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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Soren E. Duff
Executive Secretary

January 12, 1994

To: Board of Directors (Engineering and Operations Committee--
Information) (Special Committee on Water Quality and
Environmental Compliance--Information)

From: General Manager

Subject: Waste Management Contractor Assessment Program

Report

Hazardous waste handling, transportation, treatment and disposal are heavily regulated by state and federal entities. As a generator of wastes, Metropolitan must utilize properly licensed, permitted and registered hazardous waste contractors. Although Metropolitan complies with these requirements, Metropolitan is still liable as a third party for the ultimate fate of the waste it generates. Over the past two decades numerous companies have sustained significant financial loss as a result of being named a "responsible party" at a site where contamination has been discovered. To minimize this risk of future liability, Metropolitan staff has established a program to carefully review waste service firms. Waste management contractor reviews have become a standard practice in industry over the last fifteen years.

Metropolitan's wastestreams are largely project driven and, other than the routine wastestreams from the vehicle service centers, vary in their type, amount, and point of generation. In 1993, 1195 tons of waste were generated. Approximately 36% of the waste was treated or fuel blended, 33% recycled, 25% landfilled and 6% incinerated. A myriad of service providers exist who could manage these wastes. Fifteen contractors were used in 1993 to treat, store, dispose, recycle or reclaim Metropolitan's waste.

In the past, assessments of waste management contractors have been conducted on an informal basis by Metropolitan personnel. Formalization of the reviews into a comprehensive Waste Management Contractor Assessment Program (Program) has been identified as a means of minimizing Metropolitan's long-term liability as a waste generator. The process is being developed by the Environmental Compliance Division, in conjunction with the Finance Division and the Legal

Department. The program objective is to identify contractors who pose the least potential for future liability due to the condition of their equipment and operations, the effectiveness of their management systems and the ability of the company to absorb costs resulting from the waste management activities.

The initial focus of the Program is on waste treatment, storage and disposal facilities, recyclers, and reclaimers. Subsequent phases of the Program will involve an evaluation of the scope to determine whether it should be expanded to include other waste management services such as transporters, asbestos and lead abatement contractors, or waste analysis laboratories.

The assessment methodology will include a pre-visit screening questionnaire, a review of their regulatory compliance, a field review of the contractor's equipment, operations and management systems, and an examination of the contractor's financial stability. The information collected during the assessment will be made available to Metropolitan personnel responsible for selecting waste management contractors, and will be shared with the Board and interested member agencies.

According to the Program schedule, the first contractor assessment will occur towards the end of the first quarter of 1994. Feedback received during this review will be utilized to refine and improve the process.

Finally, it should be noted that concurrent to this in-house effort, a similar joint vendor assessment project with interested utility companies is in progress. Participation in this activity where overlap exists with Metropolitan's Program, can provide opportunities for optimizing available resources and accelerating the assessment schedule.

Board Committee Assignments

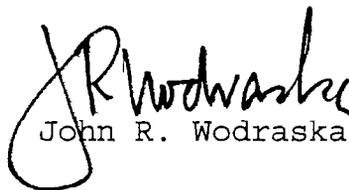
This letter is referred for information to:

The Engineering and Operations Committee because of its authority to study, advise and make recommendations with regard to programs to dispose of waste materials pursuant to Administrative Code Section 2431 (b); and

The Special Committee on Water Quality and Environmental Compliance because of its authority to consider the effect on Metropolitan of federal, state and local environmental statutes and regulations pursuant to Administrative Code Section 2551 (a).

Recommendation

For information only.



John R. Wodraska

SC/lrm

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