

10 FINALLY, I'D LIKE TO INTRODUCE THE
11 FOUR PRIORITIES THAT WE ARE RECOMMENDING. I'D LIKE
12 TO STRESS THAT THE NUMBERING ONE, TWO, THREE, FOUR
13 IS NOT A PRIORITY NUMBERING. ORGANICS ARE NOT THE
14 NO. 1 PRIORITY. THESE ARE FOUR EQUAL PRIORITIES.
15 THIS IS JUST THE ORDER THAT THEY'RE COMING UP IN.

16 WE ARE LOOKING AT A FOCUSED REDUCTION
17 IN ORGANICS, FOCUSED REDUCTION IN CONSTRUCTION AND
18 DEMOLITION, IMPROVING FACILITY COMPLIANCE, AND
19 IMPROVING LOCAL GOVERNMENT PERFORMANCE AND
20 DIVERSION. AND TO DISCUSS EACH OF THESE, I'VE
21 ASKED -- WE'VE ASKED THE DEPUTY DIRECTORS TO DO
22 THIS. AND LET'S START WITH CAREN AND START WITH
23 ORGANICS.

24 MS. TRGOVCICH: GOOD MORNING, CHAIRMAN
25 PENNINGTON AND MEMBERS. I'M GOING TO BE VERY BRIEF



1 IN MY DESCRIPTIONS OF THE FIRST TWO PRIORITIES, BUT
2 WILL BE VERY AVAILABLE TO ANSWER ANY QUESTIONS THAT
3 YOU MAY HAVE.

4 THE FIRST PRIORITY IS A FOCUSED
5 REDUCTION IN ORGANICS. WE ENTITLE IT "FOCUSED
6 REDUCTION" BECAUSE WE ARE ACKNOWLEDGING THAT WE
7 NEED TO TARGET OUR EFFORTS IN GIVEN PORTIONS OF THE
8 WASTESTREAM. TARGETING ORGANICS WAS BASED UPON THE
9 COMPOSITION OF THE WASTESTREAM ITSELF. AS FAR AS
10 THE COMMERCIAL WASTESTREAM IS CONCERNED, WE HAVE
11 IDENTIFIED APPROXIMATELY 30 PERCENT OF THE
12 COMMERCIAL WASTESTREAM AS COMPOSED OF ORGANICS AND
13 APPROXIMATELY 43 PERCENT OF THE RESIDENTIAL WASTE-
14 STREAM IS COMPOSED OF ORGANICS.

15 WE HAVE PERHAPS A SOMEWHAT MORE
16 NARROW DEFINITION OF THE TERM "ORGANICS" AS WELL AS
17 DO MOST. ADDITIONALLY, THOSE NUMBERS ARE PERHAPS
18 LOW BECAUSE THEY DO NOT INCLUDE SELF-HAUL DATA, FOR
19 EXAMPLE, FOR YARD WASTE AND OTHER TYPES OF ORGANIC
20 MATERIALS. SO WE ARE SEEING THESE NUMBERS AS THE
21 BOTTOM END. SO THERE'S TREMENDOUS POTENTIAL HERE.

22 WITHIN THE AREA OF ORGANICS, AND THIS
23 GETS TO THE TERMINOLOGY FOCUSING, WE HAVE IDENTI-
24 FIED TWO COMPONENTS THAT COMPRISE A SIGNIFICANT
25 PERCENTAGE OF THE WASTESTREAM. WE HAVE IDENTIFIED



1 FOOD WASTE AND YARD WASTE AS THE TWO AREAS THAT WE
2 ARE PROPOSING TO FOCUS ON AS WE CONSOLIDATE OUR
3 EFFORTS AND CONCENTRATE THEM IN THE ORGANICS ARENA.

4 FOR FOOD WASTE, FOOD WASTE COMPRISES
5 APPROXIMATELY 50 PERCENT OF THE OVERALL ORGANICS
6 ELEMENT, SO IN TERMS OF THE PERCENTAGE OF THE
7 WASTESTREAM THAT ORGANICS COMPRISES. ANOTHER WAY
8 TO LOOK AT IT IS THAT FOOD WASTE COMPRISES 15
9 PERCENT OF THE OVERALL WASTESTREAM, SO THE ENTIRE
10 WASTESTREAM HERE IN CALIFORNIA.

11 SIMILARLY, FOR YARD WASTE, WE SEE
12 THAT YARD WASTE COMPRISES APPROXIMATELY 22 PERCENT
13 OF WHAT IS CONSIDERED ORGANICS IN THE WASTESTREAM.
14 OR OVERALL WE ARE SEEING, I BELIEVE IT'S,
15 APPROXIMATELY 9 PERCENT OVERALL -- I'M SORRY -- 3
16 PERCENT OVERALL IN THE WASTESTREAM. I MAY HAVE
17 GOTTEN THOSE FIGURES MIXED UP. I APOLOGIZE. I
18 WOULD BE HAPPY TO GO BACK OVER THAT FOR YOU.

19 THESE FIGURES ARE BASED UPON THE
20 WASTE CHARACTERIZATION DATABASE, AND WHAT WE ARE
21 DOING IS TRYING TO USE THAT DATABASE AS A WAY OF
22 GETTING TO TARGETING OUR EFFORTS. THE GENERAL
23 APPROACH THAT WE ARE INTENDING TO ADDRESS HERE IS
24 THAT WE HAVE BROKEN DOWN FOOD WASTE, FOR EXAMPLE,
25 BY INDUSTRY SECTOR. AND WHAT WE SEE IS THAT THERE



1 ARE THREE PRINCIPAL SECTORS WITHIN THE INDUSTRY
2 SUBPOPULATIONS. AND I BELIEVE THERE ARE 38
3 INDUSTRY SUBPOPULATIONS THAT CONTAIN A LARGE
4 PERCENTAGE. IN FACT, OVER HALF OF THE COMMERCIAL
5 FOOD WASTE CAN BE ATTRIBUTED TO THREE OF THE
6 INDUSTRY SECTORS. SO OUR GENERAL APPROACH WILL BE
7 TO TARGET THOSE SECTORS WHERE THE GREATEST
8 PERCENTAGE OF THAT WASTE TYPE IS GENERATED.

9 IN TERMS OF THE APPROPRIATE STATE
10 ROLE, WHICH IS INCLUDED IN YOUR ITEM AS WELL, THAT
11 IS SOMETHING THAT WE CONSTANTLY HAVE TO KEEP IN
12 MIND. WHAT IS IT THAT WE AS THE STATE CAN DO,
13 ACKNOWLEDGING THAT THE 50-PERCENT DIVERSION MANDATE
14 IS BASED AT THE LOCAL JURISDICTION LEVEL. THEY ARE
15 THE ONES THAT ACTUALLY IMPLEMENT THE PROGRAMS. SO
16 WE MUST ALWAYS BE COGNIZANT OF WHAT OUR APPROPRIATE
17 ROLE IS IN THIS ENDEAVOR.

18 AND IF YOU HAVE ANY QUESTIONS, I'D BE
19 HAPPY TO ANSWER THEM OR I WILL MOVE ON TO THE C&D
20 PRIORITY.

21 CHAIRMAN PENNINGTON: QUESTIONS?

22 BOARD MEMBER FRAZEE: YES. PERHAPS I'M
23 MISSING SOMETHING HERE IN THE TERM "FOCUSED
24 REDUCTION IN ORGANICS." ARE WE NOT ALSO -- WELL,
25 LET ME PUT IT ANOTHER WAY. DOES THAT REDUCTION



1 MEAN REDUCTION GOING TO LANDFILLS OR REDUCTION IN
2 THE WASTESTREAM?

3 MS. TRGOVCICH: WE ARE CERTAINLY LOOK-
4 ING -- OUR ULTIMATE GOAL IS REDUCTION IN WHAT IS
5 GOING TO LANDFILLS. WHAT IS ESSENTIAL IS THAT WE
6 LOOK AT MATERIALS THAT ARE CONSIDERED NORMALLY
7 DISPOSED OF IN THE TERMINOLOGY THAT'S USED IN
8 AB 939.

9 WHAT WE'VE DONE IS SOMETHING A LITTLE
10 BIT DIFFERENT IN THIS PRIORITY. WE HAVE TARGETED
11 HERE THE GENERATOR. SO THAT'S PERHAPS WHY THERE'S
12 SOME CONFUSION AROUND THIS. WE ARE CERTAINLY
13 LOOKING AT WHAT'S GOING TO LANDFILL, AND THESE
14 FIGURES REPRESENT THAT. BUT WE WILL BE FOCUSING
15 OUR EFFORTS AT THE GENERATOR LEVEL IN ORDER TO BE
16 ABLE TO GET MORE EFFECTIVE PROGRAMS IN PLACE.

17 BOARD MEMBER FRAZEE: SO WHERE DO WE TALK
18 ABOUT THE USE OF THESE MATERIALS, PARTICULARLY
19 ORGANICS, THE REUSE?

20 MS. TRGOVCICH: CERTAINLY COMPOSTING IS
21 GOING TO BE A MAJOR FACTOR THERE. SO WE'RE NOT AT
22 ALL MOVING AWAY FROM OUR COMMITMENT TO ENHANCING
23 COMPOST QUALITY, TO INCREASING THE NUMBER OF
24 COMPOST OPERATIONS OUT THERE, AND TO FINDING
25 RECIPIENTS FOR THE COMPOST PRODUCT PRODUCED, BUT



1 WHAT WE'RE LOOKING AT HERE IS BEING ABLE TO GET
2 INTO WHERE IS THE WASTE ACTUALLY BEING GENERATED
3 THAT WILL THEN BE DIVERTED INTO THOSE COMPOST
4 OPERATIONS OR OTHER ORGANICS RECYCLING REDUCTION
5 TYPE-OPERATIONS.

6 BOARD MEMBER FRAZEE: WHAT WAS COMING
7 ACROSS TO ME WAS FOCUSED SOURCE REDUCTION AS
8 OPPOSED TO REUSE OF THE MATERIAL. THAT'S NOT THE
9 CASE.

10 MS. TRGOVCICH: NOT THE CASE.

11 BOARD MEMBER RELIS: MR. CHAIR.

12 BOARD MEMBER CHESBRO: I JUST WANTED THE
13 RECORD TO SHOW THAT I'M PRESENT.

14 BOARD MEMBER RELIS: I DO HAVE A QUESTION
15 UPON HEARING THIS. UP TILL NOW I GUESS I HAD BEEN
16 UNDER THE IMPRESSION THAT THE YARD WASTE FRACTION
17 AND THE LANDSCAPE AREA WAS CONSIDERABLY GREATER
18 THAN THE COMMERCIAL AND FOOD WASTE. NOW YOU ARE
19 SUGGESTING, IF I UNDERSTAND YOU RIGHT, THAT FOOD
20 WASTE IS 15 PERCENT OF THE OVERALL WASTESTREAM. IS
21 THAT -- COULD WE VERIFY THAT BECAUSE THAT'S A MUCH
22 LARGER NUMBER THAN I THOUGHT IT WAS?

23 MS. TRGOVCICH: MAYBE WHAT I CAN DO IS --
24 AND ACTUALLY, BILL, DO YOU HAVE COPIES OF THESE UP
25 THERE? I'M GOING TO GIVE BILL THESE COPIES, AND HE



1 CAN PUT THEM UP ON THE OVERHEAD. WE HAD A PROBLEM
2 IN TRANSLATING NUMBERS, SO I MAY HAVE INCORRECTLY
3 STATED SOME OF THE PERCENTAGES AS WELL.

4 BILL WILL BE PUTTING UP ONTO THE
5 MONITOR IN A MOMENT SOME PIE CHARTS, AND BASICALLY
6 WHAT THEY ARE ARE ENHANCED VERSIONS OF THE PIE
7 CHARTS THAT ARE INCLUDED IN YOUR PACKET. AND THEY
8 SHOW THE BREAKOUT OF THE ORGANICS MATERIALS IN A
9 MORE COMPREHENSIVE WAY.

10 WHAT'S UP ON THE CHART RIGHT NOW IS
11 THE COMMERCIAL FRACTION OF THE WASTESTREAM FOR
12 ORGANICS. AND MAYBE, BILL, SINCE YOU ARE UP THERE,
13 IF YOU COULD JUST WALK EVERYONE THROUGH THE PIE
14 CHART.

15 MR. ORR: OKAY. I THINK THE THING THAT'S
16 CRITICAL IN REGARD TO BOTH FOOD AND YARD WASTE IS
17 THAT THE WAY THAT THE DATA IS COLLECTED FOR
18 RESIDENTIAL AND COMMERCIAL IS SOMEWHAT DIFFERENT.
19 AND SO THE THING THAT WE HAVEN'T SHOWN IS WE
20 HAVEN'T SHOWN A COMPOSITE OF COMBINED RESIDENTIAL
21 ORGANICS AND COMMERCIAL ORGANICS. BECAUSE -- SO
22 BASICALLY WE'VE GOT TWO PIE CHARTS.

23 AND SO TO WALK YOU THROUGH THE FIRST
24 ONE, THE COMMERCIAL BREAKDOWN IS BASICALLY THAT 30
25 PERCENT OF THE DATA IS ORGANICS. NOW, THAT, AS



1 CAREN MENTIONED, DOES NOT INCLUDE SELF-HAUL
2 INFORMATION. SO THINGS THAT DON'T GO THROUGH THE
3 DUMPSTER DON'T SHOW UP IN THIS DATA. SO WE THINK
4 THAT ORGANICS, AND PARTICULARLY THE YARD WASTE
5 PORTION OF ORGANICS, IS UNDERSTATED HERE.

6 BUT WITH THE DATA THAT WE DO HAVE,
7 GIVEN THIS 30 PERCENT ORGANICS, ABOUT HALF OF THAT
8 IS FOOD WASTE. SO THAT WOULD BE 15 PERCENT OF THE
9 OVERALL WASTESTREAM WOULD BE FOOD WASTE GIVEN THE
10 DATA THAT -- NOT INCLUDING THE SELF-HAUL DATA.

11 BOARD MEMBER RELIS: WAIT A SECOND. THE
12 PIE CHART'S OF COMMERCIAL.

13 MR. ORR: THE PIE CHART OF COMMERCIAL
14 SHOWS 30 PERCENT OF THE COMMERCIAL WASTESTREAM IS
15 ORGANICS.

16 BOARD MEMBER RELIS: SO 15 PERCENT OF THAT
17 IS FOOD WASTE.

18 MR. ORR: FIFTY PERCENT OF THAT IS FOOD
19 WASTE, WHICH WOULD EQUATE TO 15 PERCENT OF THE
20 OVERALL COMMERCIAL WASTESTREAM.

21 BOARD MEMBER RELIS: I DON'T FOLLOW THAT.

22 MS. TRGOVCICH: WHAT HE'S REFERRING TO IS
23 50 PERCENT OF THE 30 PERCENT IF THAT MAKES SENSE.

24 BOARD MEMBER RELIS: RIGHT. BUT 30 --
25 COMMERCIAL -- OKAY. BUT THAT STILL DOESN'T EQUAL



1 15 PERCENT OF THE TOTAL WASTESTREAM.

2 MR. ORR: IT WOULD BE 15 PERCENT --

3 BOARD MEMBER RELIS: SEVEN PERCENT BY MY
4 RECKONING OR SEVEN AND A HALF.

5 MR. CHANDLER: BILL.

6 MR. ORR: HALF OF THE 30 PERCENT.

7 MR. CHANDLER: I THINK IT'S IMPORTANT TO
8 REEMPHASIZE THAT YOUR COMMERCIAL CHART IS NOT
9 REPRESENTING THE ENTIRE WASTESTREAM. IT IS ONLY
10 REPRESENTING THE COMMERCIAL SECTOR. SO WHEN YOU
11 THEN SAY THE ENTIRE WASTESTREAM IS 15 PERCENT --

12 MR. ORR: OF THE COMMERCIAL WASTESTREAM.

13 BOARD MEMBER RELIS: GOOD. BECAUSE I HAD
14 SOME COMMENTS PREPARED AND IF THIS WAS TRUE, I WAS
15 ABOUT TO ALTER THEM, BUT I REALIZE THAT I AM ON.

16 MR. ORR: IT WILL BE THE COMMERCIAL
17 WASTESTREAM, WHICH IS ESTIMATED TO BE APPROXIMATELY
18 60 PERCENT OF THE STATE'S ENTIRE WASTESTREAM.

19 MS. TRGOVCICH: MAYBE IF BILL WANTS TO PUT
20 UP THE RESIDENTIAL CHART NOW.

21 MR. CHANDLER: SO, BILL, IF YOU DO THE
22 MATH, AND THEN THAT MEANS THAT IT'S 18 PERCENT OF
23 THE ENTIRE WASTESTREAM; IN OTHER WORDS, 30 PERCENT
24 OF 60. AND THEN HALF OF THAT WOULD BE MORE IN THE
25 NEIGHBORHOOD OF, YOU KNOW, SEVEN TO NINE. SO YOU



1 ARE PROBABLY -- THOSE WERE THE NUMBERS.

2 BOARD MEMBER RELIS: I'M IN THAT BALLPARK.

3 MR. ORR: THEN IN REGARD TO THE RESIDEN-
4 TIAL SIDE, 43 PERCENT OF THE RESIDENTIAL WASTE-
5 STREAM IS ORGANICS, AND OF THAT ABOUT HALF OF THE
6 RESIDENTIAL IS YARD WASTE AND ABOUT A QUARTER OF
7 THE RESIDENTIAL IS FOOD WASTE.

8 MS. TRGOVCICH: WE'VE BROKEN OUT THE TWO
9 SECTORS SPECIFICALLY BECAUSE IN TERMS OF GOING BACK
10 AND TARGETING BACK AT THE GENERATOR, IT'S VERY
11 IMPORTANT TO BREAK OUT THE TWO SECTORS AND TO LOOK
12 AT THEM INDEPENDENTLY.

13 BOARD MEMBER CHESBRO: EVEN SO, THE
14 PERCENTAGE OF THE COMMERCIAL WASTESTREAM IS STILL
15 SURPRISING. I THINK WE -- AT LEAST I'VE BEEN
16 UNDERESTIMATING IN MY MIND, AND I ASSUME OTHERS
17 HAVE BEEN, WHAT PORTION OF THE COMMERCIAL
18 WASTESTREAM IS WOOD WASTE. SIGNIFICANT.

19 MR. CHANDLER: I THINK IT'S INTERESTING TO
20 NOTE THAT WHEN WE -- I OFTEN USE THIS EXAMPLE --
21 BUT WHEN PAUL TOOK US DOWN TO THE OPERATION IN THE
22 CITY -- TOM FRYE'S OPERATION AND HE NEEDED
23 NITROGEN, WHERE DID HE GO. HE WENT TO THE
24 COMMERCIAL WASTESTREAM AND FOUND FOOD WASTE COMING
25 OUT OF SUPERMARKETS AS THE PLACE TO GET HIS ADDED



1 COMPONENT. AND HE HAD GOOD VOLUMES THERE TO
2 SUPPLEMENT THE GREEN WASTE THAT WASN'T COMING OUT
3 OF THE MUNICIPAL PROGRAMS THAT HE WOULD HAVE LIKED
4 TO HAVE SEEN, BUT THAT'S ANOTHER STORY.

5 BOARD MEMBER RELIS: WE'RE WORKING ON THAT
6 ONE.

7 MS. TRGOVCICH: ARE THERE ANY OTHER
8 QUESTIONS IN TERMS OF THE NUMBERS? I APOLOGIZE FOR
9 THE CONFUSION. AND I THINK JUST BREAKING THE TWO
10 CHARTS OUT DID THAT. ARE THERE ANY QUESTIONS ON
11 THE APPROACH FOCUSING ON THE GENERATOR, THE
12 NUMBERS?

13 BOARD MEMBER JONES: HOW ARE YOU PLANNING
14 TO FOCUS ON THE GENERATORS?

15 MS. TRGOVCICH: THAT IS SOMETHING THAT THE
16 CROSS-FUNCTIONAL WORK GROUP IS GOING TO NEED TO
17 LOOK AT. WHAT WE'VE DONE IS WE'VE TAKEN THE FIRST
18 STEP HERE AND SAID THIS IS A LARGE CHUNK OF THE
19 WASTESTREAM AND IT'S WORTHY OF OUR EFFORT TO BE
20 ABLE TO SPEND A GOOD AMOUNT OF TIME ON. IT WILL BE
21 THE WORK GROUP COMING TOGETHER FROM ACROSS THE
22 ORGANIZATION THAT TAKES INTO ACCOUNT ALL THE
23 VARIOUS FUNCTIONS FROM SOURCE REDUCTION TO THE
24 PLANNING PROGRAMS THAT ARE IN PLACE OR PROPOSED TO
25 BE PUT IN PLACE TO OUR REGULATORY OVERSIGHT



1 FUNCTIONS. IT WILL BE PULLING ALL OF THAT
2 TOGETHER, AND THEY WILL LOOK AT THOSE GENERATORS TO
3 BE ABLE TO TARGET SOME PROGRAMS. SO I DON'T HAVE A
4 RESPONSE FOR YOU RIGHT NOW.

5 BOARD MEMBER JONES: - IN THE MIDDLE OF THAT
6 PROCESS, I MEAN THE EXAMPLE THAT THEY USE FOR TOM
7 FRYE'S ORGANIZATION WAS THAT HE DID WASTE AUDITS OF
8 RALPH'S AND VONS AND THOSE PLACES AND GOT THAT
9 MATERIAL WHICH CLEARLY HAS ANOTHER PROBLEM. AND
10 THAT'S HE'S MAKING SUPERMARKETS -- HE'S PROVIDING A
11 SERVICE TO THEM TO MAKE SUPERMARKETS MORE
12 EFFECTIVELY BUY MATERIALS.

13 WHEN YOU ARE DOING THIS ANALYSIS TO
14 GO AFTER FOOD WASTE, ARE YOU GOING TO LOOK AT
15 THE -- WHEN YOU SAY GENERATORS, THERE'S OBVIOUSLY
16 TWO DIFFERENT TYPES OF GENERATORS. THOSE THAT SELL
17 THE PRODUCTS WHICH WOULD HAVE THEM ON SITE AND
18 THOSE THAT DIDN'T GET SOLD BECAUSE THEY'RE
19 PERISHABLE AND END UP IN THE WASTESTREAM OR THOSE
20 THAT PREPARE THE PRODUCTS AND HAVE A WASTESTREAM OF
21 PREPARED, YOU KNOW, FOOD WASTE THAT IS BEING
22 DISCARDED.

23 ARE YOU GOING TO MAKE SOME
24 DETERMINATIONS AS TO WHERE WE'RE GOING TO GET THE
25 BIGGEST BANG FOR THE BUCK AS PART OF YOUR TEAM?



1 MS. TRGOVCICH: I THINK THE TEAM IS
2 DEFINITELY GOING TO HAVE TO LOOK AT THAT. I THINK,
3 IN FACT, YOU WILL FIND IN SOME SECTORS YOU ARE
4 GOING TO SEE BOTH ENDS OF THAT EQUATION COMING
5 TOGETHER. YOU ARE GOING TO POTENTIALLY SEE IN SOME
6 SECTORS, BUSINESS SECTORS, YOU ARE GOING TO SEE
7 THAT PREPARATION IN THE WASTE GENERATED AS A RESULT
8 OF THE FOOD PREPARATION. YOU ARE GOING TO SEE THAT
9 ACCOMPANIED BY THE FOOD WASTE GENERATED AS A RESULT
10 OF THE FACT THAT IT'S EXCEEDED ITS SHELF LIFE OR,
11 YOU KNOW, ALONG THOSE LINES. BUT THE TEAM IS GOING
12 TO, YES, NEED TO LOOK AT THAT.

13 BOARD MEMBER JONES: THEN WHERE THERE
14 ARE -- IS IT GOING TO BE A PROCESS OF LOOKING WHERE
15 THERE ARE COLLECTION SERVICES OR OPERATING ENTITIES
16 IN A REGION THAT CAN ADDRESS THIS, OR ARE WE GOING
17 TO CREATE -- WE GOING TO LOOK AT AREAS AND SEE
18 WHERE THERE IS, LIKE, THE TOM FRYES OF THE WORLD,
19 NEED MORE MATERIAL. YOU MAY GO TO ANOTHER AREA
20 WHERE THERE ARE NO TOM FRYES. IS THAT PART OF THE
21 APPROACH IS TO SEE HOW DO WE MOVE BECAUSE IT TAKES
22 TWO DIFFERENT SETS OF CRITERIA DEALING WITH THAT AS
23 TO, YOU KNOW, HOW DO WE START NEW BUSINESS AND HOW
24 DO WE DEVELOP EXISTING BUSINESS? IS THAT PART OF
25 THE CROSS-FUNCTIONAL?



1 MR. SMITH: LET ME TAKE A SHOT AT THIS.
2 WE'RE FOLLOWING THE DATA DOWN TO FIND OUT WHERE THE
3 WASTE LIES, AND THEN THE ACTIONS WE TAKE IN
4 RESPONSE TO THAT ARE, AS YOU SAY, THEY'RE AS VARIED
5 AS THE SOURCES OR THE -- IF WE HAVE NO MARKET, WE
6 WILL LOOK THERE. IF WE NEED TO DEVELOP COLLECTION,
7 WE WILL FOCUS IN THAT AREA THERE.

8 IT'S A MATTER OF TAKING ALL OF THE
9 APPROACHES THAT WE HAVE IN OUR ARSENAL, A COMPLETE
10 TOOL BELT. WE'RE NOT JUST LOOKING AT THE MARKETING
11 ASPECT OF IT. WE'RE NOT JUST LOOKING AT THE
12 COLLECTION, BUT PUTTING A COMPLETE TOOL BELT
13 TOGETHER OF ALL OF THE POTENTIAL -- OF THE ACTIONS
14 THAT WE CAN TAKE AND FOCUSING, CORRECTLY FOCUSING
15 THOSE TOOLS IN THAT PARTICULAR AREA. SO FOLLOWING
16 THE DATA DOWN, IDENTIFYING THE SOURCES, AND LOOKING
17 AT THE RIGHT TOOLS IN THE RIGHT PLACE.

18 SO INSTEAD OF ONE APPROACH, IT'S
19 LOOKING ACROSS THE WHOLE BOARD AT HOW WE CAN
20 INTEGRATE THOSE AND APPLY THEM CORRECTLY BOTH TO
21 THE SOURCE AND TO THE MARKET END. SO WE CAN'T GIVE
22 YOU AN ANSWER NOW BECAUSE, IN ESSENCE, WE HAVE TO
23 FOLLOW THE DATA. JUST PUTTING AN APPROACH OUT
24 THERE ISN'T APPROPRIATE. IT'S WHERE IS THE
25 APPROACH GOING TO BE USEFUL, AS YOU SAID. IF



1 YOU'VE GOT A MARKET THAT NEEDS DEVELOPING HERE,
2 THAT'S WHAT WE'LL HAVE TO DO IN THAT PARTICULAR
3 LOCATION.

4 SO IT'S VERY MUCH A TARGETED EFFORT
5 AT APPLYING THE RIGHT TOOL IN THE RIGHT PLACE, BOTH
6 LOCALLY -- BOTH AS TO WHAT THE TOOL IS AND WHERE IT
7 IS APPLIED. AND THAT'S WHAT THE -- THAT'S WHAT THE
8 GROUP HAS BEEN ASKED TO DO IS TO GET THAT
9 DIAGNOSTIC AND THAT SPECIFIC.

10 MS. TRGOVCICH: AND WE WILL CERTAINLY BE
11 LOOKING AT -- THE TEAM WILL BE LOOKING AT EXISTING
12 INFRASTRUCTURE AROUND THE STATE. TOM FRYE IS A
13 WONDERFUL EXAMPLE, AND WE USE HIM AS AN EXAMPLE
14 OVER AND OVER BECAUSE WHAT WE DO IS WE SEE AN
15 OPERATION IN A GIVEN AREA THAT COULD CONSUME A
16 SIGNIFICANT ADDITIONAL MATERIAL THAN WHAT IS
17 CURRENTLY BEING CONSUMED BY THAT OPERATION
18 CURRENTLY. AND SO WE WOULD LOOK AT WHERE IS THE
19 EXISTING INFRASTRUCTURE, WHERE ARE OUR EFFORTS
20 POTENTIALLY NEEDED OR NOT WITHIN ANY GIVEN
21 APPROACH. IT MAY BE EFFECTIVE IN A CERTAIN PART OF
22 THE STATE OR IN A CERTAIN REGION AND NOT IN OTHERS,
23 BUT THAT'S SOMETHING THAT THE TEAM WILL LOOK AT, AS
24 KEITH SAID, AS WE FOLLOW THE DATA AND BEGIN TO
25 FOLLOW APPROACHES AND STRATEGIES.



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CHAIRMAN PENNINGTON: MR. RELIS.

BOARD MEMBER RELIS: I JUST WANTED TO RAISE A QUESTION PROCEDURALLY AND THEN -- SHOULD WE COMMENT ON THIS SECTION BY SECTION BECAUSE I HAVE SOME COMMENTS TO OFFER HERE ON THIS PARTICULAR SUBJECT, OR DO YOU WANT TO HOLD THAT AND THEN GET OUR INPUT AT THE END?

CHAIRMAN PENNINGTON: I THINK WE HAVE THEM HERE, MIGHT AS WELL GO AHEAD.

BOARD MEMBER RELIS: SINCE WE'RE GOING ON ORGANICS, AND I RAISED THE QUESTION OF THE NUMBERS, LET ME OFFER A PERSPECTIVE, A FEW SUGGESTIONS. FIRST, I AGREE THAT THE PRIORITY'S RIGHT. I DO HAVE A QUESTION, HOWEVER, ABOUT THE WAY THE WORK IS ALLOCATED HERE OR THE PRIORITY TO FOOD WASTE OVER THE OTHER.

BY MY CALCULATION, THE ORGANIC -- 23 PERCENT IS YARD AND WOOD MATERIALS AND ABOUT 7 FOOD WASTE. THAT'S OF THE OVERALL WASTESTREAM. AND WITHIN THE YARD AND WOODY MATERIALS, ABOUT A THIRD IS GRASS CLIPPINGS, WHICH RIGHTLY SHOULD BE THE FOCUS, I THINK, OF OUR GRASSCYCLING EFFORT, A VERY IMPORTANT EFFORT. ABOUT TWO-THIRDS OF THE MATERIAL THAT CAN BE COMPOSTED AND MULCHED, THAT IS, TWO-THIRDS OF THIS MATERIAL, IS SUITABLE FOR COMPOSTING



1 AND MULCHING OF THE WOOD AND YARD WASTE. AND IN MY
2 VIEW THAT SHOULD BE THE PRIMARY FOCUS MORE SO THAN
3 THE FOOD WASTE BECAUSE OF WE HAVE, I THINK,
4 STRONGER PROSPECTS FOR PARTNERING HERE. I THINK
5 THE PAYOFF IS BETTER.

6 WE'VE IDENTIFIED AGRICULTURAL
7 MARKETS. WE HAVE IDENTIFIED EROSION CONTROL AND
8 OTHER MARKETS. AND FOR THOSE -- FOR BOTH OF THESE
9 WE HAVE PARTNERS THAT COULD PROBABLY AFFECT MORE
10 TONS PER YEAR. I THINK THE FOOD WASTE AREA IS
11 IMPORTANT. I DON'T MEAN TO DEEMPHASIZE IT. I JUST
12 WOULD SAY IN WEIGHTING THE TWO ACTIVITIES, I WOULD
13 GIVE GREATER WEIGHT TO THE FORMER.

14 IT WILL BE A LITTLE MORE DIFFICULT
15 FOR US. WE DO HAVE THE TOM FRYE EXAMPLES, AND WE
16 CAN REACH INTO, I THINK, THE SUPERMARKET SECTOR
17 FURTHER AND PERHAPS THE SMALLER MARKETS. OUR
18 FACILITIES TO PROCESS THESE MATERIALS AND JUST THE
19 WHOLE REGULATORY FRAMEWORK FOR THAT, THOUGH WE HAVE
20 IT ADOPTED, IS LESS DEVELOPED. AND FROM A TIMING
21 STANDPOINT, GIVEN OUR TIME FRAME, I THINK IT'S JUST
22 GOING TO BE A LITTLE HARDER. SO I'M NOT SUGGESTING
23 WE DON'T EMPHASIZE FOOD, BUT I WOULD SAY THAT THE
24 PAYOFF IS GREATER BETWEEN THE TWO SECTORS IN THE
25 AGRICULTURAL AND THE GREEN MATERIALS.



1 BOARD MEMBER CHESBRO: CAN I COMMENT ON
2 THAT?

3 BOARD MEMBER RELIS: YEAH, SURE.

4 BOARD MEMBER CHESBRO: MY OBSERVATION IS
5 THAT LIKE HIGH-GRADE PAPER AND A FEW OTHER AREAS,
6 THAT AREA JUST MIGHT TAKE CARE OF ITSELF, YOU KNOW.
7 AN ENTREPRENEUR IN SOUTHERN CALIFORNIA HAS DEMON-
8 STRATED TO THE SUPERMARKET INDUSTRY WHAT THEY CAN
9 ACHIEVE FROM A SAVINGS STANDPOINT AND A PUBLIC
10 RELATIONS STANDPOINT, AND THEY'RE NOW OUT RUNNING
11 AROUND THE STATE TRYING TO BROADEN THAT. AND
12 THERE'S OTHERS WHO ARE GOING TO EITHER NEED TO,
13 LIKE, FIGURE OUT HOW TO COMPETE WITH THEM TO DO
14 THAT OR LOSE MARKET SHARE.

15 BOARD MEMBER RELIS: THINK IT'S OUT THERE
16 NOW?

17 BOARD MEMBER CHESBRO: SO I THINK IT'S --
18 THE MARKETPLACE SEEMS TO BE FUNCTIONING, AND SO I
19 THINK THE BEST ROLE FOR US IN THAT WOULD BE TO
20 MONITOR, ASK ANYONE WHO'S GETTING INVOLVED IN IT,
21 NOT JUST ONE COMPANY, BUT ANYBODY WHO'S INTERESTED
22 IN IT WHAT THE OBSTACLES ARE, CONTINUE TO -- BUT
23 HOPEFULLY IT'S GOING TO BE ONE LIKE HIGH-GRADE
24 PAPER THAT KIND OF IS RESPONDING BECAUSE THERE'S A
25 SIGNIFICANT COST SAVINGS TO BE ACHIEVED FOR



1 BUSINESS THAT IS GOING TO HAPPEN, AND OUR MAIN ROLE
2 WOULD BE SIMPLY TO TRY TO MAKE SURE THAT THE
3 REGULATORY STRUCTURE AND EVERYTHING ELSE DOESN'T
4 IMPEDE IT AS A SOLUTION.

5 I THINK IT'S CERTAINLY DEMONSTRATED
6 TO OTHERS WHAT CAN BE DONE, AND I THINK YOU'LL SEE
7 A NUMBER OF PEOPLE ADAPTING THEIR METHODS TO TRY TO
8 MAKE THAT WORK BECAUSE IT'S WORKED SO WELL FOR
9 THOSE SUPERMARKET CHAINS IN SOUTHERN CALIFORNIA,
10 YOU KNOW. SO THAT'S JUST A RESPONSE TO YOUR
11 COMMENT.

12 I THINK THAT -- BUT THE CURRENT -- TO
13 DIRECTLY AGREE WITH YOU, I THINK THE CURRENT ROLE
14 FOR US IN THAT IS IMPORTANT, BUT LIMITED AT THIS
15 POINT TO KIND OF WATCH IT AND SEE WHERE WE ARE IN
16 RELATION TO THAT PARTICULAR PART OF THE WASTE-
17 STREAM.

18 CHAIRMAN PENNINGTON: OKAY. OKAY. WE CAN
19 MOVE ON.

20 MS. TRGOVCICH: THE NEXT PRIORITY IS
21 CONSTRUCTION AND DEMOLITION DEBRIS. THIS PRIORITY
22 IS VIEWED DIFFERENTLY THAN IS THE PREVIOUS PRIORITY
23 OF ORGANICS IN THAT CONSTRUCTION AND DEMOLITION
24 DEBRIS IS NOT NECESSARILY A CATEGORY IN THE WASTE-
25 STREAM. WHAT IT IS IS MORE OF AN INDUSTRY IN AND



1 OF ITSELF, AND IT IS COMPRISED OF VARIOUS COMPONENT
2 PARTS. WITHIN THE CONSTRUCTION AND DEMOLITION
3 DEBRIS CATEGORY, WE HAVE MULTIPLE CATEGORIES OF
4 WASTE THAT ARE GENERATED AND ULTIMATELY DISPOSED OF
5 IF THEY ARE NOT CURRENTLY REUSED OR RECYCLED AT
6 EITHER THE CONSTRUCTION END THROUGH THE ACTUAL
7 BUILDING PROCESS ITSELF OR AT THE DEMOLITION POINT
8 AT THE END POINT WHERE A BUILDING ACTUALLY COMES
9 DOWN. SO WE'RE LOOKING AT MORE OF AN INDUSTRY
10 APPROACH HERE.

11 WITHIN THE WASTESTREAM, AND THIS IS
12 MORE DIFFICULT TO QUANTIFY, WE LOOKED AT APPROXI-
13 MATELY 40 JURISDICTIONS THAT IDENTIFIED C&D
14 PROGRAMS WITHIN THEIR SRRE'S. AND BASED UPON THAT
15 INFORMATION, WE HAVE PUT TOGETHER A PICTURE OF WHAT
16 C&D LIKELY LOOKS LIKE IN THE STATE OF CALIFORNIA.
17 AND WE SEE THAT IT COMPRISES APPROXIMATELY 28
18 PERCENT OF THE MUNICIPAL SOLID WASTESTREAM. AND
19 ONCE AGAIN, THIS GOES BACK TO THAT REVIEW OF 48 OR
20 46 JURISDICTIONS.

21 WE CAN BREAK DOWN THAT INTO MATERIAL
22 TYPE, THAT 28 PERCENT, AND WHAT WE SEE IS APPROXI-
23 MATELY 3.4 MILLION TONS ARE CONSIDERED INERT IN
24 NATURE AND ARE CLASSIFIED IN THE INERT MATERIAL
25 CATEGORY. APPROXIMATELY 2.8 MILLION TONS WE WOULD



1 CLASSIFY IN THE WOODY DEBRIS CATEGORY, AND THEN WE
2 HAVE LESS THAN ONE MILLION TONS, AND IT'S VERY
3 DIFFICULT TO QUANTIFY AT THIS POINT, IN THE METALS,
4 CARDBOARD, CARPET, AND PLASTIC AREAS, AND WE HAVE A
5 SIGNIFICANT PERCENTAGE OR TONNAGE OF 3.8 MILLION IN
6 AN OTHER CATEGORY.

7 WHAT WE ARE PROPOSING TO DO HERE,
8 ESPECIALLY GIVEN THE FACT THAT THE C&D CATEGORY,
9 THOSE NUMBERS ARE LIKELY EVEN MORE UNDERREPORTED
10 THAN WHAT WE SAW IN ORGANICS BECAUSE THIS DOES NOT
11 CONSIDER SELF-HAUL, SO NONE OF THAT SELF-HAUL
12 MATERIAL IS INCLUDED IN THESE FIGURES. WE ARE
13 LOOKING AT FOCUSING OUR EFFORTS IN TWO WAYS. WE
14 ARE LOOKING AT FOCUSING, ONE, ON THE HIGH VOLUME
15 MATERIAL TYPES, SPECIFICALLY INERT MATERIALS AND
16 WOODY DEBRIS MATERIALS. AND WE ARE LOOKING AS WELL
17 AT FOCUSING OUR EFFORTS ON TWO KEY SECTORS, THE
18 GENERATION SECTORS, WHICH IS THE CONSTRUCTION
19 SECTOR AND THE DEMOLITION SECTOR.

20 AND WE WOULD BE ASKING THE WORK GROUP
21 TO BE ABLE TO FOCUS ON THOSE TWO KEY MATERIAL
22 CATEGORIES WITHIN THE TWO TARGETED SECTORS. AND WE
23 WOULD BE ASKING THAT WORK GROUP TO LOOK AT WHAT
24 HAVE WE DONE, AND A LOT OF OUR C&D WORK HAS BEEN
25 CARRIED OUT IN CONJUNCTION WITH SOME OF THE



1 MILITARY BASE CLOSURES AND CERTAIN CONTRACTING
2 GROUPS. AND WE WOULD LOOK THEN TO WHERE CAN WE
3 ACHIEVE THE GREATEST DIVERSION POTENTIAL BOTH IN
4 TERMS OF SOURCE REDUCTION, AS WELL AS IN TERMS OF
5 RECYCLING OPPORTUNITIES AS WELL.

6 AND I WOULD BE HAPPY TO ANSWER ANY
7 QUESTIONS YOU MAY HAVE.

8 CHAIRMAN PENNINGTON: QUESTIONS? MR.
9 FRAZEE.

10 BOARD MEMBER FRAZEE: YOU STATED THAT 28
11 PERCENT OF THE WASTESTREAM IS REPRESENTED IN
12 CONSTRUCTION AND DEMOLITION MATERIAL.

13 MS. TRGOVCICH: APPROXIMATELY. WE'VE
14 COMPARED THAT TO SOME OTHER STUDIES IN OTHER STATES
15 WHICH INDICATE A RANGE OF ANYWHERE BETWEEN 20 AND
16 30 PERCENT, SO WE FEEL THAT WE'RE IN THE BALLPARK
17 THERE.

18 BOARD MEMBER FRAZEE: THAT'S SORT OF A
19 SNAPSHOT IN TIME. THERE IS ALREADY A SIGNIFICANT
20 AMOUNT OF THIS MATERIAL THAT'S BEING REUSED OR
21 RECYCLED AND HISTORICALLY HAS BEEN, AND SO THE 28
22 PERCENT IS OF THE WASTESTREAM GOING TO LANDFILLS.

23 MS. TRGOVCICH: THIS IS BASED UPON THE
24 1990 SRRE DATA, WHICH WOULD BE THE CHARACTERIZA-
25 TION -- IT WOULD HAVE BEEN THE DISPOSAL ELEMENT.



1 BOARD MEMBER FRAZEE: IT'S THE GENERATION
2 OF THAT MUCH MATERIAL, NOT THE AMOUNT GOING TO
3 LANDFILLS.

4 MS. TRGOVCICH: CORRECT.

5 BOARD MEMBER FRAZEE: AND THIS IS A NUMBER
6 THAT WOULD FLUCTUATE DRAMATICALLY WITH THE ECONOMY.

7 MS. TRGOVCICH: CORRECT. ECONOMY,
8 NATIONAL DISASTERS, OTHER EVENTS, WE WOULD SEE THAT
9 NUMBER GO THROUGH SOME HIGHS AND SOME LOWS. AND
10 WE'VE BEEN ABLE TO ACCOUNT FOR, FOR EXAMPLE, IN THE
11 INERTS AREA SIGNIFICANT PERCENTAGE OF THAT MATERIAL
12 WHICH IS CURRENTLY BEING RECYCLED, AS YOU
13 MENTIONED, TRADITIONAL MARKETS. PROBABLY OVER 50
14 PERCENT IS CURRENTLY BEING RECYCLED; BUT BECAUSE IT
15 IS POTENTIALLY SUCH A SIGNIFICANT FRACTION OF THE
16 WASTESTREAM AND WITH THOSE NATURAL DISASTERS COME
17 PEAKS, WE FEEL THAT THERE IS STILL MUCH THAT CAN BE
18 DONE IN THAT AREA.

19 BOARD MEMBER RELIS: MR. CHAIR, A FEW
20 COMMENTS TO OFFER ON THE C&D. AND THE FIRST PART
21 WILL OVERLAP, I GUESS, WITH EARLIER COMMENTS ON
22 ORGANICS, WHICH I WANTED TO START BY JUST SAYING
23 THAT I THINK THE STATE'S ROLE CAN BE MORE
24 AGGRESSIVE THAN WE DEFINE IT HERE. MY SENSE IS ON
25 C&D THAT THERE'S A HEAVY EMPHASIS, AND I MAY HAVE



1 THIS WRONG ON US BEING AN INFORMATION CENTER, WHICH
2 IS, I THINK, A DESIRE OF THE BOARD TO BE THE
3 PREEMINENT ONE. BUT LET ME JUST QUALIFY THAT.

4 THERE'S INFORMATION AND THEN THERE'S
5 KNOWLEDGE AND THERE'S THE ABILITY TO AFFECT
6 BEHAVIOR OR USE. INFORMATION PASSIVELY HELD BY THE
7 BOARD, HOWEVER GOOD IT IS, WILL NOT DO THE JOB OF
8 CARRYING OUR DIVERSION EFFORT INTO THE FIELD. AND
9 I'M MORE CONVINCED OF THAT THAN EVER BY JUST
10 FIELDWORK, BEING OUT THERE WITH PEOPLE TALKING TO
11 THEM. ESPECIALLY I'VE SEEN THIS WITH THE ORGANICS.
12 YOU ARE OUT THERE AND YOU ARE INTERACTING AND
13 SOMETHING COMES ACROSS THAT ONE HADN'T THOUGHT
14 ABOUT. AND IT OPENS UP A PATHWAY TO HAVING AN
15 IMPACT ON THAT STREAM THAT YOU DIDN'T THINK MIGHT
16 BE POSSIBLE.

17 SO I WOULD HOPE THAT ON THE C&D AND
18 WITH THE ORGANICS THAT WE WOULD BE MAKING DIRECT
19 CONTACT. OUR PEOPLE WOULD BE IN THE FIELD AT KEY
20 MEETINGS, DELIBERATIONS, COLLABORATIVE-TYPE
21 SESSIONS AS WE'VE DONE WITH THE ORGANICS AND FROM
22 THAT DISCOVER, I BELIEVE, WAYS OF WORKING
23 TOGETHER. THE BUILDING INDUSTRY, THAT'S A WHOLE
24 NEW AREA FOR US. I KNOW WE'VE GATHERED A GREAT
25 DEAL OF INFORMATION, BUT HOW TO EFFECTIVELY



1 INTERACT WITH THE STATE ARCHITECT'S OFFICE, THE
2 BUILDING THAT'S GOING ON HERE IN THE CAPITOL, THE
3 TYPES OF GOVERNMENT AND PRIVATE SECTOR CONSTRUCTION
4 PROJECTS THAT ARE UNDER WAY, THE BIA, THE TYPES OF
5 INDUSTRIES THAT THE BOARD REALLY ISN'T ALL THAT
6 FAMILIAR WITH AND DOESN'T HAVE A WORKING
7 RELATIONSHIP WITH. WE'RE GOING TO HAVE TO FIND
8 SUCH RELATIONSHIPS AND ENTER IN BOTH DIALOGUES AND
9 BE THERE IN THE SPECIFICATIONS FRAMEWORK.

10 SO I ENVISION US BEING MORE PARTNERS
11 AND MORE ADVOCATES IN THIS LEVEL, AND I WOULD HOPE
12 THAT IN THE FURTHERANCE OF THAT EFFORT, WE WOULD
13 MAKE SURE THAT OUR PEOPLE THROUGH OUR BUDGETING IN
14 SUPPORT OF THESE PRIORITIES WILL BE ABLE TO GET
15 INTO THE FIELD, AND WE WON'T BE HOLD UP HERE IN
16 SACRAMENTO TRYING TO, YOU KNOW, EMANATE
17 INFORMATION. WHAT WE'LL HAVE IN THE WAY THAT I
18 THINK I'VE TRIED TO RELAY IS INFORMATION WOULD
19 ALWAYS BE COMING BACK IN. IT WOULD BE
20 RECONFIGURED, AND THEN WE WOULD ADJUST IN THE WAY
21 THAT THIS CYCLICAL PROCESSING THROUGH OUR STRATEGIC
22 PRIORITIES WOULD BE GOING ON.

23 AND THOSE WOULD BE THE INPUTS, AND
24 THEN WE'D HAVE A VERY VITAL INFORMATION BASE. THAT
25 IS THE TYPE OF INFORMATION BASE THAT WOULD REALLY



1 MAKE US A WORLD CLASS ORGANIZATION IN THAT REGARD
2 AND WHILE WE'RE FURTHERING OUR MISSION. BUT I JUST
3 OFFER THAT BECAUSE I WOULD BE FEARFUL IF WE THOUGHT
4 THAT INFORMATION ALONE COULD DO THE JOB. IT
5 WON'T.

6 MR. SMITH: I THINK YOU WILL SEE, AS WE
7 TALK ABOUT THE LOCAL ASSISTANCE, THAT WE ARE IN
8 THAT AREA PROPOSING A MUCH MORE AGGRESSIVE OUTREACH
9 IN THAT AREA. AND WE DO SEE THE INTERACTIONS
10 BETWEEN THAT LOCAL ASSISTANCE AND VERY MUCH THESE
11 TWO AREAS. SO AS JUDITH DESCRIBES HER AREA, I
12 THINK YOU ARE GOING TO SEE THAT MOVE FROM PASSIVE
13 REVIEW OF PLANS, ETC. TO A MUCH MORE ACTIVE
14 OUTREACH ELEMENT. YES, THAT IS PART OF THE
15 THINKING THAT WE ARE DOING RIGHT NOW.

16 CHAIRMAN PENNINGTON: MR. CHESBRO.

17 BOARD MEMBER CHESBRO: THE OTHER SIDE OF
18 THE EQUATION IS THE DECONSTRUCTION SIDE. ACTUALLY
19 THAT'S A SUBCOMPONENT OF THE RECYCLING, THE BROAD
20 RECYCLING, BUT WHAT'S CLEARLY WORKED THERE AND
21 NEEDS, I THINK, A LOT OF ATTENTION IS DEMONSTRATION
22 BECAUSE, AGAIN, THE COST-EFFECTIVENESS, LIKE WITH
23 THE TOM FRYE SUPERMARKET COMPOSTING, YOU KNOW, WHEN
24 THE PEOPLE SEE THE ECONOMICS OF IT AND THEY FIGURE
25 OUT THAT THEY CAN DO BETTER IN BUSINESS AS A RESULT



1 OF CHANGING THE WAY THEY DO BUSINESS, IT STARTS
2 HAPPENING.

3 I THINK CERTAINLY IN L.A. WITH THE
4 EARTHQUAKE DEBRIS, THE FEMA FUNDING FOR THE
5 RECYCLING EQUIPMENT CLEARLY ACHIEVED THAT. WE'RE
6 SEEING WITH A LOT OF THE BASE CONVERSION EFFORTS IN
7 NORTHERN CALIFORNIA AT LEAST, I'M NOT AS FAMILIAR
8 WITH WHAT'S GOING ON IN SOUTHERN CALIFORNIA, BUT
9 THE DECONSTRUCTION, WHEN A CONTRACTOR SEES THAT THE
10 OTHER CONTRACTOR'S ABLE TO EXPERIENCE A SIGNIFICANT
11 SAVINGS AND EVEN REVENUE FROM SALES OF MATERIALS,
12 THEN THE LIGHT BULB GOES ON.

13 SO IT'S A LOT LIKE THE COMPOST
14 DEMONSTRATION PROJECTS AGAIN. I THINK THAT IT'S A
15 QUESTION OF JUST US BEING IN A POSITION TO
16 COSPONSOR AND/OR ASSIST IN GETTING THOSE
17 DEMONSTRATIONS IN PLACE WITH OTHER PARTNERS, WHICH
18 REALLY, I THINK, WILL BE MOST EFFECTIVE AND VERY
19 COST-EFFECTIVE AS WELL.

20 BOARD MEMBER JONES: MR. CHAIRMAN.

21 CHAIRMAN PENNINGTON: YES, MR. JONES.

22 BOARD MEMBER JONES: DEMONSTRATION, I'M
23 NOT CLEAR. PEOPLE HAVE BEEN TEARING DOWN BUILDINGS
24 AND RECOVERING EVERYTHING FOREVER. I DON'T
25 UNDERSTAND WHAT THE DEMONSTRATION IS.



1 BOARD MEMBER CHESBRO: WELL, YOU GOT A
2 WHOLE LOT OF PEOPLE WHO TEAR DOWN BUILDINGS HAVE
3 TRADITIONALLY LOOKED AT TWO -- ONE MAIN COST, AND
4 THAT IS THE AMOUNT OF TIME IT TAKES TO GET THE
5 THING DOWN. WHEN THEY MAKE A BID TO TAKE IT DOWN,
6 IT'S LIKE THEY SEND IN THE BULLDOZERS AND THEY SEND
7 IN THE WRECKING BALL, AND THEY TRY TO GET THAT
8 STUFF OUT OF THERE AND TO THE LANDFILL AS QUICKLY
9 AS POSSIBLE.

10 WHEN SPECIFICATIONS HAVE BEEN WRITTEN
11 IN SUCH A WAY WHERE SOME KIND OF INCENTIVE OR
12 ENCOURAGEMENT HAS BEEN PROVIDED FOR SOMEBODY TO DO
13 IT A DIFFERENT WAY WHERE DISPOSAL COST'S REDUCED,
14 REVENUE IS GENERATED FROM THE MATERIALS THAT ARE
15 REMOVED, SOMETIMES IT TAKES LONGER, AND SO THAT
16 RUNS AGAINST THE GRAIN OF A LOT OF DEMOLITION
17 CONTRACTORS' TRADITIONAL THINKING AND HAVE TO BE
18 SHOWN THAT EVEN THOUGH YOU WIND UP SPENDING MORE
19 MONEY IN TERMS OF THE TIME IT TAKES TO TAKE THE
20 THING DOWN, YOU'VE CUT THE NUMBER OF TRUCKS TO THE
21 DUMP IN HALF, BY MORE THAN THAT, AND YOU'VE
22 ACTUALLY SOLD OFF THE OLD GROWTH REDWOOD THAT WAS
23 THE FRAMING IN THAT BUILDING BECAUSE IT'S VERY
24 VALUABLE. THE BOTTOM LINE WINDS UP COMING OUT
25 DIFFERENT. AND THERE ARE A NUMBER OF DEMOLITION

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1 CONTRACTORS IN SOUTHERN CALIFORNIA IN THE CASE OF
2 THE EARTHQUAKE DEMOLITION STUFF AND NORTHERN
3 CALIFORNIA IN THE CASE OF SOME OF THE BASE
4 DECONSTRUCTION THAT'S GONE ON WHO WHEN THEY'VE SEEN
5 THAT HAPPEN, HAVE COMPLETELY CHANGED THE WAY -- NOW
6 FOR ALL OF THEIR OPERATIONS HAVE CHANGED THE WAY
7 THEY DO BUSINESS.

8 AND SO IT'S A QUESTION OF JUST HAVING
9 IT DONE SO THAT OTHER PEOPLE IN THE BUSINESS CAN BE
10 SHOWN THAT IT ACTUALLY CAN BE BENEFICIAL TO THEM
11 ECONOMICALLY TO CHANGE THE WAY THAT THEY'VE
12 TRADITIONALLY DONE DEMOLITION TO MOVE MORE TOWARDS
13 SALVAGING AND DECONSTRUCTION FRAME OF MIND.

14 BOARD MEMBER JONES: SO THE DEMONSTRATION
15 WOULD -- I GUESS WHAT I'M GETTING AT IS THE
16 DEMOLITION THAT I'VE ALWAYS SEEN HAS BEEN TO
17 RECOVER, NOT TO BRING A LOT OF LOADS TO THE
18 LANDFILL BASICALLY BECAUSE THE BOX, WE MOVE THE
19 BOXES. AND I'M WONDERING, ARE YOU SUGGESTING THAT
20 AS PART OF THIS STRATEGY THAT WE FUND STAFF OR
21 WHAT?

22 BOARD MEMBER CHESBRO: IT DOESN'T
23 NECESSARILY INVOLVE MONEY. NOT NECESSARILY. IT
24 MIGHT OR IT MIGHT NOT, BUT IT'S A QUESTION OF
25 WORKING WITH OTHER PARTNERS. IN THE CASE OF THE



1 L.A., IT WAS WORKING WITH THE CITY OF L.A. TO GET
2 FEMA TO FUND EQUIPMENT PURCHASES UNDER FEMA THAT
3 WOULD FACILITATE RECYCLING. IN THE CASE OF THE
4 BASES, IT INVOLVES WORKING WITH THE TASK FORCES
5 THAT ARE OVERSEEING THE TRANSITIONS FOR THE BASES
6 AND WITH THE MILITARY AND ANY OTHER PARTIES THAT
7 ARE INVOLVED TO TRY TO DO -- ENCOURAGE BY SOMETIMES
8 JUST BY TALKING ABOUT IT, HOPEFULLY NOT BY SPENDING
9 A LOT OF MONEY ON IT BECAUSE WE DON'T HAVE A LOT OF
10 MONEY FOR THIS SORT OF THING. IT'S NOT NECESSARILY
11 A MATTER OF SUBSIDY. IT'S MORE A MATTER OF JUST
12 ENCOURAGING THIS TO TAKE PLACE. AND IT'S ALREADY
13 HAPPENING. IT'S NOT INVENTING ANYTHING HERE.

14 I'M JUST TALKING ABOUT THAT BEING A
15 VERY EFFECTIVE WAY, I THINK, TO MAKE THE TRANSITION
16 AND IT SEEMS TO BE WORKING. AND I WISH MY
17 EXPERIENCE WAS LIKE YOURS WHERE --

18 BOARD MEMBER JONES: I'M NOT SAYING ALL OF
19 THEM. BUT WHEN YOU SAID DEMONSTRATION PROJECT, I
20 WAS TRYING TO FIGURE OUT HOW THAT'S GOING TO --
21 THAT'S --

22 BOARD MEMBER CHESBRO: I WASN'T
23 SPECIFICALLY PROPOSING MONEY. I WAS JUST TRYING TO
24 CREATE SOME FOCUS. THAT'S ALL.

25 BOARD MEMBER JONES: GOTCHA.



1 MS. TRGOVCICH: ONE OF THE THINGS --

2 MR. CHANDLER: I'M SORRY, CAREN. EXCUSE
3 ME FOR INTERRUPTING. I'LL LET YOU GO. ONE OF THE
4 THINGS I'M GETTING A LITTLE BIT MORE INVOLVED IN IS
5 THIS CAL-EPA BUILDING. AND I'VE NOTICED THAT AS
6 THEY SITE THE BUILDING, THERE'S -- I DON'T KNOW
7 WHAT IT IS -- THREE- OR FIVE-STORY GARAGE THAT'S
8 GOING TO BE KNOCKED DOWN, AND IT'S NOT COMFORTING
9 TO ME TO SEE THAT IN THE BID SPECIFICATIONS
10 CURRENTLY THERE'S NOTHING WITH RESPECT TO HOW THE
11 REMOVAL OF THAT PARKING GARAGE WILL ENSURE THAT IT
12 JUST WON'T BE, YOU KNOW, KNOCKED DOWN, CRUSHED, AND
13 TAKEN TO THE LANDFILL. MAYBE THE SUBCONTRACTOR
14 WILL ALREADY KNOW THAT PERHAPS THERE'S A BETTER WAY
15 TO HANDLE THAT DEMOLITION OF THAT PARKING GARAGE
16 AND ALREADY THOUGHT THAT THROUGH.

17 I THINK WHERE WE MIGHT WANT TO HAVE A
18 ROLE IS ENSURING THAT WHEN THESE KINDS OF
19 DEMOLITION PROJECTS GO FORWARD, THAT WE HAVE SET
20 SOME STANDARDS OR SOME TEMPLATES THAT MAY BE PART
21 OF A BID PACKAGE SO THAT IT'S PART OF AN EXPECTA-
22 TION THAT WHEN CONTRACTORS GO IN TO KNOCK DOWN A
23 PUBLIC BUILDING ANYWAY, THAT THERE'S CERTAIN
24 PERFORMANCE STANDARDS THAT THEY HAVE TO GO THROUGH.
25 I DON'T THINK YOU HAVE TO SHOW THAT CONTRACTOR HOW



1 TO THEN DO IT, BUT IT'S -- YOU KNOW, DON'T JUST BID
2 IT ON WHAT IT'S GOING TO TAKE TO TAKE IT TO THE
3 LANDFILL. BID IT ON WHAT IT'S GOING TO TAKE TO
4 MEET THESE DESIRED OUTCOMES, AND MAYBE THAT'S THE
5 ROLE WE CAN PUSH A LITTLE BIT FURTHER.

6 BOARD MEMBER CHESBRO: SOMETIMES --
7 PROBABLY SPENDING TOO MUCH TIME ON THIS. BUT
8 SOMETIMES THE GOVERNMENT AGENCY OR THE PERSON WHO
9 WANTS IT TORN DOWN OR THE BUSINESS DOES THE
10 OPPOSITE. THEY SET A TIME FRAME BECAUSE THEY'RE IN
11 THIS BIG TIME FRAME FOR CONSTRUCTION OF A NEW
12 BUILDING, SO THEY SAY I WANT IT OUT OF THERE IN,
13 YOU KNOW, FIVE DAYS OR TEN DAYS OR TWO WEEKS OR
14 WHATEVER AND MAKE IT IMPOSSIBLE TO DO
15 DECONSTRUCTION JUST BY THE WAY THEY -- IT'S NOT
16 ONLY A MATTER OF NOT WRITING TO ENCOURAGE IT. THE
17 EXISTING PRACTICE ACTUALLY DISCOURAGES IT BECAUSE
18 OF TIME THAT'S MADE THE MOST IMPORTANT ISSUE FOR
19 EVERYBODY AND THE MATERIAL VALUE IS NOT OR THE
20 DISPOSAL AVOIDANCE IS NOT.

21 MS. TRGOVCICH: I THINK THE STAFF HAS A
22 LOT OF GOOD INFORMATION BASE THAT WE'VE DEVELOPED.
23 WE'VE DONE A NUMBER OF CASE STUDIES. A LOT OF THEM
24 HAVE BEEN IN CONJUNCTION WITH THE MILITARY BASE
25 CLOSURES WHERE WE'VE DOCUMENTED DECONSTRUCTION



1 TECHNIQUES, AND WE'RE TRYING TO PROVIDE THAT
2 INFORMATION ON WHAT WORKS. BUT IT'S TAKING THAT
3 MORE ACTIVE ROLE THAT MEMBER RELIS REFERENCED TO BE
4 ABLE TO ENGAGE THOSE CONTRACTORS MORE ACTIVELY AND
5 TO ENGAGE THOSE THAT ARE PUTTING OUT THE
6 SPECIFICATIONS, AS YOU SAY. SO WE'VE BEGUN THAT
7 WORK, BUT THERE'S A LOT THAT WE CAN DO, A LOT OF
8 OPPORTUNITY.

9 CHAIRMAN PENNINGTON: NOW, WE WANT TO MOVE
10 ON TO ITEM 3.

11 MS. RICE: THANK YOU, MR. CHAIRMAN AND
12 MEMBERS. THIS AREA IS PRIORITY AREA CALLED
13 IMPROVING FACILITY COMPLIANCE. IT'S EVOLVED A
14 LITTLE BIT SINCE THE LAST BOARD MEETING WHERE THIS
15 WAS DISCUSSED. AND BEFORE BEGINNING MY BRIEF
16 REMARKS, I WANT TO THANK ALL THE BOARD MEMBERS FOR
17 THE TIME YOU SPENT WITH ME HELPING ME IMPROVE THE
18 PRIORITY AREA TO ACCOMMODATE YOUR INTERESTS AND, I
19 THINK, QUITE FRANKLY, MAKE IT MORE EFFECTIVE. AND
20 IN PARTICULAR WOULD LIKE TO THANK BOARD MEMBER
21 CHESBRO FOR THE TIME HE SPENT WITH ME SHOWING SOME
22 ISSUES TO ME THAT I HADN'T BEEN ABLE TO SEE BEFORE.
23 SO I REALLY APPRECIATE THAT.

24 ANYWAY, AS NOTED, THIS PRIORITY HAS
25 BEEN REVISED TO FOCUS ON THE OVERARCHING GOAL OF



1 IMPROVING FACILITY COMPLIANCE. AS YOU KNOW, THE
2 PRIOR FOCUS WAS MORE STRICTLY ON IMPROVING LEA
3 PERFORMANCE. SO WE'RE FOCUSING ON IMPROVING
4 COMPLIANCE AT SOLID WASTE FACILITIES AND OPERATIONS
5 WITH A GOAL OF HAVING MEASURABLE IMPROVEMENTS IN
6 THE PROTECTION OF PUBLIC HEALTH AND SAFETY AND THE
7 ENVIRONMENT THAT CAN BE ATTAINED IN A REASONABLE
8 TIME FRAME.

9 TO DO THIS WE'RE PROPOSING A THREE-
10 PRONGED APPROACH AS DESCRIBED IN YOUR ITEM TO
11 IMPROVING FACILITY COMPLIANCE. THE FIRST PRONG OF
12 WHICH WOULD BE TARGETING ACTIONS AND ACTIVITIES
13 THAT COULD BE UNDERTAKEN DIRECTLY BY YOURSELVES,
14 THE BOARD, TO IMPROVE FACILITY COMPLIANCE, SUCH AS
15 ACTIONS YOU MIGHT TAKE PURSUANT TO YOUR APPROVAL
16 AUTHORITY FOR ALL KINDS OF THINGS, PERMITS, CLOSURE
17 PLANS, ETC. IN ADDITION, DIRECT ENFORCEMENT MAY BE
18 AN AREA YOU MIGHT WANT TO LOOK AT. THERE IS SOME
19 AUTHORITY IN THAT REGARD. AND ALSO THROUGH YOUR
20 REGULATION AND POLICY DEVELOPMENT, HOW YOU SHAPE
21 WHAT HAPPENS AT SOLID WASTE FACILITIES IN THE
22 STATE.

23 THE SECOND PRONG OF THE APPROACH
24 WOULD BE TARGETING ACTIONS AND ACTIVITIES THAT CAN
25 BE UNDERTAKEN BY THE BOARD TO IMPROVE LEA



1 PERFORMANCE AS REGARDS FACILITY COMPLIANCE. AREAS
2 WE'D BE LOOKING AT HERE ARE TRAINING, TECHNICAL
3 ASSISTANCE, AND AGAIN THE DEVELOPMENT OF POLICIES
4 AND REGULATIONS THAT PROMOTE FACILITY COMPLIANCE
5 AND THAT ARE UNDERSTANDABLE BY THE LEA AND THE
6 OPERATOR.

7 THE THIRD PRONG OF THE PRIORITY AREA
8 WOULD BE TARGETING ACTIONS AND ACTIVITIES THAT CAN
9 BE UNDERTAKEN BY THE BOARD AND YOUR STAFF TO
10 IMPROVE OPERATOR PERFORMANCE AS REGARDS FACILITY
11 COMPLIANCE. AND HERE AGAIN, WE WOULD FOCUS MOST
12 LIKELY ON SUCH THINGS AS TRAINING, TECHNICAL
13 ASSISTANCE, AND THE DEVELOPMENT OF APPROPRIATE
14 REGULATIONS AND POLICIES.

15 IF THIS PRIORITY AREA IS APPROVED
16 TODAY BY THE BOARD, THE WORK GROUP FORMED TO
17 IMPLEMENT IT WOULD SEEK TO FOCUS IN ON AND TARGET
18 THOSE ACTIONS AND INITIATIVES WHICH ARE LIKELY TO
19 HAVE THE MOST SIGNIFICANT IMPACT ON IMPROVING
20 FACILITY COMPLIANCE IN CALIFORNIA AND WHERE THOSE
21 IMPROVEMENTS ARE LIKELY TO BE MEASURABLE IN A
22 SPECIFIC TIME FRAME.

23 IT IS ALSO THE INTENT, AND THIS IS
24 MORE FULLY DESCRIBED IN THE ITEM BEFORE YOU, THAT
25 THE WORK GROUP WOULD GIVE THE HIGHEST PRIORITY TO



1 THOSE INITIATIVES THAT CAN HAVE BOTH AN IMPACT ON
2 IMPROVING FACILITY COMPLIANCE AND AN IMPACT AS
3 REGARDS THE OTHER PRIORITY AREAS THAT YOU ARE
4 DISCUSSING TODAY, MEANING REDUCTION IN C&D,
5 ORGANICS, AND IMPROVING LOCAL GOVERNMENT DIVERSION
6 PERFORMANCE.

7 THE WORK GROUP WILL SEEK TO IDENTIFY
8 AND OPTIMIZE INTEGRATION OF THE SOLID WASTE
9 REGULATORY FUNCTIONS OF THIS BOARD AND THE
10 RESPONSIBILITIES OF THIS BOARD TO OVERSEE GETTING
11 TO 50 PERCENT DIVERSION.

12 BOARD MEMBER RELIS: QUESTION, MR. CHAIR.
13 NOW, WHEN WE'RE DEALING WITH DIVERSION, WE UNDER-
14 STAND THOSE THINGS ON THE BASIS OF PERCENT. WE
15 HAVE A VERY CLEAR-CUT. WHEN IT COMES TO IMPROVING
16 THE OVERALL ENVIRONMENTAL OR PERFORMANCE, NORMALLY
17 IF IT WAS AIR QUALITY, WE WOULD DISCUSS EMISSIONS;
18 OR IF IT WAS A WATER ISSUE, POLLUTANTS IN THE AREA.
19 WHAT MEASURES WILL WE USE TO GAUGE ENVIRONMENTAL
20 PERFORMANCE WHEN IT COMES TO OUR FACILITY
21 OVERSIGHT?

22 MS. RICE: I THINK THERE ARE THINGS THAT
23 CAN BE DONE. I DON'T WANT TO DEFINE THEM ALL
24 TODAY, BUT I COULD GIVE SOME EXAMPLES OF THINGS
25 WHERE I THINK THE WORK GROUP SHOULD LOOK AT. I DO



1 THINK THE WORK GROUP THAT'S FORMED SHOULD DEVELOP
2 PERFORMANCE MEASURES AND WAYS THAT ARE WHAT ARE THE
3 TARGETS THAT THEY WANT TO ACHIEVE AND HOW WOULD
4 THEY GO ABOUT DOING IT, AND HOW WOULD THEY MEASURE
5 THAT. BUT WITH ANY FACILITY, YOU DO HAVE
6 INDICATORS THAT ARE BUILT INTO THE LAW, AND THE
7 ITEM REFERENCES SOME OF THOSE.

8 IF YOU HAVE ONGOING VIOLATIONS OR YOU
9 HAVE PERIODIC VIOLATIONS, YOU CAN CERTAINLY LOOK AT
10 TARGETING ACTIVITIES THAT WOULD REDUCE OR ELIMINATE
11 THOSE AND THEN TRACK, MONITOR, RECORD THAT AND
12 REPORT THAT OUT TO SHOW THAT IMPROVEMENT. AS
13 REGARDS THE LEA'S PERFORMANCE, WE HAVE THE
14 EVALUATION PROCESS AND THE VARIOUS STEPS OF THAT
15 THAT CAN BE MONITORED AND REPORTED ON IN TERMS OF
16 IMPROVEMENTS IN THE KIND OF PERFORMANCE THEY ARE
17 ABLE TO ACHIEVE BOTH AS AN LEA AND AT THE
18 FACILITIES THAT THEY OVERSEE.

19 I THINK THERE ARE A NUMBER OF THINGS
20 INCLUDING, AS IS NOTED IN YOUR WRITE-UP, THE
21 INVENTORY OF SITES THAT VIOLATE STATE STANDARDS.
22 THAT'S ONE MEASURE. I THINK MORE BROADLY, AND THE
23 FACT THAT KIND OF CAUGHT MY ATTENTION, WAS WHEN I
24 ASKED STAFF HOW MANY VIOLATIONS HAD BEEN NOTED, AND
25 I WAS GIVEN THE FIGURE OF 9,000 IN A ONE-YEAR



1 PERIOD, I THINK WE CAN LOOK AT THAT DATA. WHAT
2 KINDS OF VIOLATIONS ARE THOSE? WHAT AREAS DO THEY
3 LUMP IN? WHAT FACILITIES ARE THEY AT AND WHAT
4 COULD THE BOARD DO TO TARGET IMPROVEMENTS IN THOSE
5 AREAS? AND THEN MEASURE THOSE IMPROVEMENTS SO THAT
6 YOU COULD SEE IT IN A REPORTING FORMAT.

7 SO I DON'T HAVE THE ANSWERS, BUT I
8 THINK THAT'S AN IMPORTANT QUESTION AND SOMETHING
9 THAT THE WORK GROUP WOULD NEED TO DEFINE. WHAT ARE
10 THE TARGETS AND HOW ARE THEY GOING TO MEASURE THEM
11 AND REPORT THEM OUT?

12 MR. CHANDLER: WE TALKED ABOUT THE NUMBER
13 OF FACILITIES SINCE SUBTITLE D THAT HAVE CLOSED
14 THAT ARE OLD, UNLINED FACILITIES, CLEARLY JUST
15 TRACKING AND THAT'S A LARGE ENVIRONMENTAL
16 INDICATOR, BUT TRACKING THE NUMBER OF FACILITIES
17 THAT ARE NO LONGER ACTIVE THAT WE FEEL ARE NOT
18 MEETING STANDARD OR HOW MANY FACILITIES ARE STILL
19 BEING OPERATED, BUT WHAT WE CALL -- WHAT'S THE
20 PHRASE, DOROTHY? -- DRIBBLING OR WHATEVER. THEY'RE
21 UNLINED FACILITIES. THE LOCAL GOVERNMENT DOESN'T
22 FEEL IT HAS THE WHEREWITHAL TO CLOSE IT, SO THEY
23 KEEP IT OPEN AND JUST PERIODICALLY DISPOSE OF
24 WASTE.

25 THAT'S A TROUBLING CIRCUMSTANCE THAT



1 WE NEED TO LOOK AT. SO I THINK THERE'S A LOT OF
2 AREAS WE NEED TO TARGET, BUT YOU ARE ABSOLUTELY
3 RIGHT. WE NEED THE PERFORMANCE MEASURES. AND IN
4 MY OPENING REMARKS I THINK I NOTED THAT THAT'S AN
5 AREA THAT WE HAVEN'T DEVELOPED WELL AROUND HERE IS
6 STRONG PERFORMANCE MEASURES THAT WE CAN REALLY
7 TRACK. SO THIS EFFORT, ALL THESE EFFORTS WILL BE
8 BUILDING PERFORMANCE MEASURES INTO THEIR TEAMWORK.

9 BOARD MEMBER CHESBRO: I'D LIKE TO THANK
10 DOROTHY AND KEITH IN PARTICULAR, BUT THE MEMBERS OF
11 THE WORK -- THE GROUP HERE FOR RESPONDING, I THINK,
12 VERY EFFECTIVELY TO THE CONCERNS THAT I RAISED BOTH
13 IN THE MEETING LAST TIME AND WITH THEM DIRECTLY.
14 AND I KNOW SOME OF YOU HAVE SHARED SOME SIMILAR
15 CONCERNS AS WELL.

16 WE STARTED OUT, I THINK, FOCUSED TOO
17 NARROWLY ON ESSENTIALLY ONE OF THE TOOLS THAT WOULD
18 BE USED TO REACH WHAT REALLY NEEDS TO BE OUR OBJEC-
19 TIVE. AND I THINK ONCE EVERYONE FOCUSED ON IT, WE
20 REALIZED THAT AND WE MOVED TO IDENTIFYING THE REAL
21 OBJECTIVE BEING PUBLIC HEALTH AND THE ENVIRONMENT
22 AND WHAT ARE THE COMPONENTS OF THAT. AND ONE OF
23 THOSE ALSO INCLUDES, AND I WAS CONCERNED ABOUT ITS
24 LACK OF PRIORITY, IS WHAT'S THE BOARD'S ROLE. AND
25 SO I THINK THE WAY IT'S BEEN BROADENED AND



1 DEVELOPED REALLY MEETS THE CONCERNS THAT I HAD
2 RAISED, SO I'M APPRECIATIVE OF THAT, AND I THINK
3 YOU DID A GOOD JOB. THANK YOU.

4 CHAIRMAN PENNINGTON: ANY OTHER QUESTIONS
5 ON THIS PRIORITY?

6 BOARD MEMBER JONES: I HESITATE TO SAY
7 ANYTHING BECAUSE I WAS FULLY SUPPORTIVE OF THE
8 STRATEGIC PLAN UNTIL YESTERDAY. BUT I WONDER
9 SOMETIMES IF WE ARE SETTING ANY STANDARDS OR IF WE
10 SET THE STANDARDS YESTERDAY OR, YOU KNOW, BECAUSE I
11 LOOK AT THINGS THAT COME OUT OF THIS PLACE.

12 AB 59 WAS A LAW THAT SAID ANY
13 FACILITY THAT HAD NOT GONE THROUGH AND GOTTEN A
14 PERMIT CHANGED BY, I THINK IT WAS, DECEMBER OF LAST
15 YEAR OR OCTOBER -- I FORGET WHAT THE DATE WAS --
16 WOULD BE SHUT DOWN. AND WHEN I LOOKED TO SEE IF
17 ANYBODY HAD DONE IT, NONE HAD BEEN BROUGHT FORWARD.

18 WHEN I LOOK AT LEA PERFORMANCE, AND
19 AS AN OPERATOR, AND I SEE LEA'S THAT ARE NOT
20 CONSISTENT, I WONDER WHEN ARE WE GOING TO REALLY
21 ADDRESS THE ISSUES AND DO OUR JOB TO MAKE SURE THAT
22 THESE PEOPLE ARE DOING IT.

23 WE HAVE PARTNERSHIP 2000, WHICH I
24 THINK IS A HAND HOLDING, AND I THINK IT'S GOOD THAT
25 THE STAFF OF THE STATE WORKS WITH THE STAFFS OF



1 LOCAL JURISDICTIONS, BUT I WOULD CERTAINLY LIKE TO
2 HAVE A COMFORT LEVEL THAT IT'S MORE THAN HAND
3 HOLDING, THAT IT'S ACTUALLY RAISING THE LEVEL OF
4 ABILITY.

5 AND I JUST AM VERY, VERY FRUSTRATED
6 AT THE FACT THAT -- I'M FRUSTRATED BECAUSE I THINK
7 THAT WE DO HAVE AN ENVIRONMENTAL PROTECTION
8 OBLIGATION. AND I'M NOT SURE SOMETIMES IF WE DON'T
9 LOSE FOCUS OVER HOW WE ACHIEVE THAT. I THINK
10 TRAINING IS DEFINITELY THE WAY TO GO. I'M VERY,
11 VERY ACTIVE, AS YOU GUYS KNOW, WITH LANDFILL
12 OPERATOR CERTIFICATION. I DON'T AGREE THAT DIRT
13 PUSHERS SHOULD JUST BE ABLE TO PUSH DIRT AND GIVE
14 CITIES AND COUNTIES THE RELIABILITY OR THE
15 ASSURANCE THAT THEY ARE QUALIFIED.

16 SO I'M TRYING TO RAISE THAT LEVEL OF
17 OPERATING EXPERTISE TO PEOPLE OTHER THAN THE WASTE
18 MANAGEMENTS, BFI'S, NORCAL'S, WHOEVER. WE'VE
19 INCLUDED THE PUBLIC SECTOR, THE PRIVATE SECTOR TO
20 TRY TO RAISE THAT LEVEL BECAUSE I WANT TO MAKE SURE
21 THAT THOSE OPERATORS PROVIDE A SERVICE TO THE
22 CITIES AND COUNTIES MORE THAN JUST PUSHING DIRT.

23 BUT I DO WORRY THAT WE NEED MORE THAN
24 FORM. WE NEED SOME, YOU KNOW, SOME SUBSTANCE. AND
25 I CERTAINLY HOPE THAT THE STRATEGIC PLAN ADDRESSES



1 THAT BECAUSE I WAS A HUGE SUPPORTER OF IT, AND I'D
2 LIKE TO STAY THAT WAY.

3 MR. SMITH: MR. JONES, I CAN ASSURE YOU
4 THAT WE ARE GOING TO STRIKE AN APPROPRIATE BALANCE
5 BETWEEN THE OUTREACH AND THE ENFORCEMENT. MY WHOLE
6 BACKGROUND HAS BEEN IN THAT AREA, AND I'M WELL
7 AWARE OF THE NEED FOR BALANCE IN THAT AREA. WE'VE
8 ALREADY STARTED DISCUSSIONS WITH DOROTHY'S AREA
9 ABOUT THAT, AND IT IS DEFINITELY GOING TO BE AN
10 INTEGRAL PART OF THIS BALANCED APPROACH TO
11 ADDRESSING THIS ISSUE.

12 I AGREE, IT CANNOT BE ALL. THERE HAS
13 TO BE THE ABILITY TO ENFORCE WHEN IT'S APPROPRIATE
14 AND THE WILLINGNESS AND READINESS TO DO IT, AND
15 THAT WILL BE AS MUCH A PART OF THE PLAN AS THE
16 OUTREACH AND THE TRAINING. SO YOU HAVE MY
17 ASSURANCE ON THAT.

18 BOARD MEMBER JONES: I APPRECIATE THAT.
19 I'VE ONLY BE A POLICY MAKER AND A REGULATOR FOR A
20 YEAR. I'VE BEEN A REGULATED COMMUNITY FOR 24
21 YEARS.

22 MR. SMITH: WELL, I'VE BEEN IN ENFORCEMENT
23 FOR 24 YEARS, SO I CAN --

24 BOARD MEMBER JONES: YOU UNDERSTAND THAT
25 WE ARE ON, YOU KNOW.



1 MR. SMITH: WE WILL STRIKE THE APPROPRIATE
2 BALANCE.

3 CHAIRMAN PENNINGTON: ANY OTHER QUESTIONS
4 ON THIS ONE? OKAY. WE CAN MOVE ON TO PRIORITY NO.
5 4.

6 MS. FRIEDMAN: GOOD MORNING, CHAIRMAN
7 PENNINGTON AND BOARD MEMBERS. I'M GOING TO BE
8 COVERING THE PRIORITY NO. 4, WHICH IS IMPROVING
9 LOCAL GOVERNMENT PERFORMANCE AND DIVERSION. AND IF
10 YOU RECALL LAST BOARD MEETING WHERE WE DISCUSSED
11 THE STRATEGIC PLAN, I DEFINED WHAT THAT WAS, AND
12 I'D LIKE TO RECAP.

13 WHAT IS THAT? IT'S THROUGH THE BOARD
14 PROVIDING APPROPRIATE INCENTIVES, INCLUDING
15 FINANCIAL AND COMPLIANCE OR OVERSIGHT AND
16 ASSISTANCE, AND THAT REALLY SPEAKS TO THE BALANCE
17 ISSUE THAT WE WERE JUST REFERRING TO, THE MAXIMUM
18 NUMBER OF JURISDICTIONS POSSIBLE ACHIEVE 50
19 PERCENT. AND THEY DO THIS BY SELECTING OPTIONS
20 THAT MAXIMIZE DIVERSION POTENTIAL, THEY SELECT MOST
21 EFFICIENT MEANS OF REACHING THE GOAL, AND THEY DO
22 SO AT THE LOWEST COST POSSIBLE.

23 WE KNOW THAT FOCUS ON LOCAL GOVERN-
24 MENT HAS BEEN SUCCESSFUL. ON PAGE 20 OF THE BOARD
25 AGENDA, WE HAVE THIS CHART WHICH I'M SURE YOU ARE



1 ALL FAMILIAR WITH THAT SHOWS FOR 1996 THAT WE'RE AT
2 30 PERCENT ON A STATEWIDE BASIS. SO WHAT IS THIS
3 APPROACH GOING TO ENTAIL? IT'S REALLY THREE MAJOR
4 PHASES.

5 AND THE FIRST PHASE INCLUDES
6 COMPLETION OF THE REVIEW OF THE SOURCE REDUCTION
7 AND RECYCLING ELEMENT, AND WE'RE PRETTY CLOSE ON
8 THAT, AS YOU ARE AWARE. AND THIS REVIEW HAS
9 ASSISTED US IN DETERMINING THE PARTICULAR NEEDS AND
10 LOCATION OF INITIAL LOCAL ASSISTANCE EFFORTS.

11 NEXT OVERALL PHASE IN THIS EFFORT IS
12 THE REVIEW AND ANALYSIS OF LOCAL JURISDICTION
13 PROGRESS ON ACHIEVING THE 50-PERCENT GOAL. AND
14 REVIEW OF THE ANNUAL REPORTS WILL LEAD TO
15 DETERMINATION OF CLASSIFYING EACH JURISDICTION
16 REGARDING THEIR OVERALL PROGRESS AND INTO FOUR
17 CATEGORIES AS FOLLOWS: FIRST, JURISDICTIONS THAT
18 HAVE MET THE OVERALL GOAL. AND OF THE ANNUAL
19 REPORTS THAT WE HAVE REVIEWED TO DATE, AND THAT'S
20 LESS THAN 200, APPROXIMATELY 20 PERCENT HAVE
21 ALREADY INDICATED THEY'VE REACHED THE 50-PERCENT
22 GOAL AND ARE CONTINUING TO IMPLEMENT PROGRAMS.

23 THE NEXT CATEGORY IS JURISDICTIONS
24 THAT HAVE MET 25 PERCENT, ARE IMPLEMENTING
25 PROGRAMS, AND ARE ON TRACK TO REACHING 50 PERCENT.



1 OF THE ANNUAL REPORTS REVIEWED, THERE ARE CURRENTLY
2 70 PERCENT MEETING THIS CRITERIA.

3 THEN JURISDICTIONS THAT ARE MAKING AN
4 EFFORT TO GET TO 50 PERCENT AND IMPLEMENT PROGRAMS
5 BUT HAVE YET TO GET TO 25 PERCENT. CURRENTLY WE'RE
6 LOOKING AT ABOUT 10 PERCENT MEETING THIS CRITERIA.

7 AND THEN THE FOURTH CATEGORY IS
8 JURISDICTIONS THAT HAVE NOT APPEARED TO MAKE AN
9 EFFORT TO IMPLEMENT PROGRAMS, AND CURRENTLY WE'RE
10 LOOKING AT LESS THAN HALF A PERCENT IN THIS
11 CATEGORY.

12 AND THE THIRD PHASE IN THE OVERALL
13 APPROACH IS FOCUS ON INCREASED IMPLEMENTATION OF
14 ENFORCEMENT, REFERENCE MATERIALS, AND TOOLS, AS
15 WELL AS APPROPRIATE OUTREACH AND DELIVERY SYSTEM AS
16 FOLLOWS: FOR THOSE JURISDICTIONS IN THE CATEGORY
17 1, THAT IS, JURISDICTIONS MEETING THE 50-PERCENT
18 GOAL, BOARD STAFF WILL DETERMINE WHY THEY HAVE BEEN
19 SUCCESSFUL AND EXTRACT INFORMATION FOR DEVELOPMENT
20 OF CASE STUDIES AND REFERENCE MATERIALS TO SHARE
21 WITH OTHER JURISDICTIONS. AND WE WOULD CONTINUE TO
22 SEEK ADDITIONAL DIVERSION OPPORTUNITIES WITH THESE
23 JURISDICTIONS, AND WE WOULD LOOK AT INTEGRATING OUR
24 EFFORTS WITH THE EFFORTS IN THE ORGANICS AND
25 CONSTRUCTION AND DEMOLITION AREA.



1 FOR THOSE JURISDICTIONS IN CATEGORY
2 2, THAT IS, JURISDICTIONS THAT HAVE MET 25 PERCENT
3 AND ARE IMPLEMENTING PROGRAMS AND ARE ON TRACK TO
4 REACH 50 PERCENT, PROVIDING ASSISTANCE TO THESE
5 JURISDICTION WOULD DEPEND ON SPECIFIC NEEDS OF THE
6 JURISDICTION. AND ONE OF THE TOOLS CRITICAL TO THE
7 SUCCESS OF THE OVERALL EFFORT WOULD BE THE WASTE
8 CHARACTERIZATION DISPOSAL DATABASE THAT IS DESIGNED
9 TO FOCUS ON QUANTITIES AND LOCATION OF WASTE THAT
10 SHOULD BE TARGETED FOR DIVERSION.

11 IN CAREN'S OPENING DISCUSSION OF
12 STRATEGIES, SHE REFERRED TO THE BREAKDOWN OF WASTE
13 CATEGORIES AND TYPES. AND IF YOU RECALL YESTERDAY,
14 WE HAD A PRESENTATION TO THE BOARD ON THE WASTE
15 CHARACTERIZATION DISPOSAL DATABASE. SO YOU CAN SEE
16 THAT, AND I MENTIONED THAT YESTERDAY, THAT DATA IS
17 CRITICAL TO OUR OVERALL STRATEGIC PLANNING AND
18 IMPLEMENTATION EFFORTS. AGAIN, SUPPORT OF THE
19 BOARD'S TOP PRIORITIES OF CONSTRUCTION AND
20 DEMOLITION WASTE AND ORGANICS RECOVERY IS CRITICAL
21 IN THIS AREA.

22 FOR THOSE IN CATEGORY 3, WHICH ARE
23 JURISDICTIONS THAT ARE MAKING AN EFFORT TO GET TO
24 50 PERCENT AND IMPLEMENT PROGRAMS BUT HAVE YET TO
25 GET TO 25 PERCENT, WE WOULD BE LOOKING AT PROVIDING



1 TECHNICAL ASSISTANCE IN THOSE JURISDICTIONS AND,
2 AGAIN, DRAWING UPON OUR SUCCESSES IN CATEGORIES 1
3 AND 2 AND IN CONJUNCTION WITH THE ORGANICS AND C&D
4 EFFORTS.

5 AND FINALLY, FOR THOSE IN CATEGORY
6 FOUR, JURISDICTIONS THAT HAVE NOT APPEARED TO MAKE
7 AN EFFORT TO IMPLEMENT PROGRAMS, JURISDICTIONS THAT
8 SHOW UP IN THIS CATEGORY WOULD GO ONTO A COMPLIANCE
9 SCHEDULE AND POTENTIALLY TO HEARING WITH THE BOARD,
10 AT WHICH TIME ENFORCEMENT ACTION COULD BE TAKEN.
11 AND THIS COULD INCLUDE ACTUAL IMPOSITION OF FINE UP
12 TO \$10,000 PER DAY.

13 NOW, IN THE DISCUSSION PREVIOUSLY ON
14 THE C&D AREA, BOARD MEMBER RELIS REFERRED TO
15 INTERACTION IN THE FIELD, AND FIELDWORK IS
16 CRITICAL, AND THAT DIRECT CONTACT AND COLLABORATIVE
17 EFFORTS AND RELATIONSHIP AND PARTNERSHIP IS, AGAIN,
18 CRITICAL. SO WE'RE NEEDING TO FOCUS OUR EFFORTS
19 AND DO AN EFFECTIVE JOB IN GETTING THE MESSAGE OUT
20 AND PROVIDING TOOLS AND TRAINING FOR LOCAL GOVERN-
21 MENT AND LOCAL BUSINESSES. AND THAT WOULD BE AN
22 ELEMENT OF OUR OUTREACH AND DELIVERY SYSTEM, TAKING
23 INTO ACCOUNT THE COMMENTS THAT BOARD MEMBER RELIS
24 MADE AND REALLY MAXIMIZING OUR GETTING OUT INTO THE
25 FIELD.



1 AND THAT CONCLUDES MY PRESENTATION.

2 CHAIRMAN PENNINGTON: QUESTIONS, COMMENTS?

3 BOARD MEMBER CHESBRO: IT'S INTERESTING TO
4 ME THE KIND OF PARALLEL THAT'S DEVELOPED IN TERMS
5 OF I CALL IT WALKING THE TIGHT ROPE BETWEEN THE
6 CARROT AND THE STICK -- I'M MIXING MY METAPHORS
7 TERRIBLY -- BUT IT EXISTS WITH WHAT, I THINK, IS
8 ATTEMPTING TO BE DONE WITH FACILITIES AND OUR
9 REGULATORY PROCESS ON THAT SIDE AND ALSO ON THE
10 DIVERSION SIDE. I THINK THERE'S AN ATTEMPT IN AS
11 MANY CASES AS POSSIBLE TO WORK TOWARDS COMPLIANCE
12 WHILE AT THE SAME TIME MAINTAINING THE AUTHORITY
13 AND RESPONSIBILITY SIDE, THE BOTTOM LINE THAT SAYS
14 YOU WILL COMPLY. AND I THINK THAT'S THE BALANCE
15 THAT CONTINUES TO ATTEMPT TO BE STRUCK IN THIS
16 PRIORITY AND THROUGH THAT KIND OF STEPWISE PROCESS
17 OF TREATING DIFFERENT JURISDICTIONS THAT HAVE
18 RESPONDED IN DIFFERENT -- AT DIFFERENT LEVELS IN
19 DIFFERENT WAYS, IF YOU WILL, TIERING, WHICH REALLY
20 SEPARATES THE LOCAL JURISDICTIONS BASED ON HOW WELL
21 THEY'VE RESPONDED ON THEIR OWN TO THE PERFORMANCE
22 BASED MANDATE AND HOW THEY'VE PERFORMED.

23 CHAIRMAN PENNINGTON: MR. RELIS.

24 BOARD MEMBER RELIS: WELL, I JUST WONDERED
25 IF IN REVIEWING THIS MATERIAL IF IT STRUCK OTHER



1 MEMBERS THE SAME AS ME, THIS BULLET. THESE FOUR
2 BULLETS ON PAGE 21 ARE AN EXTRAORDINARY --
3 THERE'S AN EXTRAORDINARY STORY THERE, I THINK, FOR
4 THE BOARD. TWENTY PERCENT ARE ALREADY -- OF THIS
5 SMALLER SAMPLING OF JURISDICTIONS, BUT NOT AN
6 INSIGNIFICANT NUMBER BY ANY STRETCH, 20 PERCENT ARE
7 CLAIMING THEY'VE ALREADY REACHED THE 50-PERCENT
8 GOAL AND ARE CONTINUING TO IMPLEMENT PROGRAMS. I
9 MEAN IF THAT PROVES TRUE, THAT'S -- THAT'S QUITE A
10 STORY BECAUSE THAT WAS VIEWED AS AN UNATTAINABLE
11 GOAL FIVE YEARS AGO BY MANY.

12 MR. SMITH: I THINK ONE OF THE TWO THINGS
13 THAT WE'RE LOOKING AT -- WILL BE LOOKING AT THERE
14 OBVIOUSLY FIRST AND FOREMOST IS RECOGNITION FOR
15 THOSE AGENCIES, ENCOURAGEMENT FOR OTHERS TO FOLLOW
16 IN THEIR FOOTSTEPS. THE SECOND IS THOSE AGENCIES
17 ARE THE SOURCE FOR OUR BEST PRACTICE MODELS. WE
18 HAVE TO ENGAGE WITH THOSE AGENCIES TO FIND OUT WHAT
19 THEY'VE DONE AND HOW AND TRY AND PASS THAT INFORMA-
20 TION AND THAT KNOWLEDGE ON.

21 SO THAT'S -- THOSE ARE THE TWO MAIN
22 ACTIONS THAT WE'LL BE UNDERTAKING WITH THAT GROUP.

23 BOARD MEMBER RELIS: I'M GLAD TO HEAR THAT
24 BECAUSE I CERTAINLY BELIEVE AS OUR DATE NEARS, WE
25 NEED TO IDENTIFY AND ACKNOWLEDGE IN A BIG WAY THESE



1 PARTIES. AND THEN JUST TO STATE THAT JURISDICTIONS
2 THAT HAVE MET 25 PERCENT AND ARE IMPLEMENTING
3 PROGRAMS AND ARE ON TRACK TO REACHING 50 PERCENT OF
4 THE REVIEWED ANNUAL REPORTS, THERE ARE APPROXI-
5 MATELY 70 PERCENT MEETING THIS CRITERIA. I MEAN
6 THIS IS HUGE. IF THE NUMBERS HOLD, THIS IS A VERY
7 IMPORTANT STORY FOR THE BOARD TO MASTER AND
8 COMMUNICATE TO ALL, THE WHOLE AFFECTED REGULATORY
9 COMMUNITY, TO THE LEGISLATURE, TO THE WHOLE SYSTEM
10 OF GOVERNANCE IN THIS STATE.

11 MS. FRIEDMAN: ACTUALLY I REALLY AGREE,
12 AND IT'S VERY EXCITING HAVING, SPENT THE LAST SEVEN
13 YEARS HERE, SEEING THESE KINDS OF MILESTONES AND
14 THIS KIND OF NUMBERS. WE KEEP SEEING THE STATEWIDE
15 NUMBERS; BUT WHEN WE START TO BREAK IT DOWN AND
16 WE'RE STARTING TO SEE EVEN ON A JURISDICTIONAL
17 BASIS AND REGIONAL BASIS THESE THINGS STARTING TO
18 HOLD, I THINK IT'S VERY SATISFYING TO ALL OF US
19 INVOLVED IN OUR EFFORTS HERE. AND SO I AGREE.

20 AND ONE OF THE OBVIOUSLY MAJOR
21 ACTIVITIES OF THE WORKING GROUP WILL BE TO LOOK AT
22 HOW WE, IN FACT, DO DISPLAY THE SUCCESSES.

23 CHAIRMAN PENNINGTON: MR. JONES, GO AHEAD.

24 BOARD MEMBER JONES: THANKS, MR.

25 CHAIRMAN. WHEN I -- SHORTLY AFTER I GOT HERE, I



1 HAD A CONVERSATION WITH THE CHAIRMAN AND I HAD A
2 CONVERSATION WITH JUDITH JUST ABOUT WHAT THESE
3 ISSUES REPRESENT AND THE FACT THAT AB 939 AND THE
4 RECYCLING MANDATES AND THE RECYCLING ISSUES THAT
5 USED TO BE IN THE PAPER EVERY DAY FOR YEARS AND
6 YEARS AND YEARS NO LONGER EVEN MAKE THE BACK PAGE
7 OF A NEWSPAPER. I THINK THAT PART OF THIS PLAN,
8 PART OF THIS STRATEGIC PLAN THAT WE NEED TO DO, AND
9 IT WAS ONE OF THE STRATEGIES THAT WE HAD TALKED
10 ABOUT, WAS THIS AGENCY NEEDS TO REALLY PUT TOGETHER
11 A WORKSHOP, EITHER IN CONJUNCTION WITH -- NOT EVEN
12 A WORKSHOP, A FESTIVAL OF SUCCESSES, AND CAN BE
13 USED AS A LEARNING PROCESS FOR OTHERS BECAUSE I
14 THINK WE'RE ON THE BRINK OF HAVING TO MAKE SOME
15 HARD DECISIONS AS TO WHETHER OR NOT WE ARE GOING TO
16 ENFORCE AB 939 OR NOT. I THINK WE ARE.

17 BUT, YOU KNOW, MUCH LIKE WESLEY'S
18 CARROT AND STICK, I THINK THAT THOSE JURISDICTIONS
19 THAT HAVE BEEN LEADERS NEED TO BE ACKNOWLEDGED FOR
20 THE FACT THAT THEY HAVE TAKEN A LEADERSHIP ROLE.
21 AND IF YOU HAD IT IN AN EVENT WHERE THEY COULD
22 SHARE SOME OF THOSE ISSUES, SHARE SOME OF THOSE
23 SUCCESS STORIES, I THINK IT WOULD OPEN UP.

24 I SPENT A DAY IN LAKEWOOD LAST WEEK
25 AND IT WAS DIFFERENT. IT WAS -- I WAS ABLE TO GO



1 TO AN APARTMENT COMPLEX AND SEE A 32-GALLON CAN
2 NEXT TO THE MAIL BOXES, AND THAT WAS THEIR JUNK
3 MAIL RECYCLING PROGRAM. YOU KNOW, I WAS IMPRESSED.
4 TRUTHFULLY THIS ONE APARTMENT MANAGER HAD DONE
5 THAT. NOT SURE I WAS QUITE AS IMPRESSED AS THAT IT
6 WAS LISTED AS ONE OF THE PARTNERS IN THE RECYCLING
7 PROGRAM FOR THAT CITY.

8 BUT I THINK WE NEED TO HAVE THIS
9 FESTIVAL, AND I'M REALLY SERIOUS ABOUT THIS BECAUSE
10 SOME OF THE -- I HAD ONE OF THE JURISDICTIONS WHO
11 WERE 53 PERCENT. JOHN SMITH CAME BACK FROM A
12 WORKSHOP AND SAID, "GOD, STEVE, YOU GUYS ARE AT 53
13 PERCENT AND THEY'RE STILL DOING PROGRAMS." I SAID,
14 "I KNOW." BUT UNDERSTAND OUR WASTESTREAM. WE HAD
15 A HUGE COMPONENT OF OUR WASTESTREAM THAT WAS ASH.
16 WASN'T NEWSPAPER, WASN'T -- IT WASN'T BOTTLES,
17 GLASS, CANS, ORGANICS. OKAY.

18 AND THERE'S GOING TO BE A LOT OF
19 JURISDICTIONS THAT, BECAUSE OF THE COMPONENT OF
20 THEIR WASTESTREAM, ARE GOING TO HAVE DIFFERENT
21 STORIES TO TELL, SO I WANT US TO TAKE THAT INTO
22 CONSIDERATION BECAUSE, YOU KNOW, THE EFFORTS THAT
23 ARE BEING PUT FORWARD BY AREAS -- I REMEMBER IN ONE
24 JURISDICTION I WAS AT, WHEN WE DID THE WASTE
25 CHARACTERIZATION OR WHEN SOMEBODY DID THE WASTE



1 CHARACTERIZATION STUDY, FOR US TO HIT 50 PERCENT,
2 WE WOULD HAVE HAD TO HAVE HAD A HUNDRED PERCENT
3 SUCCESS IN RECOVERY BECAUSE OF THE CONSTITUENTS OF
4 THE WASTESTREAM. THAT'S NOT ACHIEVABLE. I HAVEN'T
5 SEEN ANYBODY THAT'S A HUNDRED PERCENT YET.

6 SO -- BUT I THINK IF YOU HAVE A
7 FESTIVAL WHERE YOU PROMOTE THOSE PEOPLE THAT HAVE
8 GONE FORWARD, YOU ALSO LEAD THOSE THAT HAVE ALWAYS
9 SAID NO IN THAT, HERE, YOU KNOW, THESE PEOPLE ARE
10 CITY COUNCILMEN, BOARD OF SUPERVISORS, FACED WITH
11 THE SAME KIND OF ISSUES YOU ARE. THEY WERE
12 SUCCESSFUL. WHY DON'T YOU GO TALK TO THEM AND FIND
13 OUT WHY THEY WERE SUCCESSFUL? I THINK THAT DOES AN
14 AWFUL LOT MORE THAN -- YOU KNOW, I MEAN I THINK IT
15 FITS IN PERFECT TO THIS STRATEGY, BUT I ALSO THINK
16 IT DOES A LOT FOR SETTING THE GROUNDWORK ON A LOT
17 OF OTHER THINGS AND WOULD LIKE IT TO AT LEAST BE
18 THOUGHT ABOUT AND CONSIDERED.

19 CHAIRMAN PENNINGTON: MR. CHESBRO.

20 BOARD MEMBER CHESBRO: I AGREE WITH WHAT
21 BOTH OF YOU SAID, BOTH MR. JONES AND MR. RELIS.
22 THERE NEEDS TO BE A STRONGER MESSAGE. THE MESSAGE
23 NEEDS TO CONTINUE TO BE THAT TWOFOLD MESSAGE THAT
24 BALANCES IT IS ACHIEVABLE, LOOK WHAT'S BEEN DONE,
25 YOU KNOW, WHILE AT THE SAME TIME CONTINUING TO



1 FOLLOW THROUGH WITH THAT -- WITH THE MESSAGE THAT
2 THERE IS -- IT IS A MANDATE AND THAT WE ARE GOING
3 TO HOLD PEOPLE ACCOUNTABLE. I THINK IT'S BEEN THAT
4 BALANCE SO FAR THAT HAS HELPED US ACHIEVE THE
5 RELATIONSHIP THAT WE'VE HAD WITH LOCAL GOVERNMENTS
6 THAT HAS HELPED TO BRING ABOUT THEIR SUCCESSES.
7 MOSTLY IT'S THEIR EFFORT. I MEAN I'M NOT TRYING TO
8 TAKE CREDIT FOR IT. I JUST THINK THAT WE HAVE
9 HELPED TO FACILITATE IT, AND WE NEED THAT DUAL
10 MESSAGE THAT CONTINUES TO DELIVER BOTH MESSAGES AT
11 THE SAME TIME, BUT I DON'T THINK THERE IS THE
12 REALIZATION OUT THERE.

13 CERTAINLY I LOOK AT THESE NUMBERS AND
14 IT EVEN STUNS ME AND I'M HERE EVERY DAY. SO WE
15 REALLY HAVE TO FIND WAYS TO, I THINK, HELP THE
16 CALIFORNIA PUBLIC BECOME CONSCIOUS OF WHAT THEY
17 HAVE ACHIEVED THROUGH THEIR LOCAL GOVERNMENTS AND
18 THEIR RECYCLING COMPANIES PRIVATE SECTOR AT WORK,
19 AT SCHOOL, WHAT HAS BEEN ACHIEVED. AND IT'S REALLY
20 PRETTY PHENOMENAL.

21 BOARD MEMBER RELIS: MR. CHAIR, I WOULD
22 NOTE THAT THE FIRST ORDER OF -- IF YOU LOOK AT
23 ENFORCEMENT, IF YOU JUST TOOK THE ENFORCEMENT
24 TRACK, I THINK IT'S BEEN PROVEN IN MANY RESPECTS
25 THAT THE FIRST ORDER OF ENFORCEMENT IS DISCLOSURE.



1 IT'S A POWERFUL TOOL, AND WE NEED TO UTILIZE IT
2 APPROPRIATELY. DISCLOSURE THAT JURISDICTIONS TOOK
3 THIS MANDATE, THIS GOAL SERIOUSLY AND DID IT. AND
4 THEY SOLVED, AS STEVE POINTED OUT AND AS WESLEY HAS
5 MENTIONED, THEY HAD THE POLITICAL PROCESS TO GO
6 THROUGH. THEY HAVE THE BUDGETS ISSUES TO DEAL
7 WITH. THEY HAD THE WHOLE GAMUT OF PROBLEMS THAT
8 EVERYBODY HAS TO FACE IN IMPLEMENTING OBJECTIVES.

9 SO DISCLOSURE IS OUR FIRST MEASURE,
10 AND I THINK THE SOONER WE CAN GET THIS OUT. AND I
11 LOVE THE IDEA OF -- YOU KNOW, I CAN'T QUITE
12 VISUALIZE THE FESTIVAL, BUT IT'S GREAT.

13 CHAIRMAN PENNINGTON: WELL, THE CHAIRMAN
14 AND MR. JONES WILL DO SOME --

15 BOARD MEMBER RELIS: THE SOCIAL COMMITTEE
16 NEEDS TO WORK ON THAT.

17 BOARD MEMBER JONES: I JUST HATE THAT TERM
18 "WORKSHOP," YOU KNOW.

19 BOARD MEMBER GOTCH: JUDY, ARE THESE FOUR
20 BULLETS ON OUR WEB SITE AT THIS POINT?

21 MS. FRIEDMAN: THE FOUR BULLETS? IF THE
22 ITEM IS ON THE WEB SITE, THEN I WOULD ASSUME IT IS.

23 BOARD MEMBER GOTCH: WE MIGHT EVEN WANT TO
24 BRING SPECIAL ATTENTION TO THIS IN ANOTHER AREA OF
25 THE WEB SITE JUST TO --



1 MR. CHANDLER: I THINK WHAT MIGHT BE
2 APPROPRIATE, JANET, IS IT WAS SUGGESTED THAT -- I'D
3 LIKE TO CONSIDER SITTING DOWN WITH JOHN FRITH AND
4 CONSIDERING DOING A PRESS RELEASE ON THE FOCUS THAT
5 WE HAVE ACHIEVED TODAY. AND I THINK IN THAT
6 DOCUMENT, WE COULD SPRINGBOARD FROM THAT TO SOME OF
7 THE FINDINGS THAT WE'RE SEEING IN SOME OF THESE
8 AREAS. AND THAT WOULD BE TELECOMMUNICATED OUT.

9 SO WE'LL SIT DOWN AND PUT SOME PRESS
10 RELEASE TOGETHER THAT CAN TALK ABOUT THE BOARD'S
11 FOCUSING ITS STRATEGIC EFFORTS IN THESE AREAS AND
12 THE PROGRESS TO DATE, MENTION THE 30 PERCENT FOR
13 '96, AND THEN MAYBE SPRINKLE IN THESE JURISDIC-
14 TIONAL NUMBERS AS WELL.

15 BOARD MEMBER CHESBRO: IT WOULD BE ALSO
16 GREAT, ESPECIALLY IF WE ARE GOING TO GO UP ON THE
17 WEB SITE, TO FIGURE OUT A WAY, BESIDES THE
18 30-PERCENT CHART, WHICH IS A STATEWIDE NUMBER, TO
19 GRAPHICALLY SOMEHOW ILLUSTRATE THE POWER OF THOSE
20 NUMBERS SO THAT PEOPLE GRASP IT REALLY QUICK,
21 ESPECIALLY IF IT'S GOING TO BE ON THE INTERNET, YOU
22 KNOW, GET THE PICTURE, GET THE MESSAGE.

23 CHAIRMAN PENNINGTON: WE HAVE ONE PERSON
24 IN THE AUDIENCE WHO'D LIKE TO ADDRESS US, LARRY
25 SWEETSER.



1 MR. SWEETSER: LARRY SWEETSER WITH NORCAL
2 WASTE SYSTEMS. I KNOW EVAN HAD A LITTLE BIT TO SAY
3 YESTERDAY, AND I'LL CONTINUE ON PART OF THAT IN
4 SUPPORT OF THE PLAN.

5 I THINK IT'S ENCOURAGING TO SEE SOME
6 OF THE WORK THAT'S GONE INTO IT. IT'S QUITE
7 AMAZING YOU'VE SIMPLIFIED PRIORITIES DOWN TO FOUR
8 ITEMS. I GUESS THAT SHOWS THAT THERE'S A LOT
9 ALREADY BEEN DONE SO FAR.

10 COUPLE THOUGHTS ON THE WASTESTREAMS
11 THERE. I THINK THOSE ARE KEY WASTESTREAMS TO
12 ADDRESS. I KNOW WE'RE LOOKING AT THEM IN OUR
13 COMMUNITIES. I KNOW WE'VE ADDRESSED LOT OF THE
14 OTHER ONES IN THE PAST LIKE PAPER AND METAL AND
15 OTHERS, AND I THINK THOSE ARE ON THEIR WAY. I
16 THINK TO SOME EXTENT EVEN THE YARD WASTE IS ON ITS
17 WAY, BUT IT COULD USE SOME MORE WORK.

18 THE FOOD WASTE IS AN ISSUE IN SOME OF
19 OUR COMMUNITIES. THOSE OF YOU THAT HAVE DINED IN
20 SAN FRANCISCO KNOW HOW MANY RESTAURANTS WE HAVE.
21 IT'S HARD TO MAKE A CHOICE. WE DON'T HAVE MUCH
22 YARD WASTE IN SAN FRANCISCO, SO WE'VE GONE AFTER
23 THE FOOD. I'M NOT SURE IF YOU ARE AWARE OF SOME OF
24 THE PROGRAMS WE'VE IMPLEMENTED THERE ALREADY. I
25 KNOW MR. CHESBRO GRACED US WITH HIS PRESENCE DOWN



1 THERE OVER THE WEEKEND, BUT THERE ARE A LOT OF
2 THINGS GOING ON THERE. WE'D BE GLAD TO SHARE SOME
3 OF THAT INFORMATION WITH STAFF, PARTICULARLY ON THE
4 COLLECTION AND SOME OF THE COMPLICATIONS AND SOME
5 OF THE SUCCESSES WE'VE RUN INTO THERE.

6 THE C&D WASTE I THINK WE'RE ALSO
7 ADDRESSING. THE WORKSHOP THIS AFTERNOON IS AN
8 EXAMPLE OF THINGS THAT YOU CAN BE DOING. FACILITA-
9 TION, I THINK, IS A KEY ELEMENT THAT THE BOARD
10 CONTINUES TO FOCUS ON ON GETTING PARTIES TOGETHER,
11 AND THAT WORKS.

12 THE ITEM 3 ON THE FACILITY
13 COMPLIANCE, WE'RE QUITE PROUD OF OUR COMPLIANCE
14 RECORD. WE CAN ALWAYS WORK BETTER AT THAT. I
15 THINK THERE'S THINGS THAT NEED TO BE WORKED UPON.
16 I'VE MENTIONED THEM IN PREVIOUS COMMITTEES. SOME
17 OF THE REGULATORY REFORMS, I KNOW I'VE GOT MY LIST
18 GOING OF THINGS I'D LIKE TO SEE. THE PROCESS AND
19 THE RELATIONSHIP BETWEEN THE BOARD STAFF AND THE
20 LEA'S AND THE OPERATORS CONTINUES TO BE WORKED UPON
21 AND NEEDS SOME WORK.

22 I TRY TO THINK OF THAT AS A THREE-WAY
23 PARTNERSHIP, JUST NOT A TWO-WAY WITH THE LEA'S AND
24 THE BOARD STAFF BECAUSE I THINK ALL THREE OF US
25 NEED TO BE GETTING TOGETHER TO ADDRESS SOME OF



1 THESE ISSUES, AND I'LL CONTINUE TO FOCUS ON THAT IN
2 THE FUTURE BECAUSE THERE IS A NEED FOR LOOKING AT
3 THE CLARITY AND CONSISTENCY OF SOME OF THESE
4 REGULATIONS.

5 AND I WHOLEHEARTEDLY AGREE WITH MR.
6 JONES ON THE EQUITY ISSUE. THOSE OF US THAT HAVE
7 PERMITS AND ARE COMPLYING, OF COURSE, WE CAN COMPLY
8 A LITTLE BIT MORE, TRY HARDER AT THAT. WE'D ALSO
9 LIKE TO SEE A LOT MORE EMPHASIS AND AGRESSIVENESS
10 ON THOSE FACILITIES THAT ARE ILLEGAL. I CONTINUE
11 TO BRING THAT UP POINT, AND IT'S NOT JUST ONE OR
12 TWO FACILITIES. THERE ARE MORE AND MORE OUT THERE.
13 SO BY ALL MEANS, WE'LL WORK ON COMPLYING WITH THOSE
14 THAT ARE ALREADY PERMITTED, BUT LET'S ALSO LOOK AT
15 THOSE THAT SHOULD HAVE A LOT MORE AGRESSIVENESS
16 AFTER THEM.

17 ON THE ITEM 4, THE LOCAL GOVERNMENT
18 PERSPECTIVE, I THINK YOU'VE GOT A PRETTY GOOD
19 SUCCESS RATE. I THINK THAT WOULD BE GOOD TO PUT ON
20 THE WEB PAGE. I THINK THAT WOULD BE SOMETHING TO
21 REALLY APPLAUD OUT THERE BECAUSE I REMEMBER WAY
22 BACK WHEN PEOPLE SAID IT WOULD NEVER WORK. I THINK
23 YOU'VE DONE PRETTY WELL AT DEMONSTRATING THAT IT
24 CAN. THERE ARE A LOT OF COMMUNITIES AND QUITE A
25 FEW OF OURS, I'M PROUD TO SAY, ARE IN THE TOP TWO



1 TIERS. AND THEY SHOULD BE APPLAUDED FOR THEIR
2 EFFORTS. SOME NEED A LITTLE MORE ASSISTANCE, AND
3 THERE'S SOME THAT PROBABLY NEED A LOT MORE
4 AGRESSIVENESS ON YOUR PART TO GO AFTER THEM.

5 I'VE MENTIONED TO A NUMBER OF PEOPLE
6 ALREADY THAT WE ARE STARTING TO HEAR FROM SOME OF
7 OUR COMMUNITIES ON ASKING THE QUESTION OF WHY, WHY
8 SHOULD THEY BE GOING AFTER MORE RIGHT NOW, SO THERE
9 ARE PEOPLE STARTING TO QUESTION THAT. AND I WOULD
10 HOPE NOT TO SEE THE BOARD BACK DOWN FROM THEIR
11 COMMITMENT. THAT IS A REAL CONCERN GOING ON IN
12 SOME PROGRAMS WE'RE PROPOSING.

13 AND IN KEEPING WITH YOUR PARTNERSHIP
14 CONCEPT, I THINK THERE'S A LOT THAT WE CAN ALL
15 ASSIST WITH, BOTH ON THE INDUSTRY AND THE LOCAL
16 GOVERNMENT AND THE WASTE BOARD SIDE. I THINK
17 THERE'S ROLES FOR ALL THREE PARTIES AS YOU GO
18 FORWARD IN YOUR STRATEGIC PLAN. AND I HOPE YOU CAN
19 IDENTIFY THOSE RESPECTIVE ROLES FOR THE THREE
20 PARTIES IN THOSE PLANS BECAUSE THEY MAY BE FOUR
21 SIMPLE GOALS HERE, BUT I KNOW THERE'S GOING TO BE A
22 LOT OF EFFORT FOCUSED INTO THAT. AND I'D HATE TO
23 SEE THIS BOIL DOWN TO JUST A RESOURCE ISSUE AND NOT
24 HAVE ENOUGH PEOPLE OR RESOURCES OR EFFORT PUT INTO
25 ADDRESSING THAT.

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1 SO I'M SURE THE QUESTION WILL COME UP
2 IN DEALING WITH THE INTEGRATED WASTE MANAGEMENT FEE
3 ISSUE. I KNOW THAT'S COMING. WE'RE GOING TO HAVE
4 TO LOOK AT THAT, AND IT WILL PROBABLY BE SOMETHING
5 THAT SPREADS ACROSS THESE FOUR ISSUES. AND WE'LL
6 BE GLAD TO WORK WITH YOU ON THAT ISSUE. BUT IN
7 CLOSING, JUST ENCOURAGE YOU TO GO FORWARD WITH
8 THIS, AND WE LOOK FORWARD TO PARTICIPATING WITH
9 YOU. I THINK IT'S GOING TO BE AN INTERESTING RIDE
10 FURTHER AHEAD. THANK YOU.

11 CHAIRMAN PENNINGTON: ANY QUESTIONS OR
12 COMMENTS TO MR. SWEETSER? THANK YOU.

13 MR. CHANDLER: MR. CHAIRMAN, WE DO HAVE
14 SOME NEXT STEPS THAT WE'D LIKE TO JUST HIGHLIGHT AS
15 WE GO FORWARD.

16 BOARD MEMBER CHESBRO: BEFORE WE LEAVE THE
17 FOURTH LOCAL ASSISTANCE ITEM, I WOULD LIKE TO SAY,
18 NOW THAT WE'VE SORT OF HAD THE LOVE FEST ABOUT ALL
19 THE SUCCESS, IT IS IMPORTANT TO REMEMBER THAT THE
20 CIRCUMSTANCES OF EACH JURISDICTION ARE DIFFERENT
21 AND THAT, YOU KNOW, THEY RANGE FROM, I THINK AS MR.
22 JONES INDICATED, GOOD FORTUNE THAT A LARGE INDUSTRY
23 IN A COMMUNITY TOOK CARE OF A LARGE WASTESTREAM,
24 AND SO, BOOM, THEY'RE AT 60 PERCENT, ALL THE WAY TO
25 A JURISDICTION THAT, EVEN IN SPIITE OF GOOD FAITH



1 EFFORT, STRUGGLING FOR FINANCIAL REASONS AND OTHER
2 PROBLEMS THEY'RE FACING, SO THE ASSISTANCE PORTION
3 OF THIS REMAINS REALLY CRITICAL.

4 AND, YOU KNOW, I THINK THAT THAT JUST
5 REALLY NEEDS TO BE AT THE CENTER OF WHAT WE'RE
6 DOING WITH LOCAL GOVERNMENTS AS WELL AS THE MESSAGE
7 WE PUT OUT TO THEM, THE SUBSTANCE OF THE ASSISTANCE
8 IS PRETTY CRUCIAL. AND I THINK THAT STAFF IS DOING
9 A VERY GOOD JOB IN THAT, AND THIS HELPS TO FOCUS IT
10 FURTHER.

11 MR. SMITH: BRIEFLY COVER STEPS. SHOULD
12 YOU APPROVE OUR FOUR PROPOSED PRIORITIES, WE START
13 TEAM SELECTION TOMORROW MORNING AT 10 O'CLOCK.
14 TEAM MEMBERSHIP IS PROPOSED TO BE FROM ALL OF THE
15 RELEVANT PARTS OF THE ORGANIZATION THAT WOULD HAVE
16 A ROLE TO PLAY WITHIN EACH OF THESE AREAS. WE'RE
17 LOOKING AT SIX TO TEN PEOPLE. WE'RE ALSO PROPOSING
18 THAT A -- ONE OF THE BOARD ADVISORS BE ON EACH
19 TEAM, AND WE'D BE LOOKING FOR WHAT YOU ARE -- HOW
20 WE CAN BRING YOUR INPUT INTO THESE DIRECTIONS.

21 WE ARE PROPOSING PROVIDING SUPPORT TO
22 THE TEAM, FACILITATION, TRAINING, ETC., WHICH HAS
23 ALREADY BEEN PLANNED AND IS READY TO BE DELIVERED
24 DECEMBER 3D AND 4TH FOR THE FIRST TEAM, JANUARY
25 14TH AND 15TH FOR THE SECOND. WE'RE LAYING OUT A



1 CHARTER FOR THE TEAMS OF THE DELIVERABLES
2 EXPECTED. WE ARE VERY MUCH, TO RESPOND TO LARRY,
3 TAKING -- ASKING THAT THE TEAMS LOOK FOR EITHER
4 TEAM PARTICIPATION ACTUALLY ON THE TEAM OR, FAILING
5 THAT, A STRONG MECHANISM TO BRING PARTNERS AND
6 STAKEHOLDERS INTO THE PLANNING AND CONTINUING
7 PROCESS OF THE TEAM.

8 THE ELEMENTS OF THE PLAN IN NO
9 PARTICULAR ORDER. THE SCOPE, I THINK, HAS BEEN
10 PRETTY WELL ADDRESSED WITHIN THE ITEM IN THE FOUR
11 AREAS THAT THE DEPUTIES HAVE DISCUSSED. WE ARE
12 VERY CLEARLY GOING TO IDENTIFY OUR PARTNERS AND
13 STAKEHOLDERS VERY SPECIFICALLY AND LOOK AT CRAFTING
14 A STRONG ROLE FOR THEM, WHO THEY ARE AND WHAT WE
15 EXPECT. AND WE'LL NEGOTIATE WITH THEM WHAT THEIR
16 PART IN THIS EFFORT WILL BE.

17 PICKING UP ON WHAT RALPH SAID
18 EARLIER, WE VERY MUCH EXPECT TO HAVE CLEAR TARGETS
19 AND EXPECTED OUTCOMES, AS DOROTHY ALSO MENTIONED,
20 FOR THE RESULTS THAT WE'RE ANTICIPATING HERE.
21 WE'RE ASKING THAT THEY BE REASONABLE; IN OTHER
22 WORDS, NOT JUST A FIGURE DRAWN OUT OF THE AIR, THAT
23 THERE IS A RATIONALE FOR THAT TARGET, BUT THAT THEY
24 ARE CHALLENGING. WE'RE NOT EXPECTING TO SET
25 TARGETS THAT WE COULD DO BLINDFOLDED IN OUR SLEEP.



1 WE ARE LOOKING FOR STRETCH HERE. WHAT I AM MORE
2 INTERESTED IN IS NOT NECESSARILY MEETING THE
3 TARGET, BUT THE RATE OF PROGRESS TOWARDS IT.

4 I WOULD FAR RATHER SET AN AMBITIOUS
5 TARGET AND HAVE A VERY STRONG RATE OF PROGRESS TO
6 IT AND MISS THAN A VERY POOR AND LOW TARGET AND
7 MEET IT. SO IF WE'RE LOOKING FOR 5 PERCENT AND
8 MAKE 6, I WOULD FAR RATHER SHOOT FOR 25 AND MAKE
9 24. SO IT'S THE RATE OF PROGRESS TOWARDS A TARGET
10 THAT I AM PARTICULARLY INTERESTED IN, SO IT SHOULD
11 BE CHALLENGING.

12 SPECIFIC, AND AGAIN I THINK DOROTHY
13 HAS GIVEN US POINTERS TO SOME OF THE SPECIFICITY
14 THAT WE'RE LOOKING AT, SO WE CAN MEASURE AND THAT
15 IT BE MEASURABLE. SECTION D METHODOLOGY WILL BE
16 THE ELEMENTS, THE VARIOUS ACTIONS, OUTPUTS,
17 TIMETABLES, ACCOUNTABILITIES, RESOURCES. WE'RE
18 ALREADY SEEING THAT THE LOCAL OUTREACH PROBABLY IS
19 GOING TO NEED BOOSTING. I SUSPECT TRAVEL MONEY IS
20 GOING TO NEED SOME ENHANCEMENT THERE, AND IT WILL
21 BE THE MANAGEMENT TEAM'S JOB TO LOOK AT WHERE WE
22 DRAW THOSE RESOURCES FROM, WHERE COULD WE GO
23 SEARCHING WITHIN THE ORGANIZATION TO FIND THAT.

24 PERFORMANCE MEASUREMENT, VERY
25 DEFINITELY AN ELEMENT OF THIS AND NOT JUST AT THE



1 END OF THE PROCESS. IT'S TOO LATE AFTER A YEAR TO
2 18 MONTHS TO MEASURE WHAT WE ARE TRYING TO ACCOM-
3 PLISH IN EITHER GOAL. YES, WE MADE IT. GREAT. OR
4 WHOOPS, WE DIDN'T. I WONDER WHY. SO THE PERFORM-
5 ANCE MEASUREMENT HAS TO BE AS CLOSE TO REALTIME AS
6 WE CAN, WHICH IS GOING TO PRESENT SOME INTERESTING
7 CHALLENGES IN SOME OF THESE AREAS AS TO HOW WE CAN
8 PARTNER WITH SOME OF THE AGENCIES TO TRACK THESE
9 THINGS ON ALMOST A REALTIME BASIS, SO WE CAN REALLY
10 SEE WHETHER THE STRATEGIES WE'RE PUTTING IN PLACE
11 ARE BEING EFFECTIVE.

12 WE'RE ASKING FOR REPORTING, AND IT'S
13 ONE OF THE ISSUES THAT I THINK RALPH WANTS TO
14 DISCUSS BRIEFLY. WE WANT TO REPORT TO THE BOARD.
15 WE WANT TO REPORT TO THE ORGANIZATION AS A WHOLE.
16 WE WANT TO REPORT TO THE STAKEHOLDERS, AND WE WANT
17 THIS EFFORT TO BE VISIBLE. THESE EFFORTS SHOULD BE
18 THE DRIVING FORCE OF WHERE THIS BOARD IS GOING OVER
19 THE NEXT YEAR TO 18 MONTHS. SO WE WANT A LOT -- WE
20 WANT ATTENTION FROM EXECUTIVE STAFF AND THE BOARD
21 STAFF AND FROM THE STAKEHOLDERS IN THE AUDIENCE,
22 AND WE NEED TO BUILD A STRUCTURE OF REPORTING AND
23 ATTENTION BECAUSE ACTUALLY OUR ORGANIZATION WILL
24 PAY ATTENTION TO WHAT WE COLLECTIVELY AS LEADERSHIP
25 AND THE BOARD PAY ATTENTION TO. SO I THINK THAT'S

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1 ONE OF THE REAL ISSUES THAT WE HAVE TO DEAL WITH.
2 HOW DO I PAY ATTENTION, RALPH, YOU, AND THE PEOPLE
3 IN THE AUDIENCE PAY ATTENTION TO THIS.

4 YOU'VE SEEN VERY CLEARLY THE INTER-
5 RELATIONSHIPS THAT ARE ALREADY APPARENT BETWEEN
6 THESE FOUR AREAS, AND PART OF THE PLANNING WILL
7 ADDRESS THOSE INTERRELATIONSHIPS AND HOW WE WILL
8 LEVERAGE ONE OF THE AREAS FROM THE OTHER THREE.
9 WE'RE TALKING TIME FRAMES OF A YEAR TO 18 MONTHS.
10 A FIVE-YEAR GOAL IS NO GOAL AT ALL. SOME OF THESE,
11 WE REALIZE, ARE THREE- TO FIVE-YEAR ISSUES, BUT WE
12 ARE PROPOSING BITING OFF BITE SIZE CHUNKS. SO YOU
13 MAY SEE TWO OR THREE CYCLES WITHIN EACH OF THESE
14 AREAS.

15 WHAT WE ARE PROPOSING AS A YEAR- TO
16 18-MONTH CYCLE IN THESE FIRST FOUR AREAS, TOWARDS
17 THE END OF THAT PERIOD, WE REVISIT. WE WILL LOOK
18 AT THE NECESSITY FOR A SECOND CYCLE AND WHETHER THE
19 TIMING IS RIGHT FOR THAT CYCLE OR WHETHER WE SHOULD
20 BRING SOMETHING ELSE IN IN THE NEXT CYCLE.

21 WE'RE LOOKING AT THE SUPPORT, YOUR
22 SUPPORT, EXTERNAL AGENCY SUPPORT, AND SUPPORT FROM
23 OTHER PARTS OF OTHER ORGANIZATIONS THAT MAY BE
24 NECESSARY TO MAKE THIS HAPPEN. WE'RE INTENDING --
25 MY INTENTION IS TO SPEND A LOT OF MY TIME PAYING



1 ATTENTION TO THIS. I'VE ABSOLUTELY NO DOUBT, AND
2 I'LL SAY THIS PUBLICLY, THAT THE DEPUTIES MANAGE
3 THEIR PARTICULAR ORGANIZATIONS VERY WELL, AND I SEE
4 IT NOT AS A VALUE-ADDED PART FOR MY TIME TO SPEND
5 TIME MESSING IN THEIR AREAS AND IN THEIR DIVISIONS.
6 WHAT I INTEND TO SPEND MY TIME ON IS WORKING WITH
7 THESE TEAMS TO GET DONE WHAT WE'RE SETTING OUT TO
8 DO HERE.

9 SO THE DEPUTIES THEMSELVES WILL BE
10 RESPONSIBLE FOR THE TEAMS. WE HAVE NOT -- WE'VE
11 TENTATIVELY MADE THREE ASSIGNMENTS. WE'RE GOING TO
12 NAIL DOWN THE FOURTH PRETTY QUICKLY. WE INTEND TO
13 START IMMEDIATELY. THERE'S A MEETING PLANNED AT 10
14 O'CLOCK TOMORROW TO KICK THIS OFF SHOULD YOU
15 APPROVE THIS ITEM. WE'RE PROPOSING THAT THE FIRST
16 TWO PLANNING GROUPS BE THE LOCAL ASSISTANCE AND THE
17 C&D AND THAT WE FINISH BY THE END OF THE CALENDAR
18 YEAR OR BY VERY EARLY JANUARY. WE'RE PROPOSING TO
19 KICK OFF THE SECOND TWO PLANNING GROUPS IN EARLY
20 JANUARY AND FINISH BY MID TO LATE FEBRUARY AND
21 IMMEDIATELY TO MOVE FROM PLANNING TO ACTION.

22 SO WE'RE PUTTING AN AMBITIOUS
23 SCHEDULE -- AND I CAN'T SAY SCHEDULE. I CAN'T GET
24 MY TONGUE AROUND THAT WORD YET -- AND WE ARE
25 LOOKING TO REALLY PUT THE ACCELERATOR TO THE FLOOR



1 ON THESE EFFORTS AND TO BE ABLE TO DEMONSTRATE SOME
2 SUCCESS IN THE NEXT YEAR TO 18 MONTHS. RALPH.

3 MR. CHANDLER: THAT PRETTY MUCH SUMMARIZES
4 IT. I JUST WANT TO ADD THAT THIS IS GOING TO
5 CHANGE THE WAY WE DO BUSINESS HERE, AT LEAST FROM
6 THE DIRECTORS' ROLE DOWN. AS I SAID TO KEITH, I
7 EXPECT WHEN YOU MEET BI-WEEKLY WITH THE DEPUTIES,
8 THAT YOUR FOCUS WILL NOT BE ON THEIR INDIVIDUAL
9 DIVISIONAL DAILY ACTIVITIES, BUT THE FIRST
10 QUESTIONS WILL BE HOW IS THE TEAM THAT YOU ARE
11 RESPONSIBLE FOR PROCEEDING AGAINST PROGRESS AGAINST
12 PLAN.

13 SO IF JUDY, FOR EXAMPLE, IS LEADING
14 THE LOCAL GOVERNMENT PERFORMANCE AND DIVERSION,
15 KEITH'S FOCUS WILL BE TO GET REPORTS FROM JUDY ON
16 HOW IS THAT TEAM MOVING. WE'VE GOT A VETERAN TEAM
17 OF DEPUTY DIRECTORS, SO WE DON'T NEED TO, AS KEITH
18 SAID, BE WORRYING ABOUT THE DAY-TO-DAY FUNCTIONS.

19 AND I THINK SIMILARLY IT MAY AFFECT
20 JUST THE WAY, AS A BOARD, WE INTERACT BECAUSE WHAT
21 I WANT TO EMPHASIZE HERE, AND I THINK YOU SEE IT,
22 IS THAT THESE CUT ACROSS ALL THE FUNCTIONS WITHIN
23 THE ORGANIZATION. AND I THINK IT'S IMPORTANT THAT
24 WE LOOK AT MAKING SURE THAT WE DON'T FALL INTO KIND
25 OF THE SILO MENTALITY OF EACH DIVISION NECESSARILY



1 BEING THE ONLY DIVISION THAT IS RESPONSIBLE FOR ONE
2 OF THESE PLANS. THAT'S NOT THE WAY THE TEAMS ARE
3 GOING TO BE DEVELOPED.

4 AND YOU'VE OFTEN ASKED IN SOME OF
5 YOUR COMMITTEES, WELL, IN MARKETS IS LOCAL
6 ASSISTANCE FOCUSING ON THIS OR IS THERE A NETWORK
7 OR A TIE THERE. AND I THINK THAT OUR EFFORTS TO
8 COME BACK MONTHLY AND REPORT OUT ON THE PROGRESS TO
9 THE FULL BOARD ON THESE TEAMS IS ALSO GOING TO
10 TRANSCEND INTO HOW WE COMMUNICATE ALL THE OTHER
11 ACTIVITIES WE'RE DOING WITHIN THE DIVISIONS THROUGH
12 THE COMMITTEE STRUCTURE. SO AS WE DEVELOP THIS, I
13 THINK WE WANT TO FIND WAYS WHERE WE CAN DRAW ON THE
14 EXPERTISE OF THE INDIVIDUAL BOARD MEMBERS THAT HAVE
15 A LOT TO OFFER IN THIS AREA.

16 WE'VE TALKED ABOUT GETTING ADVISORS
17 INVOLVED IN THIS, AND I THINK WE WANT TO MAKE SURE
18 THAT WE HAVE A FLUID FORMAT IN WHICH WE CAN KEEP
19 YOU ALL APPRISED, NOT JUST STAFF, BOARD, AND
20 STAKEHOLDERS, BUT EVERYBODY APPRISED AS TO THE
21 PROGRESS WE'RE MAKING HERE.

22 SO WE'RE GOING TO WANT TO CONTINUE TO
23 WORK WITH THE FULL BOARD AS WE EVOLVE THE SYSTEM OF
24 MAKING SURE YOU ARE KEPT APPRISED OF OUR PROGRESS
25 AGAINST PLAN. I'M EXCITED ABOUT IT AND CERTAINLY



1 IF YOU HAVE ANY QUESTIONS FOR KEITH AND I, WE WANT
2 TO TAKE THEM NOW.

3 CHAIRMAN PENNINGTON: I'D FIRST LIKE TO
4 SAY THAT I'M EXCITED ABOUT IT. I THINK IT'S THE
5 RIGHT DIRECTION FOR US TO GO. I WANT TO THANK YOU
6 AND KEITH AND THE REST OF THE STAFF FOR AN
7 EXCELLENT JOB. I THINK YOU'VE SPENT A LOT OF TIME
8 ON IT. I KNOW YOU'VE SPENT A LOT OF TIME ON IT. I
9 KNOW THAT YOU HAVE PUT A LOT OF THOUGHT INTO IT.
10 SO I'M REALLY PLEASED WITH THE DIRECTION WE'RE
11 GOING. I THINK IT'S THE RIGHT DIRECTION.

12 AND WITH THAT, I WILL MOVE THAT WE
13 APPROVE AND ADOPT RESOLUTION 97-528.

14 BOARD MEMBER GÖTCH: I'LL SECOND.

15 BOARD MEMBER CHESBRO: MR. CHAIRMAN,
16 BEFORE WE VOTE, FIRST OF ALL, I WANT TO EXPRESS MY
17 SUPPORT FOR IT OVERALL, AND I THINK WE'VE REALLY
18 MOVED A LONG WAYS. AND EVERYONE INVOLVED IS TO BE
19 COMPLIMENTED.

20 I DO HAVE ONE SORT OF NAGGING CONCERN
21 THAT I DON'T THINK WE CAN ADDRESS, AND I'M NOT
22 GOING TO PROPOSE TO MODIFY THIS, BUT I WANT TO JUST
23 GET IT OUT THERE. THAT HAS TO DO WITH EVERYTHING
24 BEING JUST A LITTLE TOO NEAT AND SYSTEMATIC. AND
25 THE FACT THAT SOMETIMES THE BEST IDEAS OR PROGRAMS



1 COME FROM CREATIVE BRAINSTORMS THAT COME OUT OF
2 SYNC AND DON'T FIT INTO NEAT LITTLE CATEGORIES OR
3 PROCESSES.

4 AND I COULD THINK OF EXAMPLES, YOU
5 KNOW, THAT -- HYPOTHETICALS TO HELP YOU UNDERSTAND
6 WHAT I MEAN, AND I'LL TRY NOT TO GET TOO DETAILED.
7 BUT I'M THINKING IN TERMS OF SOMETHING THAT WOULD
8 SUPPORT ONE OF THE OTHER AREAS THAT THE BOARD --
9 THAT'S CONSIDERED MAINTENANCE THAT DOESN'T FIT IN
10 THESE FOUR PRIORITY AREAS AND YET IS SOME
11 COMPLETELY NEW, INNOVATIVE CONCEPT THAT POPS UP
12 THAT EVERYONE AGREES, BUT WE DON'T WANT TO JUST
13 STICK IT IN AN EARLY DEVELOPMENT STAGE. BUT IT
14 ALSO IS NOT LIKELY TO GET ELEVATED TO THE -- TO ONE
15 OF THOSE TOP PRIORITIES AND IT DOESN'T FIT NEATLY
16 IN THOSE.

17 AN EXAMPLE THAT'S ALREADY HAPPENED
18 THAT IS THE BEST WAY, I GUESS, I COULD ILLUSTRATE
19 IT WOULD BE SOMETHING THAT INVOLVES WASTE PREVEN-
20 TION, WHICH I DO THINK WE NEED TO BE CAREFUL WE
21 HAVEN'T LOST FOCUS ON AS A RESULT OF THIS BECAUSE
22 IT IS THE TOP OF THE HIERARCHY. BUT THE TRANSPORT
23 PACKAGING INITIATIVE, FOR EXAMPLE. IF SOMEBODY ON
24 OUR STAFF TWO WEEKS FROM NOW OR THREE MONTHS FROM
25 NOW, IF WE HADN'T ALREADY THOUGHT OF IT, SAID,



1 "GEE, HERE'S AN IDEA FOR ADDRESSING THIS PARTICULAR
2 PROBLEM THAT'S KIND OF CREATIVE," WOULD IT GET THE
3 ACCELERATED RESOURCES THAT COULD MAKE IT DO IT
4 SOMETHING REALLY MEANINGFUL FOR US WITH THIS
5 FRAMEWORK IN PLACE THAT WE'VE PUT IN PLACE?

6 AND I WANT TO MAKE SURE THAT WE DON'T
7 USE IT AS AN EXCUSE TO NOT PURSUE SOMETHING THAT
8 APPEARS TO HAVE GREAT PROMISE IN SOME AREA THAT
9 DOESN'T FIT NEATLY INTO THESE FOUR CATEGORIES. I
10 GUESS I'M JUST KIND OF SEEKING THAT GENERAL
11 ASSURANCE THAT WE DON'T MUFFLE THE CREATIVE IMPULSE
12 WHEN OUT OF STAFF OR FROM OUTSIDE THE BOARD OR FROM
13 A BOARD OFFICE SOMEBODY SAYS, "WELL, WHAT ABOUT
14 THIS IDEA?" AND WE SAY, "WELL, LET'S PUT IT IN THE
15 EARLY RESEARCH STAGES AND JUST SORT OF WAIT AWHILE
16 BECAUSE IT'S NOT ONE OF THESE TOP FOUR." THAT'S
17 JUST SORT OF A WARNING, I GUESS, ABOUT HOW WE COULD
18 MISUSE THIS IF WE AREN'T CAREFUL.

19 AND I DON'T THINK THAT'S WHAT'S
20 INTENDED. I'VE BEEN REASSURED BY EVERYBODY
21 INVOLVED THAT THAT'S NOT WHAT THEY'RE AFTER, BUT I
22 THINK IT HAS THAT POTENTIAL IF WE'RE TOO
23 BUREAUCRATIC AND RIGID IN OUR APPLICATION OF THIS
24 THING.

25 MR. SMITH: WELL, LET ME JUST GIVE YOU AN



1 IDEA OF THE PHILOSOPHY OF THIS, THAT I FRANKLY
2 DON'T BELIEVE THAT THE SOLUTIONS COME FROM THE
3 CENTER OF ANY ORGANIZATION. MY BELIEF IS THAT
4 INNOVATION HAPPENS AT THE PERIPHERY.

5 OUR GOAL IS TO TRY A NUMBER OF
6 THINGS. WE WOULD HAVE A LARGE NUMBER OF
7 EXPERIMENTS GOING ON IN THESE AREAS, TARGETED,
8 FOCUSED. AND OUR JOB IN MANAGEMENT IS NOT SITTING
9 IN THE CENTER DICTATING AND CONTROLLING, BUT
10 LOOKING AT WHAT WORKS BEST, HARVESTING SUCCESS OF
11 WHAT WORKS BEST, SPREADING THAT SIDEWAYS. SO IT'S
12 A DIFFERENT ROLE OF MANAGEMENT. SO I THINK WHAT
13 WE'RE TRYING TO DO IS ENCOURAGE STAFF PARTNERS INTO
14 THAT EXPERIMENTAL AREA. OUR JOB IS TO LOOK,
15 SEARCH, FIND, SPREAD THE SUCCESSES, CELEBRATE THEM.
16 SO I THINK THE WHOLE PHILOSOPHY BEHIND THAT IS NOT
17 CONTROLLING FROM THE CENTER. IT'S USING THAT GROUP
18 AT THE CENTER TO BRING THAT BEST KNOWLEDGE IN, FIND
19 OUT HOW BEST TO TARGET IT, HOW BEST TO SPREAD IT,
20 HOW BEST TO USE IT.

21 SO I AGREE WITH YOU ENTIRELY. I
22 THINK THE IDEA THAT MANAGEMENT AT THE CENTER OF THE
23 ORGANIZATION CAN AND SHOULD CONTROL IS LUDICROUS,
24 SO WE'LL BE WELL AWARE OF THAT.

25 CHAIRMAN PENNINGTON: IF THERE'S -- MR.

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1 JONES.

2 BOARD MEMBER JONES: I JUST HAVE ONE
3 QUESTION BEFORE YOU VOTE. BASED ON WHAT MR.
4 CHESBRO SAID AND KEITH'S RESPONSE, IT WAS MENTIONED
5 EARLIER THAT THERE NEEDED TO BE BOARD INVOLVEMENT
6 AND THERE WERE SOME DISCUSSIONS IN THE BRIEFINGS AS
7 HOW, YOU KNOW, HOW WOULD THIS COME FORWARD. YOU
8 KNOW, I THINK THAT A LOT OF WHAT WESLEY HAS BROUGHT
9 UP COULD HAPPEN IF THESE -- AND I DON'T PROPOSE
10 TO -- I'M NOT GOING TO SUGGEST A MECHANISM, BUT IF
11 THESE WORKING GROUPS CAME TO THE BOARD -- AND I
12 DON'T CARE IF WE DO SECOND-DAY BOARD MEETINGS FOR
13 THE NEXT 18 MONTHS -- AND MADE US AWARE OF WHAT
14 THEY WERE DOING AND THINGS LIKE THAT, THERE WOULD
15 BE AN OPPORTUNITY FOR NOT CHANGING COURSE, BUT
16 KEEPING PEOPLE AWARE OF WHAT THEY -- YOU KNOW,
17 BECAUSE I WOULD THINK IF YOU DID THIS ON AN ONGOING
18 BASIS, YOU WOULD HAVE SOME INPUT AT THE BEGINNING,
19 SEE HOW IT CAME ALONG. YOU WOULD BE COMPLETELY UP
20 TO SPEED WITH THINGS. AND THEN AT SOME POINT, IF
21 THAT IDEA CAME FORWARD, YOU WOULD HAVE A MECHANISM
22 IN PLACE WHERE, YOU KNOW, A STRUCTURE WHERE YOU
23 COULD PUT THAT IN.

24 AND I THINK THAT THIS IS IMPORTANT
25 ENOUGH THAT IT NEEDS TO COME IN FRONT OF THE BOARD

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1 EVERY MONTH PERSONALLY. I'D RATHER SEE IT COMING
2 IN FRONT OF US EVERY MONTH BECAUSE I THINK THAT --
3 YOU KNOW, IF WE'RE THE POLICY MAKERS, IF WE'RE THE
4 ONES WHO ARE MAKING THE DECISIONS, I THINK THAT WE
5 NEED TO BE INVOLVED IN SUPPORTING THESE THINGS.

6 I JUST THOUGHT I'D THROW MY TWO CENTS
7 IN THERE ON THAT ISSUE BECAUSE I DON'T KNOW IF IT
8 WAS ADDRESSED.

9 CHAIRMAN PENNINGTON: OKAY. IF THERE'S NO
10 FURTHER DISCUSSION, WILL THE SECRETARY CALL THE
11 ROLL ON THE MOTION TO APPROVE RESOLUTION 97-528.

12 THE SECRETARY: BOARD MEMBER CHESBRO.

13 BOARD MEMBER CHESBRO: AYE.

14 THE SECRETARY: FRAZEE.

15 BOARD MEMBER FRAZEE: AYE.

16 THE SECRETARY: GOTCH.

17 BOARD MEMBER GOTCH: AYE.

18 THE SECRETARY: JONES.

19 BOARD MEMBER JONES: AYE.

20 THE SECRETARY: RELIS.

21 BOARD MEMBER RELIS: AYE.

22 THE SECRETARY: CHAIRMAN PENNINGTON.

23 CHAIRMAN PENNINGTON: AYE. MOTION
24 CARRIES.

25 IF THERE'S NO OTHER ITEM TO COME

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1 BEFORE THE BOARD, WE WILL ADJOURN.

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3 (THE MEETING WAS THEN ADJOURNED AT
4 11:25 A.M.)
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Reporter's Certificate

* * * * *

I, Beth C. Drain hereby certify:

that on the 20th day of
November, 1997, I did report in
shorthand the testimony of the foregoing
proceedings;

that on the conclusion of the above entitled
matter, I did transcribe my shorthand notes into
typewriting;

that the foregoing transcript is a true and correct
record of my shorthand notes thereof.

Beth C. Drain
Certified Shorthand Reporter
Certificate No. 7152

