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**CALIFORNIA SHORTHAND REPORTING**

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1 THURSDAY, APRIL 29, 1999

9:30 O'CLOCK A.M.

2 ----oOo----

3 I. CALL TO ORDER

4 CHAIRMAN EATON: GOOD MORNING EVERYONE, CAN I HAVE  
5 YOUR ATTENTION? GOOD MORNING, AND WELCOME TO THE FINAL DAY  
6 OF THE APRIL BOARD MEETING OF THE CALIFORNIA INTEGRATED  
7 WASTE MANAGEMENT BOARD.

8 II. ROLL CALL AND DECLARATION OF QUORUM

9 CHAIRMAN EATON: TO BEGIN THE PROCEEDINGS, I  
10 NOTICE THAT THERE IS A QUORUM PRESENT, SO WE CAN CONTINUE TO  
11 CONDUCT BUSINESS.

12 III. OPENING REMARKS

13 CHAIRMAN EATON: IN THE INTEREST OF EFFICIENCY, A  
14 NUMBER OF EX PARTE COMMUNICATIONS CAME IN TO THE BOARD. I  
15 WILL, PER COUNSEL'S ADVICE, READ THOSE INTO THE RECORD. AND  
16 IF MY FELLOW BOARD MEMBERS HAVE RECEIVED THOSE, AS WELL, FOR  
17 PURPOSES OF DISCLOSURE AT THE BOARD MEETING IT WILL SUFFICE  
18 THAT I HAVE IDENTIFIED THEM.

19 IF THERE ARE ANY OTHERS THAT YOU HAVE  
20 RECEIVED THAT EITHER I HAVE NOT READ INTO THE RECORD AND/OR  
21 HAVE MISPLACED, IF YOU COULD JUST REITERATE THOSE WHEN I GO  
22 AROUND?

23 THE FIRST EX PARTE COMMUNICATION IS FROM THE  
24 CITY OF SAN BUENA VENTURA (PHON) DATED APRIL 28TH, 1999,

1 FROM A RONALD HAWKINS (PHON) (CALKINS?) REGARDING THE  
2 HOUSEHOLD HAZARDOUS WASTE ITEM ON TODAY'S AGENDA.

3 THE OTHER LETTER, DATED APRIL 28TH, 1999 -- I  
4 BELIEVE WE DID IT YESTERDAY -- FROM KEN STODDARD, WASTE  
5 MANAGEMENT, REGARDING THE HOUSEHOLD HAZARDOUS WASTE GRANTS  
6 AS WELL.

7 ANOTHER LETTER, DATED APRIL 28TH, 1999, FROM  
8 V. JOHN WHITE REGARDING TODAY'S TIRE REPORT.

9 ANOTHER LETTER, DATED APRIL 28TH, 1999, FROM  
10 THE COUNTY OF SACRAMENTO PUBLIC WORKS AGENCY, FROM THOMAS  
11 SLETKOWSKI REGARDING AGENDA ITEM 32, THE REALLOCATION, IF  
12 ANY, OF ANY WASTE TIRE FUNDS.

13 A LETTER, DATED 4/27/1999, FROM THE SIERRA  
14 CLUB OF CALIFORNIA, FROM BONNIE HOLMES REGARDING THE AB 117  
15 TIRE REPORT, WHICH I BELIEVE IS AGENDA ITEM NO. 29.

16 THE LAST LETTER THAT I HAVE IS DATED APRIL  
17 26TH, 1999, FROM ROBIN SIMARREA, THE WEST VALLEY CITIZENS  
18 AIR WATCH, REGARDING ALSO ITEM NO. 29, WHICH IS THE AB 117  
19 TIRE DRAFT REPORT.

20 I'LL START WITH MR. PENNINGTON. MR.  
21 PENNINGTON, ARE THERE ANY OTHERS THAN WHAT I HAVE IDENTIFIED  
22 THAT YOU MAY WANT TO REPORT TODAY?

23 MEMBER PENNINGTON: YES, MR. CHAIRMAN. FIRST LET  
24 ME POINT OUT, I DID NOT RECEIVE THE VENTURA LETTER, THE

1 SIERRA CLUB LETTER, OR THE WEST VALLEY AIR WATCH LETTER.

2 BUT I DID RECEIVE FROM -- DATED FRIDAY, APRIL  
3 23RD, 1999, FROM JIM AND KAREN BARSTOW AND JANNA NAIR  
4 (PHON), A LETTER ON AB 117, THE TIRE REPORT.

5 ALSO RECEIVED ONE FROM WASTE TIRE MANAGEMENT,  
6 CARL ATKINSON, ON THE TIRE REPORT.

7 AND I THINK THAT CONCLUDES WHAT I GOT.

8 CHAIRMAN EATON: MR. JONES?

9 MEMBER JONES: I GOT MOST OF THE LETTERS THAT YOU  
10 READ OFF.

11 AND THEN ALSO THE ONE FROM CARL ATKINSON FROM  
12 WASTE MANAGEMENT ON AB 117.

13 AND THEN A DISCUSSION WITH CHUCK HELGUT  
14 (PHON) ON THE SACRAMENTO COUNTY PROPOSAL FOR REALLOCATION OF  
15 MONEY.

16 CHAIRMAN EATON: SENATOR ROBERTI?

17 MEMBER ROBERTI: (INAUDIBLE; OFF-MIKE)  
18 CALIFORNIANS AGAINST WASTE.

19 MR. CARL ATKINSON, WASTE TIRE MANAGEMENT.

20 THAT'S IT.

21 CHAIRMAN EATON: IT APPEARS I HAVE ALSO RECEIVED  
22 THE WASTE TIRE MANAGEMENT FROM CARL ATKINSON, AS WELL. IT  
23 WAS JUST PUT IN FRONT OF ME.

24 AND THE ONLY OTHER THING WAS AN ORAL

1 CONVERSATION WITH CHUCK HELGUT TODAY REGARDING HOW WE'RE  
2 GOING TO PROCEED IN AGENDA ORDER.

3 AND SINCE I EXPLAINED TO MR. HELGUT I WILL,  
4 FOR THE PURPOSES OF PROCESS, GO THROUGH. TODAY WE'RE GOING  
5 TO GO TO STRAIGHT THROUGH IN THE ORDER THAT IT'S LISTED WITH  
6 ONE EXCEPTION. THAT EXCEPTION BEING UNDER THE SUB-CATEGORY  
7 OF WASTE PREVENTION IN MARKET DEVELOPMENT, ITEMS 32 AND 33  
8 SHOULD HAVE BEEN REVERSED, SO THAT WE WILL MAKE AN AWARD OF  
9 THE TIRE PRODUCTS PROMOTION AND THEN IMMEDIATELY THEREAFTER  
10 GO INTO A CONSIDERATION OF A REALLOCATION OF ANY USED (PHON)  
11 FUNDS, SO THOSE TWO SHOULD BE REVERSED. OTHER THAN THAT, WE  
12 WILL PROCEED IN THE AGENDA ORDER THAT IS LAID OUT IN THE  
13 DOCUMENT.

14 THE OTHER THING IS, IF YOU WISH TO SPEAK ON  
15 ANY ITEM WE'D GREATLY APPRECIATE -- THERE ARE WHITE SLIPS IN  
16 THE BACK, IF YOU FILL OUT YOUR NAME AND THE APPROPRIATE  
17 INFORMATION, AND IT WOULD BE EXTREMELY HELPFUL TO ALL OF US  
18 HERE IF YOU COULD IDENTIFY THE AGENDA ITEM ON WHICH YOU CARE  
19 TO SPEAK ON.

20 IT'S A LONG AGENDA. AS YOU WELL KNOW, WE'RE  
21 GOING TO BE TAKING UP THE TIRE REPORT TODAY, WE PRESUME THAT  
22 THAT WILL TAKE UP A CONSIDERABLE AMOUNT OF TIME. SO I'D  
23 APPRECIATE YOUR COOPERATION IN KEEPING YOUR REMARKS AND YOUR  
24 COMMENTS RELEVANT TO THE ISSUES AT HAND. IF YOU DECIDE TO

1 STRAY YOU'LL BE GIVEN SOME LEEWAY, BUT I WILL INTERRUPT YOU  
2 AND GET YOU BACK ON POINT. WE WOULD APPRECIATE THAT, WE  
3 WILL TRY AND DO THE SAME.

4 I THINK THERE ARE PEOPLE HERE WHO ARE ON  
5 OTHER AGENDA ITEMS WHO HAVE TRAVELED EQUALLY, AS WELL, AND I  
6 THINK IT'S IMPORTANT THAT THEY ALSO HAVE THEIR TRAVEL  
7 SCHEDULES AND THEIR PLANS NOT INTERRUPTED, AS WELL.

8 SO, WITH THAT, IF ANY MEMBERS HAVE ANYTHING  
9 ELSE, OR COMMENTS THEY WOULD LIKE TO SAY? OKAY.

10 ANYTHING FROM YOU, MR. CHANDLER?

11 VII. NEW BUSINESS AGENDA ITEMS

12 AGENDA ITEM 28: STATUS REPORT FROM CALIFORNIA  
13 DEPARTMENT OF TRANSPORTATION ON CIWMB FUNDED RUBBERIZED-  
14 ASPHALT CONCRETE TEST PROJECT ON HIGHWAY 16

15 CHAIRMAN EATON: ALL RIGHT. ITEM NO. 28, STATUS  
16 REPORT FROM CALIFORNIA DEPARTMENT OF TRANSPORTATION ON THE  
17 CIWMB FUNDED RUBBERIZED-ASPHALT CONCRETE TEST ON HIGHWAY 16.  
18 MARTHA GILDART, WELCOME.

19 MS. GILDART: THANK YOU, CHAIRMAN. MARTHA GILDART  
20 WITH THE WASTE PREVENTION AND MARKETS DEVELOPMENT DIVISION.

21 TODAY YOU'RE GOING TO HEAR A BRIEF STATUS REPORT FROM  
22 CALTRANS ON A PROJECT THAT I THINK REPRESENTS A VERY GOOD  
23 EXAMPLE OF SUCCESSFUL COLLABORATION BETWEEN CALTRANS AND THE  
24 INTEGRATED WASTE MANAGEMENT BOARD.

1 THE PROJECT IS ONE THAT THE BOARD FUNDED,  
2 \$500,000 FROM THE TIRE FUND WAS MADE AVAILABLE TO CALTRANS,  
3 AND IN 1993 THEY LAID TEST SEGMENTS ON HIGHWAY 16. YOU'LL  
4 BE HEARING WHAT THOSE SEGMENTS WERE AND HOW THEY'RE  
5 PERFORMING TODAY, SIX YEARS LATER.

6 GARY HILDEBRAND WILL BE PRESENTING THE ITEM  
7 FOR CALTRANS. HE'S WORKED WITH CALTRANS FOR 31 YEARS, HE  
8 HAS BEEN IN SOME OF THEIR DIFFERENT DISTRICTS, THE TRANSLAB  
9 (PHON), AND IS CURRENTLY WORKING IN THEIR HEADQUARTERS  
10 OFFICE. AND HE WORKS ON PAVEMENTS SECTION AND MAINTENANCE,  
11 SO GARY WILL BE USING POWER-POINT DEMONSTRATION HERE ONCE WE  
12 GET IT GOING.

13 CHAIRMAN EATON: WELCOME, MR. HILDEBRAND. FOR  
14 PURPOSES OF OUR REPORTER, IF YOU'D STATE YOUR NAME AND WHO  
15 YOU'RE WITH?

16 MR. HILDEBRAND: I'M GARY HILDEBRAND WITH  
17 CALTRANS.

18 CHAIRMAN EATON: THANK YOU.

19 MR. HILDEBRAND: CHAIRMAN EATON, MEMBERS OF THE  
20 BOARD, I'M HAPPY TO BE HERE TODAY TO SHARE WITH YOU A  
21 SUCCESS STORY UTILIZING ASPHALT-RUBBER PRODUCTS OF WHICH WAS  
22 FUNDED BY THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD.

23 I'D LIKE TO SAY FIRST THAT A BUZZWORD TODAY  
24 IS CALLED PARTNERING, AND BACK IN 1992 OR SO I'D NEVER HEARD

1 OF PARTNERING. BUT ACTUALLY THE WASTE BOARD AND CALTRANS  
2 WAS PARTNERING BEFORE PARTNERING WAS THE FAMOUS BUZZWORD.  
3 AND SO I THINK IT WENT VERY WELL. WE -- IF PARTNERING TODAY  
4 COULD BE AS SUCCESSFUL AS WE WERE WITH THE WASTE BOARD, AND  
5 VICE VERSA, WE COULD ACCOMPLISH MANY, MANY THINGS.

6 BACK IN 1992 THE WASTE BOARD CAME TO OUR  
7 OFFICE AND ASKED IF WE COULD BUILD SOME TEST SITES UTILIZING  
8 ASPHALT-RUBBER PRODUCTS, AND OF COURSE WE SAID YES, AND SO  
9 WE PUT TOGETHER A PLAN OF WHICH I'M GOING TO SHARE WITH YOU  
10 TODAY.

11 AFTER SEVERAL DISCUSSIONS WE SUGGESTED THAT  
12 THE BOARD GO TO OUR TRANSLAB  
13 AND WORK OUT SOME DETAILS AND FUNDING FOR  
14 ASPHALT-RUBBER TESTING EQUIPMENT, AND THEY DID THAT. WHEN  
15 THEY CAME BACK TO THE MAINTENANCE PROGRAM OF WHICH I WORK IN  
16 WE CAME UP WITH AN AGREEMENT OF A \$500,000 TEST SECTION.

17 IT WAS PLACED IN SEPTEMBER OF 1993,  
18 APPROACHING SIX YEAR'S OLD, AND IS PERFORMING VERY, VERY  
19 WELL. IT'S IN OUR DISTRICT THREE BRANCH, YOLO COUNTY, AND  
20 IT'S ON ROUTE 16 BETWEEN ESPARTO AND WOODLAND. IT'S ABOUT  
21 25 MILES FROM SACRAMENTO, IT'S VERY CLOSE TO THE AIRPORT, SO  
22 WE HAVE A LOT OF PEOPLE FLYING IN FROM OTHER PARTS OF THE  
23 STATE AND OTHER STATES THAT GET TO GO OBSERVE THIS SITE AND  
24 FORM THEIR OWN OPINIONS AS TO HOW WELL IT IS PERFORMING.

1 THE FIRST THING WE DID WAS ENTERED INTO AN  
2 INTERAGENCY AGREEMENT OF WHICH WENT VERY WELL. THE PEOPLE  
3 AT THE BOARD WERE VERY GOOD TO WORK WITH, AND I THINK WE AT  
4 CALTRANS DID THE SAME THING.

5 SOME OF THE HIGHLIGHTS OF THE AGREEMENT WAS  
6 WE HAD TO USE ASPHALT-RUBBER  
7 BINDERS AND WE HAD TO USE A MAINTENANCE  
8 STRATEGY. A MAINTENANCE STRATEGY, AT THE TIME, WAS ANYTHING  
9 LESS THAN ONE INCH THICK, OR IT COULD BE A SEAL-COAT TYPE  
10 STRATEGY. WE PLACED 12 ASPHALT-RUBBER STRATEGIES AND WE  
11 ALSO PLACED THREE POLYMER STRATEGIES, SO WE COMPARED THE TWO  
12 PRODUCTS TOGETHER.

13 TIRE RUBBER HAD TO BE GENERATED IN  
14 CALIFORNIA. AND CALTRANS AGREED THAT WE WOULD REVIEW THE  
15 SITE EVERY TWO YEARS AND SEND A REPORT TO THE BOARD. WE ARE  
16 DUE FOR A REPORT NOW, AND WE HAVE A REVIEW PLANNED AS WE  
17 SPEAK.

18 WE SET THAT UP, THAT EVERY TWO YEARS WE'D  
19 SEND YOU A REPORT FOR 15 YEARS, AND THERE WAS TWO REASONS  
20 BEHIND THAT. FIRST OF ALL, THERE WERE SOME OF US THAT THINK  
21 -- AND I'M ONE OF THEM -- THAT IT MAY LAST 15 YEARS, EVEN  
22 THOUGH IT'S A VERY THIN PROCESS -- PRODUCT. THE OTHER  
23 REASON WAS I HAD A 15-YEAR RETIREMENT PLAN AT THE TIME --  
24 (LAUGHTER) -- AND THAT'S PERFECT.

1                   THEY PROVIDED US \$400,000 UP-FRONT, AND  
2                   AGREED TO PAY US THE REMAINING \$100,000 AT THE END OF THE  
3                   PROJECT IF WE GAVE THEM A COMPLETION REPORT. NOW, WE'VE  
4                   BEEN ACCUSED OF HAVING THAT COMPLETION REPORT DONE PRIOR TO  
5                   COMPLETING THE JOB, BUT THAT'S NOT TRUE.

6                   IT'S A REALLY GOOD TEST SITE.  
7                   IT'S 24 FEET WIDE, IT'S ONE-HALF MILE LONG, AND WE HAVE 14  
8                   DIFFERENT SITES OUT THERE. ALL THE CRACKS HAD TO BE FILLED  
9                   WITH ASPHALT-RUBBER PRODUCTS AS WELL, AND WE DID THAT PRIOR  
10                  TO BUILDING THIS PROJECT.

11                  THERE'S THE STRATEGY. THERE'S HANDOUTS IN  
12                  THE BACK OF THE ROOM IF YOU DON'T  
13                  HAVE ONE IN FRONT OF YOU, IF YOU CAN'T SEE THIS. BUT  
14                  BASICALLY, ON THE WEST SIDE OF 505 WE BUILT ONE-HALF-INCH  
15                  THICK, THREE-QUARTER-INCH THICK, ONE-INCH THICK ASPHALT-  
16                  RUBBER OPEN-GRADED, ASPHALT-RUBBER GAP-GRADED, AND ASPHALT-  
17                  RUBBER DENSE-GRADED PROJECTS.

18                  ON THE OTHER SIDE OF 505, TOWARDS WOODLAND,  
19                  WE DID THOSE SAME STRATEGIES. HOWEVER, WE PUT IT OVER A  
20                  SEAL COAT THAT HAD ASPHALT-RUBBER BINDER UNDER IT, AND  
21                  THAT'S CALLED A STRESS-ABSORBING MEMBRANE INTERLAYER.

22                  AND I'LL SHOW YOU HOW THESE THINGS ARE  
23                  HOLDING UP AS WE SPEAK.

24                  WE ALSO PLACED THREE POLYMER

1 SECTIONS TO COMPARE HOW THEY PERFORM COMPARED TO ASPHALT-  
2 RUBBER.

3 SO THAT IF ANY OF YOU GO OUT THERE AND LOOK  
4 AT THIS SITE, I'VE PROVIDED YOU THE CONDITION OF THE ROAD  
5 PRIOR TO BUILDING THE PROJECT. AND THAT'S ALLIGATOR-TYPE  
6 CRACKING AND TYPE "B" (PHON) ALLIGATOR-TYPE CRACKING, WHICH  
7 IS DIFFERENT TYPES OF CRACKS IN THE ROAD. AND EACH SITE IS  
8 MARKED. AND WE ALSO HAVE VIDEOS OF THE SITE, SO WE'LL KNOW  
9 EXACTLY HOW IT'S PERFORMING, HOPEFULLY, 15 YEARS FROM NOW.  
10 WE DID THAT BOTH DIRECTIONS.

11 SO I'M GOING TO SHOW YOU SOME PICTURES NOW OF  
12 HOW IT LOOKS. THE FIRST SIDE IS, IT'S ONE-HALF INCH THICK  
13 RUBBERIZED ASPHALT CONCRETE, OPEN-GRADED. AND ALL WE DID  
14 WAS SPRAY DOWN SOME BINDER AND LAY IT DOWN.

15 HERE IT IS AT ALMOST SIX YEARS OLD AND IT'S  
16 STILL PERFORMING VERY WELL TODAY.

17 THERE IS SOME LINES IN IT THAT YOU SEE THAT  
18 OCCURRED THE VERY FIRST YEAR. THIS SECTION OF THE ROAD HAS  
19 BEEN FLOODED THREE DIFFERENT WINTERS, IT'S BEEN UNDER WATER  
20 FOR WEEKS AT A TIME, AND THIS THIN PROCESS IS STILL  
21 PERFORMING EXTREMELY WELL. THOSE ARE PUMPING STAINS FROM  
22 THE FLOODED AREAS.

23 THE NEXT SITE IS ASPHALT-RUBBER AT THREE  
24 QUARTERS OF AN INCH THICK, AGAIN JUST A BINDER SPRAYED DOWN

1 AND PAVED, AND IT'S PERFORMING VERY WELL TOO. SOME OF THE  
2 STAINS OCCURRED EARLY ON FROM WATER PUMPING FROM UNDERNEATH  
3 THE SUBSTRUCTURE, BUT IT'S -- ASPHALT-RUBBER IS AMAZING, IT  
4 JUST KEEPS PERFORMING.

5 THE CRACKS YOU MIGHT NOTICE THAT HAVE  
6 OCCURRED IS -- ANY ASPHALT WILL CRACK ON THE EDGES WHERE  
7 THERE'S NO TRAFFIC, BUT IF YOU NOTE HERE, THE CRACKS STOP  
8 OUT IN THE TRAVEL-WAY ITSELF.

9 THEN WE JUMPED UP WITH THE SAME OPEN-GRADED  
10 PROCESS AND WE PLACED IT ONE INCH THICK. AND, OF COURSE,  
11 THE THICKER THE BETTER IT IS. BUT IT'S AMAZING HOW IT'S  
12 PERFORMING TODAY. THOSE BLACK MARKS ARE TRACTORS FROM FARM  
13 EQUIPMENT THAT STAINED IT. BUT IT'S PERFORMING EXTREMELY  
14 WELL.

15 THEN WE PLACED A GAP-GRADED PRODUCT, WHICH IS  
16 A DIFFERENT GRADATION OF AGGREGATE AT ONE INCH THICK, AND  
17 IT'S PERFORMING VERY WELL ALSO. AND THESE ARE CONSIDERED  
18 MAINTENANCE STRATEGIES, THAT WE CAN MAINTAIN OUR HIGHWAYS OF  
19 CITIES AND COUNTIES WITH. AND THEY'RE PERFORMING EXTREMELY  
20 WELL.

21 AS YOU CAN SEE, THERE'S HARDLY ANY DISTRESS  
22 AT ALL. THERE ARE SOME TRANSVERSE CRACKS FROM THERMAL  
23 CRACKS, BUT THEY'RE VERY TIGHT COMPARED TO CONVENTIONAL  
24 PRODUCTS.

1                   AND AGAIN, THIS THING JUST KEEPS PERFORMING.  
2                   AND THERE HAS BEEN NO MAINTENANCE ON IT, ON THE RUBBER  
3                   PRODUCTS AREA FOR SIX YEARS ALMOST.

4                   THEN WE PLACED A DENSE-GRADED, AND THE ONLY  
5                   DIFFERENCE HERE, IT'S ONE INCH THICK BUT IT'S A DIFFERENT  
6                   GRADATION OF THE AGGREGATES. AND IT'S A NICE-LOOKING MAT,  
7                   IT'S PERFORMING WELL. AND THERE ARE SOME THERMAL CRACKS  
8                   THERE, BUT THEY'RE EXTREMELY TIGHT, THEY'RE SO TIGHT THAT WE  
9                   DON'T HAVE TO GO OUT AND FILL THOSE CRACKS YET BECAUSE THEY  
10                  DON'T MEET OUR CRITERIA.

11                  THIS IS THE POLYMER SECTION, OF  
12                  WHICH WE DECIDED TO PUT SOME POLYMER TO COMPARE IT TO  
13                  ASPHALT-RUBBER BINDER. THE SITES THAT WE PICKED FOR POLYMER  
14                  WERE IN BETTER CONDITION THAN WHERE WE PLACED ASPHALT-  
15                  RUBBER, BECAUSE WE EXPECT ASPHALT-RUBBER TO PERFORM BETTER,  
16                  AND IT DOES. BUT THIS SITE IS DOING WELL. BUT, AGAIN,  
17                  THERE WAS NOT VERY MUCH PRE-DISTRESS THERE.

18                  THE CONTROL SECTION, THERE'S A MILE AND A  
19                  QUARTER OF MILE BETWEEN THE TWO SITES, AND NOW WE'RE ON THE  
20                  WEST SIDE OF 505 GOING TOWARDS WOODLAND. AND THIS SECTION  
21                  HAD BEEN REHABILITATED APPROXIMATELY A YEAR AND A HALF PRIOR  
22                  TO US BUILDING THESE RUBBER SECTIONS. AND THAT'S HOW THAT  
23                  LOOKS TODAY, THEY'VE HAD TO GO OUT AND DO PATCHING, THEY'VE  
24                  HAD TO GO OUT AND FILL CRACKS, AND THIS WAS A FULL

1 REHABILITATION. SO IT SHOWS HOW WELL ASPHALT-RUBBER DOES  
2 COMPARED TO CONVENTIONAL PRODUCTS.

3 WE ALSO BUILT SOME CHIP SEALS OUT AT THIS  
4 SITE. A CHIP SEAL IS WHERE YOU SPRAY BINDER ON THE ROAD AND  
5 DROP AGGREGATES. AND WHEN -- THE FIRST SITE WAS A POLYMER  
6 SECTION, THIS IS NOT RUBBER. AND IT WAS A NICE-LOOKING MAT,  
7 IT'S DOING A VERY GOOD JOB.

8 HOWEVER, THE AREAS WHERE THERE WAS DISTRESS  
9 UNDERNEATH THE POLYMER SECTIONS, YOU CAN SEE THAT WE'RE  
10 SHOWING DISTRESS. WE ACTUALLY HAVE TO GO OUT AND FILL HOLES  
11 THERE ALREADY, WE HAD TO DO THIS IN YEAR THREE. AND YOU CAN  
12 SEE THAT THAT'S OUR WORSE DISTRESSED AREA OUT THERE AND IT  
13 DOES NEED SOME MAINTENANCE ALREADY. AGAIN, THIS IS NOT  
14 ASPHALT-RUBBER, WE'RE SHOWING YOU THE COMPARISON.

15 THE NEXT SITE IS ANOTHER CHIP SEAL. AGAIN,  
16 YOU SPRAY ASPHALT-RUBBER BINDER AND THEN YOU PLACE AGGREGATE  
17 ON TOP. THE ONE ON TOP IS THE ASPHALT-RUBBER AND THE ONE ON  
18 THE BOTTOM IS THE POLYMER CHIP SEAL, AND YOU CAN SEE THE  
19 DIFFERENCE IN PERFORMANCE JUST BY LOOKING AT IT. THIS  
20 PROJECT IS PERFORMING OUTSTANDINGLY, IT'S RESISTING  
21 REFLECTIVE CRACKING VERY WELL, AND WE HAVE NOT DONE ANY  
22 MAINTENANCE ON IT.

23 I LIKE THOSE CHIP SEALS SO WELL I NAMED MY  
24 DOG CHIP, GOT HIM FOR CHRISTMAS. (LAUGHTER.)

1 CHAIRMAN EATON: ARE YOU SURE YOU WORK FOR  
2 CALTRANS? I'VE NEVER MET ANYONE WITH LIFE AND VIBRANCY....

3 (LAUGHTER.)

4 MR. HILDEBRAND: I'VE JUST GOT STARTED, SIR.

5 BUT IT DOES, THIS PROCESS HEALS ROADS FOR US,  
6 THESE ASPHALT-RUBBER BINDERS ARE AMAZING.

7 AGAIN, YOU SEE SOME STAINING BUT THE CRACK IS  
8 NOT WIDE-OPEN. WE DON'T EVEN HAVE TO MAINTAIN THAT, AND  
9 HERE IT IS APPROACHING SIX YEARS OLD. AND THAT'S JUST A  
10 VERY THIN COAT OF CHIP SEALS.

11 NOW WE'RE ON THE WEST SIDE. WE HAVE PLACED  
12 THAT ASPHALT-RUBBER CHIP SEAL THE ENTIRE AREA NOW, AND WE'RE  
13 GOING TO PAVE OVER THE TOP OF THEM WITH THIN SECTIONS.

14 THE FIRST SECTION WAS ASPHALT-RUBBER,  
15 RUBBERIZED ASPHALT CONCRETE, OPEN-GRADED OVER THAT CHIP  
16 SEAL, ASPHALT-RUBBER CHIP SEAL. AND I'M TELLING YOU, WE'RE  
17 HARD-PRESSED TO FIND ANY DISTRESS AT ALL IN THIS AREA. IT'S  
18 JUST PERFORMING OUTSTANDINGLY. AND KEEP IN MIND, THIS IS  
19 ONLY A HALF-INCH THICK.

20 THREE-QUARTERS OF AN INCH THICK OVER THAT  
21 STRESS-ABSORBING MEMBRANE, ASPHALT-RUBBER CHIP SEAL. AGAIN,  
22 IT LOOKS OUTSTANDING. THOSE BLACK MARKS ARE SHINY SPOTS  
23 FROM TACK COAT AND THAT SORT OF THING, BUT IT'S PERFORMING  
24 VERY, VERY, WELL.

1                   AGAIN, THIS IS AN OLD SECTION OF  
2 ROAD WHERE THEY WIDENED IT AT ONE TIME. IT'S A JOINT OF  
3 WHERE THEY WIDEN THE ROAD. AND AGAIN IT'S JUST -- THE  
4 STAINS ARE THERE, BUT IT'S HOLDING UP EXTREMELY WELL.

5                   NOW WE'RE UP TO ONE-INCH THICK, AND OTHER  
6 THAN THAT TIRE MARK THERE THEY CAN'T FIND ANY DISTRESS AT  
7 ALL. THEN WE USED THE GAP-GRADED PROCESS.

8                   MEMBER ROBERTI: HOW THICK IS THE ASPHALT USUALLY?

9                   MR. HILDEBRAND: FOR MAINTENANCE STRATEGIES?

10                  MEMBER ROBERTI: YES.

11                  MR. HILDEBRAND: OUR LIMIT BACK IN 1992 WAS ONE-  
12 INCH THICK WAS THE MAXIMUM.

13                  MEMBER ROBERTI: FOR MAINTENANCE.

14                  MR. HILDEBRAND: FOR MAINTENANCE. WE HAVE SINCE  
15 RAISED THAT TO A INCH AND A QUARTER, BECAUSE CONVENTIONAL  
16 PRODUCTS WEREN'T PERFORMING WELL ENOUGH.

17                  THIS IS THE GAP-GRADED, ONE-INCH THICK OVER  
18 THAT CHIP SEAL. AND AGAIN, IT'S HARD TO FIND ANY DISTRESS  
19 AT ALL, AND WE'VE WALKED THIS MANY, MANY TIMES.

20                  AND THIS IS THE DENSE-GRADED PROCESS,  
21 DIFFERENT GRADATION. IT DID HAVE SOME THERMAL CRACKS BUT,  
22 AGAIN, THEY'RE SO SMALL THAT WE WON'T EVEN FILL THE CRACKS.

23                  NOW, I'VE SHOWED YOU ASPHALT-RUBBER, HOW WELL  
24 IT PERFORMED. HERE IS A CONVENTIONAL ONE-INCH THICK BINDER

1 AT ONE YEAR OLD, RIGHT AT THE END OF THAT TEST SITE. THIS  
2 IS ONE YEAR OLD AND IT'S ALREADY CRACKED. AND THE CRACKS  
3 ARE SUBSTANTIAL, THESE ALREADY NEED TO BE CRACK-FILLED AT  
4 ONE YEAR OLD.

5 THIS IS A CONVENTIONAL ASPHALT CONCRETE JOB  
6 DOWN IN SOUTHERN CALIFORNIA, SO THAT YOU CAN COMPARE HOW IT  
7 LOOKS, AT FIVE MONTHS OLD. AND LOOK AT THE CRACKS IN IT.  
8 SO YOU CAN SEE, AT FIVE MONTHS OLD, WE'RE NOT GETTING VERY  
9 GOOD SUCCESS HERE. AND THIS WAS ABOUT TWO INCHES THICK WITH  
10 CONVENTIONAL MIX. SO YOU CAN SEE RUBBER REALLY DOES RESIST  
11 REFLECTIVE CRACKING.

12 AND THIS IS A SYSTEM FIVE YEARS OLD UTILIZING  
13 ASPHALT-RUBBER AND THERE'S NOT A CRACK ANYWHERE TO BE SEEN.

14 THANK YOU VERY MUCH.

15 CHAIRMAN EATON: MEMBERS, ANY QUESTIONS, COMMENTS?

16 MEMBER JONES: I WANT TO MAKE --

17 CHAIRMAN EATON: MR. JONES.

18 MEMBER JONES: THANKS, MR. CHAIRMAN, I WANT TO  
19 MAKE A COMMENT. MR. HILDEBRAND SAT IN A GROUP THAT WE'VE  
20 REFERRED TO A COUPLE OF TIMES FROM THE BOARD, THE RUBBER  
21 PAVING ASSOCIATION AND CALTRANS, AND WE HAD MAINTENANCE  
22 PEOPLE, LAB PEOPLE, AND NEW CONSTRUCTION PEOPLE, AND I THINK  
23 THE ENTHUSIASM AND THE FACT THAT WHEN HE TALKS ABOUT  
24 RUBBERIZED ASPHALT AND SUCCESSES -- I MEAN, HE'S ONLY GOT

1 NINE YEARS LEFT IN HIS -- ACCORDING TO HIS PLAN, BUT I'LL  
2 TELL YOU, IT'S GOT TO BE PRETTY REWARDING WHEN YOU SEE A  
3 PROCESS COME THROUGH THAT'S ACTUALLY MAKING AN IMPACT IN THE  
4 STATE OF CALIFORNIA, THAT MINIMIZES DOLLARS SPENT.

5 AND THAT PARTNERING WORD THAT YOU USED, I  
6 THINK WE'VE GOT TO KEEP DOING WHAT WE CAN. I KNOW YOUR  
7 BOSS, RANDY -- IF HE'S STILL YOUR BOSS, I DON'T KNOW -- BUT  
8 HE'S ALSO A HUGE PROPONENT OF RUBBERIZED ASPHALT IN  
9 MAINTENANCE YARDS -- I MEAN, IN MAINTENANCE ON THESE ROADS.

10 AND WE'VE GOT TO JUST TAKE THIS THING AND RUN  
11 WITH IT, BECAUSE EVERYBODY BENEFITS. AND IT'S AN END-USE  
12 THAT WORKS FOR US, AND IT'S A POSITIVE USE THAT WORKS FOR  
13 YOU. AND IT JUST SEEMS LIKE A NO-BRAINER TO ME.

14 CHAIRMAN EATON: SENATOR ROBERTI.

15 MEMBER ROBERTI: I'M REALLY THINKING THAT MR.  
16 HILDEBRAND, FROM CALTRANS, SHOULD NOT STARTING GETTING  
17 CONCERNED THAT NOBODY'S EXCITED ABOUT RUBBERIZED ASPHALT AND  
18 HOW WE'RE GOING TO GET RID OF THE TIRES.

19 BUT, NOW, WHAT'S THE MECHANISM WITHIN  
20 CALTRANS TO SORT OF SPREAD YOUR INFECTIOUSNESS AROUND SO  
21 THAT, YOU KNOW, EVERYBODY GETS THE MESSAGE THAT THIS IS  
22 CHEAPER, MORE DURABLE, HELPS THE ENVIRONMENT, BETTER FOR THE  
23 TAXPAYERS, ALL THAT SORT OF THING?

24 MR. HILDEBRAND: ACTUALLY WE'RE DOING SOMETHING

1 ABOUT THAT AS WE SPEAK. HE MENTIONED RANDY, THERE'S MORE OF  
2 US. WE'RE MARKETING THIS STATEWIDE.

3 WE WENT TO OTHER STATES AND LOOKED AT THEIR  
4 SUCCESS IN ARIZONA. WE'RE BRINGING THAT INFORMATION BACK  
5 AND SHARING IT AT MONTHLY MEETINGS.

6 I TO GO DISTRICTS, PROBABLY AVERAGE TWICE A  
7 MONTH, AND DO PRESENTATIONS AND WE SHOW THEM THESE THINGS.

8 SO I THINK -- I WROTE A FOOTNOTE IN CLOSING  
9 AND FORGOT TO SAY THIS ACTUALLY, SO I'M GLAD YOU ASKED ME.  
10 BUT I PREDICT -- AND I'M NOT REPRESENTING CALTRANS WHEN I  
11 SAY THIS, BUT FROM EXPERIENCE, I PREDICT THAT IT'S GOING TO  
12 TAKE OFF REAL SOON BECAUSE OF THE PERFORMANCE. I KNOW THAT  
13 A LOT OF PROJECTS NOW ARE BEING PLANNED AND SOME OF OUR  
14 DISTRICTS ARE GOING TO USE IT THAT HASN'T USED IT IN THE  
15 PAST, BASED UPON SUCCESS AND PERFORMANCE.

16 THE OTHER THING IS, IS THAT I'M CURRENTLY ON  
17 AN ASPHALT-RUBBER TOUR STATEWIDE LOOKING AT PROJECTS THAT'S  
18 BEEN BUILT SINCE 1995. IN 1995 WE WROTE THE SPECS, AND WITH  
19 INDUSTRY'S INPUT, WASTE BOARD WAS INVOLVED. AND WE'RE  
20 INVOLVED NOW IN A STATEWIDE TOUR, WE'VE LOOKED AT 66  
21 PROJECTS TO DATE, AND THEY'VE ALL LOOKED GOOD EXCEPT TWO,  
22 AND THOSE TWO WERE BUILT IMPROPERLY. SO THAT'S A VERY GOOD  
23 SUCCESS RATE.

24 SO, YES, I PREDICT IT'S GOING TO INCREASE.

**CALIFORNIA SHORTHAND REPORTING**

1 MEMBER JONES: VERY GOOD.

2 CHAIRMAN EATON: AS YOU GO TO LOCAL JURISDICTIONS  
3 AND SPREADING THE GOSPEL ACCORDING TO HILDEBRAND, WHAT  
4 THINGS -- WHAT BARRIERS DO YOU HAVE TO OVERCOME THAT WE AS A  
5 BOARD MIGHT BE ABLE TO ASSIST IN? BECAUSE WE HAVE A LOT OF  
6 LOCAL JURISDICTIONS WHO COME HERE FOR VARIOUS PURPOSES.

7 I MEAN, IS IT JUST THAT THEY'RE NOT AWARE OF  
8 THE TECHNICAL REQUIREMENTS THAT MUST GO INTO THE  
9 APPLICATION? IS IT, I MEAN, FEAR OF WHERE DO THEY GET THE  
10 PRODUCT? I MEAN, GIVE ME SOME SENSE OF HOW WE MIGHT ALSO  
11 CONTINUE TO BE HELPFUL.

12 MR. HILDEBRAND: WELL, ACTUALLY -- AND I DON'T  
13 WANT TO GET INTO SOMEBODY ELSE'S THUNDER -- BUT THIS PAST  
14 YEAR WE HAVE WENT TO SEVERAL CITIES AND COUNTIES AND WE'VE  
15 DONE PRESENTATIONS THROUGH THE WASTE BOARD FUNDING, THROUGH  
16 THE L.A. TECH CENTER, AND THROUGH THE RPA, RUBBER PAVEMENT  
17 ASSOCIATION. AND I'M GOING TO TELL YOU, BASED UPON SOME OF  
18 THOSE PRESENTATIONS, IT WAS A ONE-DAY SHOT AT EACH LOCATION,  
19 AND WE'RE RECEIVING A TREMENDOUS AMOUNT OF CALLS FOR FURTHER  
20 INFORMATION.

21 SO I THINK CONTINUING DOING THAT SORT OF  
22 THING AND -- AND, YOU KNOW, I THINK THAT SOUTHERN CALIFORNIA  
23 HAS BEEN TREATED VERY WELL, I THINK NORTHERN CALIFORNIA  
24 NEEDS TO BE TREATED A LITTLE BETTER, TO BE HONEST WITH YOU.

1 CHAIRMAN EATON: ANY OTHER QUESTIONS OF MR.  
2 HILDEBRAND?

3 THANK YOU VERY MUCH FOR YOUR REPORT. AND  
4 HOPEFULLY WE'LL SEE YOU SEVERAL MORE TIMES BEFORE YOU DECIDE  
5 TO GO ON TO THAT GREAT RETIREMENT.

6 MR. HILDEBRAND: THANK YOU.

7 AGENDA ITEM 29: CONSIDERATION OF APPROVAL OF THE DRAFT  
8 REPORT ON THE CALIFORNIA WASTE TIRE PROGRAM IN RESPONSE TO  
9 THE REQUIREMENTS OF AB 117 (ESCUTIA)

10 CHAIRMAN EATON: OKAY, ITEM NO. 29, CONSIDERATION  
11 OF APPROVAL OF THE DRAFT REPORT ON THE CALIFORNIA WASTE TIRE  
12 PROGRAM IN RESPONSE TO REQUIREMENTS OF ASSEMBLY BILL 117 BY  
13 NOW-SENATOR ESCUTIA, AND FORMER ASSEMBLY WOMAN ESCUTIA.

14 FOR THOSE OF YOU WHO MAY HAVE JUST ENTERED  
15 THE CHAMBERS A LITTLE BIT LATE, IF YOU COULD ALSO BRING UP  
16 YOUR SLIPS HERE TO MS. DOMINGUEZ REGARDING ANY ITEM THAT YOU  
17 WOULD LIKE TO SPEAK ON, AND IDENTIFY THE AGENDA ITEM, IT  
18 WOULD BE MOST HELPFUL.

19 MR. FITZGERALD.

20 MR. FITZGERALD: WE'RE GOING TO SWAP COMPUTERS  
21 DOWN HERE, JUST GIVE US A COUPLE MINUTES.

22 CHAIRMAN EATON: SURE.

23 MR. FITZGERALD: FOR THOSE OF YOU WHO DON'T HAVE  
24 COPIES OF THE REPORT, I PUT ABOUT 40 COPIES BACK ON THE BACK

1 TABLE. SO I'LL BE TALKING AND MAYBE REFERRING TO SECTIONS  
2 OF THE REPORT, IT MIGHT BE OF BENEFIT TO GO AHEAD AND PICK A  
3 COPY IF YOU HAVEN'T GOT ONE.

4 CHAIRMAN EATON: ARE WE ALMOST READY TO GO?

5 MR. FITZGERALD: AS SOON AS WE GET THE COMPUTER  
6 SET UP.

7 CHAIRMAN EATON: OKAY. MEMBERS, IF THERE'S NO  
8 OBJECTION, I THINK I WOULD LIKE TO PROCEED ON THIS ITEM,  
9 WHICH I THINK WILL GENERATE SOME GOOD AND LIVELY AND  
10 PROVOCATIVE DISCUSSION. IF WE CAN GO THROUGH MR.

11 FITZGERALD'S PRESENTATION, STAFF'S PRESENTATION LIKE WE  
12 NORMALLY DO, ASK ANY QUESTIONS, AND THEN GET THE PUBLIC  
13 TESTIMONY, AND THEN WE CAN RESERVE A DISCUSSION PERIOD  
14 THEREAFTER, BEFORE WE LOOK AND SEE WHAT KIND OF  
15 CONSIDERATION WE WANT TO PARTAKE IN. BUT FEEL FREE TO ASK  
16 ANY QUESTIONS AND DISCUSS ANY POINTS AS WE MOVE ALONG, BOTH  
17 WITH OUR STAFF, AS WELL AS THE PUBLIC'S PRESENTATION.

18 MR. FITZGERALD: THANK YOU FOR YOUR PATIENCE, MR.  
19 CHAIRMAN. YOU KNOW, I'VE GIVEN THIS PRESENTATION AT SO MANY  
20 WORKSHOPS I FEEL CONSPICUOUS NOT STARTING OFF BY TELLING  
21 PEOPLE WHERE THE BATHROOMS ARE. BUT, THAT'S THE WAY YOU  
22 START WORKSHOPS.

23 CHAIRMAN EATON: YOU'VE NEVER WATCHED JOHNNY  
24 CARSON?

1 MR. FITZGERALD: THAT WASN'T A GOOD ONE.

2 CHAIRMAN EATON: NO.

3 MR. FITZGERALD: WHAT I'M GOING TO DISCUSS TODAY  
4 IS THE REPORT THAT WE HAVE BEFORE YOU. THE ACTUAL PROBLEM  
5 WE'RE ADDRESSING IS THIS ONE, THAT CALIFORNIA GENERATES  
6 SOMEWHERE OVER 35 MILLION TIRES A YEAR, THEY GO TO VARIOUS  
7 LOCATIONS. I THINK THE BOTTOM LINE IN THIS PARTICULAR GRAPH  
8 IS THE FAR RIGHT-HAND SIDE THAT SHOWS THAT 16.4 MILLION ARE  
9 STILL GOING TO LANDFILLS OR TIRE PILES.

10 NOW, WITHIN THE LAST WEEK WE DID A SURVEY OF  
11 THE LANDFILLS AROUND THE STATE AND FOUND OUT THAT VIRTUALLY  
12 NONE OF THEM, WITH THE EXCEPTION OF THE ONE AT AZUSA, IS  
13 ACTUALLY LANDFILLING TIRES. THE AZUSA LANDFILL IS BETWEEN  
14 10 AND 12 MILLION TIRES LAST YEAR, AND THERE'S ABOUT 2.8  
15 MILLION TIRES THAT ARE GOING AS ALTERNATIVE DAILY COVER. SO  
16 THAT LEAVES ABOUT ONE MILLION TIRES UNACCOUNTED FOR IN THAT  
17 FAR RIGHT-HAND COLUMN.

18 NOW, THE LEGISLATION HAD SEVERAL REQUIREMENTS  
19 ON THE BOARD. FIRST OF ALL, IT EXTENDED OUR FEE TO 2001,  
20 BUT PUT REQUIREMENTS ON US. IT TOLD US TO GET TOGETHER WITH  
21 THE STAKEHOLDERS INVOLVED IN THIS PROGRAM AND COME UP WITH A  
22 DRAFT REPORT BY THE 1ST OF MAY.

23 NOW, FROM THE LEGISLATION I PULLED THIS ONE  
24 QUITE, BECAUSE I THINK THIS PRETTY WELL DEFINES WHAT THE

1 TASKING WAS. IT'S A THREE-PHASE TASKING. ONE OF THEM IS TO  
2 DESIGN SOME STRATEGIES FOR THE TIRE PROGRAM. IT'S TO  
3 ADDRESS THE PUBLIC HEALTH AND SAFETY, WHICH IS BASICALLY  
4 ENFORCEMENT AND PERMITTING. AND FINALLY, IT TELLS US TO  
5 WORK IN THE MARKET SIDE.

6 THE WAY WE APPROACHED IT, THE STAKEHOLDERS  
7 MET AND THE FIRST THING WE DID, WE IDENTIFIED THE AREAS OF  
8 INTEREST. WE HAD FOUR OR FIVE MEETINGS OF STAKEHOLDERS TO  
9 DO THIS. AND YOU CAN SEE THERE'S A VERY BROAD, BROAD  
10 LISTING OF WHAT IT IS WE WERE INTERESTED IN LOOKING AT.

11 THEN THE SECOND PHASE WAS TO DEVELOP OPTIONS  
12 ON EVERY ONE OF THOSE AREAS. AND THE OPTIONS WERE PUT OUT  
13 FOR PUBLIC COMMENT, AND ALSO HELD WORKSHOPS ON THEM.

14 AND WE FINALLY ENTERED THE THIRD PHASE, WHICH  
15 WAS THE DEVELOPMENT OF THE RECOMMENDATIONS, AND A COPY OF  
16 THOSE ARE WHAT YOU'RE LOOKING AT TODAY.

17 NOW, THERE ARE THREE INPUTS INTO THE  
18 RECOMMENDATIONS. ONE WAS THE WORKSHOPS, WHERE WE WENT  
19 THROUGH THIS PROCESS OF DEVELOPING OPTIONS. THE SECOND WAS  
20 EVALUATING THE BOARD'S PROGRAMS, WE HAD AN INDEPENDENT  
21 CONTRACTOR COME IN, TAKE A LOOK AT THE PROGRAMS, AND ASSESS  
22 WHETHER THEY WERE BEING EFFECTIVE OR NOT. AND THE THIRD  
23 THING THAT WENT INTO THIS WAS THE PROGRAMS FROM OTHER  
24 STATES, WE LOOKED AT WHAT HAD BEEN SUCCESSFUL AND HAD NOT

1 BEEN SUCCESSFUL IN OTHER STATES.

2 NOW, BASICALLY THE APPROACH TO THE PROBLEM --  
3 IT WAS A THREE-SIDED APPROACH. THE FIRST WAS REMEDIATION OR  
4 CLEANING UP THE TIRE PILES. THE SECOND ONE IS PERMITTING  
5 AND ENFORCEMENT, TAKING ACTIONS TO ENSURE THAT TIRE PILES  
6 DON'T GROW IN THE FUTURE. AND THE FINAL ONE IS THE MARKET  
7 DEVELOPMENT SIDE, TO CREATE MARKETS FOR THE ENTIRE FLOW OF  
8 MATERIALS THROUGH THE WASTE STREAM SO, AGAIN, THERE'S NO  
9 ENCOURAGEMENT FOR THE TIRE PILES TO BE CREATED.

10 ONCE WE WENT THROUGH AND MADE THE  
11 RECOMMENDATIONS ON ALL THREE OF THESE AREAS WE PUT PRICE  
12 TAGS ON IT. AND THEN WE ADDRESSED WHAT TYPE OF A FEE WOULD  
13 WE NEED TO DEVELOP THE PROGRAMS THAT ARE RECOMMENDED HERE.

14 SO STARTING OFF FIRST, THE AREA OF MEDIATION.  
15 THE OBJECTIVE, VERY SIMPLE, GET RID OF THE PILES,  
16 STOCKPILES THAT IS.

17 RECOMMENDATIONS THAT WENT ALONG WITH THAT.  
18 RECOMMENDATION NUMBER THREE WAS CLEAN THEM UP. THE STATE  
19 TAKE THE MAJOR PILES, CLEAN THEM UP OVER A THREE-YEAR  
20 PERIOD, MAJOR PILES BEING 5,000 TIRES OR MORE.

21 LOCAL GOVERNMENTS AT THE SAME TIME WOULD  
22 START CLEANING UP THE SMALLER PILES, BETWEEN 500 AND 5,000  
23 TIRES, WITH STATE SUPPORT.

24 ALSO IN CONSIDERATION HERE WERE THE DANGER OF

1 THE FIRE, AND THERE'S SEVERAL RECOMMENDATIONS IN THERE ON  
2 HOW WE CAN WORK WITH THE FIRE PEOPLE TO GET THE IMPROVEMENT  
3 ON THAT PROGRAM.

4 NOW, TAKING A LOOK AT THE MAJOR PILES, WERE  
5 THEY ARE AROUND THE STATE, THIS CHART SHOWS HOW THEY'RE  
6 SPREAD ALL OVER, SO THEY AREN'T CONCENTRATED IN ONE AREA,  
7 THEY'RE PRETTY GENERAL AROUND THE STATE. AND THE SAME  
8 THING'S TRUE WITH THE LOCAL PROBLEMS.

9 MOVING ON TO PERMITTING AND ENFORCEMENT. THE  
10 OBJECTIVES HERE -- MULTIPLE OBJECTIVES. FIRST OF ALL, WE  
11 WANT TO BE MORE EFFICIENT AND HAVE OUR PERMITTING DIRECTLY  
12 REFLECT THE ENVIRONMENTAL HAZARD THAT A PARTICULAR PROCESS  
13 PRESENTS TO US.

14 AND, SECONDLY, WE WANT TO MAKE CERTAIN THAT  
15 ENFORCEMENT IS BETTER DONE. THAT'S PRETTY BAD GRAMMAR, BUT  
16 WE WANT TO MAKE SURE ENFORCEMENT'S DONE BETTER. WE WANT THE  
17 LOCALS TO BE MORE INVOLVED IN IT. THEY HAVE A BETTER IDEA  
18 WHERE THE PROBLEMS ARE, REALLY, THAN WE DO FROM THE STATE.

19 AND GETTING ON A LITTLE LATER, THE MANIFEST  
20 SYSTEM IS SOMETHING ELSE THAT NEEDS TO BE REHAB'D.

21 SO THE RECOMMENDATIONS RELATING TO PERMITTING  
22 AND ENFORCEMENT. NOW, I HAVE ASTERISKED NUMBER EIGHT, ON  
23 DEFINITIONS THE ASTERISKED ONES ARE THE ONES THAT ARE GOING  
24 TO REQUIRE CHANGE OF STATUTE. SO, SEVERAL DEFINITIONS ARE

1 UP FOR CHANGE, AND I WON'T GO INTO THEM IN GREAT DETAIL, I  
2 THINK WE'LL PROBABLY HEAR SOME COMMENTS FROM THE FLOOR  
3 LATER.

4 THE MAIN THING HERE IS THE USED TIRE WAS  
5 REMOVED FROM THE DEFINITION OF WASTE TIRE, SO THE TWO HAVE  
6 BEEN SEPARATED FOR PERMITTING PURPOSES.

7 ALSO RECOMMENDED A TIERED PERMITTING SYSTEM  
8 WHICH RECOGNIZES THAT ALL FACILITIES DO NOT CREATE THE SAME  
9 AMOUNT OF HAZARD. AND, SO RECOMMENDS THAT WE CREATE A  
10 PROCESS THAT PUTS DIFFERENT LEVELS OF RESTRICTIONS ON  
11 DIFFERENT TYPES OF OPERATIONS.

12 THE TIRE-DERIVED PRODUCTS, I HAVE A  
13 DEFINITION FOR TIRE-DERIVED PRODUCT A LITTLE LATER ON. BUT  
14 THIS IS WHERE WE DRAW A CLEAR LINE WHERE THE BOARD'S  
15 RESPONSIBILITY STOPS. AT SOME POINT IN A PROCESS A MATERIAL  
16 BECOMES A COMMODITY AND SHOULD FALL OFF THE BOARD'S RADAR  
17 SCREEN, IF YOU WILL, AND THIS DEFINITION IS WHAT DOES THAT.

18 AND ANOTHER ONE IS USE OF PASSENGER TIRE  
19 EQUIVALENTS FOR PERMITTING PURPOSES. A FIELD WITH A HUNDRED  
20 LARGE, OFF-THE-ROAD TIRES CONSIDERABLY MORE HAZARDOUS THAN A  
21 HUNDRED BICYCLE TIRES, SO RECOGNIZING THIS, WE RECOMMEND THE  
22 USE OF PASSENGER TIRE EQUIVALENTS TO DETERMINE THE LEVEL OF  
23 DANGER. AND ALSO THE LEVEL OF PERMITTING INVOLVED.

24 IN THE ENFORCEMENT AREA, WE WANT TO INCREASE

1 OUR LOCAL PARTICIPATION, AND DO THAT BY ACTUALLY FUNDING THE  
2 LOCAL GOVERNMENTS AND GOING OUT AND TAKING A LOOK AT THE  
3 GENERATORS ANNUALLY. AND ALSO LET THEM START THE CORRECTIVE  
4 ACTIONS THAT ARE NECESSARY.

5 AND TO IMPROVE THE ENFORCEMENT THERE ARE  
6 SEVERAL THINGS THAT WE NEED TO DO. WE NEED TO HAVE BETTER  
7 ACCESS TO THE PROPERTIES. BETTER WAYS TO GET THEIR ADMIN  
8 PENALTIES, THE ADMINISTRATIVE PENALTIES. AND A STICK TO  
9 MAKE THE HAULERS DO WHAT THEY SHOULD BE DOING, AND GET RID  
10 OF THE SCOFF LAWS. AGAIN, THIS IS GOING TO REQUIRE  
11 LEGISLATION CHANGE.

12 IN THE MANIFEST AREA, RIGHT NOW THE MANIFESTS  
13 DO NOT COME BACK TO THE STATE, THEY STAY WITH THE  
14 INDIVIDUALS IN THE DIFFERENT PARTS OF THE INFRASTRUCTURE.  
15 AND THIS RECOMMENDATION SAYS THAT THE MANIFESTS SHOULD BE  
16 COMING -- A COPY OF THE MANIFESTS SHOULD BE COMING BACK TO  
17 THE STATE SO WE HAVE A BETTER TRACKING OF THEM.

18 WE HAVE NO ACCOUNTABILITY NOW ON IMPORTED  
19 TIRES, WE REALLY DON'T KNOW HOW MANY COME IN FROM OUT OF  
20 STATE. AND THE RECOMMENDATION HERE IS THAT WHEN TIRES COME  
21 IN FROM OUT OF STATE, THAT THE MANIFEST HAS TO BE GENERATED  
22 AND SENT TO THE BOARD SO WE HAVE A FEEL FOR HOW MANY ARE  
23 COMING IN.

24 THE ONE-TIME HAULS. RIGHT NOW IF YOU HAUL

1 MORE THAN FIVE OR MORE TIRES YOU HAVE TO HAVE A WASTE TIRE  
2 HAULER PERMIT. AND THIS HAS BEEN AN IMPEDIMENT FOR THE  
3 LOCAL CLEANUPS, THE AMNESTY DAYS, BECAUSE PEOPLE CANNOT  
4 BRING THEIR TIRES IN WITH THIS RESTRICTION. AND RAISE THE  
5 NUMBER OF TIRES REQUIRED BEFORE YOU HAVE TO HAVE A PERMIT  
6 FROM FIVE TO 10. AND ALSO ALLOW THE HAULERS TO GET A  
7 TEMPORARY PERMIT IF THEY HAVE A PROBLEM WITH THEIR VEHICLES.

8 AND MOVING ON TO THE FINAL SECTION, THE  
9 MARKET DEVELOPMENT, THE OBJECTIVE HERE AGAIN IS VERY SIMPLE,  
10 INCREASE SUSTAINABLE MARKETS.

11 NOW, WE HAD A LONG DISCUSSION IN THE WORKSHOP  
12 ON THE HIERARCHY, AND SO I HAVE REWRITTEN THAT PARTICULAR  
13 SECTION OF IT BETWEEN THE WORKSHOP AND THIS PRESENTATION.

14 AND I THINK THE MAIN THING IS THAT THE  
15 HIERARCHY IS DEFINED BY STATUTE, AND I'VE QUOTED IT IN THE  
16 DOCUMENT. AND THE HIERARCHY IS ONLY ONE OF SEVERAL SECTIONS  
17 IN THE STATUTES THAT GIVE BOARD GUIDANCE. AND I PUT ANOTHER  
18 SECTION OF THE STATUTE RIGHT BELOW THE HIERARCHY FROM THE  
19 STATUTE SHOWING THAT THE BOARD'S GOT THE RESPONSIBILITY OF  
20 DIVERTING TIRES.

21 SO, I THINK THERE'S A DISTINCT DIFFERENCE  
22 BETWEEN HIERARCHY AND PRIORITIES. AND PRIORITIES ARE  
23 ACCUMULATION OF MANY FACTORS OF WHICH HIERARCHY IS ONLY ONE.  
24 SO I THINK SOME PEOPLE ARE BECOMING CONFUSED AND THINKING

1 THE HIERARCHY IS THE SOLE SOURCE OF DETERMINATION OF  
2 PRIORITIES FOR THE BOARD AND, WHEREAS, INDEED THE PRIORITIES  
3 HAVE TO REFLECT MULTIPLE FACTORS IN WHICH THE HIERARCHY IS  
4 ONLY ONE.

5 NOW, TAKING A LOOK AT THE CURRENT MARKETS, I  
6 HAVE HERE THE MAJOR MARKETS THAT ARE IN EXISTENCE TODAY.  
7 I'VE SHOWN WHAT WE'RE CURRENTLY DOING ON THOSE MARKETS AND  
8 WHAT THE POTENTIAL IS WITHIN EACH ONE. AND THE SIGNIFICANT  
9 THING IN THIS PARTICULAR GRAPHIC IS, THAT IF YOU LOOK AT THE  
10 POTENTIAL, THE POTENTIAL REACHES UP TO THAT 35 MILLION  
11 NUMBER, WHICH IS THE FLOW. SO, POTENTIALLY WE COULD TAKE  
12 ACTIONS THAT WOULD ABSORB ALL THE TIRES IN THE FLOW, THAT IS  
13 WITHIN THE CAPABILITY RIGHT NOW.

14 CHAIRMAN EATON: FLOW BEING ANNUAL GENERATION?

15 MR. FITZGERALD: ANNUAL GENERATION. THE FIRST  
16 SLIDE....

17 SO THE RECOMMENDATION'S MARKET DEVELOPMENT.

18 IN THE AREA OF CIVIL ENGINEERING, THIS IS THE  
19 NORTHERN CALIFORNIA RAC CENTER, IF YOU WILL, THAT RECOMMENDS  
20 THAT WE GO AHEAD AND CONTINUE WHAT WE'RE DOING IN THIS AREA,  
21 AS MR. HILDEBRAND SAID PREVIOUSLY, IT'S BEEN VERY EFFECTIVE,  
22 AND RECOMMENDS WE CONTINUE THAT. AND, ADD THE NORTHERN  
23 CALIFORNIA CENTER.

24 SUPPORT THE RUBBER PAVEMENT TEAM. YOU'VE

1 JUST HEARD OF -- THE PREVIOUS PRESENTATION WENT INTO SOME  
2 DETAIL OF THAT. I THINK WE SHOULD CONTINUE TO SUPPORT THAT  
3 AND THE EFFORTS THAT THEY'RE PUTTING INTO IT.

4 AND, FINALLY, RECOMMEND WE TAKE ONE STEP  
5 FURTHER AND DEVELOP -- TASK CALTRANS WITH COMING UP WITH  
6 SPECIFIC GUIDELINES FOR THE APPLICATION OF RUBBERIZED  
7 ASPHALT, AND THEN ESTABLISH SOME GOALS OVER A THREE-YEAR  
8 PERIOD TO ESCALATE THE USE FROM 20% UP TO 40%. AND THAT,  
9 AGAIN, WOULD REQUIRE A STATUTE.

10 AGAIN, RECOGNIZING THE HIERARCHY AND THE FACT  
11 THAT MOLDED RUBBER RATES VERY HIGH ON THE HIERARCHY, AND WE  
12 SHOULD CONTINUE OUR CURRENT LEVELS OF EFFORT.

13 WE SHOULD CONTINUE TO USE PRODUCTS LIKE -- I  
14 DON'T KNOW IF YOU'VE ALL SEEN IT OR NOT, BUT THERE'S  
15 CATALOGS OUT THAT THE BOARD PUTS OUT, LISTING RECYCLED-  
16 CONTENT PRODUCTS, AND WE SHOULD MAKE CERTAIN THAT OUR RUBBER  
17 PRODUCTS GET IN THERE. AGAIN, THIS IS A HIGH-ON-THE-  
18 HIERARCHY TYPE THING, WE SHOULD MAKE AN EFFORT TO MAKE SURE  
19 THAT WE GET MAXIMUM PARTICIPATION IN THOSE AREAS.

20 WE SHOULD GET WITH DGS AND GET INTO THEIR  
21 COMPUTER SYSTEM SO THAT THE RECYCLED-CONTENT RUBBER  
22 MATERIALS ARE AVAILABLE AND KNOWN TO THE PURCHASERS. AND  
23 ALSO RECOMMENDING THE CENTRALIZED PURCHASING OF RECAPPED  
24 TIRES.

1 EDUCATION PROGRAM INCLUDES THE AMNESTY DAYS I  
2 TALKED ABOUT PREVIOUSLY. THIS IS AN AREA THE BOARD MAY WANT  
3 TO EXPAND. THE RECOMMENDATIONS IN HERE IS FOR 350,000 A  
4 YEAR, IT COULD BE AN AREA THE BOARD WOULD WANT TO EXPAND TO  
5 MORE FUNDING.

6 AND IN CONJUNCTION WITH WHAT WE'VE BEEN DOING  
7 IN THE PAST, LET THE BOARD BE THE TECHNICAL EXPERTS ON THE  
8 ENVIRONMENTAL IMPACTS OF THE VARIOUS TRANSFORMATION  
9 PROJECTS. WE'VE HELPED IN THE PAST IN DOING BURN ANALYSIS  
10 AND ENVIRONMENTAL SIDE OF THIS TYPE OF AN OPERATION.

11 AND THE FINAL ONE, THE FINAL RECOMMENDATION  
12 IS THAT THE BOARD HAVE THE OPTION OF FOCUSING INCENTIVES TO  
13 SPECIFIC AREAS THAT YOU FEEL NEED THE IMPETUS. NOT TO HAVE  
14 A BROAD-SCALE INCENTIVE PROGRAM, BUT TO HAVE A FOCUSED  
15 INCENTIVE PROGRAM.

16 SO, WE'VE LOOKED AT ALL THREE SIDES OF THIS  
17 NOW. LET'S TAKE A LOOK AT WHAT IT MEANS IN TERMS OF FEE.

18 IF YOU TAKE ALL THE RECOMMENDATIONS AND COST  
19 THEM OUT, WHICH STARTS ABOUT PAGE 69 OF YOUR DOCUMENT, YOU  
20 COME UP WITH SOMETHING THAT LOOKS LIKE THIS. APPROXIMATELY  
21 A \$15 MILLION PROGRAM FOR THE FIRST THREE YEARS, AND THEN IT  
22 DROPS TO ABOUT \$10 MILLION. AND THE YELLOW AREA IS THE  
23 REASON FOR THE DROP, AND THAT'S THE AMOUNT OF FUNDING THAT  
24 WOULD GO TO STATE CLEANUP OF MAJOR SITES. AND THAT'S A

1 THREE-YEAR PROGRAM, AT THE END OF THE THIRD YEAR WE SHOULD  
2 HAVE THE MAJOR SITES DONE. AND THEN THE EMPHASIS IN CLEANUP  
3 WOULD SHIFT TO LOCAL GOVERNMENTS, AND THE FUNDING FOR THAT  
4 WOULD CONTINUE.

5 NOW, THE TIRE FEE ITSELF. OBVIOUSLY WE GET  
6 \$5 MILLION NOW FOR A PROGRAM, THE PROGRAM I HAVE JUST LAID  
7 OUT IS A \$15 MILLION PROGRAM, SO THAT MEANS THERE HAS TO BE  
8 AN INCREASE IN FEE TO COVER ALL THESE RECOMMENDATIONS. NOW,  
9 THE INCREASED FEE IS BASED ON THE THREE-YEAR CLEANUP,  
10 INCREASING ENFORCEMENT THROUGH THE LOCAL PARTICIPATION, AND  
11 ALSO EXPANDING THE MARKETS. SO THESE THREE ELEMENTS ARE  
12 WHAT THE INCREASED FEE IS BASED UPON.

13 ALSO RECOMMENDING A CHANGE OF POINT OF  
14 COLLECTION. WE SPENT \$484,000 LAST YEAR TO COLLECT \$5  
15 MILLION IN THE TIRE FEE. THERE ARE A COUPLE OF OPTIONS,  
16 PERHAPS LOOKING FOR BOARD GUIDANCE ON THIS ONE.

17 IT COULD BE DONE THROUGH DMV. IF IT'S DONE  
18 DMV, AT 75 CENTS A VEHICLE IT WOULD RAISE \$15 MILLION.

19 OR IT COULD BE DONE AT A WHOLESALE  
20 COLLECTION, AT THE -- EXCUSE ME, LIKE WE DO WITH THE OIL  
21 PROGRAM, COLLECT AT THE WHOLESALE LEVEL A TIRE FEE. A ROUGH  
22 COUNT SAYS THERE ARE ABOUT 300 LOCATIONS IN THE STATE THAT  
23 WOULD BE AFFECTED BY THIS IF WE PICK UP AT THE WHOLESALE  
24 LEVEL. ACTUALLY, IT'S BETWEEN 300 AND 3,000, DEPENDING ON

1 WHICH SOURCE OF INFORMATION YOU WANT TO USE. BUT THAT WOULD  
2 COST US ABOUT \$400,000 TO DO THAT ONE.

3 MEMBER ROBERTI: AND WHAT'S THE COST OF  
4 (INAUDIBLE; OFF-MIKE).

5 MR. FITZGERALD: AND THE AMOUNT OF FEE, ESTIMATED  
6 UNDER 100,000. MICHIGAN DOES IT FOR UNDER 50,000, THEY  
7 COLLECT AT THEIR DMV ON ANNUAL VEHICLE REGISTRATION. AND,  
8 SO CALIFORNIA HAS ABOUT TWICE AS MANY TIRES, SO TWICE AS  
9 MANY VEHICLES PROBABLY, SO.

10 SO, THE AMOUNT OF THE FEE, AGAIN, WOULD  
11 DEPEND ON THE PROGRAMS YOU WANT TO LAY OUT. THE 75 CENTS  
12 WOULD BE THE DMV. AND IF WE DO IT AT THE WHOLESALE LEVEL,  
13 \$15 MILLION WOULD BE 75 CENTS A TIRE.

14 MEMBER ROBERTI: IS THERE A RETAIL LEVEL?

15 MR. FITZGERALD: WE'RE DOING IT AT A RETAIL LEVEL  
16 RIGHT NOW. WE COLLECTED ABOUT \$484,000, IT'S 7,000 SITES  
17 WE'RE COLLECTING FROM.

18 THE REPORT IS ORGANIZED; IT GOES FROM  
19 EXECUTIVE SUMMARY, INFRASTRUCTURE ECONOMICS, THEN THE  
20 PROGRAM EVALUATION, THIS WAS DONE BY OUR INDEPENDENT  
21 CONTRACTOR. AND THEN THE SECTION WHICH WILL PROBABLY HAVE  
22 THE MOST DISCUSSION TODAY, THE RECOMMENDATIONS. AND THEN  
23 DISCUSSION WHAT OTHER STATES ARE DOING. AND THEN ON PAGE 69  
24 IS THIS BUDGET THAT I'VE BEEN TALKING ABOUT, AND THE ONE

1 THAT THE -- I GRAPHED OUT TO SHOW YOU HOW IT TRACKS ALONG  
2 WITH THE RECOMMENDATIONS.

3 THIS IS A VERY DYNAMIC DOCUMENT. AS A MATTER  
4 OF FACT, I HAVEN'T SEEN ABOUT HALF OF THOSE LETTERS, MR.  
5 CHAIRMAN, THAT YOU MENTIONED THIS MORNING.

6 BASED ON THE LAST THREE DAYS, THERE ARE SOME  
7 CHANGES. ON PAGE 14, I'M RECOMMENDING A CHANGE THERE TO  
8 REFLECT THE COST OF DELIVERING TIRES TO THE LANDFILL, AND  
9 ADD THIS SENTENCE TO SAY THAT THE HAULERS WHO DELIVER LARGE  
10 VOLUMES TO THE LANDFILLS, SPECIFICALLY DOWN TO AZUSA, HAVE  
11 OTHER CONTRACTUAL ARRANGEMENTS WHICH THEY DELIVER AT  
12 CONSIDERABLY LESS THAN THE 42 CENTS THAT'S LISTED IN THE  
13 DIAGRAM.

14 WE'RE CONSTANTLY WORKING THIS USED TIRE  
15 DEFINITION, AND I THINK WE'VE JUST ABOUT GOT IT. THE "X"S  
16 YOU SEE THERE WERE TO TRY TO ACCOMMODATE THE USE OF AIRCRAFT  
17 TIRES ON FARM VEHICLES. IF THAT TELLS YOU HOW SPLATTERED  
18 THIS GETS WHEN YOU START WORKING ON IT. I THINK WE HAVE IT  
19 NAILED DOWN NOW, AS OF ABOUT AN HOUR AGO. SO I'M AFRAID  
20 THAT I'LL HAVE TO PROVIDE THE ACTUAL WORDING ON THIS ONE TO  
21 YOU LATER, I DON'T HAVE IT WITH ME RIGHT NOW.

22 THE DEFINITION OF THE WASTE TIRE, THESE ARE  
23 MORE COSMETIC CHANGES THAN ANYTHING ELSE. EXCEPT THAT YOU  
24 SEE THE ONE ON THE TIRE-DERIVED PRODUCT, SAYING THAT A TIRE-

1 DERIVED PRODUCT IS NOT A WASTE TIRE.

2 AND THEN DEFINING TIRE-DERIVED PRODUCT, IT'S  
3 A PRODUCT THAT COMES FROM SOME TYPE OF A PROCESS, AND ALSO  
4 USING FEED STOCK, AND ALSO THE TIRE-DERIVED PRODUCT MUST  
5 HAVE BEEN SOLD AND REMOVED FROM THE SITE WHERE THE PROCESS  
6 WAS ACCOMPLISHED. AND ONCE -- AND THE BASIC REASON FOR  
7 THIS, THIS IS THE BRIGHT LIGHT, THAT ONCE IT BECOMES A TIRE-  
8 DERIVED PRODUCT THE BOARD NO LONGER HAS AN INTEREST IN IT,  
9 IT BECOMES A COMMODITY AND PART OF THE ECONOMIC MAINSTREAM.

10 MEMBER JONES: MR. CHAIRMAN, A QUESTION ON --

11 CHAIRMAN EATON: MR. JONES.

12 MEMBER JONES: WHAT ABOUT CRUMB?

13 MR. FITZGERALD: CRUMB WOULD BE INCLUDED HERE.

14 MEMBER JONES: OKAY. SO YOU'D INCLUDE CRUMB --

15 MR. FITZGERALD: RIGHT.

16 MEMBER JONES: -- THE SAME THING, BECAUSE THERE IS  
17 AN ISSUE --

18 MR. FITZGERALD: THAT'S CORRECT.

19 MEMBER JONES: -- IN SOUTHERN CALIFORNIA ABOUT  
20 THAT RIGHT NOW.

21 MR. FITZGERALD: THERE'S ANOTHER ISSUE ABOUT TDF  
22 FOR THE COGEN FACILITIES.

23 MEMBER JONES: RIGHT.

24 MR. FITZGERALD: AND WHERE YOU SHRED THE TIRES TO

1 A CERTAIN SIZE THAT THE COGENS CAN USE, ONCE IT LEAVES THE  
2 DOCK OF THE SHREDDER THEN IT'S NOT A WASTE ANYMORE --

3 MEMBER JONES: IT'S A PRODUCT.

4 MR. FITZGERALD: -- IT'S A PRODUCT.

5 MEMBER JONES: I AGREE.

6 MR. FITZGERALD: AND THAT'S WHY I WAS DRAWING A  
7 VERY CLEAR LINE HERE ON WHAT A TIRE-DERIVED PRODUCT IS.

8 MEMBER JONES: OKAY. AND THEN TWO BACK, WHEN YOU  
9 DEFINED WASTE TIRE.

10 MR. FITZGERALD: YES.

11 MEMBER JONES: IS THIS WHAT YOU'RE ADDING TO THE  
12 DEFINITION, OR IS THAT GOING TO BE --

13 MR. FITZGERALD: CHANGING, THAT WAS A CHANGE.

14 MEMBER JONES: -- THE DEFINITION?

15 MR. FITZGERALD: THAT'S PRETTY MUCH GOING TO BE  
16 THE DEFINITION.

17 MEMBER JONES: ALL RIGHT. THE ONE THING THAT I  
18 DIDN'T SEE IN THERE --

19 MR. FITZGERALD: RIGHT.

20 MEMBER JONES: -- IS THAT IT'S OFF THE RIM, BUT  
21 IT'S NO LONGER IN -- IT'S NO LONGER CAPABLE OF PERFORMING  
22 WHAT IT WAS BUILT FOR. I FORGET HOW THE WORDING WAS IN THE  
23 ORIGINAL --

24 MR. FITZGERALD: ACCORDING TO --

1 MEMBER JONES: THE ORIGINAL INTENDED PURPOSE.

2 MR. FITZGERALD: THE WORDING THAT I HAD USED THERE  
3 WAS SAYING IT'S NO LONGER APPROPRIATE FOR HIGHWAY USE AS  
4 DEFINED BY. AND THAT GOES INTO THE VEHICLE CODES --

5 MEMBER JONES: WILL THAT COVER IT?

6 MR. FITZGERALD: -- AND DEFINES THE TIRE DEPTH AND  
7 THOSE TYPE OF THINGS.

8 MEMBER JONES: OKAY.

9 CHAIRMAN EATON: SENATOR ROBERTI.

10 MEMBER ROBERTI: WHAT I'M A LITTLE BIT CONCERNED  
11 ABOUT IS THE DEFINITION OF WASTE TIRE, WHICH DOESN'T TAKE  
12 INTO CONSIDERATION THE POTENTIALITY OF RECYCLABILITY. WHAT  
13 I'M CONCERNED -- I THINK THIS IS AN EXCELLENT REPORT, AND I  
14 THINK THE RECOMMENDATIONS ARE EXCELLENT.

15 I THINK, HOWEVER, IT IS SPARE IN ONE AREA,  
16 AND A VERY IMPORTANT AREA. AND THAT IS THE WHOLE ISSUE OF  
17 THE MANUFACTURERS OF THE TIRES RECYCLING THEM. AND IF OUR  
18 DEFINITION DOESN'T TAKE THAT INTO CONSIDERATION, THAT A TIRE  
19 CAN BE RETREAD AND RECYCLED, WE ARE SORT OF CONTINUING TO GO  
20 DOWN THE PATHWAY THAT THE ONLY TECHNOLOGY THAT WE'RE GOING  
21 TO ACCEPT IS THE TECHNOLOGY THAT THE INDUSTRY GIVES US. I  
22 THINK OUR DEFINITIONS HAVE TO REFLECT RECYCLABILITY, I DON'T  
23 THINK OUR DEFINITIONS SHOULD REFLECT WASTE.

24 WITH THAT IN -- AS ANY ASPECT OF THE CONCEPT

1 WE'RE DEALING WITH I THINK THAT FUTURE REPORTS CANNOT IGNORE  
2 THE AREA OF RECYCLING TIRES. BECAUSE MY VERY CURSORY AND  
3 LIMITED EXAMINATION OF THIS ISSUE IS THAT THE BIGGEST  
4 PROBLEM WE HAVE IS THAT WE CANNOT STAY AHEAD OF THE CURVE,  
5 WITH ALL OUR PLAYGROUND MATS AND WITH RAC, WHICH IS SO  
6 IMPORTANT -- RUBBERIZED ASPHALT -- (LAUGHTER) --

7 (GENERAL DISCUSSION, NOT TOPIC-RELATED.)

8 CHAIRMAN EATON: THE SOCIALIZATION PROCESS IS A  
9 GOOD ONE.

10 MEMBER ROBERTI: AND WE HAVE TO REALLY START  
11 DISCUSSING THE RECYCLABILITY OF TIRES. AND I DON'T -- I,  
12 FRANKLY, DON'T THINK WE KNOW TOO WELL WHERE EVEN TO GO FOR  
13 THE EXPERTISE. EXCEPT ACCEPTING WHAT THE INDUSTRY HAS TO  
14 SAY.

15 SO THIS IS MY CHANCE TO GIVE MY LITTLE SPEECH  
16 IN THIS AREA. BUT, I WOULD BE -- I THINK WE'D BE REMISS IF  
17 WE COME UP WITH A DEFINITION THAT DOESN'T FACTOR IN  
18 RECYCLABILITY OF A TIRE WHEN WE'RE DEFINING WASTE. AND I'M  
19 HARDLY A PHYSICIST EXPERT AS TO WHAT THAT DEFINITION'S GOING  
20 TO BE.

21 BUT WE HAVE TO SEARCH THESE PEOPLE -- WE HAVE  
22 TO SEARCH THESE PEOPLE OUT. AND NOT ACCEPT -- AND I'M NOT  
23 SAYING THAT'S WHAT WE'RE DOING -- BUT, I'M SAYING AND NOT  
24 ACCEPT THE INDUSTRY DEFINITIONS OR THE INDUSTRY

1 POSSIBILITIES, ANY MORE THAN THE STATE GOVERNMENT ACCEPTED  
2 THOSE AT SOME POINT ON THE SAFETY OF AUTOMOBILES, OR OF THE  
3 AIR QUALITY OF GASOLINE EMISSIONS, ALL OF WHICH IN THE  
4 AUTOMOTIVE AREA CAN'T BE DONE, COMPROMISING SAFETY, CAN'T DO  
5 IT. AND SOMEHOW, IN TIRES WE DON'T EVEN HAVE A CLUE AS TO  
6 WHERE TO GO FOR THE INFORMATION.

7 NOW, WHAT I HAVE BEEN TOLD IS THAT WE HAVE A  
8 PROBLEM WITH SAFETY, AND WE HAVE A PROBLEM WITH DURABILITY.

9 BUT I REALLY QUESTION THAT.

10 I WENT TO LAKIN TIRE AND AT LAKIN TIRE, THEY  
11 -- THEY MAKE MOST OF THEIR PROFITS BY SHIPPING RETREADS TO  
12 MEXICO. NOW, SOMEBODY COULD ARGUE, WELL, THAT'S MEXICO,  
13 THEY DON'T HAVE AN ECONOMY WHICH WILL DEMAND HIGHEST  
14 PERFORMANCE, WHATEVER THAT MEANS. OKAY, LET'S ACCEPT THAT  
15 FOR PURPOSES OF ARGUMENT.

16 THEN I FOUND OUT THAT UNTIL THE PRICE OF  
17 TIRES WENT DOWN SO ASTRONOMICALLY, AS IT SEEMS TO HAVE DONE  
18 IN THE LAST COUPLE YEARS, IN GERMANY THEY WERE USING  
19 RETREADS TO A MUCH GREATER EXTENT THAN WE DO. WELL, I MEAN,  
20 THEY HAVE AN ECONOMY CERTAINLY THAT'S COMPARABLE TO OURS,  
21 AND A LOVE AFFAIR WITH AUTOMOBILES PROBABLY MORE SO THAN  
22 OURS, MAYBE THE SAME AS CALIFORNIA.

23 SO WHAT ARE WE TALKING ABOUT? NO DURABILITY,  
24 NO SAFETY. I MEAN, DO WE HAVE TO HAVE PERFORMANCE STANDARDS

**CALIFORNIA SHORTHAND REPORTING**

1 THAT EXCEED WHATEVER IS LEGAL ON THE ROAD?

2 SO, I REALLY THINK THIS IS A GREAT REPORT AS  
3 FAR AS IT GOES. BUT I DON'T THINK THIS BOARD IN THE FUTURE  
4 SHOULD ACCEPT ANY REPORT THAT DOES NOT DISCUSS RECYCLABILITY  
5 OF TIRES. THAT IS THE NUMBER ONE PROBLEM THAT WE'RE FACING,  
6 THAT WHY WE CAN'T KEEP UP WITH THE CURVE. AND ALL OUR  
7 FUTURE DISCUSSIONS IN THIS AREA ARE GOING TO GO NOWHERE,  
8 BECAUSE THERE AREN'T ENOUGH PLAYGROUNDS FOR PLAYGROUND MATS,  
9 NOT ENOUGH ROADS TO COME UP WITH RUBBERIZED ASPHALT -- AND I  
10 JUST THINK THAT'S THE GREATEST OF THE INNOVATIONS THAT WE  
11 HAVE -- UNLESS WE ALSO DISCUSS RECYCLABILITY.

12 SO, WHEN WE GOT ON THE DEFINITION IT GAVE ME  
13 A CHANCE TO SAY WHAT I WANTED TO SAY.

14 MR. FITZGERALD: ANY OTHER QUESTIONS? THAT DOES  
15 CONCLUDE MY PRESENTATION.

16 CHAIRMAN EATON: JUST A -- MR. PENNINGTON? MR.  
17 JONES?

18 MEMBER JONES: NO, I'LL HOLD FOR A WHILE.

19 CHAIRMAN EATON: OKAY. I JUST WANT A COUPLE OF  
20 POINTS OF CLARIFICATION. THE \$15 MILLION THAT YOU SPOKE  
21 ABOUT WAS NOT AN ANNUAL GENERATION -- CORRECT? -- BUT THAT  
22 WAS SPREAD OVER THE PHASE OF THE THREE PHASES --

23 MR. FITZGERALD: NO, THAT'S PER YEAR.

24 CHAIRMAN EATON: PER YEAR?

**CALIFORNIA SHORTHAND REPORTING**

1 MR. FITZGERALD: THAT'S PER YEAR. FOR THE FIRST  
2 THREE YEARS.

3 CHAIRMAN EATON: FOR THE FIRST THREE YEARS.

4 MR. FITZGERALD: ABOUT FOUR-POINT-TWO -- IF I  
5 REMEMBER RIGHT, FOUR-POINT-TWO MILLION WAS SPECIFICALLY  
6 DESIGNED TO CLEAN UP THE LARGE PILES FOR THE FIRST THREE  
7 YEARS. AND SO THAT WOULD DROP OUT AFTER --

8 CHAIRMAN EATON: SO IT'S NOT -- IS IT 15 MILLION  
9 PER YEAR, WHICH WOULD BE 45 MILLION OVER THE COURSE OF YOUR  
10 PROGRAM.

11 MR. FITZGERALD: THAT'S CORRECT.

12 CHAIRMAN EATON: OKAY.

13 MR. FITZGERALD: WELL, THE PROGRAM WOULD CONTINUE  
14 BEYOND THE THIRD YEAR BUT AT A LOWER RATE, AT THE \$10  
15 MILLION RATE --

16 CHAIRMAN EATON: I UNDERSTAND.

17 MR. FITZGERALD: -- PER YEAR.

18 MEMBER JONES: MR. CHAIRMAN?

19 CHAIRMAN EATON: MR. JONES.

20 MEMBER JONES: I THINK IT'S IMPORTANT, TOO, THAT  
21 WE HAVE TO CHANGE THE POINT OF COLLECTION, I THINK, IN MY  
22 MIND. BECAUSE THE WAY THE SCHEME IS RIGHT NOW, WITH  
23 COLLECTING IT AT THE RETAIL OUTLET, ALL TIRES THAT ARE SOLD  
24 AT A WHOLESALE LEVEL ARE EXCLUDED FROM THE FEE.

1                   SO ALL THE TRUCK TIRES, EVERYTHING I USED TO  
2 BUY, EVERYTHING THAT EVERY TRUCKING COMPANY IN THE STATE  
3 BUYS WHOLESALE, NEVER GETS ASSESSED THE 25 CENTS.

4                   MR. FITZGERALD: THAT'S CORRECT.

5                   MEMBER JONES: SO EVERY TIME YOU SEE 18 OF THOSE  
6 THINGS DRIVING DOWN THE ROAD, THEY'RE GOING TO END UP IN A  
7 TIRE PILE, OR THEY'RE GOING TO END UP AT ONE OF THESE END  
8 USES. BUT THERE HAS NEVER BEEN A FEE PAID ON THAT FOR US TO  
9 MANAGE THAT PROBLEM.

10                  I THINK THAT'S IMPORTANT IN THIS REPORT. AND  
11 I KNOW YOU'VE IDENTIFIED IT, BUT I THINK THAT THE GOVERNOR  
12 AND THE LEGISLATURES NEED TO UNDERSTAND THAT WHOLE UNIVERSE  
13 OF TIRES THAT ARE EXCLUDED --

14                  MR. FITZGERALD: I CAN MOVE THAT --

15                  MEMBER JONES: -- FROM PAYING THE FEE, IF WE KEEP  
16 IT AT THE RETAIL LEVEL, AS OPPOSED TO EVERY VEHICLE AT 75  
17 CENTS. I MEAN, 75 CENTS ON, YOU KNOW, A \$1200 LICENSING FEE  
18 FOR A TRUCK IS -- IT'S DEFINITELY AN INCREASE FROM 25 CENTS,  
19 BUT THOSE TIRES -- OR, FROM ZERO IN THEIR CASE, BECAUSE THEY  
20 PAID ZERO ON THOSE TIRES. SO, IT MAKES SENSE TO ME.

21                  CHAIRMAN EATON: MR. FITZGERALD, I KNOW BY THIS  
22 TIME YOU'RE PROBABLY FEELING LIKE THE CARTOON CHARACTER WHO  
23 GETS RUN OVER A THOUSAND TIMES DOWN THE ROAD, AND THAT YOU  
24 HAVE THAT SORT OF TIRE IMPRINT ON YOUR BACK.

1                   BUT COULD YOU ALSO, FOR JUST PURPOSES OF THE  
2 PUBLIC, RUN OVER THE ECONOMIC STRUCTURE BRIEFLY, AS -- IN  
3 TERMS OF WHAT IS THE -- I KNOW IT'S IN THE REPORT AS THE  
4 WASTE TIRE FLOW, AND KIND OF JUST THE BASIC UNDERSTANDING OF  
5 HOW -- WHAT IS OUR CURRENT CONFIGURATION?

6                   MR. FITZGERALD: SURELY. THE TIRE FLOW STARTS  
7 WHEN YOU TAKE YOUR AUTOMOBILE TO THE TIRE DEALER AND BUY A  
8 NEW TIRE. WHEN THEY TAKE THE USED TIRE OFF THEY MUST GET  
9 RID OF IT IN SOME WAY. NOW, THEY USUALLY CHARGE YOU, THE  
10 CUSTOMER, AN AVERAGE OF ABOUT A DOLLAR AND A HALF, IT'LL  
11 VARY DEPENDING WHERE YOU ARE, WHETHER YOU'RE AT THE CADILLAC  
12 DEALER OR WHETHER YOU'RE AT THE HONDA DEALER. BUT --

13                  CHAIRMAN EATON: SO EACH OF THOSE ARE A QUARTER --

14                  MR. FITZGERALD: YOU START OFF --

15                  CHAIRMAN EATON: IF I BUY FOUR TIRES --

16                  MR. FITZGERALD: THAT'S CORRECT.

17                  CHAIRMAN EATON: -- AND THEY CHARGE ME A BUCK AND  
18 A HALF --

19                  MR. FITZGERALD: PER TIRE. YOU'RE GOING TO PAY  
20 ABOUT --

21                  CHAIRMAN EATON: PER TIRE. AND THE FEE IS --

22                  MR. FITZGERALD: IF YOU PUT FOUR TIRES YOU'RE  
23 GOING TO PAY SIX BUCKS.

24                  CHAIRMAN EATON: -- A QUARTER. OKAY.

**CALIFORNIA SHORTHAND REPORTING**

1 MR. FITZGERALD: NOW, OF THAT \$6.00, 25 CENTS FOR  
2 EACH OF THOSE TIRES IS OURS, MINUS 10% THAT THE DEALER KEEPS  
3 FOR ADMINISTERING THE PROGRAM. SO WE GET ABOUT 23 CENTS FOR  
4 EVERY NEW TIRE THAT'S PURCHASED RETAIL. NOW, THE DEALER, HE  
5 HAS YOUR USED TIRES, HE HAS A COUPLE OF OPTIONS.

6 HE CAN SEND IT TO A LANDFILL, TAKE IT THERE  
7 HIMSELF AND PAY FOR THE DISPOSAL FEE AT A LANDFILL. AND IN  
8 THE REPORT I USE AZUSA AT 42 CENTS A TIRE, IS WHAT IT IS FOR  
9 A RETAIL-LEVEL DISPOSAL. OR HE CAN HIRE A HAULER TO COME IN  
10 AND PICK THEM UP. AND AGAIN, IN SOUTHERN CALIFORNIA, THE  
11 FIRST PART OF THIS YEAR THAT RAN ABOUT 65 CENTS A TIRE.

12 NOW, IF IT GOES TO THE LANDFILL THAT'S THE  
13 END OF IT. IF IT GOES TO THE TIRE HAULER, THE TIRE HAULER  
14 HAS TO GET RID OF IT, AND HE HAS SEVERAL OPTIONS.

15 IF HE CONTRACTS WITH A -- IF HE'S FORTUNATE  
16 ENOUGH TO HAVE A CONTRACT WITH A CEMENT KILN HE CAN GET RID  
17 OF THE TIRE FOR ABOUT 10 CENTS. IF HIS CONTRACT IS WITH A  
18 PROCESSOR HE'S PROBABLY GOING TO PAY ABOUT 20 CENTS A TIRE  
19 TO GET RID OF IT. SO HIS PROFIT WOULD BE THE DIFFERENCE  
20 BETWEEN THE 65 CENTS THE DEALER GAVE HIM AND THE 20 CENTS HE  
21 PAYS THE PROCESSOR, SO HE WALKS OFF WITH ABOUT 45 CENTS  
22 PROFIT ON EACH TIRE.

23 NOW, THE PROCESSOR TAKES THE TIRE AND DOES  
24 WHAT'S NECESSARY, WHETHER IT BE CRUMB OR SHRED, OR WHATEVER,

**CALIFORNIA SHORTHAND REPORTING**

1 AND THEY SELL THE PRODUCT AT THE END. SO BASICALLY THE  
2 PROCESSOR IS GETTING A TIPPING FEE ON THE FRONT-END, AND  
3 THEY SELL THE PRODUCT ON THE BACK-END, SO THEY'VE GOT TWO  
4 SOURCES OF INCOME FROM THE TIRE.

5 NOW, USUALLY WHEN THE PROCESSOR GETS THE TIRE  
6 FROM THE HAULER THEY GO THROUGH THEM AND THEY CULL OUT THE  
7 USED TIRES. THE ONES THAT CAN BE RESOLD EITHER IN THE  
8 UNITED STATES, OR IN MANY CASES SENT TO MEXICO OR OTHER  
9 FOREIGN COUNTRIES, AND THEY PULL THOSE OFF BECAUSE THOSE ARE  
10 GRAVY, THOSE ARE ALMOST 100% PROFIT FOR THEM. AND THE  
11 PERCENTAGE OF THOSE, OF THE LOAD THAT HE GETS, I'VE HEARD  
12 NUMBERS OF EVERYTHING -- UP TO A THIRD OF THEM WOULD BE  
13 QUALIFIED FOR GOOD USED TIRES.

14 AND THE END RESULT IS THE TIRES EITHER GO TO,  
15 IN MOST CASES, SOME TYPE OF A FUEL OPERATION, CEMENT KILN,  
16 OR THEY GO INTO SOME TYPE OF A RAC OPERATION. OR THEY END  
17 UP GOING TO THE LANDFILL, WHICH IS WHERE ABOUT HALF OF THEM  
18 END UP BECAUSE THERE'S INSUFFICIENT MARKETS AT THIS TIME TO  
19 ABSORB -- OTHER MARKETS TO ABSORB THEM.

20 MEMBERS JONES: IF I CAN ASK A QUESTION.

21 CHAIRMAN EATON: YES, THAT'S FINE.

22 MEMBER JONES: ON THAT -- AND MAYBE IT'S NOT  
23 APPROPRIATE -- BUT WHEN YOU LOOK THROUGH THE HIERARCHY, I  
24 THINK WE NEED TO IDENTIFY THEM AT THE VERY BOTTOM OF THE --

1 I HATE TO SAY THE VERY BOTTOM BUT --

2 MR. FITZGERALD: OKAY. YOU MEAN PUT IT BELOW  
3 LANDFILLING?

4 MEMBER JONES: YEAH.

5 MR. FITZGERALD: OKAY.

6 MEMBER JONES: DO YOU KNOW WHAT I'M SAYING?

7 MR. FITZGERALD: YES.

8 MEMBER JONES: TO MAKE PEOPLE UNDERSTAND THAT ONE  
9 OF THESE IS GOING TO END UP AS AN ILLEGAL TIRE SOMEWHERE.  
10 NOW, WHILE IT IS NOT PART OF THE HIERARCHY WE WANT OR HAS  
11 APPROVED, THE ULTIMATE END OF IT DOESN'T GO INTO ONE OF  
12 THOSE USES.

13 MR. FITZGERALD: RIGHT. RIGHT. I CAN ADD THAT  
14 INTO THE DISCUSSION OF HIERARCHY VERY EASILY.

15 CHAIRMAN EATON: WELL, I FIRST -- I MEAN, I DON'T  
16 THINK THAT PUTTING IT IN A LANDFILL IS USE, SO I THINK THAT  
17 -- I MEAN, I JUST -- IT'S JUST NOT A -- IT'S A USE, IT IS A  
18 DISPOSAL METHOD.

19 MEMBER JONES: RIGHT.

20 CHAIRMAN EATON: BUT WE'RE NOT USING THAT TIRE AT  
21 ALL. SO I THINK, YOU KNOW, -- WELL, WE CAN LEAVE THAT FOR  
22 PART OF THE DISCUSSION, BUT IN TERMS OF --

23 MEMBER JONES: WELL, I'M NOT TALKING ABOUT THE  
24 LANDFILL, I'M TALKING ABOUT AN

1 ILLEGAL --

2

3 CHAIRMAN EATON: NO, I MEAN, I THINK WE CAN GET  
4 INTO THE DISCUSSION, WE'RE TALKING ABOUT THERE'S -- YOU  
5 KNOW, I THINK WE'LL WAIT AND KIND OF GO INTO WHAT I THINK IS  
6 -- WAS WHERE YOU'RE GOING.

7 BUT THERE'S TWO -- THERE'S A DIFFERENCE  
8 BETWEEN THE LEGACY PILES AND THE ANNUAL GENERATION.

9 MEMBER JONES: NO, I'M JUST SAYING WE'RE GOING TO  
10 HAVE ALL THESE -- YOU KNOW, WE HAVE 18 MILLION (INAUDIBLE)  
11 IT DOESN'T FALL INTO ANY (INAUDIBLE) GO INTO ANY OF THOSE  
12 (INAUDIBLE) IT'S GOING TO BE THOSE MILLION (INAUDIBLE) THAT  
13 ARE ILLEGAL (PHON) (INAUDIBLE). BUT IT IS LIKE (INAUDIBLE)  
14 DON'T WANT TO SEE HAPPEN.

15 IT WOULD SEEM TO ME THAT (INAUDIBLE) THE  
16 PEOPLE (INAUDIBLE) DON'T WANT (INAUDIBLE) THAT WE JUST  
17 (INAUDIBLE) AS HIERARCHY (INAUDIBLE).

18 MEMBER ROBERTI: MR. CHAIRMAN.

19 CHAIRMAN EATON: SENATOR ROBERTI.

20 MEMBER ROBERTI: YEAH. ON THE POINT OF THE FEE,  
21 AS I UNDERSTAND IT, FLEET TIRES WE DO NOT CHARGE AT THE  
22 RETAIL LEVEL, SO WE'RE CURRENTLY LOSING --

23 MR. FITZGERALD: THAT'S CORRECT.

24 MEMBER ROBERTI: -- THAT MONEY.

1                   SO HOW MANY TIRES WILL WE PICK UP, AND HOW  
2 MUCH MONEY WILL WE GET, IF WE -- I TAKE IT I'M ASKING  
3 SOMETHING -- YOU'VE THOUGHT ABOUT LONG AND HARD FOR A WHILE,  
4 SO -- BUT I'M THE NEW BOY ON THE BLOCK SO I'VE GOT TO FIND  
5 THE ANSWER MYSELF --

6                   CHAIRMAN EATON: YOU'RE A HELL OF A PITCHER.

7                   MEMBER ROBERTI: IF WE GO THE WHOLESALE LEVEL --

8                   MR. FITZGERALD: SENATOR, I DON'T KNOW.

9                   MEMBER ROBERTI: YOU DON'T? OKAY. WELL, THAT'S  
10 AN HONEST ANSWER. HOW CAN WE FIND OUT?

11                  MR. FITZGERALD: WE WOULD HAVE TO RESEARCH THAT.  
12 BUT, RIGHT OFF THE TOP OF MY HEAD, I DON'T THINK IT'S EVER  
13 BEEN DONE.

14                  HAVE WE EVER RESEARCHED HOW MANY TIRES GO --

15                  (MR. FITZGERALD CONFERS WITH AN UNIDENTIFIED  
16 PARTY.)

17                  CHAIRMAN EATON: JUST LET THE RECORD REFLECT THAT  
18 --

19                  MR. FITZGERALD: NO, WE HAVE NOT DONE --

20                  (THE PARTIES SIMULTANEOUSLY SPEAK.)

21                  MEMBER ROBERTI: WELL, BECAUSE JUST TO EMPHASIZE  
22 THE OBVIOUS, THAT EVEN IF IT COSTS US A LITTLE BIT MORE, IF  
23 WE'RE PICKING UP MORE TIRES IT'S -- WE MIGHT BE MAKING --  
24 WE'RE PROBABLY GOING TO MAKE MORE MONEY, AND IT'S GOING TO

1 BE FAIRER.

2 MEMBER PENNINGTON: BUT A LOT OF THE BIG FLEETS  
3 BUY DIRECTLY FROM THE MANUFACTURER AND DON'T EVEN GO THROUGH  
4 A WHOLESALER.

5 MEMBER ROBERTI: WE OUGHT TO KNOW THAT, TOO. I  
6 MEAN, WE OUGHT TO KNOW HOW MANY OF THOSE WE'RE TALKING ABOUT  
7 --

8 MR. FITZGERALD: THERE'S QUITE A BIT OF RESEARCH  
9 THAT'S GOING TO HAVE TO BE DONE, DEPENDING ON WHERE THE  
10 BOARD WANTS -- HOW THE BOARD WANTS TO COLLECT THE FEE.

11 OBVIOUSLY, DMV, THAT'S PRETTY  
12 CUT-AND-DRY. BUT IF WE GO THE FIRST-POINT-OF-SALE WITHIN  
13 CALIFORNIA, OR FIRST-POINT-OF-OWNERSHIP WITHIN CALIFORNIA,  
14 WE'RE GOING TO HAVE TO GO OUT AND GET THAT INFORMATION.

15 AND WE HAVEN'T DONE IT AT THIS POINT BECAUSE  
16 IT WOULD BE QUITE AN EXERCISE TO GO THROUGH. AND UNLESS THE  
17 BOARD WANTED TO GO THAT DIRECTION --

18 MEMBER JONES: IT'S BEEN SUGGESTED, SENATOR, I  
19 HAVE SUGGESTED IT A COUPLE OF TIMES ONCE AT THE SCRAP TIRE  
20 CONVENTION AND MAYBE THE MANUFACTURER AS THEY START TO DRIVE  
21 THEM INTO THE STATE, YOU KNOW, FOR EVERYTHING. SO THAT'S  
22 THE FIRST POINT OF SALE.

23 MEMBER ROBERTI: YEAH. AND IT WOULD BE GREAT IF  
24 WE HAD JURISDICTION, BECAUSE THAT'S PROBABLY THE BEST POINT

1 --

2 MEMBER JONES: RIGHT.

3 MEMBER ROBERTI: -- OF ASSESSMENT, AS WELL. BUT  
4 WE DON'T.

5 MEMBER PENNINGTON: I WAS JUST GOING TO SAY, I  
6 THINK THAT THE DMV IS THE DIRECTION FOR US TO GO, THOUGH.

7 CHAIRMAN EATON: IF THERE'S NO FURTHER QUESTIONS  
8 OF MR. FITZGERALD --

9 MEMBER PENNINGTON: I DID HAVE ONE OTHER QUESTION  
10 --

11 CHAIRMAN EATON: GO AHEAD.

12 MEMBER PENNINGTON: -- MR. CHAIRMAN, IF YOU DON'T  
13 MIND?

14 CHAIRMAN EATON: PLEASE.

15 MEMBER PENNINGTON: UNDER NUMBER 17, WHEN YOU WERE  
16 TALKING ABOUT DGS, YOU SAID SOMETHING ABOUT CENTRALIZING THE  
17 RECAPPING OF TIRES? I --

18 MR. FITZGERALD: PURCHASING OF RECAPS. A  
19 STATEWIDE -- CENTRALIZING THE PURCHASE OF RECAPPED --

20 MEMBER PENNINGTON: I SEE.

21 MR. FITZGERALD: -- TIRES STATEWIDE. THAT GIVE  
22 YOU AN ECONOMY OF SCALE, AND ALSO A GREATER EMPHASIS ON  
23 RECAP PURCHASING. AND IT WOULD PROBABLY BE DONE MAINLY FOR  
24 THE INDUSTRIAL TYPE VEHICLES, TRUCKS AND THAT TYPE OF THING,

1 THAT BUY RECAPPED TIRES.

2 MEMBER PENNINGTON: WELL, YOU KNOW, YOU CAN'T USED  
3 RECAPPED TIRES ON THE FRONT STEERING WHEELS OF TRUCKS.

4 MEMBER JONES: ACTUALLY, IF YOU CAN USE CAPS ON  
5 THE STEER TIRES, AS LONG AS THEY'VE BEEN CERTIFIED YOU CAN  
6 USE THEM.

7 MR. FITZGERALD: I WON'T LEAVE, I WILL WAIT UNTIL  
8 YOU --

9 CHAIRMAN EATON: I THINK THAT'S PROBABLY A PRUDENT  
10 THING.

11 (MEMBER PENNINGTON AND MEMBER JONES CONFER OFF-  
12 MIKE.)

13 CHAIRMAN EATON: ALL RIGHTY. I ONLY HAVE THREE  
14 SPEAKER SLIPS ON THIS ISSUE, SO I'LL BEGIN WITH, IN ORDER,  
15 STEVEN ARTUS, MODESTO ENERGY.

16 MR. ARTUS: GOOD MORNING, MY NAME IS STEVE ARTUS,  
17 I'M THE GENERAL MANAGER FOR MODESTO ENERGY.

18 FIRST OF ALL, I WANT TO SAY WE THINK THE  
19 REPORT'S A PRETTY GOOD REPORT IN GENERAL. IT WAS A LOT OF  
20 WORK DONE IN A SHORT PERIOD OF TIME. AND WE ALSO APPRECIATE  
21 BEING MEMBERS OF THE WORKING GROUP.

22 I THINK, AS MOST OF THE BOARD MEMBERS KNOW,  
23 WE DO HAVE SOME SPECIFIC RECOMMENDATIONS THAT WE'D LIKE TO  
24 SEE INCORPORATED IN THE REPORT. I JUST WANT TO TOUCH ON TWO

**CALIFORNIA SHORTHAND REPORTING**

1 OF THEM THIS MORNING.

2 THE FIRST IS THE POSITION OF ALTERNATIVE  
3 DAILY COVER, OR ADC, IN THE HIERARCHY. WE DON'T THINK THAT  
4 ADC IS A RECYCLE OF TIRES, WE THINK IT'S ESSENTIALLY  
5 THROWING THEM AWAY. WE'D LIKE TO SEE THE ADC MOVE DOWN  
6 TOWARD THE LANDFILL AND MONOFILL PART OF THE HIERARCHY.

7 THE SECOND POINT I WANT TO MAKE, WE DO FIRMLY  
8 BELIEVE THAT -- WE THINK INCENTIVES SHOULD BE PROVIDED TO  
9 STIMULATE A MARKET FOR PRODUCTIVE USE OF TIRES. WE THINK  
10 THAT'S ESSENTIAL. THAT'S PRETTY MUCH ALLUDED TO IN THE  
11 RECOMMENDATION 21, I BELIEVE, OF THE REPORT.

12 AND THAT CONCLUDES MY REMARKS. THANK YOU  
13 VERY MUCH.

14 CHAIRMAN EATON: THANK YOU.

15 MR. CHUCK WHITE FROM WASTE MANAGEMENT.

16 MR. WHITE: GOOD MORNING, THIS IS CHUCK WHITE WITH  
17 WASTE MANAGEMENT. MR. CHAIRMAN, MEMBERS OF THE BOARD, I  
18 APPRECIATE THE OPPORTUNITY TO SPEAK TO YOU TODAY.

19 I WOULD LIKE TO HAVE SOME HELP ON THIS  
20 OVERHEAD, I DO HAVE AN OVERHEAD I'D LIKE TO SHOW. IF  
21 PERHAPS SOMEONE CAN -- THE STAFF CAN GIVE ME A HAND WITH THE  
22 WAY THE OVERHEAD WORKS?

23 (MR. WHITE AND STAFF CONFER.)

24 CHAIRMAN EATON: I'M GLAD THAT YOU HAVE TAKEN OUR

1 POWER POINT SEMINAR HERE --

2 MR. WHITE: ABSOLUTELY. I DO MY BEST, WE'RE ALL  
3 LEARNING.

4 I REALLY WANT TO START OFF BY COMMENDING FITZ  
5 FOR THE JOB THAT HE'S DONE. IT'S BEEN A TOUGH EFFORT,  
6 THERE'S BEEN A NUMBER OF CONTENTIOUS SESSIONS. THE THING  
7 THAT'S IMPRESSED ME MOST IS HIS INDEFLATABLE (PHON) GOOD  
8 HUMOR THAT HE'S BEEN ABLE TO MAINTAIN THROUGH THE WHOLE  
9 PROCESS, AND HE'S REALLY BEEN AN ASSET. I THINK WE ALL  
10 LEARNED FROM THE PROCESS, I CERTAINLY LEARNED A LOT ABOUT  
11 THE -- YOU KNOW, THE NEEDS OF THIS BOARD AND THE OVERALL  
12 NEEDS OF THE INDUSTRY, AND THE MANAGEMENT OF TIRES IN  
13 CALIFORNIA.

14 I WOULD LIKE TO START OFF BY SAYING THAT  
15 WASTE MANAGEMENT REALLY IS COMMITTED TO RECYCLING, IT REALLY  
16 IS THE FUTURE OF TIRES IN CALIFORNIA, IS TO FIND WAYS FOR  
17 SUSTAINABLE MARKETS. WE HAVE INVESTED AND PARTNERED WITH  
18 PEOPLE AT OUR DAVIS STREET FACILITY, FOR EXAMPLE, IN SAN  
19 LEANDRO, TO DEVELOP CRUMB RUBBER. WE WOULD LIKE TO SEE THAT  
20 KIND OF ACTIVITY EXPANDED, AND TOWARDS SUSTAINABLE MARKETS  
21 THROUGH THE DEVELOPMENT OF CRUMB RUBBER OPTIONS.

22 CLEARLY THE RUBBERIZED ASPHALT PRESENTATION  
23 YOU HEARD THIS MORNING, AND AS MANY OF YOU HAVE COMMENTED  
24 ON, REALLY IS PART OF THE FUTURE FOR THE MANAGEMENT OF

1 TIRES, AND WE CERTAINLY DON'T TAKE ANY EXCEPTION OR  
2 DISAGREEMENT WITH THAT.

3 WE ALSO DO USE ADC, AND TRIED TO SEARCH FOR  
4 ENGINEERING APPLICATIONS OF WASTE TIRES AS PART OF OUR  
5 LANDFILLING OPERATIONS, NOT TO MANAGE THE TIRES AS DISPOSAL  
6 BUT TO TRY TO FIND THEM WAYS TO FACILITATE THE OPERATION AND  
7 MAINTAIN MAINTENANCE OF A LANDFILL. AND WE BELIEVE THAT ADC  
8 DOES PLAY AN IMPORTANT ROLE IN THAT.

9 WASTE MANAGEMENT WILL CERTAINLY WORK WITH  
10 THIS BOARD AND OTHERS TO WORK TOWARDS MARKET DEVELOPMENT,  
11 AND PARTICULARLY THE DEVELOPMENT OF SUSTAINABLE MARKETS. WE  
12 BELIEVE THAT IS REALLY IMPORTANT. THE KEY THING IS TO FOCUS  
13 ON VIABLE TECHNOLOGIES THAT ARE LIKELY TO PROVIDE AN AVENUE  
14 FOR USE IN BOTH THE SHORT- AND LONG-TERM, ON AN ONGOING AND  
15 SUSTAINABLE BASIS.

16 THERE HAS BEEN SOME MENTION OF THE HIERARCHY  
17 THIS MORNING. AND I WOULD LIKE TO PASS OUT, AND USE AS AN  
18 OVERHEAD, A REASONABLE -- IT MAY NOT BE THE ONLY WAY TO  
19 CONFIGURE A WASTE MANAGEMENT HIERARCHY, BUT IT'S CERTAINLY  
20 ONE THAT I THINK BEARS SOME CONSIDERATION.

21 AND STARTING AT THE TOP OF THE HIERARCHIES,  
22 AS ALL HIERARCHIES, IS SOURCE REDUCTION. WHAT CAN WE DO TO  
23 DEVELOP LONG-LIFE TIRES AND MAKE SURE WE EDUCATE THE PUBLIC  
24 FOR PROPER TIRE MAINTENANCE.

1 RECYCLING AND REUSE IS CLEARLY THE NEXT TIER  
2 DOWN. RETREADING, AS SENATOR ROBERTI INDICATED, CRUMB  
3 RUBBER, RECYCLED PRODUCTS, IS RIGHT BEHIND SOURCE REDUCTION.

4 WE THINK OF, PART AND PARCEL TO THAT, IS  
5 CIVIL ENGINEERING APPLICATIONS AND TRANSFORMATION USES OF  
6 TIRES.

7 AND THEN MOVING DOWN TOWARDS THE BOTTOM OF  
8 LANDFILL -- OF THE HIERARCHY IS LANDFILLING. WE'RE NOT  
9 TRYING TO TELL YOU THAT LANDFILLING SHOULD BE PLACED AT THE  
10 TOP OF THE HIERARCHY OR -- IT IS REALLY A USE, IT'S A -- WE  
11 BELIEVE IT IS A MEASURE THAT IS USEFUL FOR ENSURING THAT  
12 TIRES -- AT LEAST FOR THE NEAR-TERM, AND PERHAPS EVEN TO THE  
13 MID-TERM -- ARE NOT PUT INTO ILLEGAL TIRE PILES.

14 AND THAT'S WHERE THE ROUNDING OUT OF THIS  
15 HIERARCHY, WE THINK, LOOKS AT, IS THAT REALLY THEY -- YOU  
16 CAN'T FORGET ABOUT THE FACT THAT THE HIERARCHY IS WHAT  
17 YOU'RE TRYING TO SUPPORT AS REASONABLE WAYS TO MANAGE THESE  
18 TIRES. AND LANDFILLING IS CERTAINLY AT THE BOTTOM OF THAT  
19 TRADITIONAL HIERARCHY.

20 BUT EVEN BELOW THAT BOTTOM OF THAT  
21 TRADITIONAL HIERARCHY IS THE ILLEGAL MANAGEMENT, THE  
22 MISMANAGEMENT, THE TOSSING OF TIRES ALONG THE ROADSIDE, THE  
23 PLACEMENT OF THEM IN ILLEGAL PILES THAT CATCH FIRE AND BURN.  
24 CERTAINLY, PUTTING IT INTO A SECURE LANDFILL IS BETTER THAN

1 AN UNPERMITTED, ILLEGAL OPERATION.

2 WASTE MANAGEMENT DOES OPERATE LANDFILLING  
3 OPERATIONS FOR TIRES. BUT, WE RECOGNIZE IT'S NOT THE BEST  
4 USE. IT'S PROBABLY NOT THE LONG-TERM PLACE FOR TIRES. BUT,  
5 AS LONG AS SUPPLY OF WASTE TIRES EXCEEDS THE SUSTAINABLE  
6 MARKET AND DEMAND, WE THINK THAT IS SOMETHING YOU SHOULDN'T  
7 IGNORE AS A REASONABLE WAY TO ENSURE THAT THESE TIRES ARE  
8 SAFELY MANAGED, AND NOT PLACED IN ILLEGAL TIRE PILES.

9 WASTE MANAGEMENT'S PRIORITY OF TRYING TO USE  
10 THOSE TIRES THAT WE SEE THAT WE CANNOT RECYCLE AND RETURN TO  
11 A SUSTAINABLE MARKET THROUGH A CRUMB RUBBER OPERATION, SUCH  
12 AS WE CURRENTLY ARE PARTNERING WITH AND OPERATING WITH IN  
13 THE BAY AREA, WOULD BE TO FIND VIABLE ENGINEERING USES SUCH  
14 AS ADC AT A LANDFILL, OR SUCH AS USING FOR GAS CONTROL  
15 SYSTEMS, AND MAY BE ABLE TO USE AS A MEDIA FOR PACKING  
16 AROUND A GAS CONTROL SYSTEM. WE'RE LOOKING AT TRYING TO  
17 EXPAND THOSE KIND OF USES FOR CHIP TIRES.

18 WHEN WE DO GET INTO LANDFILLING IT WE'RE NOT  
19 LOOKING AT LANDFILLING IT AND SUPPLANTING AIR SPACE THAT  
20 WOULD OTHERWISE BE USED FOR MUNICIPAL SOLID WASTE. WE'RE  
21 TRYING TO USE MONOFILLING OPERATIONS THAT ARE FULLY  
22 PERMITTED AND OPERATING IN ACCORDANCE WITH THIS BOARD'S  
23 STANDARDS, THAT ARE ASSOCIATED WITH MINE RECLAMATION  
24 FACILITIES, SUCH THAT THESE -- THIS PLACEMENT OF TIRES INTO

1 FILLS IS AT LEAST PROVIDING SOME MODICUM OF BENEFICIAL USE.

2 THESE ARE BLIGHTED AREAS, THEY ARE FROM OLD MINING  
3 OPERATIONS THAT DON'T HAVE RECLAMATION -- AT LEAST WE'RE  
4 DOING -- WE'RE TRYING TO USE THIS AS FILL TO RETURN THESE  
5 MINING, FORMER MINING OPERATIONS TO SOME REASONABLE  
6 BENEFICIAL LAND USE.

7 WE DO BELIEVE THAT THERE'S ALWAYS THE  
8 POTENTIAL FOR LONG-TERM REUSE OF TIRES WHEN THEY ARE, IN A  
9 SENSE, PUT IN THESE KINDS OF REPOSITORIES. THEY ARE  
10 MONOFILLED, THEY ARE NOT COMMINGLED WITH OTHER WASTE TYPES.

11 THAT DOES PROVIDE THE POTENTIAL -- NOT NECESSARILY THE  
12 CERTAINTY, BUT THE POTENTIAL FOR ULTIMATE RECOVERY AND REUSE  
13 IF THE MARKETS WERE EVER TO DEVELOP THAT.

14 AND THEN BELOW THAT, AS FAR AS I'M AWARE,  
15 WHAT -- WASTE MANAGEMENT DOES NOT HAVE ANY GENERAL  
16 LANDFILLING OF TIRES, SIGNIFICANT ANYWAYS, IN ANY OF OUR  
17 OTHER LANDFILLING OPERATIONS THAT WOULD SUPPLANT THE AIR  
18 SPACE THAT IS OTHER WISE DEDICATED TO NORMAL MUNICIPAL SOLID  
19 WASTE.

20 WE'RE LOOKING AT PLACES LIKE THE AZUSA  
21 FACILITY, POTENTIALLY THE (CAM?) FACILITY, IF WE'RE EVER  
22 ABLE TO BRING THAT BACK ON LINE, IS WHERE WE'RE -- THESE  
23 AREAS ARE MINE FACILITIES, THEY'RE SITTING THERE AS -- NEED  
24 SOME KIND OF RECLAMATION. IN THE INTERIM BASIS AT LEAST

1 THESE TIRES CAN BE USED TO IMPROVE THE USE OF THESE LANDS.

2 THE BOTTOM LINE ON THIS HIERARCHY IS, WE  
3 REALLY THINK THE FOCUS OF THE BOARD -- NOT THE SOLE FOCUS,  
4 BUT A PRIMARY FOCUS AS -- AND OUR INDUSTRY GROUP GENERALLY  
5 BELIEVES -- IS REALLY REMEDIATING THE ILLEGAL TIRE PILES  
6 THROUGH BOTH A STRONG ENFORCEMENT ACTION, AS FITZ HAS LAID  
7 OUT, AND THROUGH THE REMEDIATION OF THOSE ILLEGAL TIRE  
8 PILES. AND, TO THE EXTENT THAT A SECURE, FULLY-PERMITTED  
9 MONOFILL OPERATION CAN HELP MAINTAIN -- ENSURE THAT THOSE  
10 TIRES ARE REMOVED FROM THOSE ILLEGAL OPERATIONS, AND ARE  
11 PREVENTED FROM RETURNING.

12 AND THAT'S REALLY A KEY, IS WE DON'T WANT TO  
13 TAKE ACTION -- ONCE WE REMOVE THESE TIRE PILES, ACTIONS THAT  
14 COULD STIMULATE THE CREATION OF NEW ILLEGAL TIRE PILES, OR  
15 PROVIDE AN INCENTIVE, IF YOU WILL, FOR IMPROPER MANAGEMENT,  
16 OR A DISINCENTIVE FOR PROPER MANAGEMENT. AND THAT'S REALLY  
17 KEY TO THE MARKET DEVELOPMENT.

18 WHILE WE DO SUPPORT MARKET DEVELOPMENT  
19 OPERATIONS, TRY TO WORK MATERIALS UP THE HIERARCHY TO THE  
20 GREATEST EXTENT POSSIBLE ON A SUSTAINABLE FASHION, WE JUST  
21 URGE YOU TO BE CAREFUL THAT, IF YOU DON'T DO ANYTHING THAT  
22 WOULD CREATE BARRIERS, THAT PREVENT MATERIAL TO GO TO  
23 OTHERWISE SAFE AND SECURE ACTIONS. LIKE A SECURE MONOFILL  
24 OPTION AT WHICH, ON AN INTERIM BASIS, THAT'S -- WE BELIEVE

1 THAT TO BE A BETTER OPTION THAN THE FORMATION, OR PLACEMENT  
2 OF THESE TIRES IN ILLEGAL FACILITIES.

3 AND WE WOULD URGE YOU TO BE CAUTIOUS ON  
4 TRYING TO RECOMMEND ANY BARRIERS THAT WOULD PREVENT THIS  
5 BETTER AND SAFE, AND MORE SECURE AND FULLY-PERMITTED  
6 DISPOSAL, AND NOT CREATE ANY DISINCENTIVES OR INCENTIVES  
7 THAT WOULD LEAD TO ILLEGAL TIRE MANAGEMENT.

8 I REALLY APPRECIATE THE OPPORTUNITY TO  
9 PRESENT THIS TO YOU, AND WE LOOK FORWARD TO WORKING WITH  
10 YOU. AS WE KNOW, THERE WILL PROBABLY BE SOME LEGISLATIVE  
11 ACTION THIS YEAR OR NEXT, HOPEFULLY THIS YEAR. AND I HOPE -  
12 - I HAVE GREAT OPTIMISM FOR ITS SUCCESS. THANK YOU.

13 CHAIRMAN EATON: ANY QUESTIONS FOR MR. WHITE?

14 I JUST HAVE A COUPLE. I TAKE IT FROM THE  
15 DOCUMENT YOU PRESENTED THAT YOU DON'T DISAGREE THAT THERE'S  
16 TWO DISTINCT PROBLEMS.

17 MR. WHITE: OH, NOT A BIT. AND WE --

18 CHAIRMAN EATON: I MEAN, I'M JUST TRYING TO LAY  
19 OUT A RECORD, THAT THERE IS THIS LEGACY OR STOCKPILE, FOR  
20 LACK OF A -- YOU KNOW, A BETTER DEFINITION. AND THEN THE  
21 ANNUAL GENERATION --

22 MR. WHITE: RIGHT.

23 CHAIRMAN EATON: -- AND THAT REFLECTS THAT.

24 MR. WHITE: WE REALLY THINK THAT ILLEGAL TIRE

1 PILES ARE REALLY THE PRIMARY PROBLEM, NOT A -- LANDFILLING,  
2 PER SE, ISN'T A REAL PROBLEM AS LONG AS IT'S DONE IN A SAFE,  
3 SECURE FASHION.

4 WE WOULD HOPE THE BOARD WOULD ENCOURAGE, IF  
5 THERE IS -- LANDFILLING IS DONE, AT LEAST YOU'RE GETTING  
6 SOME MINE RECLAMATION BENEFIT OUT OF IT, YOU'RE GETTING SOME  
7 OTHER ASSOCIATED BENEFIT OUT OF IT. NOT THAT THAT'S A LONG-  
8 TERM SOLUTION, BUT THAT'S SOMETHING THAT -- YOU KNOW, THERE  
9 IS SOME PUBLIC GOOD ASSOCIATED WITH THAT KIND OF ACTIVITY.

10 BUT IN THE LONG-TERM, WE FULLY SUPPORT THE  
11 IDEA OF DEVELOPING SUSTAINABLE MARKETS. I MEAN, I THINK  
12 THAT IF THIS RUBBERIZED ASPHALT THING TAKES OFF -- I MEAN,  
13 THE -- IF IT'S REALLY CHEAPER, IT'S A BETTER PRODUCT, AND  
14 THERE'S ALL THESE ROADS IN CALIFORNIA, IT'LL VASTLY EXCEED  
15 THE DEMAND, ONCE THAT GETS GOING, FOR ALL THE TIRES IN  
16 CALIFORNIA. YOU WON'T HAVE ENOUGH TIRES TO REALLY -- TO USE  
17 FOR RUBBERIZED ASPHALT.

18 AND I THINK THE EVIDENCE IS MOUNTING THAT  
19 THAT'S THE CASE. SO I THINK IT'S JUST A MATTER OF HELPING  
20 THAT PROCESS ALONG, TO MAKE SURE THAT PEOPLE GET THIS  
21 INFORMATION, THAT THIS IS REALLY A EXCELLENT USE FOR TIRES,  
22 AND YOU COULD ACTUALLY END UP SAVING MONEY AS A RESULT OF  
23 IT.

24 CHAIRMAN EATON: MY OTHER QUESTION DEALS WITH THE

1 ISSUE OF THE ILLEGAL TIRE PILES. AND THIS MORNING AT LEAST,  
2 YOU KNOW, WE'VE SEEN A LOT THAT DEALS WITH THE MARKET  
3 DEVELOPMENT SIDE AND THE HIERARCHY.

4 BUT, ONE OF THE THINGS THAT YOU'VE ALWAYS  
5 COME BEFORE THE BOARD AND TALKED ABOUT, THE ILLEGAL TIRE  
6 PILES. ARE THERE RECOMMENDATIONS WITHIN THE REPORT THAT  
7 DEAL WITH US AND LOCAL JURISDICTIONS IN SOLVING THEIR  
8 PROBLEMS?

9 ARE THERE ANY ADDITIONAL THINGS YOU WOULD DO  
10 WITH THE LOCAL JURISDICTIONS? OR, THAT YOU THINK OVERALL  
11 THOSE RECOMMENDATIONS AS IT RELATES TO THE -- EITHER A  
12 DELEGATION OR THE FACT OF THE LEAS AND SOME OF THE OTHER  
13 TECHNIQUES THAT WE'RE USING IN THE LOCAL JURISDICTIONS, TO  
14 SOLVE THAT PROBLEM AS WELL? BECAUSE IT'S NOT JUST ONE OR  
15 THE OTHER.

16 AND I KNOW YOU UNDERSTAND THAT. BUT, I'M  
17 ALSO LOOKING FOR COMMENT AS IT DEALS WITH THE -- WITH THAT  
18 SIDE, WHICH IS REALLY NOT REALLY TOUCHED ON. AND I SEE NO  
19 ONE HERE FROM LOCAL GOVERNMENT. SO I KNOW, OBVIOUSLY YOU  
20 DEAL WITH THAT, SO I'D JUST LIKE YOUR THOUGHTS OR  
21 REFLECTIONS.

22 MR. WHITE: WELL, WE FULLY SUPPORT IT. IT WAS ONE  
23 OF THE ISSUES THAT I THINK -- VIRTUALLY EVERYBODY IN THE  
24 GROUP SAID WE REALLY NEED TO HAVE A MORE VISIBLE PRESENCE

1 WHERE POTENTIAL TIRE PILES, ILLEGAL TIRE PILES, OR ILLEGAL  
2 TIRE MANAGEMENT MAY OCCUR. AND IS IT BEST TO SUPPLEMENT THE  
3 BOARD STAFF, OR BEST TO MAKE SURE THAT WE BUILD UP LOCAL  
4 GOVERNMENT IN A WAY THAT THEY HAVE PRESENCE, AND ABLE TO  
5 TRACK THESE ILLEGAL TIRE PILES DOWN -- AND HAVE THE POWER  
6 AND THE TOOLS TO DO SOMETHING ABOUT THAT.

7 SO, YEAH, WE THINK IT'S REALLY IMPORTANT. I  
8 MEAN, THERE'S ALWAYS GOING TO BE THE ISSUE OF MAKING SURE  
9 YOU HAVE CONSISTENCY. THERE'S GOING TO BE -- INVOLVED IN  
10 TRAINING AND MAKING SURE THE LOCAL GOVERNMENT HAS THE TOOLS  
11 AND THE TRAINING NECESSARY TO DEAL WITH THESE PROBLEMS.

12 BUT WE WOULD LIKE TO SEE A VERY STRONG  
13 EMPHASIS NOT ONLY ON THE REMEDIATION OF THE EXISTING TIRE  
14 PILES THROUGH MITIGATION AND ENFORCEMENT, BUT ALSO  
15 ENFORCEMENT AND PERMITTING TO ENSURE THAT NEW TIRE PILES OR  
16 NEW ILLEGAL OPERATIONS DON'T CROP UP SOMEPLACE. OR, IF THEY  
17 DO, THEY'RE DEALT WITH QUICKLY.

18 AND I THINK THE WAY TO DO THAT IS A  
19 PARTNERSHIP BETWEEN THIS BOARD AND THE LOCAL JURISDICTIONS  
20 THAT EXPRESS AN INTEREST AND A WILLINGNESS TO WORK IN THAT  
21 AREA.

22 CHAIRMAN EATON: THANK YOU.

23 I'D LIKE TO TAKE A SHORT BREAK TO GIVE THE  
24 COURT REPORTER A BREAK. AND IT'S ABOUT 11:15, SO WHY DON'T

1 WE TRY AND COME BACK AND TRY AND TAKE CARE OF THE PUBLIC  
2 TESTIMONY BEFORE WE BREAK FOR LUNCH. SO, WE'LL RETURN AT  
3 11:30.

4 (OFF THE RECORD; BRIEF RECESS.)

5 CHAIRMAN EATON: ALL RIGHT, WE'RE BACK IN SESSION.

6 MR. PENNINGTON?

7 MEMBER PENNINGTON: I HAVE AN EX PARTE THAT I  
8 FAILED TO DO YESTERDAY THAT I'D LIKE TO ENTER INTO THE  
9 RECORD TODAY. A DIANE MARKLEY (PHON) FROM DAVIS, IN SUPPORT  
10 OF SECOND CHANCE WEEK, WHICH WAS PART OF THE SPONSORSHIPS  
11 YESTERDAY.

12 CHAIRMAN EATON: THANK YOU.

13 ARE THERE ANY OTHER EX PARTE COMMUNICATIONS  
14 THAT MAY HAVE TAKEN PLACE DURING THE BREAK? OKAY.

15 I JUST HAVE ONE, MICHAEL BYRNE (PHON) WHO WAS  
16 A MEET-AND-GREET, AND AN INVITATION TO VISIT ONE OF HIS  
17 FACILITIES.

18 OKAY. MOVING RIGHT ALONG, THE NEXT SPEAKER  
19 IS JOE CHASKO.

20 MR. CHASKO: GOOD MORNING, I'M JOE CHASKO FROM  
21 TREADMILL TIRE. WE'RE A LOCAL TIRE DEALER, AND WE'VE BEEN  
22 ONE FOR 48 YEARS. WE USED TO BE HEAVILY INTO USED TIRES,  
23 NOW IT'S ALMOST A SIDELINE. BUT, I WANT TO SPEAK TO A  
24 COUPLE OF THE ISSUES ABOUT USED TIRES.

1                   FIRST OF ALL, I WANT TO COMMEND THE REMOVAL  
2 OF USED TIRES FROM THE DEFINITION OF WASTE TIRES. THE  
3 INCLUSION IN THERE IN THE ORIGINAL REGULATIONS HAS CAUSED A  
4 GREAT DEAL OF TROUBLE FOR THE TIRE DEALER.

5                   SENATOR ROBERTI, I AGREE WITH YOU, THAT  
6 RECYCLING SHOULD BE MENTIONED IN THERE, AND USED TIRES IS  
7 CERTAINLY THE FIRST AND EASIEST FORM OF RECYCLING A TAKE-OFF  
8 (PHON) TIRE. RIGHT?

9                   AND THE REGULATION AND THE ACTIONS OF THE  
10 BOARD, SINCE THEY WROTE THESE REGULATIONS, HAVE PUT A LOT OF  
11 USED TIRES OUT -- DEALERS OUT OF BUSINESS FOR VARIOUS  
12 REASONS.

13                   AND, I'M CONCERNED THAT THEY SEEM TO BE  
14 SAYING THEY'RE GOING TO APPLY THIS TIERED APPROACH TO THE  
15 USED TIRES DEALER. AND THEY'RE TALKING ABOUT DECIDING  
16 WHETHER THEY'RE USED TIRES BASED ON A INVENTORY TURNOVER OR  
17 SOME SORT JUDGMENT.

18                   AND ALSO I'M CONCERNED WITH THE APPLICATION  
19 TO THE TIRE HAULER LAW TO THE USED TIRES DEALER. I KNOW OF  
20 A USED TIRES DEALER IN LOS ANGELES WHO WAS ESSENTIALLY PUT  
21 OUT OF BUSINESS BY THAT BECAUSE THE SMALL PURCHASERS OF HIS  
22 USED TIRES DIDN'T HAVE TIRE PERMITS. HE COULDN'T SELL THEM  
23 TIRES TO CARRY OUT.

24                   SO, I ASK THE QUESTION, WHY SHOULD THE WASTE

1 MANAGEMENT BOARD HAVE ANY LEGITIMATE INTEREST IN USED TIRE  
2 DEALERS AT ALL?

3                   REGARDING THE TURNOVER OF INVENTORY AND THE  
4 TIERED APPROACH, IN THE WORKSHOP THE STAFF SAID THAT THAT  
5 WAS UNWORKABLE BECAUSE IT'S A VERY DIFFICULT THING TO  
6 MEASURE, HOW DO YOU MEASURE TURNOVER.

7                   AND IT ALSO REALLY DOESN'T APPLY TO THE USED  
8 TIRES AS IT DOES TO THE INDUSTRY WHERE THE WASTE TIRE IS  
9 USED AS A FEED STOCK, BECAUSE USED TIRE DEALING INVOLVES  
10 SPECULATION. TIRES THAT ARE TAKEN OFF OF NEW CARS TODAY  
11 CAN'T BE SOLD AS USED TIRES TODAY, BECAUSE PEOPLE WITH NEW  
12 CARS DON'T BUY USED TIRES, SO THEY HAVE TO BE KEPT UNTIL  
13 THEIR VALUE APPRECIATES. THAT CAN BE A YEAR OR TWO TO THREE  
14 YEARS. BUT TO SAY THAT YOU HAVE TO TURN YOUR INVENTORY OVER  
15 EVERY 90 OR 120 DAYS IS UNREASONABLE FOR THAT REASON.

16                   AND THE HAULING OF USED TIRES HAS NO BUSINESS  
17 BEING COVERED UNDER THE TIRE HAULER LAW AS LONG AS YOU CAN  
18 SHOW THAT YOU'RE HAULING LEGITIMATE MERCHANDISE. IF  
19 SOMEBODY HAS AN INVOICE SHOWING THAT THEY PURCHASED A  
20 TRUCKLOAD OF USED TIRES OR \$8.00 APIECE, THERE'S NO POSSIBLE  
21 WAY THAT'S A TRUCKLOAD OF WASTE TIRES, NOBODY EVEN HAS TO  
22 MAKE A JUDGMENT OF THAT.

23                   IF YOU HAVE A THOUSAND TIRES THAT YOU BOUGHT  
24 SURPLUS FOR A HUNDRED DOLLARS, CERTAINLY YOU'VE GOT A LOT OF

1 WASTE TIRES IN THAT LOAD, AND MAYBE THE THRESHOLD COULD BE  
2 SET TO DECIDE HOW MUCH YOU SHOULD PAY FOR USED TIRES TO BE  
3 USED TIRES.

4 AND THE INDUSTRY PEOPLE COULD SET A  
5 REASONABLE LIMIT TO WHERE IT WOULD PRETTY MUCH DEFINE  
6 WHETHER A PERSON'S HAULING GOOD USED TIRES, GOOD RECYCLABLE  
7 TIRES, OR JUNK TIRES.

8 THE ALTERNATIVE TO INVENTORY TURNOVER FOR  
9 JUDGING A WASTE -- JUDGING A TIRE STOCK IS TO DECIDE WHETHER  
10 THEY'RE GOOD TIRES OR NOT, AND WHETHER THEY CAN BE SOLD OR  
11 NOT.

12 STAFF HAS OBJECTED THAT THEY DO NOT HAVE THE  
13 EXPERTISE TO TELL A JUNK TIRE FROM A GOOD TIRE. IF THAT IS  
14 THE CASE, THERE IS PLENTY OF EXPERTISE AVAILABLE. THE  
15 PRESIDENTS OF BOTH THE NORTH AND SOUTH CALIFORNIA TIRE  
16 ASSOCIATIONS HAVE VOLUNTEERED TO INSPECT TIRE PILES AND  
17 JUDGE WHETHER IT'S A JUNK TIRE PILE OR WHETHER IT'S A USED  
18 TIRE STOCK.

19 THERE ARE CASING INSPECTORS IN -- SUCH AS  
20 LAKIN EMPLOYEES TO JUDGE TIRES FOR USE AS RETREADABILITY  
21 (PHON). THESE ARE EXPERTS WHO COULD BE USED TO MAKE THIS  
22 KIND OF INSPECTION. AND SINCE THE RETREAD INDUSTRY HAS DIED  
23 OFF THERE'S PLENTY OF UNEMPLOYED CASING INSPECTORS, AS WELL.

24 YOU COULD EVEN PERHAPS, IF IT COMES DOWN TO A

1 CONTENTION BETWEEN A TIRE -- OF A TIRE DEALER, THAT HE HAS  
2 USED TIRES, CHARGE HIM FOR THE INSPECTION, IF IT TURNS OUT  
3 HE DOESN'T HAVE GOOD USED TIRES.

4 BUT THE POINT IS, THAT YOUR DEFINITION OF  
5 TIRES IS NOW A GOOD ONE THAT -- WHICH SAYS THAT A USED --  
6 THAT A WASTE TIRE IS A TIRE THAT CAN NO LONGER BE USED AS IT  
7 WAS INTENDED. AND THAT JUDGMENT CAN ONLY BE MADE BY AN  
8 EXPERT, BY A TIRE INSPECTOR. AND THAT SHOULD BE THE WAY  
9 THAT THIS JUDGMENT IS MADE, IN MY OPINION.

10 THANK YOU.

11 CHAIRMAN EATON: ANY QUESTIONS? SENATOR ROBERTI.

12 MEMBER ROBERTI: I THINK YOU'VE MADE A NUMBER OF  
13 POINTS THAT ARE VERY IMPORTANT FOR US TO COGITATE ON. AND,  
14 SO IF I COULD JUST -- I DON'T KNOW IF I AGREE WITH  
15 EVERYTHING, THE THRUST OF EVERYTHING YOU SAY, BUT IT'S A NEW  
16 PERSPECTIVE THAT I THINK WE HAVE TO THINK ABOUT.

17 AND IN LISTENING TO THE SPEAKER, ONE PROBLEM  
18 THAT WE HAVE IN FORCING THE NON-ACCUMULATION OF TIRES FOR  
19 WASTE IS THAT IN THE SHORT-RUN WE MAY BE REDUCING TIRE  
20 PILES, WHICH IS VERY IMPORTANT, BUT IN THE LONG-RUN WE MAY  
21 BE PLAYING INTO A BIGGER PROBLEM WHICH GOES TO THE CORE OF  
22 WHAT THE ACCUMULATION OF TIRES IS ALL ABOUT.

23 AND THAT IS, TO THE EXTENT THAT WE REDUCE THE  
24 DEFINITION, OR WE RESTRICT THE DEFINITION OF WASTE TIRE AND

1 THEIR ACCUMULATION, WE'RE ONLY MANDATING THAT MORE NEW TIRES  
2 BE PRODUCED, BECAUSE THERE'S NO OTHER PLACE TO GO. AND WE  
3 HAVE TO STRIKE A BALANCE HERE.

4 AND WHAT I FEAR IS THAT WE HAVE GIVEN LITTLE  
5 THOUGHT TO HOW OUR ACTIONS CAUSE CONSUMERS TO BUY NEW TIRES.

6 AND OUR BIG PROBLEM IS JUST THE ACCUMULATION OF NEW TIRES.

7 I MEAN, THAT IS AT THE CORE OF THIS ENORMOUS TIRE PROBLEM  
8 WITH SWIMMING IN TIRES. AND I THINK WE'RE FIXED ON THE  
9 MICRO, AND THAT IS THE TIRE PILES -- I'M JUST THINKING OUT  
10 LOUD AS I'VE BEEN HEARING ALL THIS -- AND NOT DEALING WITH  
11 THE MACRO, WHICH IS THE PRODUCTION OF NEW TIRES.

12 AND EVERY TIME WE TELL A LITTLE DEALER -- AND  
13 SOMETIMES LEGITIMATELY, I'M NOT SAYING ILLEGITIMATELY --  
14 LEGITIMATELY THAT THEY CAN'T ACCUMULATE THESE TIRES, WE ARE  
15 IN EFFECT SAYING YOU'VE GOT TO GO BUY THE NEW TIRE, AND  
16 WE'RE PUTTING A PREMIUM ON THE MANUFACTURER TO MAKE MORE AND  
17 MORE NEW TIRES. AND OUR UNDERLYING PROBLEMS -- IN  
18 CALIFORNIA, WE CREATE 32 MILLION TIRES A YEAR. THAT'S A  
19 BIGGER PROBLEM THAN THE ILLEGAL TIRE PILE.

20 SO, I DON'T THINK WE HAVE A CLEAR ANSWER.  
21 AND I CERTAINLY DON'T WANT TO SEE A BUNCH OF ILLEGAL TIRE  
22 PILES AROUND THE PLACE, BECAUSE I THINK IT IS UGLY. BUT I  
23 THINK WE HAVE TO SORT OF BALANCE THIS WHOLE THING. AND I  
24 THINK THAT'S THE PROBLEM WHEN WE DON'T LOOK AT THE

1 RECYCLABILITY AND THE REUSABILITY OF TIRES AS PART OF THE  
2 WHOLE EQUATION.

3 MR. FITZGERALD: IF I MAY --

4 MEMBER ROBERTI: YEAH.

5 MR. FITZGERALD: -- MAKE A COUPLE OF COMMENTS ON  
6 THAT?

7 THE REASON WE PULLED THE USED TIRES OUT OF  
8 THE DEFINITION OF WASTE TIRE WAS TO MAKE IT EASIER FOR THE  
9 USED TIRE DEALER.

10 MEMBER ROBERTI: OKAY.

11 MR. FITZGERALD: AND SO THE IDEA WAS THAT THE USED  
12 TIRE DEALER WOULD NOT HAVE TO GO THROUGH THE SAME TYPE OF A  
13 PERMITTING PROCESS, IT WAS TO ENCOURAGE THE USED TIRE  
14 DEALER, NOT TO DISCOURAGE IT.

15 AND, ALSO, THE RECAPPERS HAVE A BLANKET  
16 EXEMPTION. THEY CAN HAVE 3,000 TIRES OF ANY SIZE --

17 MEMBER ROBERTI: OKAY, I DIDN'T KNOW THAT. FINE.

18 MR. FITZGERALD: -- ON THEIR FACILITIES. SO WE'VE  
19 TAKEN TWO SPECIFIC MOVES TO MAKE IT EASIER FOR RECAPPERS AND  
20 FOR -- AND TO ENCOURAGE THE USE OF USED TIRES.

21 I THINK THERE MIGHT BE SOME MISUNDERSTANDING  
22 ON WHAT THE RECOMMENDATIONS WERE IN THIS AREA.

23 MEMBER ROBERTI: YEAH.

24 MR. CHASKO: CAN I ASK YOU -- BECAUSE I GOT IN THE

1 WORKSHOP, AND I DIDN'T INTEND THEM ALL -- THAT THEY WERE  
2 TALKING ABOUT APPLYING A TIERED APPROACH TO THE USED TIRE  
3 DEALER TO DECIDE IF THOSE WERE USED TIRES.

4 MR. FITZGERALD: THE TIERED APPROACH IS TO THE  
5 WASTE TIRE DEALER, NOT THE USED TIRE DEALER.

6 MR. CHASKO: OKAY.

7 MR. FITZGERALD: THE USED TIRE DEALER -- THE  
8 DEFINITION OF MOVING THE USED TIRE DEALER OUT OF WASTE TIRES  
9 HAS REMOVED THE USED TIRE DEALER FROM THE REGULATORY -- FROM  
10 THE PERMITTING PROCESS. NOT FROM --

11 MR. CHASKO: WELL, THAT'S ACTUALLY NOT --

12 MR. FITZGERALD: NOT FROM THE HAULING PROCESS, BUT  
13 FROM THE PERMITTING PROCESS.

14 MR. CHASKO: WELL, MAYBE WE SHOULD CONSIDER THE  
15 HAULING PROCESS, TOO.

16 MEMBER JONES: MR. CHAIRMAN?

17 CHAIRMAN EATON: MR. JONES --

18 (THE PARTIES SIMULTANEOUSLY SPEAK.)

19 CHAIRMAN EATON: WELL, YOU KNOW, EVERYONE GETS ONE

20 --

21 (GENERAL DISCUSSION, NOT TOPIC-RELATED.)

22 CHAIRMAN EATON: DON'T BE GREEDY.

23 MR. JONES.

24 MEMBER JONES: I HAVE A QUESTION. I AGREE WITH

1 THE SENATOR. I MEAN, I THINK WE HAVE PUT SOME LEGITIMATE  
2 USED TIRE DEALERS OUT OF BUSINESS WITH SOME OF OUR  
3 REGULATIONS.

4 BUT, DO YOU SEE THE -- I MEAN, THE TURNOVER  
5 ISSUE I AGREE WITH. I MEAN, YOU'RE WAITING FOR THOSE TIRES  
6 TO GET INTO A -- TO BE SOLD --

7 MR. FITZGERALD: RIGHT.

8 MEMBER JONES: -- I MEAN, THE CARS TO BE SOLD AND  
9 INTO ANOTHER BASE OF USER THAT MAY, YOU KNOW, GO TO YOUR  
10 BUSINESS.

11 MY QUESTION IS, THERE HAS TO BE A  
12 DIFFERENTIAL BETWEEN A TIRE PILE AND ACCESSIBLE INVENTORY.  
13 DO YOU AGREE?

14 YOU CAN'T -- YOU KNOW WHAT I.... IF YOU'RE  
15 GOING TO SELL TIRES YOU HAVE TO BE ABLE TO IDENTIFY WHERE  
16 THOSE TIRES ARE ON YOUR PROPERTY.

17 MR. CHASKO: YES, YOU --

18 MEMBER JONES: DO YOU?

19 MR. CHASKO: YES, YOU DO. AND YOU COULD HAVE A  
20 STACK OF 5,000 TIRES WHICH YOU'RE KEEPING FOR TWO YEARS TO -  
21 - UNTIL THEY BECOME VALUABLE. SO AS LONG AS YOU CAN SAY  
22 THAT YOU CAN HAVE TIRES THAT YOU ARE SPECULATING ON THEN IT  
23 WOULDN'T BE A PROBLEM.

24 MEMBER JONES: WOULD YOU STACK THEM OR PILE THEM?

1 I THINK WHAT WE'RE WORRIED ABOUT, WE'VE HAD  
2 PEOPLE IN FRONT OF THIS BOARD, OVER THE LAST COUPLE OF YEARS  
3 THAT I'VE BEEN HERE, THAT PORTRAYED THEMSELVES AS USED TIRE  
4 DEALERS, AND I THINK WE'RE SPENDING ABOUT 180 GRAND IN THE  
5 NEXT COUPLE OF MONTHS TO CLEAN UP ONE OF THOSE USED TIRE --  
6 OR, TWO OF THOSE USED TIRE FACILITIES. SO, USING THE WORD  
7 "USED TIRES" HAS TO COME WITH SOMETHING OTHER THAN A TITLE,  
8 YOU KNOW, PAINTED ON A SIGN.

9 AND IT WOULD SEEM TO ME THAT, YOU KNOW, WHEN  
10 WE TALK ABOUT ACCESSIBILITY TO INVENTORY, FORGET ABOUT THE  
11 TURNOVER. THERE'S GOT TO BE SOME MANAGEMENT STANDARD, I  
12 WOULD THINK, THAT WOULD HELP A USED TIRE DEALER MORE READILY  
13 GET IT AS INVENTORY SO HE COULD SELL IT, AS OPPOSED TO JUST  
14 THROWING THEM IN A PILE THAT'S 25 FEET OR 35 FEET TALL, AND  
15 ENCOMPASSES AN ACRE.

16 MR. CHASKO: RIGHT. THAT -- I WOULDN'T CONSIDER  
17 THAT TO BE VERY ACCESSIBLE STOCK.

18 AND MOST OF US WHO ARE DEALERS ALREADY HAVE  
19 TO COMPLY WITH THE FIRE MARSHALS, WHICH DEMANDS THAT THESE  
20 BE BROKEN UP INTO SMALL STACKS ALREADY. AND I THINK -- AND  
21 CLEARLY THERE'S -- THERE'S A FAR LIMIT AND THERE'S A NEAR  
22 LIMIT. WHEN YOU'VE GOT 500,000 TIRES THAT'S A TIRE PILE,  
23 WHETHER OR NOT IT'S USED TIRES OR NOT.

24 MEMBER JONES: RIGHT.

1 MR. CHASKO: BUT THE PROBLEM IS, WHEN YOU SAY THAT  
2 YOU'VE GOT -- IF YOU'VE GOT 1500 TIRES THAT YOU HAVE TO GET  
3 A PERMIT, THAT'S WHAT THE PEOPLE --

4 MEMBER JONES: RIGHT.

5 MR. CHASKO: -- OR 5,000, PUTS PEOPLE OUT OF  
6 BUSINESS. SO YOU NEED A REASONABLE -- I DON'T KNOW WHAT  
7 NUMBER YOU CAN PICK. AND I THINK IF YOU CAN JUST SAY THAT  
8 IF THE TIRES ARE NEATLY ACCESSIBLE --

9 MEMBER JONES: THAT PROBABLY DOES IT.

10 MR. CHASKO: -- MAYBE THAT WOULD BE A --

11 MEMBER JONES: MAYBE THAT DOES IT. I MEAN --

12 MR. CHASKO: AND IF THEY'RE NOT JUNK.

13 MEMBER JONES: RIGHT.

14 MR. CHASKO: IT'S AN EASY THING TO DETERMINE.

15 MEMBER JONES: RIGHT.

16 AND THE OTHER THING, ON THE HAULING OF USED  
17 TIRES, I MEAN, I THINK THAT'S A PRETTY LEGITIMATE IDEA THAT,  
18 IF YOU HAVE AN INVOICE THAT YOU SOLD THEM TO SOMEBODY, YOU  
19 KNOW, MAKES SENSE.

20 LET ME ASK YOU, HOW MANY OF YOUR TIRES -- OR,  
21 THE RECAPPING ISSUE, IS 3,000 TIRES ON SITE AT A RECAPPER  
22 THE RIGHT NUMBER?

23 MR. CHASKO: I DON'T KNOW. WE'RE NO LONGER IN THE  
24 -- THAT SORT OF BUSINESS. BUT WHEN MY FATHER WAS IN THE

**CALIFORNIA SHORTHAND REPORTING**

1 CASING BUSINESS, WHEN AUTOMOBILE TIRES WERE A SALEABLE  
2 COMMODITY, HE HAD A HUNDRED THOUSAND CASINGS. SO, I DON'T  
3 KNOW. AND, AGAIN, CASINGS HAD THE SAME SORT OF SPECULATION,  
4 EVEN MORE SO --

5 MEMBER JONES: RIGHT.

6 MR. CHASKO: -- PERHAPS THAN THE USED TIRE. ON A  
7 RECAPPER, I DON'T KNOW WHAT THEY NEED TO MAINTAIN A STOCK.

8 MEMBER JONES: I'VE GOT A QUESTION FOR FITZ. ON  
9 THE 3,000 TIRES, ARE THESE PASSENGER TIRE EQUIVALENTS OR ARE  
10 THEY TIRES, PERIOD?

11 MR. FITZGERALD: TIRES. WITHOUT --

12 MEMBER JONES: OKAY. SO --

13 MR. FITZGERALD: AND IF -- MOST OF YOUR RECAPPERS  
14 ARE WORKING WITH OFF-THE-ROAD VEHICLES OR --

15 MEMBER JONES: OR TRUCK TIRES.

16 MR. FITZGERALD: -- LARGE TRUCK TIRES. SO 3,000  
17 OFF-THE-ROAD VEHICLE TIRES --

18 MEMBER JONES: THAT'S A LOT OF TIRES.

19 MR. FITZGERALD: -- IS A LOT OF TIRES.

20 MEMBER JONES: BUT 3,000 TRUCK TIRES IS NOT A LOT  
21 OF TIRES. BECAUSE, YOU KNOW, WE USED TO BUY THEM IN  
22 CONTAINERS --

23 MR. FITZGERALD: WELL, I TALKED --

24 MEMBER JONES: YOU KNOW, THAT WOULD HAVE --

**CALIFORNIA SHORTHAND REPORTING**

1 MR. FITZGERALD: I TALKED TO A RECAPPER UP IN  
2 OREGON WHO HAS ONE OF THE LARGEST RECAPPING OPERATIONS, AND  
3 HE SEEMED TO THINK THAT 3,000 WAS PERFECTLY --

4 MEMBER JONES: WOULD WORK.

5 MR. FITZGERALD: -- FOR HIS OPERATION.

6 MEMBER JONES: OKAY.

7 MEMBER ROBERTI: MR. CHAIRMAN?

8 CHAIRMAN EATON: SENATOR ROBERTI.

9 MEMBER ROBERTI: IT WOULD BE HELPFUL AT SOME POINT  
10 -- AND THIS MAY BE ASKING YOU TO DO SOMETHING THAT'S  
11 IMPOSSIBLE -- BUT, FOR US TO HAVE SOME IDEA WHAT THE SHELF  
12 LIFE IS OF A USED TIRE -- I MEAN, HOW MUCH INVENTORY HAS TO  
13 BE MAINTAINED, HOW LONG -- ALL THESE KINDS OF THINGS....

14 BECAUSE, I FORGET THE GENTLEMAN'S NAME, HE --  
15 OUR WITNESS HAS SPOKEN IN TERMS OF HIS NEED TO MAINTAIN AN  
16 INVENTORY. THAT, NUMBER ONE. AND NUMBER TWO, I DON'T KNOW  
17 WHAT THE QUESTION OF DURABILITY OF A TIRE WHEN IT'S IN  
18 INVENTORY, I DON'T HAVE THE FOGGIEST NOTION, BUT I'M SURE  
19 THERE MUST BE A QUESTION. SO, IF WE COULD HAVE THAT KIND OF  
20 INFORMATION IT WOULD HELP US.

21 MR. FITZGERALD: CURRENTLY IN THE PROPOSALS THERE  
22 IS NO REQUIREMENT FOR TURNOVER, MEASUREMENT OF TURNOVER.  
23 THAT IS NOT ONE OF THE FACTORS THAT WE'RE USING NOW, OR IS  
24 PROPOSED TO BE USED.

1 BUT THE INFORMATION --

2 MEMBER ROBERTI: YEAH. YEAH.

3 MR. FITZGERALD: -- I CAN GET THE INFORMATION FOR  
4 YOU.

5 MR. CHASKO: ARE YOU ASKING IF THERE'S A TIME AT  
6 WHICH A TIRE PILE -- A STACK OF USED TIRES IS NO LONGER A  
7 STACK OF USED TIRES?

8 MEMBER ROBERTI: WELL, I GUESS I'M ASKING TWO  
9 THINGS. ONE, WHAT'S THE AVERAGE AMOUNT OF TIME THAT IT  
10 TAKES TO TURN OVER A TIRE IN THE CURRENT MARKET TO SELL IT  
11 AND, TWO, HOW LONG DOES IT LAST?

12 MR. CHASKO: YEAH.

13 MEMBER ROBERTI: I MEAN, CAN YOU KEEP A USED TIRE  
14 ON THE SHELF FOR 10 YEARS? I MEAN, I DON'T KNOW, MAYBE YOU  
15 CAN.

16 MR. CHASKO: YOU CAN'T KEEP IT OUTDOORS FOR 10  
17 YEARS.

18 MEMBER ROBERTI: YEAH.

19 MR. CHASKO: A TRUCK TIRE WILL LAST SEVERAL YEARS  
20 DEPENDING ON THE TIRE. YOU TYPICALLY -- MAYBE 20% OF THE  
21 TIRES DIE EACH YEAR FROM SUN EXPOSURE, SO YOU HAVE THAT SORT  
22 OF ATTRITION.

23 SO, BUT IF A PILE IS JUST LEFT TO SIT, IF A  
24 STACK IS JUST LEFT TO SIT --

1 CHAIRMAN EATON: SEE? AHH.

2 MR. CHASKO: THAT'S A PROBLEM WITH THE WORDING.

3 IF IT'S LEFT TO SIT FOR 10 YEARS THEN YOU  
4 COULD GO UP TO IT AND YOU WOULD SAY, WELL, THIS IS 70% JUNK  
5 TIRES, THIS IS A WASTE TIRE PILE. AND YOU COULD SET MAYBE A  
6 THIRD OF JUNK TIRES AND THEN YOU'VE GOT WASTE PILES.

7 CHAIRMAN EATON: ANY QUESTIONS?

8 THANK YOU, MR. CHASKO. AND I INVITE YOU, AS  
9 A GOOD NEIGHBOR WHO LIVES JUST DOWN THE STREET, TO COME  
10 VISIT US ONE TIME WHEN WE DO A WASTE TIRE REVOCATION  
11 HEARING. I THINK YOU'LL FIND SOME THINGS THAT YOU PROBABLY  
12 NEVER WOULD HAVE BELIEVED COULD OCCUR WHEN IT RELATES TO A  
13 USED TIRE.

14 MR. CHASKO: I'D LIKE TO DO THAT. THANK YOU.

15 CHAIRMAN EATON: ALL RIGHTY. HARRY ISLAS.

16 MR. ISLAS: GOOD MORNING, MR. CHAIRMAN AND MEMBERS  
17 OF THE BOARD. MY NAME IS HARRY ISLAS, AND I WORK WITH SAN  
18 JOAQUIN COUNTY.

19 SINCE 1995 I'VE BEEN WORKING WITH OUR COMMUNITY  
20 REVITALIZATION PROGRAM. THIS IS A COUNTY INITIATIVE IN LOW  
21 INCOME, OLDER NEIGHBORHOODS IN UNINCORPORATED POCKETS AROUND  
22 THE CITY OF STOCKTON.

23 ONE OF THE THINGS THAT WE INITIATED, WHEN WE  
24 WENT INTO THESE NEIGHBORHOODS, WAS THE COMMUNITY CLEANUP

1 PROGRAM. AND WE BEGAN AUGMENTING OUR ZONING AND BUILDING  
2 AND HEALTH CODE ACTIVITIES WITH VOLUNTARY COMMUNITY EVENTS.  
3 DUMPSTER-DAY EVENTS, WHERE WE PICK UP TRASH AND JUNK, AND  
4 APPLIANCES, AND HOUSEHOLD HAZARDOUS WASTE EVENTS WHERE WE  
5 PICK UP BATTERIES AND USED PAINT AND SUCH.

6 AND TIRE COLLECTION EVENTS. YOU KNOW, WE  
7 HAVE PROBABLY IN THIS -- THE FIVE NEIGHBORHOODS WHERE WE  
8 HAVE MADE OUR INITIAL EFFORTS, THESE NEIGHBORHOODS WHICH  
9 HAVE A POPULATION OF PROBABLY 20,000, WE'VE PROBABLY PICKED  
10 UP 30,000 TIRES. NOW, THESE ARE LOW INCOME AND VERY LOW  
11 INCOME NEIGHBORHOODS WHERE RESIDENTS CANNOT AFFORD TO BUY  
12 NEW TIRES, THEY BUY USED TIRES.

13 AND I -- YOU KNOW, I'M NOT APPLYING ANY  
14 PARTICULAR DEFINITION TO THE TIRES OTHER THAN THEY'RE NOT  
15 NEW, THEY'RE NOT RETAIL. THEY, CONSEQUENTLY, DON'T LAST  
16 VERY LONG AND WHEN THEIR USE IS ENDED THE RESIDENTS ARE  
17 FACED WITH THE TASK OF GETTING RID OF THEM. YOU KNOW, IT  
18 COSTS \$2.65 AT THE LOVELACE TRANSFER STATION SOUTH OF  
19 STOCKTON TO GET RID OF ONE TIRE ON A RIM. THE RESIDENTS WHO  
20 CANNOT AFFORD NEW TIRES CANNOT AFFORD TO ADEQUATELY DISPOSE  
21 OF THESE TIRES.

22 SO IT WAS NOT SURPRISING WHEN WE BEGAN THESE  
23 COMMUNITY CLEANUP EVENTS THAT WE HAD PILES ALL OVER YARDS,  
24 ALONG RAILROAD RIGHTS OF WAY, PUBLIC RIGHTS OF WAY, ROADS,

1 CANALS. YOU KNOW, WE HAD SOME VERY LARGE PILES, YOU KNOW,  
2 THAT ENDED UP IN THE DISTRICT ATTORNEYS OFFICE FOR  
3 PROSECUTION. YOU KNOW, WE HAD A LOT OF PROPERTY OWNER  
4 ENFORCEMENT CASES WHERE, YOU KNOW, WE WERE TRYING TO COME TO  
5 SOME WAY TO CLEAN UP THE NEIGHBORHOOD. WE'VE MADE REALLY  
6 SUBSTANTIAL PROGRESS.

7 AND KIND OF AS AN ASIDE, I WOULD JUST HOPE  
8 THAT, YOU KNOW, WHEN THE INTEGRATED WASTE MANAGEMENT BOARD  
9 MAKES GRANT APPLICATIONS AVAILABLE TO LOCAL AGENCIES LIKE  
10 SAN JOAQUIN COUNTY, YOU KNOW, THAT MAYBE THE APPLICATIONS  
11 THEMSELVES COULD ALLOW FOR CONSOLIDATIONS OF DIFFERENT TYPES  
12 OF CLEANUP ACTIVITIES LIKE OUR COMMUNITY CLEANUP PROGRAM  
13 WHICH WHERE WE HOPEFULLY TAKE IN THE TRASH AND THE JUNK AND  
14 THE TIRES AND THE REFRIGERATORS AND, YOU KNOW, MAYBE  
15 INOPERATIVE VEHICLES ALL AT ONE TIME. AND WHERE WE WOULD  
16 NOT HAVE TO, SAY, A DESIGNATED SINGLE PILE OR A SINGLE  
17 SOURCE OF THE TIRES THAT WE WANT TO CLEAN UP.

18 BUT ANYWAY, TO MOVE ALONG ON OUR CLEANUP  
19 PROGRAM. WE'VE BEEN VERY FORTUNATE TO HAVE FEDERAL FUNDING  
20 FOR THE INITIAL CLEANUP EFFORTS THROUGH BLOCK GRANTS,  
21 COMMUNITY DEVELOPMENT BLOCK GRANTS. THIS SOURCE OF FUNDING,  
22 THOUGH, IS LIMITED. IT'S LIMITED TO BASICALLY AN INTERIM  
23 CLEANUP PROGRAM.

24 WE ARE NOW MOVING INTO A MAINTENANCE PROGRAM

1 FOR THESE NEIGHBORHOODS, AND WE'RE VERY FORTUNATE TO BE  
2 WORKING WITH STOCKTON AIR PRODUCTS. THIS IS A COGENERATION  
3 FACILITY IN STOCKTON, IT'S MANAGER PAUL VALONE (PHON) IS  
4 HERE TODAY. MR. VALONE HAS DONATED TIRE TRAILERS FOR EACH  
5 OF OUR 13 COMMUNITY MAINTENANCE CLEANUP EVENTS THAT WE HAVE  
6 SCHEDULED FOR THE YEAR.

7 YOU KNOW, I THINK THAT IF WE COULD PROMOTE --  
8 AND AS I UNDERSTAND IT, THE TIRES GO TO A SHREDDER,  
9 PROCESSES THE TIRES THAT ARE COLLECTED IN OUR NEIGHBORHOODS,  
10 AND THEN BROUGHT BACK TO THE STOCKTON FACILITY WHERE THEY'RE  
11 USED IN THE FUEL BLEND, YOU KNOW, FOR THE COGENERATION  
12 FACILITY.

13 SO I THINK -- I'M REALLY SUPPORTIVE OF  
14 ANYTHING THAT YOU DO, AND ANY PLAN THAT YOU ADOPT TO PROMOTE  
15 SOME FURTHER USE, WHERE WE CAN GET MULTIPLE BENEFITS OUT OF  
16 THE EFFORTS THAT WE'RE MAKING BOTH IN CLEANING UP THE  
17 NEIGHBORHOODS AND, YOU KNOW, PRODUCING ENERGY AND PROTECTING  
18 THE ENVIRONMENT.

19 THAT'S REALLY ALL I HAVE TO SAY, UNLESS  
20 THERE'S SOME QUESTIONS.

21 CHAIRMAN EATON: THANK YOU VERY MUCH. ANY  
22 QUESTIONS OF MR. ISLAS? THANK YOU FOR COMING.

23 RICK BEST.

24 MR. BEST: THANK YOU, MR. CHAIRMAN AND BOARD

1 MEMBERS.

2 I FIRST WANT TO -- THIS IS ACTUALLY MY FIRST  
3 OPPORTUNITY TO COMPLIMENT THE BOARD FOR PROVIDING THIS  
4 DOCUMENT AND EVERYTHING ELSE FOR THE BOARD AGENDAS ON THE  
5 WEB SITE. I THINK IT'S A TREMENDOUS SERVICE AND I  
6 APPRECIATE YOU DOING THAT, SO I JUST WANTED TO OPEN UP BY  
7 THANKING THE STAFF FOR DOING THAT.

8 I WANT TO -- I'VE SENT A LETTER TO THE BOARD  
9 MEMBERS WHICH IDENTIFIES ABOUT 11 POINTS. I WANT TO JUST  
10 KIND OF CONSOLIDATE THEM INTO FOUR MAIN POINTS TODAY.

11 TO BEGIN WITH, I THINK THE BOARD HAS DONE AN  
12 EXCELLENT JOB, AND STAFF HAVE DONE AN EXCELLENT JOB IN TERMS  
13 OF IDENTIFYING A LOT OF ISSUES. I THINK THERE'S FOUR THINGS  
14 THAT WE HAVE -- WANT TO COMMENT ON, CONCERNS OR CHANGES TO  
15 THE REPORT.

16 THE FIRST IS WITH REGARDS TO THE OVERALL  
17 ISSUES OF THE HIERARCHY. WE APPRECIATE THE ADDITIONS TO THE  
18 REPORT THAT REFLECT THE FACT THAT THERE IS THE WASTE  
19 MANAGEMENT HIERARCHY THAT GOVERNS THE BOARD'S PROGRAMS, AND  
20 I THINK IT'S APPROPRIATE FOR THE BOARD IN CONTINUING TO WORK  
21 ON THIS TO ALWAYS CONSIDER THE HIERARCHY.

22 I THINK WE CONCUR, WE UNDERSTAND THAT AT THIS  
23 POINT MANY OF THE SOURCE REDUCTION RECYCLING OPTIONS THAT  
24 WE'D LIKE TO SEE HAPPEN AREN'T AT THE CAPACITY THAT WE NEED

1 TO TAKE ALL THE TIRES THAT ARE OUT THERE, BUT I THINK  
2 ULTIMATELY IT NEEDS TO BE THE BOARD'S LONG-TERM AGENDA OF  
3 DEVELOPING THOSE MARKETS SO THAT WE CAN BE PUTTING ALL THOSE  
4 TO RECYCLING REUSES.

5 WITH REGARDS TO CHANGES, THOUGH, IN THE  
6 REPORT I THINK NUMBER ONE, THAT THE LANGUAGE REFERRING TO  
7 THE RECYCLING RATE, I THINK WE HAVE CONCERNS THAT IT  
8 INCLUDES, FOR EXAMPLE IN TABLE 3-1, TIRE-DERIVED FUEL USED  
9 IN CEMENT KILNS AND ELECTRICITY GENERATION. WE THINK THOSE  
10 SHOULD BE SEPARATED SO THAT WE ARE SEPARATELY IDENTIFYING  
11 RECYCLING USES FROM THE ENERGY USES.

12 IN TERMS OF THE HIERARCHY THAT'S BEEN  
13 DISCUSSED, WE THINK IT'S APPROPRIATE THAT IN TERMS OF THE  
14 REALM OF TRANSFORMATION THAT THERE ACTUALLY BE A  
15 DISTINGUISHING BETWEEN ENERGY RECOVERY, LIKE THE MELT  
16 FACILITIES OR THE COGEN FACILITIES AND CEMENT KILNS. I  
17 THINK A LOT OF THE STUDIES HAVE SHOWN THAT THE COGEN AND  
18 MELT FACILITIES ARE FAR CLEANER IN TERMS OF BEING BETTER  
19 DESIGNED TO HANDLE TIRES, AND WE THINK IT'S APPROPRIATE THAT  
20 THERE BE A DISTINGUISHING IN THE HIERARCHY BETWEEN THOSE  
21 TWO, UNDERSTANDING THAT BOTH OF THOSE SHOULD BE BELOW  
22 RECYCLING IN TERMS OF THE OVERALL HIERARCHY THAT THE BOARD  
23 IMPLEMENTS.

24 AND THEN THE LAST THING WITH REGARDS TO THE

1 HIERARCHY IS -- AND I'VE TALKED TO STEVE JONES ABOUT THIS --  
2 AND I THINK IT IS APPROPRIATE, AT LEAST FOR THE TIRES THAT  
3 ARE BEING PULLED OUT OF ILLEGAL TIRE PILES, THOSE ARE  
4 ADMITTEDLY A LOT POORER QUALITY TIRES, AND SO PERHAPS IT'S  
5 APPROPRIATE FOR THOSE KIND OF TIRES TO GO INTO LANDFILLS AND  
6 FOCUSING ON THE HIGHER QUALITY THAT -- THE ANNUAL FLOW  
7 TIRES, FOCUS ON THOSE TIRES IN TERMS OF DEVELOPING THE  
8 RECYCLING END-USE MARKETS.

9 SO THOSE ARE OUR COMMENTS WITH REGARDS TO THE  
10 HIERARCHY.

11 SECONDLY, I WANTED TO SPEAK TO THE ISSUE OF  
12 RECYCLING, OR RAC, RUBBERIZED ASPHALT. I THINK THAT'S  
13 CLEARLY A TREMENDOUS OPPORTUNITY, AND I THINK THE BOARD HAS  
14 ALREADY RECOGNIZED THAT. UNFORTUNATELY, I WASN'T HERE THIS  
15 MORNING TO HEAR THE CALTRANS PRESENTATION, BUT I UNDERSTAND  
16 THEY WERE VERY POSITIVE ABOUT THAT. AND I THINK THAT'S A  
17 TREMENDOUS OPPORTUNITY, AND ANYTHING THAT WE CAN DO TO  
18 FURTHER THE CALTRANS EFFORTS, AS WELL AS THE LOCAL AGENCY  
19 EFFORTS, WE'RE DEFINITELY SUPPORTIVE OF.

20 I SPECIFICALLY WANTED TO MENTION THE NORTHERN  
21 CALIFORNIA TECHNOLOGY CENTER, I THINK THAT SHOULD BE A  
22 PRIORITY, IN FINDING A WAY THAT THE BOARD CAN SUPPORT  
23 SACRAMENTO COUNTY OR ONE OF THE AGENCIES TO BUY A BLENDER SO  
24 THAT WE CAN PROMOTE THAT IN THE SACRAMENTO AREA. I THINK

1 THAT'S APPROPRIATE.

2 THE THIRD ISSUE IS WITH REGARDS TO SOME OF  
3 THE SENATOR'S COMMENTS ON RECYCLING AND RECYCLABILITY OF  
4 TIRES. I THINK THAT'S ONE AREA WHERE I THINK THERE CAN BE  
5 MORE DONE BY THE STATE TO TRY AND GET MANUFACTURERS FOCUSED  
6 ON BOTH DESIGNING TIRES FOR RECYCLABILITY, AND ALSO USING  
7 RECYCLED CONTENT.

8 WITH REGARDS TO RECYCLABILITY, I THINK THERE  
9 NEEDS TO BE MORE EFFORT ON GETTING LONGER-LASTING TIRES OUT  
10 THERE. YOU KNOW, I KNOW THAT MICHELIN AND OTHERS PRODUCE  
11 LONGER-LASTING TIRES, BUT THERE ISN'T ANYTHING IN THIS  
12 REPORT I'VE SEEN TO ENCOURAGE THAT. I THINK THERE CAN BE  
13 MORE, I -- YOU KNOW, UNDER THE REQUIREMENTS FOR CARS THAT  
14 ARE SOLD, IN TERMS OF LIKE THE FUEL EFFICIENCY STANDARDS  
15 THAT ARE ESTABLISHED, I THINK WE CAN ESTABLISH SIMILAR KIND  
16 OF REQUIREMENTS, OR AT LEAST INCENTIVES FOR PUTTING LONGER-  
17 LASTING TIRES ON CARS.

18 SIMILARLY, I THINK WE CAN DO THE SAME KIND OF  
19 THING WITH RETREADED TIRES, DOING MORE TO PROMOTE THAT. I  
20 KNOW THE REPORT TALKS ABOUT GETTING STATE AGENCIES TO BUY  
21 RETREADED, BUT I THINK WE NEED TO BE DOING MORE TO GETTING  
22 OTHER FOLKS BESIDES STATE AGENCIES DOING THAT.

23 IN A REPORT THAT WAS DONE BY THE WASTE BOARD  
24 IN 1996 IT TALKED A LITTLE BIT ABOUT RESEARCH BY MICHELIN ON

1 RECYCLED-CONTENT TIRES. YOU KNOW, I DON'T THINK WE'RE  
2 NECESSARILY AT THAT POINT WHERE WE CAN ACTUALLY -- THAT'S  
3 GOING TO BE A WIDESPREAD MARKET. BUT I THINK TO THE EXTENT  
4 THAT THE BOARD CAN HELP SUPPORT THOSE KIND OF EFFORTS AS  
5 WELL, I THINK THE BOARD OUGHT TO.

6 AND THEN THE LAST ISSUE IS WITH REGARDS TO  
7 THE FUNDING AND FEE COLLECTION ISSUES. I THINK IT'S  
8 APPROPRIATE THAT WE LOOK AT A CHANGE IN THE FUNDING, AND I  
9 THINK PERHAPS DOING IT AT THE WHOLESALE LEVEL IS PROBABLY  
10 GOING TO BE A BETTER WAY TO GO.

11 I THINK DOING IT AT THE DMV LEVEL, OUR  
12 CONCERN IS JUST THAT IT DOESN'T NECESSARILY REFLECT THE FACT  
13 THAT SOME TIRES ARE LONGER-LASTING AND WHY SHOULD THEY HAVE  
14 TO PAY JUST AS MUCH MONEY AS A TIRE THAT'S NOT AS LONG-AS-  
15 LASTING.

16 AND WITH REGARDS TO INCENTIVES, WE WERE KIND  
17 OF SURPRISED IN THE INITIAL REPORT THAT THERE WASN'T  
18 PROMOTION OF AN END-USE INCENTIVE. I KNOW THAT THAT WAS  
19 KIND OF ADDED, ALTHOUGH IT'S VERY UNCLEAR, YOU KNOW, FROM  
20 THE LANGUAGE WHAT IS INTENDED BY THAT, YOU KNOW, WHAT KIND  
21 OF ACTIVITIES, SO WE'D WANT SOME MORE CLARITY BEFORE SIGNING  
22 ON. BUT WE CERTAINLY THINK IT'S APPROPRIATE THAT THERE BE  
23 END-USE INCENTIVES, BUT WE WANT TO MAKE SURE THAT THERE  
24 AGAIN THE BOARD IS GOING TO FOLLOW THE HIERARCHY IN TERMS OF

1 HOW THAT MONEY GETS ALLOCATED.

2 SO, WITH THAT, THOSE ARE OUR COMMENTS.

3 CHAIRMAN EATON: THANK YOU. COMMENTS?

4 OKAY. I JUST THINK, MR. BEST, WITH REGARD TO  
5 THE END-USE BENEFICIAL ARENA, I SHARE YOUR CONCERN. AND I  
6 THINK THE BOARD'S POSITION THERE -- AND I DON'T WANT TO TEND  
7 TO SPEAK FOR ANYONE -- WHAT BASICALLY WE HAVE SEEN IN THAT  
8 AREA WAS NOT TO DO AWAY WITH THAT, BUT TO FIND A MECHANISM  
9 BY WHICH WE WERE SURE THAT THE BENEFICIAL USE GOES TO THE  
10 RIGHT PERSON.

11 IN SOME CASES IS WAS HERE, THE BOARD AND THE  
12 BOARD MEMBERS ALMOST IDENTIFYING WHERE THE BENEFICIAL USE  
13 HAPPENED TO BE, AND THE PERSON WHO JUST SIMPLY WAS TAKING  
14 THE MATERIAL THERE WAS GETTING THE BENEFIT, AND THE PERSON  
15 WHO SHOULD HAVE BEEN GETTING THE BENEFIT WASN'T. SO THIS  
16 WOULD BE A WAY THAT WOULDN'T BE SO BLACK AND WHITE, THAT  
17 THERE WOULD BE SOME WAY FOR US TO BE ABLE TO MAKE SURE THAT  
18 THE MONEY DID GET THERE TO PROVIDE A TRUE INCENTIVE.

19 I THANK YOU.

20 MR. GEORGE LARSON.

21 MR. LARSON: THANK YOU MR. CHAIRMAN, MEMBERS. I  
22 ALSO WOULD LIKE TO ECHO COMMENTS THAT HAVE ALREADY BEEN  
23 OFFERED TO MR. FITZGERALD FOR AN EXCELLENT JOB OF TAKING A  
24 VERY COMPLEX ISSUE AND LAYING OUT SOME VERY GOOD OPTIONS.

1 I'M HERE TODAY SPEAKING ON BEHALF OF LAKIN  
2 TIRE. LAKIN TIRE HANDLES -- IN 1998 MANAGED AND HANDLED 11  
3 MILLION WASTE TIRES THROUGH THEIR FACILITY IN SANTA FE  
4 SPRINGS. I MIGHT NOTE AGAIN, WITHOUT PUTTING ONE OF THOSE  
5 TIRES IN A PILE. AND WE'RE APPROACHING 100 MILLION TIRES  
6 HAVING BEEN MANAGED IN THE HISTORY OF THIS COMPANY.

7 AND WE THINK IF THERE'S EMPHASIS THAT SHOULD  
8 BE PLACED ON ANY PRACTICE TO BE CHANGED TODAY IT WOULD BE TO  
9 RESTRICT OR PROHIBIT THE CONTINUED STORAGE OF TIRES IN  
10 PILES, EVEN LEGAL PILES ARE THERE AS LEGACY PILES EVENTUALLY  
11 FOR SOMEONE ELSE TO CLEAN UP.

12 LAKIN STRONGLY SUPPORTS MARKET DEVELOPMENT.  
13 IN FACT, THIS AFTERNOON WE WILL BE CONSIDERED FOR A GRANT TO  
14 PRODUCE TWO-INCH NOMINAL CHIP WHICH WILL BE USED AS  
15 COGENERATION FUEL IN THE RIO BRAVO, JASMINE, AND POSATO  
16 (PHON) PLANTS IN SOUTHERN CALIFORNIA.

17 HOWEVER, ONE CONCERN ABOUT THE REPORT ITSELF  
18 IS THAT, IN GENERAL WE FEEL THAT THERE IS A BIAS BUILT IN  
19 AGAINST LANDFILLING. AND WHILE WE PROMOTE MARKET  
20 DEVELOPMENT, WE FEEL THAT LANDFILLING IS AN ENVIRONMENTALLY  
21 SOUND MANAGEMENT AND MEANS TO CONTROL THE EFFECTS OF WASTE  
22 TIRES.

23 AND IF WE HAD TO CHOOSE, IF LAKIN HAD TO  
24 CHOOSE BETWEEN LANDFILLING OF WHAT ARE TRULY WASTE TIRES AND

1 STOCKPILING WE'D CERTAINLY OPT FOR THE LANDFILLING.

2 I THINK MARKETS ARE DEVELOPING, AND WE  
3 CERTAINLY PROMOTE THE RAC EFFORTS OF CALTRANS, AS ARE  
4 SUPPORTED BY THIS BOARD. OUR, AGAIN, PRIMARY CONCERN IS  
5 THAT LANDFILLING -- IF ARTIFICIAL BANS OR ARTIFICIAL  
6 RESTRICTIONS ARE PLACED UPON LANDFILLING WE THINK THERE ARE  
7 GOING TO BE SOME UNTOWARD RESULTS OF THAT ACTION WHICH'LL  
8 END UP IN TIRES BEING DEPOSITED ILLEGALLY, MORE TIRES BEING  
9 DEPOSITED ILLEGALLY.

10 SO LET'S PUSH FOR MARKETS, BUT LET'S NOT  
11 PROHIBIT ENVIRONMENTALLY SOUND MANAGEMENT THROUGH USE OF THE  
12 LANDFILL, STRONGLY ENDORSE THE HIERARCHY ESTABLISHED IN THE  
13 REPORT OF REMEDIATION, PARTICULARLY AS IT RELATES TO LEGACY  
14 TIRE PILES, STRONG ENFORCEMENT TO RESTRICT THEIR GROWTH AND  
15 CONTINUED DEVELOPMENT.

16 AND WE'D WELCOME THE DAY -- AND WE'LL PROMOTE  
17 ALONG WITH YOU MARKET DEVELOPMENT -- AND WE'LL WELCOME THE  
18 DAY THAT ALL OF OUR TIRES WILL END UP IN MARKETS RATHER THAN  
19 THE LANDFILLS. BUT TODAY IT IS THE ENVIRONMENTALLY SOUND  
20 OPTION THAT WE EXERCISE, AND WE THINK IT'S GOOD FOR THE  
21 STATE OF CALIFORNIA.

22 THANK YOU.

23 CHAIRMAN EATON: ANY QUESTIONS FOR MR. LARSON?

24 OKAY.

1 THE FINAL SPEAKER SLIP THAT I HAVE IS CAROLYN  
2 BAKER, REPRESENTING COGENERATION ASH COALITION.

3 MS. BAKER: THANK YOU, MR. CHAIRMAN AND BOARD  
4 MEMBERS. I'M CAROLYN BAKER, AND I'M HERE TODAY ON BEHALF OF  
5 THE COGENERATION ASH COALITION.

6 FIRST I'D LIKE TO JUMP ON THE BANDWAGON AND  
7 COMPLIMENT FITZ FOR HIS EFFORTS TO WORK WITH ALL THE  
8 STAKEHOLDERS TO CRAFT A DOCUMENT THAT REALLY DOES REFLECT  
9 EVERYONE'S INTERESTS. HE'S A VERY PATIENT MAN.

10 AS THE BOARD KNOWS, WE'VE BEEN WORKING WITH  
11 YOU TO EXPLORE THE USE OF WASTE TIRES IN COGENERATION  
12 TECHNOLOGY TO PRODUCE ELECTRICITY, AND WE FOUND THAT TIRE-  
13 DERIVED FUEL IS A VIABLE, CLEAN ALTERNATIVE TO BURNING COAL.

14 WE HAVE THE POTENTIAL TO CONSUME  
15 APPROXIMATELY 11 MILLION TIRES A YEAR, AND BECAUSE OF THAT  
16 WE BELIEVE WE CAN SUBSTANTIALLY REDUCE THIS STATES WASTE  
17 TIRE PROBLEM.

18 WE'RE AWARE THAT THERE IS SOME MISINFORMATION  
19 ABOUT EMISSIONS FROM THE USE OF TIRE-DERIVED FUEL. WE USE A  
20 CIRCULATING FLUIDIZED BED TECHNOLOGY, WHICH IS THE BEST  
21 AVAILABLE CONTROL TECHNOLOGY. OUR PLANTS ARE ALL FULLY  
22 PERMITTED UNDER THE RIGOROUS REQUIREMENTS OF THE SAN JOAQUIN  
23 VALLEY AIR POLLUTION CONTROL DISTRICT.

24 AND I AM OBVIOUSLY NOT THE TECHNICAL EXPERT,

1 BUT I DO HAVE ONE HERE WITH ME TODAY, ANTHONY MENDEZ (PHON),  
2 WHO IS THE PERMIT SERVICES MANAGER FOR SAN JOAQUIN VALLEY  
3 APCD, IS HERE TO ANSWER ANY QUESTIONS THAT YOU MIGHT HAVE.

4 CHAIRMAN EATON: QUESTIONS OF EITHER MS. BAKER OR  
5 HER TECHNICAL EXPERT? OKAY.

6 MEMBER JONES: NOT FROM ME, THANK YOU.

7 CHAIRMAN EATON: THANK YOU.

8 ALL RIGHT, BOARD MEMBERS, IT'S ABOUT 12:20, I  
9 THINK IF MR. JONES HAS A SERIES OF QUESTIONS, PERHAPS IF WE  
10 CAN START DOWN THAT ROAD WE MIGHT BE ABLE TO CONCLUDE THIS  
11 BOARD AGENDA ITEM AND THEN BREAK FOR LUNCH, IF THAT MEETS  
12 WITH THEM. OR WOULD YOU RATHER BREAK FOR LUNCH AND THEN  
13 COME BACK?

14 I THINK WE -- I HAVE JUST A FEW COMMENTS, AND  
15 I KNOW MR. JONES.... MR. PENNINGTON?

16 MEMBER PENNINGTON: OKAY. I TOO FEEL THAT THE  
17 REPORT IS VERY WELL DONE, AND THANK STAFF, AND FITZ  
18 PARTICULARLY FOR ALL OF HIS EFFORTS. AND I KNOW OTHER STAFF  
19 MEMBERS HAVE WORKED VERY HARD ON THIS REPORT AND THEY  
20 DESERVE ALL THE CREDIT THAT THEY'RE RECEIVING.

21 I REALLY DON'T HAVE ANYTHING -- THE ONLY ONE  
22 QUESTION THAT I HAVE IS THAT WE TALK ABOUT RUBBERIZED  
23 ASPHALT, AND THE DIFFICULTY IN GETTING IT STARTED,  
24 PARTICULARLY IN LOCAL COMMUNITIES. AND I'M WONDERING IF WE

1 SHOULD'N'T THINK ABOUT GIVING LOCAL COMMUNITIES A DIVERSION  
2 CREDIT FOR THE USE OF RUBBERIZED ASPHALT, WHICH WOULD  
3 HOPEFULLY STIMULATE THEM INTO WANTING TO USE THE PRODUCT.

4 SO, I'M JUST OFFERING THAT AS A SUGGESTION  
5 THAT WE MAY WANT TO LOOK AT BEFORE WE -- AND PERHAPS WE  
6 WOULD NEED TO GET SOME LEGISLATIVE --

7 CHAIRMAN EATON: AUTHORIZATION?

8 MEMBER PENNINGTON: -- AUTHORIZATION TO DO THAT.  
9 BUT IF WE'RE GOING TO GO AND TALK ABOUT A FEE CHANGE THEN WE  
10 MIGHT WANT TO PUT THAT IN.

11 I STILL AM ONE WHO BELIEVES THAT PROBABLY THE  
12 EASIEST WAY TO COLLECT THE FEE IS THROUGH DMV. I APPRECIATE  
13 MR. BEST'S CONCERN THAT THE LONGER-LASTING TIRE PROBABLY  
14 SHOULDN'T HAVE TO PAY FOR THE INFERIOR TIRE, BUT I THINK  
15 THAT IN COST TO THE CONSUMER AND COST TO US THAT'S PROBABLY  
16 THE EASIEST AND MOST EFFICIENT WAY TO GO ABOUT IT.

17 THAT'S ALL I HAVE TO SAY AT THIS POINT.

18 CHAIRMAN EATON: THANK YOU.

19 MEMBER JONES: MR. CHAIRMAN?

20 CHAIRMAN EATON: MR. JONES.

21 MEMBER JONES: GOING THROUGH THE RECOMMENDATIONS,  
22 I HAVE TO TELL YOU, I'M YES ON ALMOST ALL OF IT. I MEAN, I  
23 THINK FITZ KNOWS HE'S DONE A GOOD JOB, STAFF'S DONE A GOOD  
24 JOB, THE STAKEHOLDERS HAVE HAD AN AWFUL LOT OF IMPACT.

1 WE CAME UP WITH AN IDEA, THOUGH, A COUPLE OF  
2 WEEKS AGO THAT I RAN BY FITZ, I RAN BY THE CHAIRMAN, I  
3 TALKED REAL BRIEFLY TO A FEW FOLKS. I THINK THAT THE  
4 MANIFEST SYSTEM THAT WE HAVE NOW IS WOEFULLY INADEQUATE  
5 BECAUSE IT DOESN'T GIVE US EVERYTHING WE NEED WITHOUT US  
6 HAVING TO GO INTO A GENERATOR'S FACILITY TO FIND OUT WHAT  
7 WAS DONE AND WHAT WASN'T DONE.

8 AND I WANT TO DO THIS REAL BRIEFLY, AND I'LL  
9 -- I'D LIKE THE OPPORTUNITY TO SPEND MORE TIME WITH STAFF AS  
10 PART OF THIS REPORT TO REALLY LAY THIS OUT THE RIGHT WAY,  
11 BUT IT'S BEEN KIND OF FLUID.

12 WE HAD A MEETING WITH THE COMPUTER FOLKS HERE  
13 AT THE BOARD AND WITH P&E STAFF JUST EARLY LAST WEEK ABOUT  
14 THE IDEA OF A THREE-PIECE MANIFEST THAT -- THREE- OR FOUR-  
15 PIECE MANIFEST THAT WOULD BE SENT TO EVERY TIRE GENERATOR,  
16 EVERY STORE -- WHICH WE HAVE A DATABASE ON, ON RETAIL  
17 OUTLETS -- I'M GOING TO GIVE YOU THE SHORT VERSION, THERE'S  
18 MORE STUFF TO COME IN.

19 BUT ON EACH ONE OF THESE FORMS, WHEN A  
20 GENERATOR DEALS WITH A TIRE HAULER, FILLS OUT THAT MANIFEST,  
21 THE TIRE HAULER PUTS IN THE TIRE HAULER I.D. NUMBER AND WHAT  
22 THE LOCATION IS FOR THAT TO GO, SIGNS THAT MANIFEST, THE  
23 GENERATOR RIPS IT OFF, STICKS IT IN THE MAIL BECAUSE IT WILL  
24 -- ON THE OTHER SIDE OF THAT PAGE IT WILL SAY CALIFORNIA

**CALIFORNIA SHORTHAND REPORTING**

1 INTEGRATED WASTE MANAGEMENT BOARD AND WILL BE PREPAID  
2 POSTAGE. AND THAT'LL START THE RECORD THAT 1200 TIRES HAVE  
3 LEFT TREADWAYS TIRE STORE BY A HAULER IN ROUTE TO AN END  
4 USE.

5 WHEN THE TIRE HAULER GETS TO THE END USE AND  
6 THEY'VE IDENTIFIED -- LET ME BACK UP. THEY'VE IDENTIFIED  
7 THE NUMBER OF TIRES THAT ARE IN THAT HAUL AND THE AREA CODE  
8 WITH WHICH THEY WERE -- CAME OUT OF -- I MEAN, THE ZIP CODE,  
9 IT WOULD BE A KEY.

10 ANYWAY, THE HAULER WOULD SEND IN HIS COPY  
11 AFTER IT GOT TO AN END USE, AND THE END USER WOULD SEND IN  
12 HIS COPY, ALL PREPAID POSTAGE. WITH THE IDEA OF CLOSING THE  
13 LOOP AS FAR AS HOW THOSE TIRES -- WHERE THEY CAME FROM AND  
14 WHERE THEY ENDED UP.

15 BECAUSE RIGHT NOW WE -- I'VE SAT IN THESE  
16 TIRE WORKSHOPS AND HAD HAULERS TELL US THAT, IN FACT, WE  
17 DON'T GENERATE 30 MILLION TIRES A YEAR, WE PROBABLY ONLY  
18 GENERATE 17 MILLION TIRES A YEAR, AND OTHERS THAT SAY WE  
19 GENERATE 32 MILLION TIRES A YEAR. ANYBODY KNOW? ANYBODY  
20 KNOW HOW MANY TIRES WE GENERATE IN THIS STATE? NO. WE  
21 DON'T ACTUALLY KNOW.

22 THIS PROCESS WILL AT LEAST GIVE US AN IDEA OF  
23 WHERE IN THE STATE TIRES ARE GENERATED, AND WHERE THEY'RE  
24 ENDING UP. AND THE TWO OFFSETS OF THAT WOULD BE FOCUSED

**CALIFORNIA SHORTHAND REPORTING**

1 ENFORCEMENT, BECAUSE AS A GENERATOR'S SENDING IN A MANIFEST  
2 THAT HE HAD, IN FACT, GIVEN IT TO A HAULER AND THAT DOESN'T  
3 SHOW UP AS EVER GETTING TO AN END USE, YOU CAN FOCUS YOUR  
4 ENFORCEMENT IN THOSE AREAS, OR UNDER A SPECIFIC HAULER THAT  
5 IS SCREWING AROUND WITH THIS THING.

6 THE OTHER THING IT DOES IS IT LETS US KNOW  
7 WHERE WE DON'T HAVE END-USE AVAILABILITY. IF WE'VE GOT  
8 REGIONS OF THE STATE THAT ARE IDENTIFIED WITH ZIP CODES, AND  
9 WE KNOW HOW MANY TIRES ARE COMING OUT OF A REGION, AND  
10 THEY'RE ENDING UP TRAVELING HUGE DISTANCES TO GET TO AN END  
11 USE, IT WOULD SEEM TO ME WE COULD USE OUR MARKET DEVELOPMENT  
12 PEOPLE TO GO IN THERE AND TRY TO CREATE MARKETS IN THAT AREA  
13 SO WE CAN DEAL WITH THEM REGIONALLY.

14 IT ALSO SEEMS LIKE A TOOL THAT WE COULD USE  
15 WHEN WE DO OUR REALLOCATION OF DOLLARS SO THAT WE CAN BETTER  
16 FOCUS WHERE OUR MONEY SHOULD GO.

17 BUT, YOU CAN'T DO ANY OF THOSE THINGS WITHOUT  
18 DATA. YOU CAN'T DO ANY OF THOSE THINGS WITHOUT REALLY  
19 KNOWING WHERE THE PROBLEM IS.

20 THE OTHER THING THAT I THINK IT DOES IS, WE  
21 HAVE A LINE ITEM FOR LOCAL ENFORCEMENT, WHICH I WORKED REAL  
22 HARD WITH DOROTHY RICE A COUPLE OF YEARS AGO TO GET IN AND  
23 NOBODY AVAILED THEMSELVES OF IT. I THINK WE PUT 500,000  
24 BUCKS IN THE FIRST YEAR AND ABOUT 40,000 OF IT GOT USED, AND

1 AGAIN THIS YEAR.

2 IF -- THIS MANIFEST SYSTEM IS GOING TO COST  
3 MONEY. I MEAN, IMB IS LOOKING AT WHAT IT'S GOING TO COST,  
4 TRYING TO FIGURE IT OUT AS WE KIND OF TWEAK IT. BUT IF WE  
5 CAN FOCUS OUR ENERGIES BY KNOWING HOW THE TIRES FLOW IN THE  
6 STATE, IT WOULD SEEM TO ME WE WOULDN'T BE SPENDING \$700,000  
7 IN LOCAL ASSISTANCE GRANTS THAT WE HAVE TO HOPE PEOPLE WILL  
8 AVAIL THEMSELVES OF. WE COULD SPEND A LITTLE LESS MONEY ON  
9 THAT AND BE ABLE TO FOCUS WHERE THE PROBLEMS ARE.

10 SO, THAT'S THE IDEA ON THIS MANIFEST SYSTEM.

11 I'D LIKE TO BE ABLE TO SPEND THE TIME -- BUT I THINK THAT  
12 THERE'S REAL VALUE TO NOT ONLY GETTING ACCURATE DATA THAT WE  
13 CAN USE STRATEGICALLY IN HOW WE OPERATE, AS OPPOSED TO  
14 CONJECTURE AND GUESSES, BUT I THINK IT ALSO LETS US REALLY  
15 FOCUS OUR ENFORCEMENT ON WHERE IT NEEDS TO BE ENFORCED. AND  
16 WE'RE GOING TO KNOW RELATIVELY QUICKLY WHAT OUR REAL MARKET  
17 OR END USES ARE.

18 RIGHT NOW, ON ANOTHER ITEM THAT'S BEEN TALKED  
19 ABOUT QUITE A BIT TODAY, WE HAVE 18 MILLION -- A CAPACITY OF  
20 18 MILLION IN END USES TODAY. RIGHT, FITZ? MARKETS, ABOUT  
21 18 MILLION. SO WE HAVE A FLOW OF TIRES THAT ARE 30 MILLION.

22 SO, RIGHT OFF THE TOP WE KNOW 12 MILLION -- IF EVERYTHING  
23 WENT TO THE MARKETS, WE'VE STILL GOT 12 MILLION THAT ARE  
24 EITHER GOING TO HAVE TO GO TO LANDFILLS OR ARE GOING TO HAVE

**CALIFORNIA SHORTHAND REPORTING**

1 TO GO TO -- OR, ARE GOING TO GO TO ILLEGAL TIRE PILES. THEN  
2 WE HAVE 15 MILLION IN TIRE PILES, STILL TRYING TO CRAM INTO  
3 THIS BOX.

4 SO AS WE BRING TIRES FROM LEGACY PILES INTO  
5 THAT MARKET STREAM WE ARE DISPLACING TIRES FROM THE FLOW  
6 THAT ARE CLEANER AND EASIER TO USE, WE'RE MOVING THEM OUT,  
7 WE'RE NOT GIVING THOSE MARKETS A CHANCE TO GROW THE WAY THEY  
8 NEED TO BECAUSE WE'RE COMBINING A CONTAMINATED SOURCE AND A  
9 NOT-CONTAMINATED SOURCE.

10 I THINK THAT IN THE CASE OF HAULERS THAT HAVE  
11 CONTRACTS WITH END USERS, WHERE IT DOESN'T MATTER IF IT'S A  
12 LEGACY TIRE OR A REGULAR TIRE, THE MARKETPLACE WILL TAKE  
13 CARE OF THAT.

14 BUT I THINK WE NEED TO MAKE SOME TOUGH  
15 DECISIONS WHICH AREN'T GOING TO BE COMPLETELY IN WHAT OUR  
16 HIERARCHY IS BECAUSE WE ALL, I THINK, WANT TO SIT HERE AND  
17 PROMOTE MARKETS AS MUCH AS WE CAN. BUT I THINK WE'RE  
18 KIDDING OURSELVES TO THINK THAT WHEN THE BOX ONLY HOLDS 18  
19 MILLION THAT WE CAN DEAL WITH 45 MILLION IN THE NEXT -- OR,  
20 MULTIPLY IT OUT BY THREE -- OKAY, SAY 60 MILLION IN END USE,  
21 AND 105 MILLION IN TIRES, WHEN YOU LOOK AT THE LEGACY PILES  
22 AND THE 30 MILLION A YEAR, IT DOESN'T ALL FIT.

23 SO WE'RE GOING TO HAVE TO MAKE A CHOICE AS TO  
24 HOW WE WANT TO DEAL WITH THE LEGACY TIRES AS EFFECTIVELY AND

**CALIFORNIA SHORTHAND REPORTING**

1 AS INEXPENSIVELY AS WE CAN SO THAT THOSE MARKETS WILL HAVE  
2 LESS TIRES TO DEAL WITH AND CAN BETTER HANDLE THE FLOW.  
3 THOSE ARE MY TWO ISSUES.

4  
5 MEMBER ROBERTI: SENATOR.

6 CHAIRMAN EATON: SENATOR ROBERTI.

7 MEMBER ROBERTI: WELL, MR. CHAIRMAN, LET ME JUST  
8 REITERATE AGAIN, I THINK THIS IS AN EXCELLENT REPORT FOR A  
9 NUMBER OF REASONS, NOT THE LEAST OF WHICH IT'S A GREAT  
10 LEARNING DOCUMENT, I MEAN, I'VE LEARNED A LOT ON A VERY  
11 IMPORTANT MATTER THAT THE BOARD DEALS WITH.

12 IF I WOULD MAKE ONE IMPROVEMENT, THAT IS I  
13 WOULD KIND OF LIKE TO SEE THE TIRE FEE RAISED A LITTLE BIT  
14 MORE THAN 75 CENTS.

15 I THINK THE TIME FRAME IN GETTING RID OF  
16 ILLEGAL TIRE SITES COULD BE MADE A LITTLE BIT SWIFTER.

17 I THINK WE NEED A LARGER EDUCATIONAL  
18 COMPONENT, BECAUSE PEOPLE HAVE TO KNOW ABOUT THE PROBLEM. I  
19 THINK THAT'S HOW WE'RE GOING TO SOLVE IT AND GET THE  
20 INFORMATION THAT WE NEED ONCE PEOPLE KNOW ABOUT THE PROBLEM.

21 AND THAT'S THE KIND OF THING THAT PEOPLE WILL RETAIN REAL  
22 QUICK, I SURE DID, BECAUSE IT'S -- THE DIMENSIONS OF IT ARE  
23 THAT ENORMOUS.

24 AND I GUESS SOME OF THE INFORMATION THAT WE

1 NEED AND THAT WE'RE LACKING IS JUST SOMETHING THAT YOU NEED  
2 -- YOU KNOW, THAT JUST COSTS MONEY TO GET INFORMATION. SO,  
3 MYSELF, LIKE I'D GO UP TO \$1.50. AND THAT'S HOW I WOULD  
4 VOTE. OF COURSE, MY CRITICS OF ME WHEN I WAS IN THE  
5 LEGISLATURE SAID I NEVER PAID ATTENTION TO THINGS LIKE \$1.50  
6 OR \$2.00 ON A TIRE, THAT WASN'T TOTALLY FAIR BUT THERE WAS A  
7 LITTLE TRUTH TO IT.

8 BUT I REALLY -- I'D REALLY GO HIGHER. I  
9 MEAN, WE HAVE A LOT OF THINGS THAT WE HAVE TO DO AND WE HAVE  
10 TO DO THEM QUICKLY. AND, YOU KNOW, LET THE LEGISLATURE  
11 WORRY ABOUT TRIMMING IT DOWN. THIS IS OUR RECOMMENDATION  
12 BASED ON WHAT WE THINK WE NEED TO DO. AND WE KNOW THERE ARE  
13 OTHER FACTORS THAT COME INTO FEES, AND THAT'S SOMETHING  
14 MAYBE THE LEGISLATURE OUGHT TO FACTOR IN. BUT OUR  
15 RECOMMENDATION IS WHAT WE THINK WE NEED TO DO, I THINK IS  
16 MORE LIKE \$1.50, OR TWO BUCKS -- HEY, HEY -- HEY, THE --

17 CHAIRMAN EATON: I HEAR TWO --

18 MEMBER ROBERTI: -- HEAR TWO --

19 (THE PARTIES SIMULTANEOUSLY SPEAK.)

20 MEMBER ROBERTI: I JUST TOLD MY STAFF I THOUGHT,  
21 HMM, TWO MAY BE POLITICKING, AND MR. PENNINGTON MOVES TO THE  
22 LEFT OF ME, SO --

23 CHAIRMAN EATON: THAT'S WHY I'M KEEPING HIM THERE.

24 MEMBER ROBERTI: SO \$2.00 IS FINE.

1 MEMBER PENNINGTON: THAT'S WHAT ALL MY REPUBLICAN  
2 FRIENDS THINK, IS I'M TOO FAR TO THE LEFT. (LAUGHTER.)

3 MEMBER ROBERTI: WELL, JUST TO REITERATE ON THE  
4 POINT OF COLLECTION, ON THIS ONE I PROBABLY DON'T AGREE WITH  
5 MEMBER PENNINGTON, IS I KIND OF LIKE THE WHOLESALE POINT.  
6 AND IF NOT THAT, THEN LEAVE IT WHERE IT IS.

7 MY BIGGEST PROBLEM WITH DMV BEING THE  
8 COLLECTION POINT IS -- NOT WANTING TO CAST ANY ASPERSIONS ON  
9 DMV -- BUT YOU ALWAYS HAVE AN ADMINISTRATIVE PROBLEM BECAUSE  
10 THEY ARE OVERWHELMED. AND ALL TAXES AND FEES SHOULD HAVE A  
11 CONNECTION WITH THE SERVICE. AND I THINK THAT'S A GOOD  
12 REPUBLICAN POSITION. AND THAT DOESN'T HAPPEN WHEN THE DMV  
13 MAKES THE COLLECTION, PEOPLE THINK IT'S TO RUN THE DMV,  
14 WHICH ISN'T A VERY POPULAR REASON TO RAISE MONEY. SO TIRE  
15 COLLECTION SHOULD BE CONNECTED WITH TIRE WASTE. AND I THINK  
16 THE WHOLESALE IS THE BEST, IF WE CAN'T DO THAT THEN LEAVE IT  
17 WITH THE RETAIL.

18 MEMBER PENNINGTON: WELL, I THINK YOU MAKE A GOOD  
19 POINT THERE. MY PROBLEM WITH THE RETAIL LEVEL IS, IS THAT  
20 RIGHT NOW OUR FEE IS 25 CENTS, BUT MOST OF THEM ARE CHARGING  
21 A BUCK AND A HALF AND SAYING IT'S COMING -- THE GOVERNMENT  
22 IS MAKING THEM DO THAT, AND THEY'RE SMOKESCREENING, MAKING A  
23 LITTLE EXTRA MONEY THERE. AND SO IF WE RAISED IT TO A BUCK  
24 AND A HALF OR TWO BUCKS, THEY'D PROBABLY RAISE IT TO FIVE

1 AND, YOU KNOW, WE'D GET THE BLAME FOR IT. BUT, YOU KNOW, WE  
2 GET THE BLAME FOR EVERYTHING ANYWAY, SO.

3 CHAIRMAN EATON: OKAY. THANK YOU. I THINK -- AND  
4 MY CLOSING COMMENTS SORT OF ECHO THE SENTIMENTS OF EVERYONE  
5 HERE, I ALSO, TOO, WOULD LIKE TO THANK ALL OF THE STAFF, LED  
6 BY FITZ. AND ALSO MY COLLEAGUE DAN PENNINGTON WHO ACTUALLY  
7 HAD THE CHARGE BEFORE I TOOK THE CHAIR TO SORT OF GET THE  
8 REPORT OFF. AND I THINK SOMETIMES IN THIS REPORT -- IN THIS  
9 PROCESS WE HAVE FORGOTTEN THAT, AND I THANK YOU, DAN, FOR  
10 THAT AS WELL.

11 I JUST HAVE A COUPLE OF COMMENTS AND THEN I'D  
12 LIKE TO TALK ABOUT A PROCESS, IF I MAY. MY PERSONAL VIEWS -  
13 - AND I THANK THE STAKEHOLDERS WHO ATTENDED THE WORKSHOPS,  
14 AND ALL OF THOSE WHO HAD WRITTEN IN, AND EVEN IN TODAY'S  
15 TESTIMONY.

16 I DO HAVE TO SAY THOUGH, HOWEVER, TODAY I WAS  
17 LITTLE SURPRISED, QUITE FRANKLY, ABOUT THE TESTIMONY HERE.  
18 NOT BECAUSE THERE WEREN'T AS MANY SPEAKERS, BUT NO ONE  
19 TALKED ABOUT THE SHORTAGE. FOR THE LAST TIME -- I MEAN,  
20 EVERYONE HAS TOLD ME THAT THERE'S A SHORTAGE OF TIRES, AND  
21 NO ONE SPOKE TO THE ISSUE OF THE SHORTAGE OF TIRES. AND I  
22 THINK THAT, YOU KNOW, WHAT I -- I DON'T KNOW IF YOU DIDN'T  
23 WANT TO TALK ABOUT IT, OR YOU JUST NEGLECTED TO TALK ABOUT  
24 IT.

1                   BUT THIS IS A PRELIMINARY REPORT AND I THINK  
2 ONE OF THE THINGS THAT I'D LIKE TO SOLICIT FROM THE PUBLIC,  
3 AS WELL AS MY COLLEAGUES, IS THAT -- THIS WHOLE ISSUE OF  
4 SHORTAGE OF TIRES. WE'VE TALKED ABOUT HOW WE DEAL WITH THE  
5 LEGACY PILES, BUT TO HEAR THAT THERE WAS NO SHORTAGE OF  
6 TIRES OUT THERE WHERE JUST A COUPLE OF WEEKS AGO I HEARD  
7 NOTHING BUT A SHORTAGE OF TIRES TO GO TO THE MARKET AND --  
8 AND FOR WHATEVER USES, AND DESCRIBE THEM, IF YOU WANT TO  
9 CALL THEM ACCEPTABLE USES, BENEFICIAL USES, PRODUCTIVE USES.

10                   I THINK THAT WE'RE GOING TO BE LESS THAN  
11 DISINGENUOUS TO PRESENT THIS REPORT IN ITS FINAL FORM TO THE  
12 LEGISLATURE AND TO THE ADMINISTRATION IF WE DON'T TALK ABOUT  
13 THE SHORTAGE, OR AT LEAST A PERCEIVED SHORTAGE AND IDENTIFY  
14 WHAT A SHORTAGE IS. AND I THINK -- I WOULD HOPE THAT WE  
15 TAKE CARE OF THAT AS WELL.

16                   I, TOO, WOULD ENCOURAGE PEOPLE -- IF YOU LOOK  
17 AT THE OTHER STATES -- I THINK ONE OF THE THINGS IN THE  
18 REPORT, WE TALKED ALL ABOUT -- AND IT'S ONLY NATURAL THAT WE  
19 TALK ABOUT CALIFORNIA, BUT LOOK AT SOME OF THE OTHER STATES.

20                   LOOK WHAT WISCONSIN'S DONE, IT'S ALL IN YOUR REPORT, HOW  
21 MUCH -- THEIR FEE I BELIEVE WAS ABOUT \$2.00 OR \$4.00 AND  
22 \$10.00 PER VEHICLE, AND IN NINE YEARS THEY REDUCED THEIR  
23 LEGACY PILES FROM 15 MILLION TO 350,000. I THINK THAT GOES  
24 TO THE ISSUE OF THE FEE, AND WE'VE ALL TALKED ABOUT THAT AS

**CALIFORNIA SHORTHAND REPORTING**

1 WELL.

2 SO I DON'T THINK THAT WE SHOULD JUST BE  
3 CALIFORNIA-OWN, I THINK WE SHOULD LEARN FROM SOME OF OUR  
4 NEIGHBORS AS WELL. WE'VE TAKEN THAT TO SOME EXTENT FROM  
5 ARIZONA WITH REGARD TO THE RUBBERIZED ASPHALT.

6 AS WE GET INTO MORE AND MORE THE  
7 RECOMMENDATIONS, I DO HAVE SOME CONCERNS -- AND I THINK WILL  
8 BE HANDLED PROBABLY IF THEY ARE EVER -- BECOME STATUTORY AS  
9 TO SUCH THINGS AS ALLOWING A HAULER TO TEMPORARILY  
10 SUBSTITUTE A VEHICLE. I THINK THAT'S A GREAT IDEA. THE  
11 QUESTION IS UNDER WHAT CIRCUMSTANCES. YOU KNOW, IF A CAR OR  
12 A TRUCK IS BROKEN DOWN, YOU KNOW, THERE SHOULD BE A  
13 REASONABLE PERIOD OF TIME, BUT THERE SHOULD BE SOME  
14 DOCUMENTATION THAT THAT IS OUT OF SERVICE SO THAT IT JUST  
15 DOESN'T KIND OF CONTINUE. THOSE ARE REALLY HOUSEKEEPING  
16 KINDS OF MATTERS AS WE LOOK AT THINGS.

17 I CONTINUE TO BELIEVE THAT IF YOU ARE GOING  
18 TO -- YOU'VE HEARD ME SAY THIS BEFORE, THAT THERE IS A --  
19 THERE NEEDS TO BE A TRIAGE APPROACH TO THIS PROBLEM. I  
20 THINK MR. JONES KIND OF DESCRIBED IT IN A WAY, THAT YOU HAVE  
21 TO TREAT THE LEGACY PILES OR THE STOCKPILES IN ONE MANNER,  
22 AND THAT MAYBE MORE SEVERE THAN PERHAPS HOW WE TRY TO CREATE  
23 AND ACTUALLY SUPPORT THE MARKETS.

24 I DON'T BELIEVE, UNDER THE HIERARCHY, THAT

1 YOU HAVE -- THAT YOU SHOULD DO ONE BEFORE YOU DO THE OTHER,  
2 AND I DON'T THINK ANY OF THE SPEAKERS REALLY TRIED TO IMPLY  
3 THAT, ALTHOUGH UNDER SOME OF THE SCHEMES IT APPEARED THAT  
4 WAY.

5 WHEN YOU BUILD A BUILDING YOU DON'T LAY THE  
6 FOUNDATION AND THEN GO FABRICATE THE STEEL, YOU WORK  
7 CONCURRENTLY TO GET THOSE PRODUCTS MOVING AT THE SAME TIME  
8 SO THAT WHEN THE APPROPRIATE TIME COMES YOU HAVE THOSE.

9 AND I THINK THAT THIS PROBLEM, SOLVING THIS  
10 PROBLEM IS VERY SIMILAR, YOU DO NOT JUST WAIT UNTIL ALL THE  
11 LEGACY PILES ARE CLEANED UP BEFORE YOU START THE MARKET  
12 KINDS OF APPROACH. SO IN TERMS OF PRIORITY, I'M NOT SURE  
13 THAT THEY'RE NOT ON THE SAME PAR OF PRIORITY, I THINK IT'S  
14 JUST HOW YOU GO ABOUT SOLVING THE PROBLEMS WITHIN EACH OF  
15 THOSE.

16 ENOUGH PONTIFICATION FOR THE TIME BEING. I  
17 WOULD LIKE TO JUST KIND OF TALK ABOUT -- I ALWAYS LOVE A  
18 CHANCE TO READ LEGISLATION, I HAVEN'T HAD A CHANCE LATELY TO  
19 READ IT. BUT KIND OF JUST TO SET THE FRAMEWORK HERE FOR THE  
20 BOARD, OUR OBLIGATION TODAY SIMPLY IS TO FORWARD TO THE  
21 LEGISLATURE AND THE GOVERNOR, NOT LATER THAN MAY 1ST, 1999,  
22 OUR REPORT ON WASTE TIRES. THEREAFTER, WE HAVE TO SUBMIT TO  
23 THE LEGISLATURE AND THE GOVERNOR NOT LATER THAN JUNE 30TH,  
24 1999, A FINAL REPORT.

1 I THINK THAT THE ISSUES -- AND I JUST WROTE  
2 DOWN FIVE OR SIX OF THEM RIGHT HERE, THE WHOLE ISSUE OF  
3 POINT OF COLLECTION, DMV VERSUS WHOLESALE, THE MANIFEST  
4 ISSUE THAT MR. JONES HAD BROUGHT UP, THE RECYCLABILITY  
5 ASPECT THAT THE SENATOR HAD SPOKEN TO, EDUCATION, AS WELL AS  
6 THE OTHER STATES, AND THE SHORTAGE PROBLEM ARE ALL SOMETHING  
7 I BELIEVE, BOARD MEMBERS, THAT WE CAN DEAL WITH IN THE FINAL  
8 REPORT, OR HOPEFULLY CONTINUE TO WORK ON THAT.

9 AND I HOPE IF YOU WANT TO EVEN MAKE SOME  
10 COMMENTS NOW AS TO DIRECTING THE STAFF --

11 MEMBER ROBERTI: THE ONLY ONE THAT I --

12 CHAIRMAN EATON: -- TO EXPLORE SOME OF THESE --

13 (THE PARTIES SIMULTANEOUSLY SPEAK.)

14 CHAIRMAN EATON: I'M SORRY.

15 MEMBER ROBERTI: THE ONLY ONE THAT -- WHERE I  
16 WOULD LIKE THE DRAFT TO REFLECT, THE FINAL REPORT, WOULD BE  
17 IS THAT WE CHANGE THE FEE.

18 CHAIRMAN EATON: IN THIS REPORT?

19 MEMBER ROBERTI: YES.

20 CHAIRMAN EATON: OKAY.

21 MEMBER ROBERTI: I THINK IT SHOULD BE IN THE DRAFT  
22 RATHER THAN LIKE, OH, AN AFTERTHOUGHT, WHY DON'T WE JACK THE  
23 FEE UP A LITTLE BIT.

24 CHAIRMAN EATON: OKAY. SO --

1 MEMBER ROBERTI: I WOULD THINK THAT'S ONE THAT  
2 OUGHT TO BE CONSIDERED NOW.

3 CHAIRMAN EATON: IS THERE ANY PROBLEM? OKAY,  
4 THAT'S FINE. SO THAT SHOULD BE INCLUDED IN TODAY'S REPORT  
5 THAT WOULD GO....

6 AND THE LAST I HEARD WAS TWO --

7 MEMBER ROBERTI: YEAH, TWO BUCKS. YEAH, TWO  
8 BUCKS.

9 MEMBER JONES: CAN I ASK THE SENATOR A QUESTION,  
10 MR. CHAIRMAN?

11 CHAIRMAN EATON: SURE.

12 MEMBER JONES: I DON'T HAVE ANY PROBLEM WITH TWO  
13 BUCKS, BELIEVE ME.

14 WHEN YOU SAY WHOLESALERS YOU MEAN THE  
15 WHOLESALERS OR THE POINT OF ENTRY INTO THE STATE?

16 MEMBER ROBERTI: FIRST POINT OF SALE.

17 MEMBER JONES: FIRST POINT OF SALE. WHICH WOULD  
18 BE MANUFACTURER TO WHOEVER THEIR DISTRIBUTOR --

19 MEMBER ROBERTI: RIGHT.

20 MEMBER JONES: PERFECT. THAT'S EXACTLY WHAT I  
21 THOUGHT YOU MEANT, BUT I JUST WANTED TO SEE.

22 SO, YEAH, BOTH OF THOSE BEING INCLUDED WOULD  
23 MAKE SENSE.

24 MEMBER PENNINGTON: SO THAT WOULD TAKE IN FLEETS

1 AND STUFF. YEAH, OKAY.

2 CHAIRMAN EATON: SO, AND THOSE TWO, NOT ONLY THE  
3 FEE BUT THAT POINT OF --

4 MEMBER JONES: FIRST POINT OF SALE.

5 MEMBER ROBERTI: FIRST POINT OF SALE, BECAUSE I  
6 GUESS THAT WOULD --

7 (THE PARTIES SIMULTANEOUSLY SPEAK.)

8 CHAIRMAN EATON: -- INCLUDED IN THIS PRELIMINARY?

9 MEMBER ROBERTI: YEAH, I -- YEAH.

10 CHAIRMAN EATON: OKAY.

11 MEMBER ROBERTI: YEAH, THOSE ARE THINGS THAT IT  
12 LOOKS BETTER THAT WE THOUGHT ABOUT IT RATHER THEN AN  
13 AFTERTHOUGHT --

14 CHAIRMAN EATON: OKAY.

15 MEMBER ROBERTI: -- IN THE LAST 45 DAYS OR  
16 WHATEVER.

17 MEMBER JONES: MR. CHAIRMAN?

18 CHAIRMAN EATON: MR. JONES.

19 MEMBER JONES: JUST ONE, ON ITEM 14, OR  
20 RECOMMENDATION 14 WE SAY WE WANT --

21 CHAIRMAN EATON: WHAT PAGE ARE YOU ON?

22 MEMBER JONES: I HAVE NO IDEA, THESE ARE MY NOTES.

23 CHAIRMAN EATON: ALL RIGHT, LET ME HELP YOU --

24 MEMBER JONES: HOLD ON.

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1 CHAIRMAN EATON: -- PAGE 53.

2 MEMBER JONES: OKAY, YEAH, 53 ACTUALLY. OKAY.  
3 CALTRANS SHOULD BE DIRECTED -- AND I THINK THEY SHOULD TOO,  
4 BUT I'D LIKE TO USE -- I MEAN, I DON'T KNOW IF -- YOU KNOW  
5 HOW I LIKE TO WORK WITH PEOPLE AND FIGURE OUT A LESS-  
6 ABRASIVE WORD, I DON'T CARE, YOU GUYS ARE WORD SMITHS --

7 CHAIRMAN EATON: TRUST ME, THEY'RE NOT ALL LIKE --  
8 (LAUGHTER) --

9 MEMBER JONES: NO, I KNOW THEY'RE NOT, BUT YOU  
10 KNOW WHAT I MEAN? IT'S --

11 CHAIRMAN EATON: I KNOW THAT THE -- MR. MEDINA  
12 (PHON) IS VERY MUCH A PROPONENT OF TRYING TO WORK WITH THESE  
13 THINGS, I THINK HE'S GOING TO BE OPEN. SO I THINK WHEN YOU  
14 LOOK AT THAT IT SHOULD BE DIRECTED AS REALLY JUST KIND OF A  
15 WAY FOR THE LEGISLATURE --

16 MEMBER JONES: OH, SO IT'S AN OKAY WORD?

17 CHAIRMAN EATON: -- AND THE ADMINISTRATION --  
18 (THE PARTIES SIMULTANEOUSLY SPEAK.)

19 MEMBER ROBERTI: YEAH, WE'RE NOT SAYING WE'RE  
20 DIRECTING THEM, WE'RE ASKING THE LEGISLATURE TO DO IT.

21 MEMBER JONES: OKAY, THAT'S NO PROBLEM. OKAY.  
22 YOU GUYS ARE BRUTAL.

23 CHAIRMAN EATON: WE CAME FROM THERE.

24 MEMBER JONES: I KNOW YOU DID.

**CALIFORNIA SHORTHAND REPORTING**

1 MEMBER PENNINGTON: MR. CHAIRMAN?

2 CHAIRMAN EATON: MR. PENNINGTON.

3 MEMBER PENNINGTON: LET ME GO BACK TO THE POINT OF  
4 COLLECTION --

5 CHAIRMAN EATON: SURELY.

6 MEMBER PENNINGTON: -- JUST TO ASK, DO WE WANT TO  
7 GIVE THE LEGISLATURE SOME OPTIONS? WOULD IT BE BETTER FOR  
8 US TO SAY HERE ARE THREE OPTIONS --

9 MEMBER ROBERTI: AS LONG AS WE SORT OF DID IT IN  
10 PREFERENCE, THE OPTION -- MY PREFERENCE WOULD BE OPTION --  
11 THE FOLLOWING ARE POSSIBILITIES, CHOICE NUMBER ONE WOULD BE  
12 THE WHOLESALE LEVEL, RETAIL LEVEL, DMV.

13 THIS IS MY OWN FEELING, I HATE FOR DMV TO  
14 SORT OF BE ON THE SAME PLANE WITH EVERYTHING ELSE, BECAUSE I  
15 -- I'M JUST -- JUST TO STRESS THE POINT, I WOULD HATE FOR A  
16 CONSUMER TO THINK THAT THEY'RE PAYING A TIRE TAX TO RUN THE  
17 DMV. I MEAN, THERE'S NO WAY OF MAKING IT MORE UNPOPULAR.

18 MEMBER PENNINGTON: I CAN APPRECIATE THAT. I'M  
19 JUST -- I GUESS I'M CONCERNED THAT YOUR FORMER COLLEAGUES  
20 MAY GO OFF IN SOME OTHER DIRECTION IF WE DON'T --

21 MEMBER ROBERTI: WELL, YEAH. WELL, WHY DON'T WE  
22 GIVE --

23 MEMBER PENNINGTON: THEY'RE LIABLE TO DO THAT  
24 ANYWAY.

1 MEMBER ROBERTI: WE CAN GIVE THEM OPTIONS, BUT I  
2 WOULD LIKE TO SAY ONE, TWO, THREE.

3 MEMBER PENNINGTON: OKAY.

4 MEMBER ROBERTI: I DON'T KNOW, THAT'S MY THOUGHT.  
5 THAT'S....

6 MEMBER PENNINGTON: YEAH, OKAY. WELL, I WOULD  
7 THINK IF EVERYBODY ELSE AGREES THAT THAT MIGHT BE THE WAY TO  
8 DO IT.

9 CHAIRMAN EATON: MR. JONES?

10 MEMBER JONES: I DON'T HAVE A PROBLEM WITH LISTING  
11 THE OPTIONS, BUT I'D LIKE TO GIVE THEM A LITTLE MORE  
12 AMMUNITION. I'D LIKE TO SAY WE WANT TO DO IT AT THE FIRST  
13 POINT OF ENTRY BECAUSE --

14 MEMBER ROBERTI: OH, ABSOLUTELY.

15 MEMBER JONES: -- IT IS HOW THE TIRES COME IN --

16 MEMBER ROBERTI: ABSOLUTELY.

17 MEMBER JONES: -- IT WILL ENCOMPASS THE WHOLE  
18 UNIVERSE --

19 MEMBER ROBERTI: RIGHT.

20 MEMBER JONES: -- AND WE CAN DO THIS --

21 MEMBER ROBERTI: AND YOU GET EVERYBODY. AND IT'S  
22 FAIRER, IT DOESN'T JUST HIT THE GUY WHO BUYS HIS CAR --

23 MEMBER JONES: EXACTLY.

24 MEMBER ROBERTI: -- AND NOT THE PERSON WHO'S GOT

**CALIFORNIA SHORTHAND REPORTING**

1 THE MONEY AND BUYS THE FLEET.

2 MEMBER JONES: EXACTLY. SO IF WE CAN DO THAT, IF  
3 WE CAN EXPLAIN ALL OF OUR -- YOU KNOW, ALL THREE OF THOSE  
4 OPTIONS, PLUSES OR -- YOU KNOW, HOW WE SEE IT, HOW WE VIEW  
5 IT --

6 MEMBER ROBERTI: RIGHT.

7 MEMBER JONES: -- WHEN THE ADVOCATES COME IN,  
8 WHICH THEY ABSOLUTELY HAVE TO, TO GO DEAL WITH THEIR POINT  
9 OF VIEW, THE LEGISLATURE UNDERSTANDS WHAT OUR THINKING WAS  
10 ON WHY WE RANKED THOSE THAT WAY. AND I THINK THAT WOULD  
11 HELP US --

12 CHAIRMAN EATON: PERHAPS THE THIRD ONE COULD READ  
13 IN ANOTHER APPROPRIATE STATE AGENCY.

14 MEMBER PENNINGTON: MAYBE WHAT WE SAY IS HERE ARE  
15 THREE THINGS -- HERE'S WHAT WE WANT TO DO, THE POINT OF  
16 COLLECTION, THE FIRST POINT OF SALE. AND THEN SAY BUT WE  
17 DID LOOK AT THESE OTHER TWO, AND HERE ARE OUR THOUGHTS ON  
18 THESE OTHER TWO. SO THAT, AS MR. JONES SAYS, IF THEY COME  
19 IN THE LEGISLATORS THEMSELVES HAVE SOME AMMUNITION AS TO  
20 UNDERSTAND WHY WE CHOSE THIS.

21 MEMBER JONES: RIGHT. BECAUSE I THINK THAT FIRST  
22 POINT OF SALE IS CRITICAL THAT THEY UNDERSTAND IT  
23 ENCOMPASSES ALL THE TIRES, AS OPPOSED TO WHEN YOU SAY  
24 RETAIL, THEN YOU SAY IT ONLY ENCOMPASSES NORMALLY PASSENGER

1 OR LIGHT-TRUCK TIRES THAT ARE SOLD TO CITIZENS, AND EXCLUDES  
2 FLEETS, THIS, THAT, PEOPLE THAT BUY WHOLESALE. AND THEN A  
3 LEGISLATOR CAN LOOK AT THAT AND SAY, WELL, THAT'S NOT FAIR.

4 MEMBER ROBERTI: OH, I TRULY BELIEVE 99% OF THE  
5 LEGISLATORS WHO REALIZE THAT THE FLEET PURCHASER ISN'T GOING  
6 TO BE PAYING THIS, WASN'T PAYING IT RIGHT NOW, THEY'RE GOING  
7 TO WANT TO FIND A WAY TO ENCOMPASS THEM IF WE'RE HITTING  
8 EVERYBODY ELSE.

9 MEMBER JONES: RIGHT. SO LET'S JUST GIVE THEM THE  
10 AMMUNITION.

11 MEMBER ROBERTI: YEAH, WE'VE GOT TO GIVE THEM THE  
12 AMMUNITION, YOU'RE RIGHT.

13 MR. FITZGERALD: MR. CHAIRMAN, A QUESTION?

14 CHAIRMAN EATON: ABSOLUTELY, MR. FITZ, YOU'RE  
15 ENTITLED TO ONE, FOR ALL YOUR WORK YOU'RE ENTITLED TO ONE.

16 MR. FITZGERALD: THE WAY IT'S STRUCTURED NOW EACH  
17 OF THE RECOMMENDATIONS HAS A PRICE TAG ASSOCIATED WITH IT,  
18 AND THEN THE FEE WAS DERIVED FROM THE OVERALL PRICE OF THE  
19 PROGRAM. NOW, I CAN GO THROUGH AND ADJUST THOSE DIFFERENT  
20 PRICE TAGS AND SET DIFFERENT GOALS FOR THE DIFFERENT  
21 RECOMMENDATIONS.

22 WOULD THAT BE WHAT THE BOARD WOULD --

23 CHAIRMAN EATON: THERE'S ONLY THREE THAT I  
24 UNDERSTAND THAT HAVE TO HAVE --

1 MR. FITZGERALD: I'M HEARING EDUCATION, AND THE  
2 TWO THAT COME TO MY MIND QUICKLY IS THE COMMERCIALIZATION  
3 AND THE ONE THAT GIVES THE BOARD OPTIONS TO USE --

4 MEMBER ROBERTI: AND I THINK A QUICKER AND A  
5 FASTER TRACK ON ILLEGAL CLEANUP.

6 MR. FITZGERALD: OKAY.

7 CHAIRMAN EATON: DO YOU THINK YOU CAN COMPLETE  
8 THOSE --

9 MR. FITZGERALD: THEN TO REDUCE --

10 CHAIRMAN EATON: -- BY MAY 1ST OR TOMORROW?

11 MR. FITZGERALD: THEN YOU WANT TO REDUCE THE GOAL  
12 TO A CLEANUP IN TWO YEARS, VERSUS --

13 MEMBER ROBERTI: WELL, WITH \$2.00 WE COULD  
14 PROBABLY DO IT IN ONE YEAR, CAN'T WE?

15 MR. FITZGERALD: I THINK THERE MAY BE AN  
16 INFRASTRUCTURE PROBLEM --

17 MEMBER ROBERTI: OH, OKAY. YEAH, THE LITTLE  
18 THINGS, HUH? YEAH, WELL --

19 CHAIRMAN EATON: REMEMBER WE HAVE A TRUCK  
20 SHORTAGE, YOU COULDN'T GET THE CHASSIS FOR NINE MONTHS.

21 MEMBER ROBERTI: TWO YEARS. TWO YEARS.

22 AND I DON'T KNOW, DO WE TALK ABOUT MARKET  
23 DEVELOPMENT AT ALL?

24 MR. FITZGERALD: WELL, THE TWO THAT I WAS LOOKING

1 AT, MARKET DEVELOPMENT, WERE THE COMMERCIALIZATION --

2 MEMBER ROBERTI: OKAY.

3 MR. FITZGERALD: -- WHICH IS CAPITAL INVESTMENT  
4 SUBSIDIES, AND -- CAPITAL INVESTMENT ASSISTANCE. AND THE  
5 OTHER ONE WAS THE OPTION THAT THE BOARD CAN PROVIDE  
6 INCENTIVES WHERE THEY FEEL IT'S APPROPRIATE.

7 MEMBER JONES: YEAH, THE DIFFERENTIAL --

8 MR. FITZGERALD: THOSE THREE AREAS I THINK WOULD  
9 ABSORB ENOUGH THAT IT WOULD RAISE -- JUSTIFY THE RAISE IN  
10 THE FEE.

11 CHAIRMAN EATON: DO YOU THINK YOU CAN COMPLETE  
12 THOSE BY THE CLOSE OF BUSINESS TOMORROW EVENING --

13 MR. FITZGERALD: YES.

14 CHAIRMAN EATON: -- WHICH WOULD BE THE 29TH --

15 MR. FITZGERALD: YES.

16 CHAIRMAN EATON: -- OR, 30TH I BELIEVE ISN'T IT?

17 MR. FITZGERALD: YES, I CAN.

18 CHAIRMAN EATON: OKAY.

19 MEMBER JONES: MR. CHAIRMAN?

20 CHAIRMAN EATON: MR. JONES.

21 MEMBER JONES: JUST ONE OTHER THING. ON -- REAL  
22 QUICKLY.

23 CHAIRMAN EATON: I'M GIVING YOU A HARD TIME.

24 MEMBER JONES: I KNOW. ON THE CURRENT MANIFEST

**CALIFORNIA SHORTHAND REPORTING**

1 SYSTEM, THAT THE RECOMMENDATION IS TO KEEP IT. I DON'T KNOW  
2 HOW PEOPLE FELT ABOUT THE IDEA THAT I JUST BROUGHT UP, WHICH  
3 WOULD MEAN CHANGING IT A LITTLE BIT, BUT CAN WE AT LEAST NOT  
4 EXCLUDE IT FROM --

5 CHAIRMAN EATON: I THINK -- NO, I THINK WHAT WE'RE  
6 TRYING TO DO HERE, WHAT I WAS TRYING TO DO HERE IS THAT  
7 THERE ARE TWO OR THREE --

8 MEMBER JONES: MAJOR ONES --

9 CHAIRMAN EATON: -- POSSIBLY FOUR ITEMS THAT WE --

10 MEMBER JONES: OKAY.

11 CHAIRMAN EATON: -- CAN QUICKLY AMEND THE REPORT,  
12 THAT NEEDED TO BE IN THE PRELIMINARY REPORT, THE FEE AND --  
13 AND THE TWO OR THREE.

14 THEN THERE WAS A SERIES OF OTHER ITEMS WHICH  
15 I THINK THAT WE WANT TO DIRECT STAFF IN A WAY -- I THINK THE  
16 MANIFEST -- I MEAN, I -- YOU KNOW ME, I'M ON BOARD ON THAT  
17 ONE, BUT WE NEED TO FLESH IT OUT AND PUT IT IN --

18 MEMBER JONES: RIGHT.

19 CHAIRMAN EATON: -- THERE. AND SO WHAT I DON'T  
20 WANT TO DO IS GET INTO A SITUATION WHERE WE'RE PUTTING  
21 THINGS IN THAT WE MAY NOT WANT TO HAVE -- THAT AREN'T FULLY  
22 THE WAY YOU WANT THEM.

23 AND I THINK WITH THE FEE IT'S A DOLLAR  
24 AMOUNT, IT'S FAIRLY STRAIGHTFORWARD. I THINK YOU TALKED

**CALIFORNIA SHORTHAND REPORTING**

1 ABOUT THE THREE OPTIONS WITH REGARD TO THE POINT OF  
2 COLLECTION, PRETTY CLEAR, PRETTY CRISP, NOT TOO MUCH. I  
3 THINK THE EDUCATION -- AND THOSE KINDS OF THINGS.

4 I THINK THEN FOR WHATEVER ELSE WE NEED TO DO,  
5 IF YOU CAN -- YOU KNOW, HAVE GOT SOMETHING IN ON THE  
6 MANIFEST I'M HAPPY TO --

7 MEMBER JONES: I DON'T WANT TO PUT IT IN.

8 CHAIRMAN EATON: OKAY.

9 MEMBER JONES: I JUST WANT TO CHANGE IT TO SAY  
10 CRUMB MANIFEST SYSTEM OR A REVISED SYSTEM. YOU KNOW, JUST  
11 ADD TWO WORDS.

12 CHAIRMAN EATON: CURRENT MANIFEST SYSTEM --

13 MR. FITZGERALD: I THINK THE --

14 CHAIRMAN EATON: -- IS INADEQUATE?

15 MR. FITZGERALD: -- RECOMMENDATION WILL BE -- WILL  
16 BE --

17 CHAIRMAN EATON: WILL BE FINALIZED IN THE FINAL  
18 REPORT --

19 MEMBER JONES: THERE YOU GO, THAT'S ALL I MEAN.

20 CHAIRMAN EATON: -- PUT IT RIGHT THERE.

21 MEMBER JONES: JUST ADD TWO WORDS SO THAT....

22 CHAIRMAN EATON: AND THEN I THINK WE CAN KIND OF  
23 LOOK AT SOME OF THE OTHER ITEMS. AND I WOULD ENCOURAGE EACH  
24 OF YOU IN THE AUDIENCE TO CONTINUE YOUR COMMENTS. AND I

1 THINK THAT AT THE APPROPRIATE TIME GET A FINAL REPORT  
2 TOGETHER FOR THE JUNE 30TH SUBMISSION, WE CAN LOOK AT SOME  
3 OF THE OTHER ITEMS.

4 AND PERHAPS MAYBE IF YOU HAVE THE TIME -- I  
5 THINK EACH OF THE MEMBERS HAD SOME REQUEST ABOUT RESEARCH IN  
6 DIFFERENT AREAS, AND THEY DON'T COME TO ME RIGHT AWAY, BUT I  
7 KNOW YOU TOOK NOTES -- THAT IF WE CAN KIND OF LOOK AT SOME  
8 OF THOSE IT WILL BE HELPFUL.

9 MEMBER JONES: MR. CHAIRMAN?

10 CHAIRMAN EATON: MR. JONES.

11 MEMBER JONES: I'D LIKE TO MOVE RESOLUTION 1999-  
12 175, WHICH IS THE CONSIDERATION OF THE APPROVAL OF THE DRAFT  
13 REPORT ON THE CALIFORNIA WASTE TIRE PROGRAM IN RESPONSE TO  
14 THE REQUIREMENTS OF AB 117, WITH THE DIRECTION THAT WE HAVE  
15 GIVEN TODAY.

16 CHAIRMAN EATON: DO I HAVE A SECOND?

17 MEMBER PENNINGTON: I'LL SECOND.

18 MEMBER ROBERTI: SECOND.

19 CHAIRMAN EATON: OKAY. MR. JONES MOVES, AND  
20 SENATOR ROBERTI AND MR. PENNINGTON SECONDS AND THIRDS, OR  
21 THIRDS AND SECONDS, WHICHEVER, YOU KNOW, IS APPROPRIATE.

22 AND MADAM SECRETARY, WOULD YOU PLEASE CALL  
23 THE ROLL?

24 THE SECRETARY: BOARD MEMBERS JONES?

1 MEMBER JONES: AYE.

2 THE SECRETARY: PENNINGTON?

3 MEMBER PENNINGTON: AYE.

4 THE SECRETARY: ROBERTI?

5 MEMBER ROBERTI: AYE.

6 THE SECRETARY: CHAIRMAN EATON?

7 CHAIRMAN EATON: AYE.

8 THANK YOU VERY, VERY MUCH EVERYONE.

9 MEMBER JONES: NICE JOB.

10 CHAIRMAN EATON: WE'RE GOING TO BREAK FOR LUNCH  
11 AND BE BACK AT 2:15.

12 (WHEREUPON, THE LUNCHEON RECESS WAS TAKEN.)

13 - - - -

14

**CALIFORNIA SHORTHAND REPORTING**

1 AFTERNOON SESSION

2 -- oOo --

3 CHAIRMAN EATON: WE'RE BACK IN SESSION, MAY I HAVE  
4 YOUR ATTENTION PLEASE? ALL RIGHTY, THANK YOU, WELCOME BACK.

5 GENTLEMEN, ANY EX PARTES TO DISCLOSE AFTER  
6 THE LUNCH HOUR?

7 MEMBER PENNINGTON: NOT I, MR. CHAIRMAN.

8 CHAIRMAN EATON: MR. JONES?

9 MEMBER JONES: NO.

10 CHAIRMAN EATON: I JUST HAD A BRIEF HELLO TO  
11 BONNIE HOMES (PHON), AS SHE WAS LATE, CAME IN AND SAID HELLO  
12 ON THE TIRE REPORT. SHE'S WITH THE SIERRA CLUB.

13 SENATOR ROBERTI.

14 MEMBER ROBERTI: YES, MR. CHAIRMAN, I SPOKE TO  
15 BONNIE HOMES REGARDING CEMENT KILNS.

16 AGENDA ITEM 30: CONSIDERATION OF FISCAL YEAR 1998-99  
17 GRANT AWARDS FOR THE LOCAL GOVERNMENT WASTE TIRE CLEANUP  
18 MATCHING GRANT PROGRAM

19 CHAIRMAN EATON: ALL RIGHTY. ITEM NO. 30,  
20 CONSIDERATION OF FISCAL YEAR 1998-99 GRANT AWARDS FOR LOCAL  
21 GOVERNMENT WASTE TIRE CLEANUP MATCHING GRANT PROGRAM.

22 MR. WALKER: GOOD AFTERNOON CHAIRMAN EATON,  
23 MEMBERS OF THE BOARD, SCOTT WALKER, PERMITTING AND  
24 ENFORCEMENT DIVISION. THE FOLLOWING ITEM PRESENTS

1 CONSIDERATION OF AWARD OF GRANTS FOR THE FISCAL YEAR 1998-99  
2 LOCAL GOVERNMENT WASTE TIRE CLEANUP MATCHING GRANT PROGRAM.

3 THIS PROGRAM PROVIDES GRANTS UP TO \$50,000 TO  
4 LOCAL GMS FOR CLEANUP OF TIRE PILES. \$150,000 WAS ALLOCATED  
5 BY THE BOARD TO THE PROGRAM FOR FISCAL YEAR 1998-99.

6 PROGRAM CRITERIA IS REEVALUATED EACH YEAR BY THE BOARD.

7 I WANTED TO JUST POINT OUT THAT WITH THE AB  
8 117 REPORT THERE'S SOME RECOMMENDATIONS IN THAT AREA, SO WE  
9 WILL BE GOING BACK BEFORE THE NEXT CYCLE IN THE PROGRAM TO  
10 BRING FORTH SOME REEVALUATION OF IT PURSUANT TO THE AB 117  
11 REPORT.

12 FOR THIS CYCLE, FISCAL YEAR 1998-99, THE  
13 BOARD APPROVED A RANKING CRITERIA AND SCORING PROCESS IN  
14 NOVEMBER OF 1998.

15 SUBSEQUENT TO THAT A NOTICE OF FUNDS  
16 AVAILABLE WAS RELEASED AND THE APPLICATIONS WERE DUE MARCH  
17 12TH. FOUR APPLICATIONS WERE RECEIVED, THEY TOTALED  
18 APPROXIMATELY \$52,000. I WANTED TO POINT OUT THAT THIS IS  
19 SIGNIFICANTLY LESS THAN THE ALLOCATION OF 150,000, THEREFORE  
20 THE SCORING WAS NONCOMPETITIVE.

21 STAFF ESTIMATE THAT UP TO 20,000 TO 25,000  
22 TIRES WOULD BE CLEANED UP BY THESE FOUR APPLICATIONS. IN  
23 GENERAL THEY ADDRESS SMALL PILES THAT HAVE BEEN DUMPED ON  
24 VACANT LOTS AND PUBLIC RIGHT-OF-WAYS. THERE'S ONE

1 APPLICATION FROM CITY OF BAKERSFIELD THAT ADDRESSES  
2 REMAINING CLEANUP OF A LEGACY PILE, THE HALE (PHON) STREET  
3 SITE. THE OTHER APPLICATIONS INCLUDE CITY OF MODESTO,  
4 IMPERIAL COUNTY, AND CITY OF HESPERIA.

5 ONE OF THOSE FOUR APPLICANTS, THE CITY OF  
6 HESPERIA, DID NOT MEET THE MINIMUM SCORE BECAUSE THEY DID  
7 NOT INCLUDE A PROJECT DESCRIPTION BY THE APPLICATION  
8 DEADLINE. ESSENTIALLY, STAFF WAS DISCUSSING WITH THE  
9 APPLICANT THE PREVIOUS YEAR'S GRANT AND INFORMED THE  
10 APPLICANT THAT THAT WAS NOT INCLUDED. THE APPLICANT  
11 INDICATED THAT IT WAS INADVERTENT AND FAXED THE PROJECT  
12 DESCRIPTION ATTACHMENT IMMEDIATELY AFTER. SO WE'RE  
13 REASONABLY CONFIDENT THAT IT WASN'T A CASE WHERE THEY FOUND  
14 OUT AND HAD A WEEK TO DO IT, AND THEN SEND IT IN. SO WE  
15 WERE PRETTY CONFIDENT OF THAT.

16 HOWEVER, STAFF HAS BEEN DIRECTED TO RECOMMEND  
17 OPTION 1, WHICH IS TO AWARD THE GRANTS ONLY TO THE THREE  
18 QUALIFYING APPLICANTS. STAFF HAVE PROVIDED IN THE AGENDA  
19 ITEM OPTION 2, WHICH WOULD ALLOW THE BOARD TO AWARD GRANTS  
20 TO ALL FOUR APPLICANTS. IF THE BOARD APPROVES OPTION 2,  
21 THEN THE RESOLUTION 1999-64 WOULD BE REVISED ACCORDINGLY.

22 THAT CONCLUDES STAFF'S PRESENTATION, AND WE  
23 ARE AVAILABLE TO ANSWER QUESTIONS.

24 CHAIRMAN EATON: SENATOR ROBERTI.

1 MEMBER ROBERTI: YES. IN THE BRIEFINGS WITH  
2 SCOTT, I BELIEVE THE ARGUMENT IS THAT THERE ARE NO COMPETING  
3 GRANTS, AND THERE WAS ENOUGH MONEY TO COVER EVERYTHING. AND  
4 IT APPEARS THAT THE ERROR IS INADVERTENT.

5 MR. WALKER: CORRECT.

6 MEMBER ROBERTI: AND WITH THAT IN MIND, MYSELF, I  
7 WOULD GO WITH OPTION 2, IT JUST SEEMS THAT THE CITY IS  
8 OPERATING IN GOOD-FAITH. WE'RE NOT ESTABLISHING AN  
9 ENORMOUSLY BAD PRECEDENT. AND TO DO OTHERWISE WOULD PUT  
10 TECHNICALITY OVER, I GUESS, AN ELEMENT OF FAIRNESS. SO.

11 CHAIRMAN EATON: SO I ASSUME IF AND WHEN WE GET  
12 READY TO DO A MOTION THAT MAY BE PART OF --

13 MEMBER ROBERTI: WELL, I'M READY NOW, BUT I DON'T  
14 THINK --

15 CHAIRMAN EATON: I THINK THERE MAY BE ONE OR TWO  
16 MORE QUESTIONS.

17 MEMBER JONES: MR. CHAIRMAN?

18 CHAIRMAN EATON: MR. JONES.

19 MEMBER JONES: I'M GOING TO LET HIM MAKE HIS  
20 MOTION, BECAUSE THAT'S EXACTLY WHAT I BELIEVE TOO --

21 CHAIRMAN EATON: I HAVE ONE OR TWO QUESTIONS AFTER  
22 YOU --

23 MEMBER JONES: WHEN I GOT BRIEFED IT WAS THE  
24 ATTACHMENT THAT -- IN YOUR FORM, IN THE PACKET THAT YOU SENT

1 OUT AND SAY HERE, HERE'S HOW TO FILL OUT THIS GRANT, THAT  
2 ATTACHMENT FOR PROJECT DESCRIPTION WAS IN FACT INCLUDED, IT  
3 WAS JUST BLANK. RIGHT?

4 MR. WALKER: YEAH, THEY ACTUALLY PUT THE  
5 ATTACHMENT -- IT WAS ATTACHMENT F, AND THEY APPARENTLY PUT  
6 THAT ON THE FORM THAT WE HAD SENT TO THEM, THE APPLICATION,  
7 AND THEN THEY HAD IMMEDIATELY FAXED --

8 MEMBER JONES: THEY FORGOT TO SEND --

9 (THE PARTIES SIMULTANEOUSLY SPEAK.)

10 MR. WALKER: RIGHT, CORRECT.

11 MEMBER JONES: SO THE SECOND -- AS SOON AS THEY  
12 FOUND OUT ABOUT IT THEY STUCK IT IN A FAX MACHINE, NOBODY  
13 HAD TO CREATE IT, IT WAS CREATED -- SITTING IN A PILE.

14 MR. WALKER: YES.

15 MEMBER JONES: I DON'T HAVE ANY PROBLEM WITH THAT.  
16 OKAY.

17 CHAIRMAN EATON: I JUST HAVE ONE QUESTION THAT IS  
18 NOT -- AND IT'S -- WELL, IT IS SUPPORTIVE OF WHAT YOU'RE  
19 SAYING, BUT IT HAS -- ON A DIFFERENT TACT.

20 MY UNDERSTANDING IS THAT WE ALLOCATED  
21 \$150,000 FOR THIS PROGRAM. AND THAT THE FOUR APPLICATIONS  
22 WE RECEIVED ARE THE FOUR THAT ARE UNDER CONSIDERATION TODAY.

23 MR. WALKER: CORRECT.

24 CHAIRMAN EATON: AS WE REVIEW THE TIRE REPORT --

1 THIS IS A LOCAL GOVERNMENT GRANT PROGRAM, WE'RE LOOKING AT  
2 DELEGATING A LOT TO THE LOCAL JURISDICTIONS, ETC. -- CAN  
3 YOU GIVE ME SOME IDEA OF HOW WE CAN BETTER DO OUTREACH SO  
4 THAT THIS MONEY GETS OUT THERE AND DOES WHAT IT'S INTENDED  
5 TO DO?

6 AND I KNOW THAT YOU GUYS HAVE EXPLAINED THAT,  
7 YOU KNOW, THEY WERE BUSY WITH LAST YEAR'S MONEY.  
8 JURISDICTIONS ALWAYS LIKE MONEY, EVEN AS BUSY AS THEY ARE.  
9 SO IS THERE SOMETHING THAT YOU AS A STAFF THINK WE NEED TO  
10 RECOMMEND OR TAKE PART OF THE MONEY TO DO?

11 BECAUSE I THINK, YOU KNOW, WHEN WE HAVE --  
12 THIS IS -- THE GENTLEMAN WHO IS HERE FROM SAN JOAQUIN, THIS  
13 WOULD BE THAT TYPE OF PROGRAM --

14 MR. WALKER: RIGHT.

15 CHAIRMAN EATON: -- WHERE HE WORKED AROUND THE  
16 NEIGHBORHOODS IN STOCKTON AND IN SOME OF THOSE. HOW DO WE  
17 GET THOSE INDIVIDUALS INVOLVED? HOW DO WE GET THOSE PEOPLE  
18 THAT KIND OF CLEAN UP THOSE, YOU KNOW, FIVE TO 500, OR FIVE  
19 TO 5,000 PILES OR, YOU KNOW, THE SMALLER PILES? BECAUSE  
20 THIS REALLY GOES TO THE HEART OF THAT, THE HELP THAT WE'LL  
21 NEED EVENTUALLY SO THAT THEY DON'T GET DUMPED INTO ILLEGAL  
22 PILES. THIS IS I THINK WHAT THIS IS SUPPOSED TO DO. HOW  
23 CAN WE BETTER DO THAT?

24 MR. WALKER: WELL, THERE'S A NUMBER OF THINGS THAT

1 WE COULD DO. ONE OF THE THINGS I WAS STRUCK WITH BY THE SAN  
2 JOAQUIN COUNTY PERSON WAS THAT ACTUALLY THREE OF THESE  
3 PROJECTS ARE VERY SIMILAR TO WHAT HE'S TALKING ABOUT, SO I  
4 THINK THERE'S AN ELEMENT OF THE NEED FOR STAFF TO STEP UP TO  
5 ADDITIONAL OUTREACH.

6 THERE ARE SOME OTHER IDEAS HERE. ONE IS TO  
7 MAKE IT CONTINUOUS INSTEAD OF ONCE A YEAR, THAT'S ANOTHER  
8 OPTION.

9 THERE IS ALSO AN OPTION, IN TERMS OF RIGHT  
10 NOW WE REQUIRE A MATCH BUT IT'S NOT 50%, IT CAN BE CASH  
11 AND/OR IN-KIND SERVICES. WE CAN LOOK AT THAT.

12 SO THERE ARE SOME OPTIONS THERE, OUTREACH,  
13 AND I THINK THAT WE DO NEED TO CONNECT WITH THE AUDIENCE, SO  
14 TO SPEAK, THAT WE HAVE FOR THIS PROGRAM TO TRY TO CONNECT  
15 BETTER WITH THEM FOR THE FUTURE PROGRAM.

16 THERE ARE A NUMBER OF OPTIONS THAT WE COULD  
17 CONSIDER AND COME BACK WITH I THINK THAT WOULD MAKE THE  
18 PROGRAM A LOT MORE ATTRACTIVE. AND THAT'S WHAT WE -- OUR  
19 GOAL WOULD BE, TO BRING THAT BACK TO YOU FOR THE NEXT CYCLE  
20 TO DO THAT.

21 CHAIRMAN EATON: THESE ARE ALL THROUGH LOCAL  
22 GOVERNMENT. YOU KNOW, SOME OF OUR PROGRAMS, I THINK IN THE  
23 USED OIL AND SOME OF THE OTHERS, WE GO THROUGH WITH  
24 COMMUNITY GROUPS AND NONPROFITS. IS THAT SOMETHING WE

1 SHOULD LOOK AT AND CONSIDER, THAT THEY MAY BE ELIGIBLE FOR A  
2 PORTION OF THEM?

3 I DON'T KNOW. I MEAN, I THINK -- IT JUST --  
4 IF WE COULD EXPLORE THAT, THAT MAY BE A WAY THAT WE CAN  
5 FURTHER GET SOME INTEREST. BECAUSE I THINK, YOU KNOW, IN  
6 THOSE AREAS THEY SEEMED TO HAVE HELPED. THAT WE HAVE AN  
7 OVER-SUBSCRIBE, IF I'M NOT MISTAKEN, ON SOME OF THOSE  
8 PROGRAMS.

9 MR. WALKER: I THINK WHATEVER WE COULD DO WITHIN  
10 THE STATUTORY LIMITS WE WOULD WORK ON TO GET MORE  
11 PARTICIPATION.

12 CHAIRMAN EATON: ALL RIGHT, THANK YOU.

13 SENATOR?

14 MEMBER ROBERTI: THEN, MR. CHAIRMAN, I MOVE THAT  
15 WE ADOPT RESOLUTION 199-64, WITH OPTION 2.

16 CHAIRMAN EATON: OKAY. MR. JONES?

17 MEMBER JONES: I'LL SECOND --

18 CHAIRMAN EATON: ALL RIGHTY. SENATOR ROBERTI  
19 MOVES, AND MR. JONES SECONDS, THAT WE ADOPT RESOLUTION 1999-  
20 164.

21 MEMBER ROBERTI: 164, EXCUSE ME.

22 CHAIRMAN EATON: 164. AND INCLUDE OPTION 2 AS THE  
23 RELEVANT OPTION CHOSEN BY THE BOARD.

24 SEE, I'M A LUCKY MAN, YOU KNOW? I HAVE A

1 LADY BUG ON MY SHOULDER SO, YOU KNOW, WE'VE GOT EXTRA MONEY  
2 I GUESS, HUH? GOOD LUCK, REALLY.

3 ALL RIGHTLY, MADAM SECRETARY, FOR -- JUST TO  
4 BEGIN THE AFTERNOON, IF YOU WOULDN'T MIND CALLING THE ROLL?

5 THE SECRETARY: BOARD MEMBERS JONES?

6 MEMBER JONES: AYE.

7 THE SECRETARY: PENNINGTON?

8 MEMBER PENNINGTON: AYE.

9 THE SECRETARY: ROBERTI?

10 MEMBER ROBERTI: AYE.

11 THE SECRETARY: CHAIRMAN EATON?

12 CHAIRMAN EATON: AYE.

13 THE RESOLUTION IS APPROVED.

14 AGENDA ITEM 31: CONSIDERATION OF AUGMENTATION OF  
15 1997/98 WASTE TIRE STABILIZATION AND ABATEMENT CONTRACT  
16 (IWM-C7050)

17 CHAIRMAN EATON: OKAY, ITEM NO. 31, CONSIDERATION  
18 OF AUGMENTATION.

19 MR. JOHNSON: GOOD AFTERNOON MR. CHAIRMAN EATON  
20 AND MEMBERS OF THE BOARD. MY NAME'S ALBERT JOHNSON, I'M  
21 WITH THE PERMITTING AND ENFORCEMENT DIVISION, AND THIS ITEM  
22 I'M PRESENTING TODAY IS FOR THE AUGMENTATION OF THE WASTE  
23 TIRE STABILIZATION AND ABATEMENT CONTRACT WITH NORCAL FOR  
24 THE CLEANUP OF ILLEGAL WASTE TIRE PILES.

1                   CURRENTLY WE HAVE TWO EXISTING WASTE TIRE  
2 PILE CLEANUP CONTRACTORS, NORCAL AND SUKUT. THE SUKUT  
3 CONTRACT EXPIRES AT THE END OF THIS JUNE, AND THE NORCAL  
4 CONTRACT CONTINUES UNTIL JUNE OF 2000.

5                   EACH YEAR THE BOARD ALLOCATES FUNDS TO THE  
6 WASTE TIRE STABILIZATION AND ABATEMENT PROGRAM. LAST APRIL  
7 \$625,000 WAS ALLOCATED.

8                   THE NORCAL CONTRACT WAS ORIGINALLY WRITTEN  
9 FOR TWO AND A HALF MILLION DOLLARS, IS CURRENTLY FUNDED AT  
10 ABOUT 1.365 MILLION. I THINK THE PROPOSED AUGMENTATION OF  
11 \$625,000 WILL PROVIDE A TOTAL OF APPROXIMATELY \$1.99 MILLION  
12 FOR WASTE TIRE CLEANUP WORK.

13                   WE CURRENTLY HAVE 15 SITES SCHEDULED FOR  
14 CLEANUP NEXT FISCAL YEAR WITH THE NORCAL CONTRACT, AND  
15 WITHOUT ADDING THESE FUNDS WE'LL BE SHORT ON MONEY.

16                   THE BOARD HAS THREE OPTIONS WITH THIS ITEM.  
17 THE FIRST IS TO CONCUR WITH THE STAFF RECOMMENDATION AND ADD  
18 THE \$625,000. THE SECOND IS THAT THE BOARD MAY AUGMENT FOR  
19 A DIFFERENT QUANTITY OF MONEY. AND THE THIRD IS TO DIRECT  
20 STAFF TO PROVIDE ADDITIONAL INFORMATION AND COME BACK AT A  
21 LATER BOARD MEETING.

22                   DO YOU HAVE ANY QUESTIONS?

23                   CHAIRMAN EATON: MEMBERS? MUST HAVE BEEN THE  
24 PRESENTATION.

1 MR. JOHNSON: YEAH, THIS IS SHORT.

2 CHAIRMAN EATON: MR. PENNINGTON.

3 MEMBER PENNINGTON: I'LL MOVE ADOPTION OF  
4 RESOLUTION 1999-192.

5 MEMBER JONES: I SECOND.

6 CHAIRMAN EATON: ALL RIGHTY. IS THIS ALL THE -- I  
7 HAVE ONE QUESTION, WAIT -- IS THIS ALL THE MONEY THAT'S IN  
8 THE RESOLUTION? THERE'S NO DOLLAR AMOUNT IN THE RESOLUTION.

9 MR. JOHNSON: THERE SHOULD BE --

10 (THE PARTIES SIMULTANEOUSLY SPEAK.)

11 CHAIRMAN EATON: IS THAT ON THE BACK PAGE? OKAY -

12 -

13 MR. JOHNSON: YEAH, IT'S IN THERE, 625.

14 CHAIRMAN EATON: ALL RIGHT, I'M SORRY. MR.  
15 PENNINGTON MOVES, AND MR. JONES SECONDS, THAT WE ADOPT  
16 RESOLUTION 1999-192.

17 WITHOUT ANY OBJECTION, WE'LL SUBSTITUTE THE  
18 PREVIOUS ROLL CALL? HEARING NO OBJECTION, SO SHALL IT BE  
19 ORDERED.

20 THANK YOU VERY MUCH.

21 MR. JOHNSON: YOU'RE WELCOME.

22 AGENDA ITEM 33: CONSIDERATION OF AWARD OF THE FISCAL  
23 YEAR 1998/99 TIRE PRODUCTS PROMOTION AND PROCESSING MATCHING  
24 GRANTS

1 CHAIRMAN EATON: ALL RIGHT. LADIES AND GENTLEMEN,  
2 FOR THOSE OF YOU WHO MAY NOT HAVE BEEN HERE THIS MORNING, AT  
3 THE OUTSET OF TODAY'S MEETING I REMARKED THAT ITEMS 32 AND  
4 33 WERE JUST REVERSED IN TERMS OF ORDER, SO THAT WE WILL  
5 TAKE ITEM 33 FIRST, AND THEN FOLLOW, IF THERE IS ANY MONEY  
6 LEFT OVER, WITH THE REALLOCATION ITEM WHICH IS 32. SO WE'LL  
7 BE ON ITEM NO. 33 TO BEGIN WITH.

8 MS. TRGOVCICH: GOOD AFTERNOON CHAIRMAN EATON AND  
9 MEMBERS. THIS ITEM IS CONSIDERATION AND AWARD OF THE FISCAL  
10 YEAR '98-99 TIRE PRODUCTS PROMOTION AND PROCESSING MATCHING  
11 GRANTS.

12 THIS MARKS THE END OF THE GRANT CYCLE FOR THE  
13 WASTE PREVENTION AND MARKET DEVELOPMENT DIVISION IN THE TIRE  
14 FUND. WE HAVE INITIATED APPROXIMATELY FOUR GRANT PROGRAMS  
15 THIS YEAR, AND THIS IS THE FINAL OF THE GRANTS TO COME  
16 BEFORE YOU.

17 JOHN NUFFER AND NATE GAUFF WILL MAKE THE  
18 PRESENTATION.

19 MR. NUFFER: THANK YOU, CAREN.

20 GOOD AFTERNOON MR. CHAIRMAN, BOARD MEMBERS.  
21 THE PURPOSE OF THE TIRE PRODUCTS PROMOTION AND PROCESSING  
22 GRANT PROGRAM IS TO ASSIST PUBLIC ENTITIES OR PRIVATE  
23 COMPANIES INCREASE THE DIVERSION OF WASTE TIRES BY  
24 SUPPORTING NEW TIRE PROCESSING TECHNOLOGIES, OR NEW

1 APPLICATIONS FOR TIRE-DERIVED PRODUCTS, OR BY SUPPORTING NEW  
2 OR EXISTING TIRE-DERIVED PRODUCTS.

3 THE PROGRAM IS INTENDED TO DIVERT AT LEAST A  
4 MILLION WASTE TIRES ANNUALLY. AND IT APPEARS FROM THE  
5 APPLICATIONS WE RECEIVED THAT DIVERSION FROM THE RECOMMENDED  
6 PROGRAMS COULD EVENTUALLY REACH THREE MILLION OR MORE  
7 ANNUALLY.

8 THE BOARD ALLOCATED 320,000 FOR THIS PROGRAM,  
9 AND ELIGIBLE APPLICANTS CAN RECEIVE UP TO \$80,000. EACH  
10 APPLICANT MUST MATCH THIS AMOUNT WITH AT LEAST \$80,000 OF  
11 THEIR OWN.

12 BEFORE I TURN IT OVER TO NATE TO TALK MORE  
13 ABOUT THE INDIVIDUAL APPLICATIONS, I'D LIKE TO COVER SOME OF  
14 THE TERMS AND CONDITIONS WE WILL REQUIRE OF THESE GRANTEES.

15 FIRST, WE PAY ONLY AFTER THE WORK IS  
16 COMPLETE.

17 SECOND, IF THE GRANTEE FAILS TO PERFORM AS  
18 EXPECTED THE EXECUTIVE DIRECTOR MAY TERMINATE THE GRANT WITH  
19 30 DAYS' WRITTEN NOTICE TO THE GRANTEE. IN THAT EVENT, THE  
20 EXECUTIVE DIRECTOR HAS SOLE DISCRETION AS TO WHAT WORK  
21 QUALIFIES FOR REIMBURSEMENT.

22 THIRD, THE BOARD ALSO HAS THE RIGHT TO AUDIT  
23 GRANTEES, AND GRANTEES MUST KEEP RECORDS FOR AT LEAST THREE  
24 YEARS.

1                   AND, LAST, GRANTEES MUST ALSO BE IN  
2 COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL  
3 ORDINANCES, LAWS, REGULATIONS AND PERMITS.

4                   AND, IF A GRANTEE IS IN VIOLATION OF ANY OF  
5 THESE REQUIREMENTS THE BOARD CANNOT MAKE PAYMENT.

6                   AND NOW I'D LIKE TO TURN IT OVER TO NATE TO  
7 TALK ABOUT THE REVIEW PROCESS AND THE APPLICATIONS.

8                   MR. GAUFFF: GOOD AFTERNOON MR. CHAIRMAN AND  
9 MEMBERS OF THE BOARD.

10                  I JUST WANT TO BACK UP ONE STEP AND GO BACK  
11 TO THE ALLOCATION WHICH WAS A YEAR AGO. THE ORIGINAL  
12 ALLOCATION WAS FOR 481,000, AND ON OCTOBER 6TH, WHEN WE  
13 BROUGHT THE CRITERIA FOR EVALUATING THE APPLICATIONS BEFORE  
14 THE BOARD 161,000 WAS REDIRECTED, WHICH GIVES US WHERE WE  
15 ARE TODAY, AT 320,000.

16                  OF THE APPLICATIONS, WE RECEIVED 15  
17 APPLICATIONS. ONE WAS DISQUALIFIED BECAUSE IT WAS A  
18 PLAYGROUND SURFACING GRANT, OR APPLICATION. THE 14  
19 APPLICATIONS RESULTED IN A FUNDING REQUEST OF ABOUT \$1.1  
20 MILLION.

21                  STAFF -- THERE WAS ONE PANEL MADE OF THREE  
22 STAFF FROM THE WASTE PREVENTION MARKET DEVELOPMENT DIVISION  
23 WHICH REVIEWED THE GRANT APPLICATIONS, AND WE RECOMMEND THAT  
24 FIVE OF THE APPLICATIONS BE FUNDED FOR -- OUT OF THE

1 320,000, AND THEN ALSO ONE ADDITIONAL APPLICATION, IF  
2 FUNDING IS REDIRECTED, FOR 80,000, FOR A TOTAL OF 400,000.

3 CHAIRMAN EATON: QUESTIONS? OKAY, NO QUESTIONS?

4 MEMBER PENNINGTON: MR. CHAIRMAN?

5 CHAIRMAN EATON: MR. PENNINGTON.

6 MEMBER PENNINGTON: MOVE RESOLUTION

7 1999-171.

8 CHAIRMAN EATON: AND I'LL SECOND THAT MOTION.

9 MR. PENNINGTON MOVES, AND MR. EATON SECONDS,  
10 THAT RESOLUTION 1999-171 BE ADOPTED.

11 WITHOUT OBJECTION --

12 MEMBER JONES: MR. CHAIRMAN?

13 CHAIRMAN EATON: I'M SORRY. MR. JONES.

14 MEMBER JONES: I JUST HAVE A QUESTION ON --

15 CHAIRMAN EATON: BEFORE WE BEGIN -- OKAY.

16 MEMBER JONES: I JUST HAD A QUESTION ON --

17 CHAIRMAN EATON: MR. PENNINGTON, IF YOU WOULDN'T  
18 MIND JUST WITHDRAWING YOUR MOTION UNTIL MR. JONES IS  
19 FINISHED WITH HIS QUESTION?

20 MEMBER PENNINGTON: SURE.

21 CHAIRMAN EATON: OKAY. AND I'LL WITHDRAW THE  
22 SECOND.

23 MR. JONES.

24 MEMBER JONES: YEAH, I'VE GOT SOME ISSUES WITH CRM

1 ON THE TOP OF THIS LIST CENTERED AROUND A PROBLEM WE HAD  
2 WITH A LOAN, AND I'M JUST WONDERING WHAT WE'RE DOING HERE.  
3 I MEAN, ARE WE -- I DON'T HEAR MUCH DISCUSSION YET I SAW A  
4 FAILED LOAN AND A FAILED BANKRUPTCY THAT HAD -- THE PRIMARY  
5 ON THIS THING WAS AN OFFICER OF THAT COMPANY, AND I'M JUST  
6 WONDERING IF WE -- YOU KNOW, I'VE GOT A LITTLE BIT OF A  
7 PROBLEM WITH THIS.

8 WE'RE GOING TO BE MAKING FINE MESH CRUMB  
9 RUBBER, WHICH WE NEED IN AN AREA WHERE WE HAVE AN AWFUL LOT  
10 OF -- OR, WE HAVE A FEW CRUMB RUBBER MANUFACTURERS, BUT I  
11 DON'T KNOW HOW MANY ROOFING SHINGLE MANUFACTURERS WE HAVE.  
12 AND THIS IS ABOUT DEVELOPING NEW MARKETS AND NEW END USES.  
13 SO, I THINK I NEED A LITTLE BIT OF DESCRIPTION IN CASE WE  
14 CAN'T REDIRECT \$80,000, WHICH I DON'T KNOW WHAT THIS BOARD'S  
15 GOING TO DO, I THINK I WANT TO KNOW A LITTLE BIT ABOUT U.S.  
16 CENTURY.

17 AND, SOME OF THE HISTORY ON THE OTHER.

18 MR. CHANDLER: LET ME SPEAK BRIEFLY TO THIS, AND  
19 THEN I'LL ASK CAREN TO FILL IN AS WELL.

20 I THINK WHAT I UNDERSTAND THE FIRST PART OF  
21 YOUR QUESTION TO BE IS, TO GET TO THE HEART OF IT, IS DO WE  
22 HAVE A POTENTIAL UNRELIABLE ENTITY HERE, IN THAT WE'RE  
23 DEALING WITH THE SAME PRINCIPALS THAT WERE INVOLVED IN A  
24 LOAN AND WHICH FORECLOSED, AND WHICH WE HAD TO STEP IN AND

1 EXPEND DOLLARS, IF I RECALL CORRECTLY, TO CLEAN UP THE SITE.

2 I DID HAVE DISCUSSIONS WITH THE PARTIES  
3 TRYING TO GET FURTHER INFORMATION ON THE REPRESENTATIONS  
4 THAT I RECEIVED, THAT THE GENTLEMAN WAS NOT AN OFFICER OF  
5 THE COMPANY AT THE TIME, AND YOU'VE PROBABLY SEEN A COPY OF  
6 THAT LETTER. AND I DID WEIGH WHETHER OR NOT WE SHOULD START  
7 TO GO DOWN THE PATH OF THE UNRELIABLE CONTRACTOR POLICY AND  
8 FELT, GIVEN THAT WE DO NOT HAVE THOSE REGULATIONS YET  
9 CULMINATED AND IN PLACE, THAT IT WAS PERHAPS PREMATURE ON MY  
10 PART TO START THAT PROCESS HERE.

11 I ALSO FELT THAT WE WERE DEALING WITH, IN  
12 THIS CASE, A DIFFERENT COMPANY. WE ARE NOT DEALING WITH THE  
13 SAME PRINCIPALS COMPLETELY ACROSS THE BOARD AS WE WERE WITH  
14 THE BANKRUPTCY PROCEEDING. AND IT APPEARED TO BE THERE WAS  
15 STILL A LEGITIMATE ISSUE OPEN AS TO WHETHER THIS INDIVIDUAL  
16 THAT WAS WITH THE FAILED COMPANY WAS AT THAT TIME AN OFFICER  
17 OF THAT COMPANY AT THE TIME OF THE BANKRUPTCY.

18 SO, I MADE THE DECISION WHEN THIS WAS FIRST  
19 BROUGHT TO MY ATTENTION THAT I WOULD NOT EXPECT STAFF TO GO  
20 DOWN THE PATH OF THE UNRELIABLE CONTRACTOR.

21 HOWEVER, WITH RESPECT TO YOUR SECOND POINT,  
22 WHICH IS THAT, WITH LIMITED FUNDS, ISN'T THE INTENT OF THIS  
23 PROGRAM TO SPAWN NEW MARKETS, I WOULD ACKNOWLEDGE THAT WE DO  
24 HAVE THE NEED FOR ADDITIONAL USES BEYOND THE ESTABLISHED USE

1 THAT WE HAVE TODAY OF RECOGNIZING THAT CRUMB IS BEING  
2 PRODUCED AND IS IN THE MARKETPLACE. AND DON'T HAVE A  
3 PROBLEM WITH YOUR ARGUMENT THAT THE FIFTH PROPOSAL LISTED  
4 PERHAPS REPRESENTS A NEWER MARKET THAN THE FIRST PROPOSAL,  
5 WHICH IS A CRUMB RUBBER PRODUCTION PROCESS THAT WE DO HAVE  
6 IN PLACE TODAY, ALBEIT WE'D LIKE TO SEE MORE PRODUCTION  
7 CAPACITY AROUND THE STATE.

8 SO, I HOPE THAT PROVIDES A LITTLE BIT OF  
9 BACKGROUND AS TO MY THINKING AND MY DIRECTION TO STAFF. AND  
10 THAT'S PRETTY MUCH THE DIALOGUE WE WENT THROUGH.

11 CAREN, DO YOU WANT TO ADD TO THAT?

12 MS. TRGOVCICH: NO, I THINK THAT AT THE STAFF  
13 LEVEL THERE WAS SOME DISCUSSION AROUND THE MARKET ELEMENT OF  
14 THE GRANT PROCESS ITSELF. AND SO THAT MAY BE SOMETHING THAT  
15 THE BOARD MAY WISH TO TAKE A CLOSER LOOK AT, AS TO WHETHER  
16 OR NOT THE FIRST APPLICATION MEETS THAT NEW MARKET  
17 THRESHOLD, OR WHETHER OR NOT PERHAPS THE U.S. CENTURY  
18 APPLICATION BETTER SERVES THAT.

19 MEMBER JONES: MY QUESTIONS ARE ANSWERED. I KNOW  
20 WE DON'T HAVE UNRELIABLE CONTRACTORS, BUT WE DO HAVE A RIGHT  
21 AS A BOARD TO MAKE A DETERMINATION ON ANYTHING IN FRONT OF  
22 THIS BOARD. THOSE REGULATIONS ONLY MAKE IT MORE IN CONCRETE  
23 AND A STANDARD, BUT IT DOESN'T LIMIT THIS BOARD FROM ASKING  
24 QUESTIONS OF WHAT WE'RE DOING WITH THE CITIZENS' MONEY.

1 HOPEFULLY WE'LL BE ABLE TO FIND ANOTHER  
2 \$80,000 SOMEWHERE, BECAUSE I'D SURE LIKE TO SEE RUBBER  
3 SHINGLES AS ANOTHER MARKET.

4 SO I -- MY QUESTION'S BEEN ANSWERED, I DON'T  
5 THINK I HAVE A PROBLEM WITH THE ORIGINAL MOTION.

6 MEMBER PENNINGTON: MR. CHAIRMAN?

7 CHAIRMAN EATON: MR. PENNINGTON.

8 MEMBER PENNINGTON: I WILL RESTATE MY MOTION.

9 CHAIRMAN EATON: THANK YOU, SIR.

10 MEMBER PENNINGTON: I MOVE ADOPTION OF RESOLUTION  
11 1999-171.

12 CHAIRMAN EATON: ALL RIGHTY. AND I WILL SECOND  
13 THAT MOTION.

14 SO, MR. PENNINGTON MOVES, AND MR. EATON  
15 SECONDS, THAT RESOLUTION 1999-171 BE ADOPTED.

16 WITHOUT OBJECTION, WE'LL SUBSTITUTE THE  
17 PREVIOUS ROLL CALL. HEARING NO OBJECTIONS, SO SHALL BE THE  
18 ORDER.

19 AGENDA ITEM 32 CONSIDERATION OF REALLOCATION OF UNUSED  
20 FISCAL YEAR 19989/99 WASTE TIRE MANAGEMENT PROGRAM FUNDS

21 CHAIRMAN EATON: NOW WE'LL RETURN TO ITEM NO. 32  
22 WHICH -- OR, I'M SORRY, 33, WHICH SHOULD HAVE BEEN 32  
23 ORIGINALLY. THANK YOU.

24 MEMBER PENNINGTON: WE JUST DID 33, DIDN'T WE?

1 MEMBER JONES: WE'RE AT 32.

2 CHAIRMAN EATON: WE DID 33 -- OKAY, LET ME JUST --  
3 SO NOW WE'RE AT 32. AND FOR -- TO HELP THE BOARD WE HAVE  
4 PREPARED A LITTLE MATRIX OF PROPOSED FUNDING FOR PURPOSES OF  
5 DISCUSSION.

6 OKAY, MS. TRGOVCICH.

7 MS. TRGOVCICH: CAREN TRGOVCICH, DEPUTY DIRECTOR  
8 OF WASTE PREVENTION AND MARKET DEVELOPMENT DIVISION, AGAIN.

9 WHAT WE'RE GOING TO DO IS PROVIDE YOU WITH A  
10 VERY BRIEF PRESENTATION WHICH COVERS A LITTLE BIT OF  
11 BACKGROUND ON THE DOLLARS AVAILABLE, WHAT THEY WERE  
12 ORIGINALLY ALLOCATED FOR, WHAT REMAINS, AND A LISTING OF  
13 SOME OF THE OPTIONS THAT WOULD BE AVAILABLE.

14 I DON'T KNOW IF WE HAVE SOUND IN HERE. DO WE  
15 HAVE SOUND IN HERE CHARLOTTE? NO. THERE IS A GREAT CASH  
16 REGISTER CLICKING SOUND WHEN YOU PULL THE DOLLAR BILLS UP --

17 MEMBER JONES: THAT'S PRETTY APPROPRIATE.

18 MS. TRGOVCICH: ALL RIGHT. WHAT WE'RE GOING TO DO  
19 BASICALLY AT THIS POINT IN TIME IS, WE'RE GOING TO SUMMARIZE  
20 FOR YOU THE FUNDING.

21 CHAIRMAN EATON: MS. TRGOVCICH, WE WOULD ENTERTAIN  
22 A CONTRACT CONCEPT FOR SOUND IN THE NEXT FISCAL YEAR IF YOU  
23 THINK IT WOULD BE OF BENEFIT TO THE PUBLIC AND THE BOARD  
24 MEMBERS.

1 MS. TRGOVCICH: WOULD WE CO-FUND THAT FROM THE  
2 TIRE FUND, THE USED OIL FUND, AND THE IWMA?

3 CHAIRMAN EATON: WELL, I ALWAYS BELIEVED THAT IT  
4 SHOULD ORIGINATE FROM THOSE WHO SUGGESTED IT, SO IF YOU CAN  
5 SEE ANY OF THOSE FUNDS I'LL BE HAPPY. THANK YOU.

6 MS. TRGOVCICH: AH, THE RMDZ FUND.

7 THE FIRST ITEM THAT YOU HAVE UP THERE IS,  
8 WHAT WE DID IS WE TRIED TO PROVIDE YOU, OR WE ARE PROVIDING  
9 YOU WITH A SUMMARY OF THE TOTAL APPROPRIATION THAT WAS  
10 AVAILABLE FOR FISCAL YEAR 1998/99, AND YOU'LL SEE THAT IT  
11 WAS \$4,872,000.

12 THE NEXT LINE ITEM THAT COMES UP THERE SHOWS  
13 YOU THE NON-DISCRETIONARY EXPENSES THAT COME OUT OF THAT  
14 ACCOUNT. WE HAVE SALARY AND WAGES, AND OPERATING EXPENSES.

15 OPERATING EXPENSES, FOR EXAMPLE, INCLUDE PAYMENT TO THE  
16 BOARD OF EQUALIZATION TO ADMINISTER THE FEE, AND FOR FISCAL  
17 YEAR '98-99 I BELIEVE THAT WAS \$486,000. AND SO YOU'LL SEE  
18 WE HAVE 1.9 MILLION APPROXIMATELY.

19 AND THEN THE BALANCE THAT WAS AVAILABLE FOR  
20 BOARD ALLOCATION, THE DISCRETIONARY EXPENDITURES, WERE  
21 \$2,946,000.

22 THE BOARD ALLOCATION, JUST TO BRIEFLY  
23 SUMMARIZE BEFORE WE GO INTO THE SPECIFICS. THE BOARD  
24 ALLOCATION MADE AVAILABLE FOR ACTIVITIES THAT WERE

1 ADMINISTERED BY THE PERMITTING AND ENFORCEMENT DIVISION,  
2 \$1,550,000. AND FOR THE WASTE PREVENTION AND MARKET  
3 DEVELOPMENT DIVISION, \$1,396,000. AND THAT MET THE TOTAL  
4 THAT I SUMMARIZED FOR YOU ON THE PREVIOUS PAGE.

5 JULIE NAUMAN WILL SUMMARIZE THE ITEMS THAT  
6 THE BOARD APPROVED FOR THE PERMITTING AND ENFORCEMENT  
7 DIVISION.

8 MS. NAUMAN: GOOD AFTERNOON, MR. CHAIRMAN AND  
9 MEMBERS, JULIE NAUMAN, DEPUTY DIRECTOR OF PERMITTING AND  
10 ENFORCEMENT DIVISION.

11 WE'VE LISTED HERE FOR YOU THE ITEMS THAT WERE  
12 COVERED IN THE PERMITTING AND ENFORCEMENT DIVISION  
13 ALLOCATION THAT CAREN JUST REFERRED TO.

14 THE FIRST OF THOSE ITEMS IS THE STABILIZATION  
15 AND ABATEMENT CONTRACT. THIS IS, IN FACT, THE ITEM THAT YOU  
16 JUST TOOK ACTION ON EARLIER THIS AFTERNOON FOR THE \$625,000  
17 AUGMENTATION TO THE EXISTING CONTRACT.

18 THE NEXT ITEM IS THE ENVIRONMENTAL SERVICES  
19 CONTRACT. I THINK YOU KNOW THIS PROBABLY MORE BY THE DANA  
20 HUMPHREY (PHON), AS THE DANA HUMPHREY CONTRACT. THAT WAS  
21 ALLOCATED AT \$100,000, AND THAT HAS BEEN ENTIRELY  
22 ENCUMBERED.

23 THE NEXT ITEM IS THE LOCAL GOVERNMENT CLEANUP  
24 GRANTS --

1 CHAIRMAN EATON: WE'RE NOT SUPPOSED TO BE  
2 SURPRISED BY THAT, ARE WE?

3 MS. NAUMAN: NO.

4 CHAIRMAN EATON: I DIDN'T THINK SO.

5 MS. NAUMAN: NO, YOU SHOULDN'T BE.

6 THE NEXT ITEM IS ONE THAT YOU JUST ACTED ON  
7 THIS AFTERNOON, AS WELL, THE LOCAL GOVERNMENT CLEANUP  
8 GRANTS, ALLOCATED AT \$150,000, AND YOU JUST TOOK ACTION ON  
9 THE FOUR APPLICATIONS FOR THAT, WHICH LEAVES US WITH A  
10 BALANCE OF \$98,000.

11 AND THE WASTE TIRE ENFORCEMENT GRANTS, THIS  
12 IS A PROGRAM WHERE YOU ALLOCATED \$500,000, AND WE WILL  
13 EXPECT TO ENCUMBER APPROXIMATELY \$358,000.

14 THE FINAL ITEM WAS FOR THE OFFICE OF  
15 EMERGENCY SERVICES AND THE CALIFORNIA DEPARTMENT OF  
16 FORESTRY. THIS WAS A \$175,000 ALLOCATION. WE SOMETIMES  
17 REFER TO THIS AS THE FIRE TRUCK ITEM. IT INCLUDED FUNDS FOR  
18 SOME FIRE ANALYSIS, DEVELOPMENT OF PROTOCOL, AND PURCHASE OF  
19 A VEHICLE FOR FIGHTING TIRE FIRES.

20 WITH THAT, I'LL TURN IT BACK TO CAREN.

21 MS. TRGOVCICH: THE ITEMS THAT WERE DIRECTED TO BE  
22 ADMINISTERED BY THE WASTE PREVENTION AND MARKET DEVELOPMENT  
23 DIVISION INCLUDED THE TIRE PRODUCTS PROMOTION AND PROCESSING  
24 GRANTS, AND YOU JUST TOOK AN ACTION TO FULLY ALLOCATE THAT

1 \$320,000 THERE.

2 THE LOCAL GOVERNMENT AMNESTY PUBLIC EDUCATION  
3 GRANTS, THAT PROGRAM WAS ENACTED BY THE BOARD DURING ITS  
4 ALLOCATION LAST YEAR. AND THOSE GRANTS WERE FULLY EXPENDED.

5 THE SEPTIC TANK LEACH FIELD CONTRACT, WHICH  
6 WAS APPROVED BY THE BOARD AT ITS APRIL ALLOCATION ITEM LAST  
7 YEAR. AND THAT WAS CONSUMMATED BY AN INTERAGENCY AGREEMENT  
8 WITH BOTH THE DEPARTMENT OF TOXIC SUBSTANCES, AS WELL AS  
9 CALTRANS, WITH RESPECT TO THE REST AREAS THAT THE LEACH  
10 FIELD WOULD BE GOING INTO, AND SOME CONTRACT WORK WHICH IS  
11 CURRENTLY UNDER BID RIGHT NOW.

12 THE PLAYGROUND COVER GRANTS, I BELIEVE THIS  
13 WAS OUR THIRD YEAR RUNNING, AND THOSE GRANTS WERE FULLY  
14 ACCOUNTED FOR IN THE GRANT CYCLE THIS YEAR.

15 MARKET OUTREACH, WHICH WERE MONIES THAT ARE  
16 MADE AVAILABLE FOR PUBLICATIONS AND OTHER OUTREACH EFFORTS,  
17 INCLUDING CONFERENCES PERTAINING TO TIRE MARKET DEVELOPMENT.

18 AND THE BOARD ALSO APPROVED \$15,000 TO GO INTO THE CALMAX  
19 CATALOG FOR A SPECIAL EDITION.

20 AND THEN THERE WAS THE GREEN BUILDING PRODUCT  
21 PROCUREMENT LINE ITEM FROM WHICH, AS YOU WILL REMEMBER,  
22 SHORTLY -- A WHILE AGO NATE DESCRIBED THAT A PORTION OF THE  
23 TIRE PRODUCTS PROCESSING AND PROMOTION GRANTS WAS REDIRECTED  
24 INTO THIS LINE ITEM. THIS WAS INTENDED TO BE A PROGRAM THAT

1 WOULD BE DIRECTED AT LOCAL GOVERNMENTS. THERE WAS  
2 SIGNIFICANT DEVELOPMENT ON THIS, BUT NOT ENOUGH TIME TO  
3 IMPLEMENT IT THIS FISCAL YEAR. WE INTEND TO BRING IT BACK  
4 NEXT FISCAL YEAR.

5 SO WITH THAT SAID, WE CAN MOVE TO WHAT THE  
6 FUNDS THAT WOULD THEN BE AVAILABLE NOW FOR REALLOCATION ARE.

7 MS. NAUMAN: OKAY. STARTING WITH THE P&E ITEMS.

8 AGAIN, THE LOCAL GOVERNMENT CLEANUP MATCHING  
9 GRANT PROGRAM -- WE SEEM TO BE MISSING A SLIDE. NO SOUND,  
10 NO SLIDE.

11 CHAIRMAN EATON: THERE'S NO SOUND.

12 MS. NAUMAN: THERE'S NO SLIDE.

13 CHAIRMAN EATON: OH, NO SLIDE EITHER.

14 MS. NAUMAN: WE'RE IN A WORLD OF HURT. OKAY. BUT  
15 WE HAVE A SCRIPT ANYWAY, SO WE CAN CONTINUE.

16 THE LOCAL GOVERNMENT CLEANUP GRANTS. AGAIN,  
17 WITH YOUR ACTION THIS AFTERNOON, WE HAVE A BALANCE IN THAT  
18 ITEM OF \$98,000. WE HAD GIVEN A RANGE, DEPENDING ON WHAT  
19 YOUR ACTION WAS WITH THE CITY OF HESPERIA'S APPLICATION.  
20 SO, WE HAVE 98,000 IN THAT ITEM.

21 THE WASTE TIRE ENFORCEMENT GRANTS --  
22 REMEMBER, AGAIN, THE ALLOCATION WAS 500,000, WE HAVE  
23 RECEIVED NINE APPLICATIONS TOTALING \$358,000, WHICH LEAVES  
24 US A BALANCE OF APPROXIMATELY 143,500.

1 AND THEN THE OFFICE OF EMERGENCY  
2 SERVICES/DEPARTMENT OF FORESTRY INTERAGENCY AGREEMENT ITEM  
3 OF 175,000, ADDRESSING TIRE FIRES.

4 SO THE TOTAL AVAILABLE FOR REALLOCATION FROM  
5 THE PERMITTING AND ENFORCEMENT DIVISION ITEMS IS \$416,500.

6 CHAIRMAN EATON: THANK YOU.

7 MS. TRGOVCICH: FOR WASTE PREVENTION AND MARKET  
8 DEVELOPMENT.

9 UNDER THE SEPTIC TANK LEACH FIELD LINE ITEM  
10 THERE WAS APPROXIMATELY \$80,000 THAT WAS UNENCUMBERED. WE  
11 WERE ABLE TO COME IN UNDER THE ORIGINAL 250,000.

12 AND THEN THE GREEN BUILDING PRODUCT  
13 PROCUREMENT LINE ITEM, AT 311,000.

14 THAT LEAVES A TOTAL WITHIN WASTE PREVENTION  
15 AND MARKET DEVELOPMENT ACTIVITIES OF 391,000 AVAILABLE FOR  
16 REALLOCATION.

17 AND WHEN YOU TOTAL THE TWO, THAT BRINGS THE  
18 TOTAL AMOUNT AVAILABLE FOR REALLOCATION TO \$807,500.

19 WE'LL BRIEFLY GO OVER FOR YOU NOW THE OPTIONS  
20 THAT THE BOARD HAS IN FRONT OF IT AVAILABLE TO PLACE  
21 REALLOCATED MONIES INTO. THESE OPTIONS ARE BY NO MEANS ALL-  
22 INCLUSIVE. WHAT WE TRIED TO DO IS IDENTIFIED THOSE  
23 APPROACHES THAT COULD BE IMPLEMENTED BY THE END OF THE  
24 FISCAL YEAR.

1 THE FIRST ONE THAT WE'RE PUTTING UP HERE IS  
2 REALLY NOT AN OPTION. THIS IS MORE A -- WHAT I WOULD  
3 CONSIDER A NON-DISCRETIONARY ACTIVITY. THERE WERE POSITIONS  
4 THAT WERE ADMINISTRATIVELY ESTABLISHED MID-YEAR THIS FISCAL  
5 YEAR. THE AMOUNT TO FUND THESE POSITIONS TO CARRY US  
6 THROUGH THE END OF THE FISCAL YEAR IS \$65,000.

7 MOVING INTO THE DISCRETIONARY OPTIONS. THERE  
8 IS AN OPPORTUNITY FOR THE BOARD, IF IT SO CHOOSES, TO  
9 PROVIDE ADDITIONAL FUNDING TO THE RUBBERIZED ASPHALT  
10 CONCRETE TECHNOLOGY CENTER THAT'S RUN BY LOS ANGELES. YOU  
11 HEARD SOME REFERENCES TO IT THIS MORNING IN THE CALTRANS  
12 PRESENTATION. THIS CENTER HAS IDENTIFIED ACTIVITIES THAT  
13 COULD BRING IT UP TO A \$350,000 AMOUNT THAT WOULD BE  
14 AVAILABLE TO BE ABSORBED INTO THAT STANDARD AGREEMENT.

15 THESE ACTIVITIES AS THE CENTER PROPOSED IT  
16 WOULD INCLUDE SOME START-UP FUNDING FOR A NORTHERN  
17 CALIFORNIA CENTER. IT WOULD INCLUDE SOME ADDITIONAL STAFF  
18 SUPPORT, OPERATION SUPPORT WORK WITHIN THE L.A. CENTER. AS  
19 WELL AS SOME ADDITIONAL MONEY THAT WOULD BE AVAILABLE FOR  
20 CERTAIN TESTING AND QA/QC PROCEDURES.

21 THE TIRE PRODUCTS PROMOTION AND PROCESSING  
22 GRANTS THAT YOU JUST APPROVED, THERE WAS ONE ADDITIONAL  
23 GRANT APPLICATION THAT ACHIEVED A PASSING SCORE BUT FELL  
24 BELOW THE AVAILABLE FUNDING LEVEL, SO THAT LINE ITEM COULD

1 RECEIVE AN ADDITIONAL \$80,000.

2           WHAT YOU SEE UP THERE AS THE NEXT LINE ITEM  
3 IS WHAT WE CALL MATHER FIELD RAC. AND WHAT THAT IS, IS AN  
4 OPPORTUNITY THAT THE BOARD HAS BEFORE IT TO DO SOME  
5 PARTNERING WORK WITH LEWIS HOMES (PHON) OR KAUFMAN & BROAD  
6 AND THE COUNTY OF SACRAMENTO OUT AT MATHER FIELD. THIS IS  
7 BASE CLOSURE WORK THAT IS GOING ON HERE, WE'RE ACTUALLY  
8 SEEING CONSTRUCTION OF 1200 NEW HOUSING UNITS OUT THERE.  
9 AND THIS WORK WOULD BE A 50% MATCH WITH LEWIS HOMES TO  
10 PROVIDE RESIDENTIAL STREET SURFACING WITH RUBBERIZED ASPHALT  
11 CONCRETE. THIS WOULD BE PROPOSED AS A STANDARD AGREEMENT  
12 WITH THE COUNTY OF SACRAMENTO.

13           THE NEXT ITEM IS THE LOCAL GOVERNMENT AMNESTY  
14 PUBLIC EDUCATION GRANTS. WHEN THE BOARD APPROVED THOSE  
15 GRANTS SEVERAL MONTHS AGO THERE WERE A TOTAL OF \$26,500  
16 WORTH OF GRANTS THAT ACHIEVED A PASSING SCORE, BUT FOR WHICH  
17 FUNDS WERE NOT AVAILABLE.

18           THE PLAYGROUND COVER GRANTS, THERE WAS A  
19 TOTAL OF \$233,900 WORTH OF APPLICATIONS THERE, AS WELL, THAT  
20 ACHIEVED A PASSING SCORE, BUT FOR WHICH FUNDS WERE NOT  
21 AVAILABLE.

22           I'D LIKE TO POINT OUT, WITH ALL OF THESE  
23 GRANT PROGRAMS, THE RESOLUTIONS THAT WERE ADOPTED BY THE  
24 BOARD APPROVED THE LISTS WHERE THE APPLICATIONS ACHIEVED THE

1 PASSING SCORE, BUT WHERE THE FUNDING WAS NOT AVAILABLE SO AS  
2 TO ALLOW THE BOARD IN THE REALLOCATION PROCESS THE  
3 OPPORTUNITY TO REDIRECT.

4 WE'VE ALSO INCLUDED AN ADDITIONAL  
5 OPPORTUNITY, IF THE BOARD SO WISHES TO PURSUE IT, WITH  
6 RESPECT TO THE CAPITOL (PHON) AREA EAST END PROJECT. THIS  
7 WOULD PURSUE THE WORK THAT WE'VE BEEN DOING WITH THE  
8 DEPARTMENT OF GENERAL SERVICES, WHERE WE WOULD LOOK AT  
9 ASSISTING THEM TO PROCURE TIRE-RELATED PROJECT PRODUCTS FOR  
10 THAT PROJECT INTO THE FUTURE.

11 MS. NAUMAN: THE NEXT ITEM ON THE LIST IS THE  
12 CALIFORNIA HIGHWAY PATROL INTERAGENCY AGREEMENT. THIS IS A  
13 THREE-YEAR OLD INTERAGENCY AGREEMENT THAT WAS FUNDED AT  
14 200,000. TO DATE WE HAVE BEEN INVOLVED IN THREE DIFFERENT  
15 TYPES OF ACTIVITIES.

16 THE FIRST OF THOSE WAS THE PRODUCTION OF A  
17 TRAINING VIDEO FOR LOCAL LAW ENFORCEMENT AGENCIES AT A COST  
18 OF \$60,000. THE SECOND WAS THE PRODUCTION AND MAILING OF A  
19 BROCHURE, THAT WE FONDLY REFER TO AS THE RADIAL RAT, FOR  
20 \$15,000. AND MOST RECENTLY, WE HAVE BEGUN THE DIRECT LAW  
21 ENFORCEMENT VEHICLE INSPECTION AT WEIGH (PHON) STATIONS AND  
22 ON PUBLIC ROADS, IN ESSENCE A STING OPERATION, \$25,000.

23 THERE HAS AN EXISTING BALANCE IN THE  
24 AGREEMENT OF \$97,000. WE HAVE EXTENDED THE AGREEMENT TO MAY

1 15TH OF THE YEAR 2000.

2 WHAT WE'RE SUGGESTING HERE IS THAT THE  
3 APPROXIMATE \$140,000 THAT WAS LEFT FROM THE ITEM THAT YOU  
4 ACTED ON EARLIER THIS AFTERNOON, THE WASTE TIRE ENFORCEMENT  
5 GRANTS, BE REALLOCATED TO THIS ENFORCEMENT EFFORT.

6 I MIGHT ALSO BRING TO YOUR ATTENTION THAT IN  
7 THE TIRE REPORT THAT YOU WERE REVIEWING THIS MORNING IN ITS  
8 DRAFT FORM, ALSO PROPOSES A \$200,000 ALLOCATION TO THE  
9 CALIFORNIA HIGHWAY PATROL TO CONTINUE THE TIRE HAULER  
10 ENFORCEMENT EFFORT THAT WE HAVE BEGUN UNDER THIS INTERAGENCY  
11 AGREEMENT. THAT FUNDING, HOWEVER, IS RECOMMENDED TO BEGIN  
12 IN THE FISCAL YEAR 2001-2.

13 MS. TRGOVCICH: THE TOTAL OPTIONS THAT WE'VE  
14 LISTED UP THERE --

15 MS. NAUMAN: I STILL HAVE ONE TO GO.

16 MS. TRGOVCICH: I'M SORRY.

17 MS. NAUMAN: AND FINALLY, YOU ALSO TOOK ACTION  
18 THIS AFTERNOON ON THE WASTE TIRE STABILIZATION CONTRACTS.  
19 WE'VE INCLUDED IN HERE AN AMOUNT THAT WOULD ALLOW THE BOARD  
20 TO TAKE ANY ADDITIONAL FUNDS THAT WERE NOT ALLOCATED TO SOME  
21 OTHER OPTION AND PLACE THEM IN THE CONTRACT. THAT WOULD  
22 THEN BRING THE CONTRACT UP TO ITS CURRENT AUTHORIZED AMOUNT  
23 OF 2.5 MILLION. IN PRIOR YEARS THE BOARD HAS USED THE  
24 CONTRACT AS A MECHANISM TO ALLOCATE OTHERWISE UNALLOCATED

1 TIRE FUNDS.

2 THAT, AGAIN, WOULD BRING IT UP TO ITS \$2.5  
3 MILLION AUTHORIZATION, AND THAT DOES NOT INCLUDE THE  
4 ADDITIONAL 30% THAT YOU MAY ALLOCATE ON TOP OF THAT.

5 MS. TRGOVCICH: SO, THAT BRINGS OUR TOTAL, IN  
6 TERMS OF THE OPTIONS THAT ARE LISTED UP ON THE BOARD, TO  
7 \$1,755,400. THIS IS CERTAINLY WELL OVER THE 800,000-PLUS  
8 THAT WE IDENTIFIED THAT WAS AVAILABLE FOR REALLOCATION.

9 I WOULD LIKE TO POINT OUT TO YOU THAT WE HAVE  
10 RECEIVED SEVERAL ADDITIONAL PROPOSALS THAT I'D JUST LIKE TO  
11 MENTION, THAT YOU MAY WISH TO CONSIDER, AS WELL, IN THE  
12 MEANTIME.

13 WE RECEIVED A SEPARATE PROPOSAL, AS DID I  
14 BELIEVE EACH OF THE MEMBERS, FROM THE COUNTY OF SACRAMENTO.

15 IT IS THE PARTNER PROPOSAL TO THE LOS ANGELES TECHNOLOGY  
16 CENTER. THIS PROPOSAL IDENTIFIES HOW FUNDS COULD BE  
17 REALLOCATED AND PROVIDED INTO THE L.A. AGREEMENT, AND THEN  
18 BE MADE AVAILABLE TO THE COUNTY OF SACRAMENTO TO BEGIN TO  
19 PILOT A NORTHERN CALIFORNIA TECHNOLOGY CENTER.

20 WE ALSO RECEIVED A LETTER FROM THE WEST  
21 SONOMA COUNTY UNION HIGH SCHOOL DISTRICT, WHICH I BELIEVE  
22 THE MEMBERS RECEIVED AS WELL, PERTAINING TO ACTIVITIES AT  
23 THE PUBLIC SCHOOL THERE. I WOULD LIKE TO POINT OUT THAT  
24 THIS IS PROBABLY ONE OF ABOUT 20 REQUESTS THAT WE'VE HAD FOR

1 ADDITIONAL FUNDING THAT WOULD HAVE BEEN MADE AVAILABLE UNDER  
2 THE PLAYGROUND GRANT ITEM. THESE WERE REQUESTS THAT WERE  
3 RECEIVED AFTER THE DEADLINE FOR SUBMITTAL OF APPLICATIONS.  
4 BUT, THIS ONE WAS PROVIDED AS A SEPARATE WRITTEN PROPOSAL.

5 AND THAT CONCLUDES THE STAFF PRESENTATION ON  
6 THE OPTIONS. WE WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

7 CHAIRMAN EATON: QUESTIONS OF STAFF? OKAY.

8 IN ADDITION, MEMBERS, I THINK -- I'VE GOT TWO  
9 NOTES HERE FROM THE PUBLIC WHO WOULD LIKE TO SPEAK. IN  
10 ADDITION, I THINK THERE'S ANOTHER PROPOSAL WE WORKED UP THAT  
11 WILL ADD SOME OF THESE THINGS AND PUT THEM ON THE BOARD.

12 BUT FIRST IF WE CAN HEAR FROM MR. NICHOLSON  
13 FROM THE L.A. COUNTY RUBBERIZED ASPHALT.

14 MR. NICHOLSON: GOOD AFTERNOON, MY NAME IS LYNN  
15 NICHOLSON, I'M THE PROGRAM DIRECTOR OF THE LOS ANGELES  
16 COUNTY RUBBERIZED ASPHALT TECHNOLOGY CENTER.

17 AND IF I COULD GET CAREN, MAYBE, OR SOMEBODY  
18 TO HELP ME? I HAVE A NEW INSPECTION GUIDE BOOK THAT WE HAVE  
19 PREPARED AND I WOULD LIKE TO GIVE THE BOARD MEMBERS COPIES  
20 OF IT. I'VE GOT PLENTY OF COPIES FOR EVERY INSPECTOR IN THE  
21 STATE OF CALIFORNIA. AND WE WILL BE DOING TRAINING SESSIONS  
22 THROUGHOUT THE NEXT YEAR, AND AS LONG AS WE'RE IN OPERATION  
23 AS A TECHNOLOGY CENTER.

24 INCLUDED IN THAT IS A SUMMARY OF THE

1 EFFECTIVENESS, I THINK, OF THE TECHNICAL -- L.A. TECH  
2 CENTER.

3 I DO SUPPORT THE IDEA OF WORKING WITH  
4 SACRAMENTO COUNTY ON A NORTHERN CALIFORNIA BRANCH OF THE  
5 TECH CENTER. I THINK THAT BY HAVING A PERSON THAT'S WELL-  
6 KNOWN UP IN THIS AREA DO THE OUTREACH PROGRAMS AND THE  
7 VARIOUS THINGS THAT THEY CAN DO TO HELP PROMOTE THE USE OF  
8 RUBBERIZED ASPHALT, I THINK WILL BE VERY COST-EFFECTIVE.

9 AND THAT'S THE END OF MY PRESENTATION.

10 CHAIRMAN EATON: THANK YOU.

11 MR. DE ROCCO FROM GLENN COUNTY, I BELIEVE.

12 MR. DE ROCCO: THANK YOU. MY NAME IS GERRY DE  
13 ROCCO, I REPRESENT GLENN COUNTY WASTE MANAGEMENT REGIONAL  
14 AGENCY, AND ALSO THE BUTTE COUNTY/GLENN COUNTY COMMUNITY  
15 COLLEGE DISTRICT WHICH IS ALSO A REGIONAL AGENCY.

16 AT ITS MEETING ON APRIL 29TH, '98, THIS BOARD  
17 ALLOCATED 300,000 FOR THE 1998-99 PLAYGROUND AND SURFACING  
18 GRANT PROGRAM. AT YOUR MEETING LAST MONTH, ON MARCH 24TH,  
19 THIS BOARD AWARDED THAT 300,000 GRANT FOR THIS PROGRAM.

20 TWELVE QUALIFIED APPLICANTS RECEIVED FULL  
21 FUNDING, AND TWO RECEIVED PARTIAL FUNDING, LEAVING 10  
22 QUALIFYING APPLICANTS UNFUNDED.

23 GLENN COUNTY IS ONE OF THOSE QUALIFYING BUT  
24 UNFUNDED APPLICANTS. GLENN COUNTY IS THE LEAD AGENCY IN THE

1 GRANT APPLICATION TO RESURFACE THE RUNNING TRACK AT THE  
2 COMMUNITY COLLEGE. THIS COLLEGE SERVES 250,000 RESIDENTS,  
3 ABOUT 15,000 FULL-TIME STUDENTS, AND IS FED BY 58 JUNIOR AND  
4 SENIOR HIGH SCHOOLS WHICH WILL ALL BENEFIT FROM HAVING A  
5 REGIONAL ALL-WEATHER TRACK AVAILABLE FOR THEIR USE FREE OF  
6 CHARGE.

7 WE WERE FORTUNATE TO HAVE BEEN AWARDED AN  
8 AMNESTY DAY GRANT LAST MONTH, AND OUR RESIDENTS ARE EAGERLY  
9 LOOKING FORWARD TO THAT PROGRAM.

10 AS AN EXAMPLE, THIS PAST SATURDAY, APRIL  
11 24TH, TO CELEBRATE EARTH DAY GLENN COUNTY HAD ITS FIRST EVER  
12 COUNTYWIDE CLEANUP AND FREE DUMP DAY. DURING A NORMAL MONTH  
13 THE COUNTY RECEIVES ABOUT 30 APPLIANCES, OR ABOUT 360 A  
14 YEAR. ON SATURDAY WE RECEIVED 682 APPLIANCES, OVER A TWO-  
15 YEAR SUPPLY. AND 19 40-YARD ROLL-OUT BINS FULL OF RUBBISH,  
16 COUCHES AND MATTRESSES.

17 ALTHOUGH WE ALSO RECEIVED 630 USED TIRES,  
18 MOST OF THE PEOPLE THAT I TALKED TO SAID THEY'RE HOLDING  
19 THEIRS FOR OUR AMNESTY DAY GRANT LATER IN THE YEAR, IN WHICH  
20 WE EXPECT TO COLLECT 30,000 FOR THE GRANT THAT YOU GAVE US,  
21 WHICH WE CERTAINLY APPRECIATE.

22 THESE SMALL-DOLLAR TIRE GRANT PROGRAMS  
23 PRESENT A FANTASTIC OPPORTUNITY FOR THIS BOARD AND LOCAL  
24 JURISDICTIONS TO SHOW THE PUBLIC THAT WE ARE SERIOUS ABOUT

1 RESOLVING USED TIRE PILES, AND THAT WE'RE ALSO EQUALLY  
2 SERIOUS ABOUT SEEKING AND PROMOTING THE USE OF PRODUCTS  
3 MANUFACTURED FROM USED TIRES.

4 FOR THE 25,000 REQUESTED IN OUR GRANT  
5 APPLICATION YOU COULD NOT EVEN BEGIN TO OTHERWISE BUY THE  
6 GOODWILL AND PUBLICITY THAT WILL BE GENERATED BY RESURFACING  
7 THIS RUNNING TRACK THAT WILL SERVE SO MANY STUDENT ATHLETES  
8 IN THE NORTHERN SACRAMENTO VALLEY.

9 I THANK YOU FOR YOUR TIME AND ATTENTION.

10 CHAIRMAN EATON: THANK YOU.

11 ANY QUESTIONS FOR MR. DE ROCCO? NO.

12 AT THIS TIME I THINK THAT STAFF HAS LAID OUT  
13 BOTH THE FISCAL CONDITIONS OF THE FUNDS, AS WELL A PROPOSAL  
14 IN THE AVAILABLE FUNDS. IN ADDITION, I'D LIKE TO ASK THE  
15 BOARD MEMBERS TO LOOK AT THE FOLLOWING PROPOSAL WHICH KIND  
16 OF IS A HYBRID OF WHAT STAFF HAS. INCLUDES, I WOULD SAY,  
17 APPROXIMATELY SEVEN OF THEIR RECOMMENDATIONS AND  
18 SUBSTITUTING A COUPLE OF DIFFERENT ONES, OF WHICH THERE IS  
19 SOME IMMEDIATE NEED AS WELL. AND ONE BEING THE LETTER  
20 RECEIVED.

21 I THINK IT SHOULD ALSO BE NOTED THAT AT THIS  
22 POINT, WITH REGARD TO BOTH THE NORTHERN CALIFORNIA -- AT  
23 LEAST THIS IS MY OWN PERSONAL VIEW, AND I DON'T MEAN TO  
24 SPEAK TO ANY -- FOR ANY OF MY OTHER COLLEAGUES -- BUT, BOTH

1 THE NORTHERN CALIFORNIA RAC CENTER, AS WELL AS ADDITIONAL  
2 SUPPORT IN SOUTHERN CALIFORNIA I BELIEVE ARE THINGS THAT ARE  
3 ON THE HORIZON.

4 IF I'M NOT MISTAKEN, MR. NICHOLSON, YOU STILL  
5 HAVE OVER A MILLION DOLLARS OF WHICH TO EXPEND OUT OF YOUR  
6 FUNDS THAT WE GAVE YOU. AND -- HUH? OH, ABOUT 500,000?  
7 THAT'S FINE. BUT I'M JUST SAYING THAT -- AND I KNOW THAT  
8 THEY ARE MONEY WELL SPENT, WE'RE TRYING TO GO -- AND, SO IF  
9 TODAY'S ACTION -- BY NOT PUTTING IT ON THERE, IS NOT AN  
10 INDICATION OF ANY KIND OF DISSATISFACTION OR ANYTHING LIKE  
11 THAT.

12 IN FACT, ONE OF THE THINGS I THINK WITH  
13 NORTHERN CALIFORNIA, FROM MY PERSONAL PERSPECTIVE, IS THAT  
14 WHEN YOU CAME TO THE BOARD WITH YOUR PROPOSAL IT WAS QUITE  
15 EXTENSIVE IN TERMS OF THE KINDS OF THINGS THAT WERE  
16 NECESSARY, THAT YOU FELT NEEDED TO BE -- HAVE.

17 I THINK WITH THE NORTHERN CALIFORNIA RAC,  
18 THEY HAVE NOT YET REACHED THAT POINT YET, AND I WOULD HOPE  
19 IN YOUR COMMUNICATION IF YOU COULD SHOW THEM SOME OF THE  
20 WORK THAT YOU'VE DONE -- THAT WAS VERY HELPFUL IN TERMS OF  
21 MY EXPLANATION WHEN YOU CAME TO ME FOR THOSE ADDITIONAL  
22 DOLLARS -- THAT WERE HELPFUL THAT LAID OUT A COMPREHENSIVE  
23 PROGRAM IN THAT. AND I KNOW THEY'RE ABOUT TO DO THAT --

24 I'M SORRY, MS. TRGOVCICH?

1 MS. TRGOVCICH: I WOULD JUST LIKE TO POINT OUT,  
2 THERE WAS A LETTER THAT WE RECEIVED FROM THE COUNTY OF  
3 SACRAMENTO, AND I BELIEVE IN THAT THEY LAID OUT A  
4 PRELIMINARY STEP THAT THEY WOULD LIKE TO SEE THE BOARD  
5 CONSIDER --

6 CHAIRMAN EATON: RIGHT.

7 MS. TRGOVCICH: -- WITH RESPECT TO A SPECIFICATION  
8 PACKAGE, RELATING TO A BLENDER UNIT THAT THEY SAW AS BEING A  
9 PRECURSOR.

10 CHAIRMAN EATON: RIGHT. RIGHT, I KNOW THERE'S A  
11 NUMBER OF THINGS. AND I THINK IF YOU LOOK AT IT, AT LEAST  
12 FROM MY PERSPECTIVE, BOTH THE RAC CENTER AND THE EQUIPMENT,  
13 YOU KNOW, I'M VERY SUPPORTIVE OF. AND I LIKE THE WHOLE IDEA  
14 OF THE REGIONAL APPROACH THAT THEY'RE GOING TO TRY, THE BUY-  
15 DOWN OF THE LOCAL GOVERNMENT PREMIUM AS IT RELATES TO  
16 RUBBERIZED ASPHALT. AND I WANT TO -- I PERSONALLY WOULD  
17 LIKE TO FLESH THAT OUT.

18 SO, AT LEAST IN TERMS OF THE PROPOSAL THAT'S  
19 BEFORE YOU, THAT'S KIND OF WHERE I'M LOOKING AT PUTTING SOME  
20 ADDITIONAL DOLLARS IN.

21 IT'S OPEN FOR ANY COMMENTS THAT THE MEMBERS  
22 WOULD HAVE.

23 MEMBER JONES: MR. CHAIRMAN.

24 CHAIRMAN EATON: MR. JONES.

1           MEMBER JONES:  ON THE -- I THINK WE NEED TO HAVE  
2 THE WORK IN NORTHERN CALIFORNIA AS WELL.  BUT I THINK WE'RE  
3 A LITTLE BIT -- WE'RE NOT IN A POSITION, I DON'T THINK, OF  
4 AGREEMENT, OR EVEN DISCUSSION WHERE WE REALLY KNOW HOW TO  
5 TAKE THIS THING FORWARD.  I DON'T THINK THERE'S ANY DOUBT  
6 THAT WE CAN DO SOMETHING.

7           I KNOW THE FIRST PROPOSAL THAT WE WERE GIVEN  
8 REALLY LOOKED FOR A SUBSIDY PER MILE, PER LAND MILE TO HELP  
9 OUT THIS AREA OF NORTHERN CALIFORNIA.  AND I HAD A PROBLEM  
10 WITH THAT BECAUSE THIS IS NOT CONTINUOUS FUNDING, THIS IS  
11 ALLOCATED EVERY YEAR DEPENDING ON WHO THE SIX ARE, OR FOUR,  
12 OR HOWEVER MANY OF US HAPPEN TO BE SITTING HERE.

13           SO, IF YOU START DOWN THAT ROAD OF  
14 SUBSIDIZING PROGRAMS TO GET PEOPLE EXCITED ABOUT RUBBERIZED  
15 ASPHALT, AND THEN TWO YEARS INTO THE PROGRAM YOU DON'T HAVE  
16 THE MONEY TO SUBSIDIZE THAT PROGRAM FAILS, OR IT COULD FAIL.

17           I BROUGHT UP THE IDEA THAT WHAT WE PROBABLY  
18 NEEDED TO DO WAS LOOK AT WHAT THEY NEEDED AS FAR AS BIG-  
19 DOLLAR ASSETS AND FIGURE OUT A WAY THAT WE COULD EFFECTIVELY  
20 FUND SOMETHING LIKE THAT, SO THAT THE COST PER TON OF  
21 MATERIAL ACTUALLY WENT DOWN.  THAT'S THE BOTTOM LINE.  AND  
22 THAT'S NOT CONTINUOUS FUNDING, THAT'S A ONE-TIME PURCHASE,  
23 IF PEOPLE ARE IN AGREEMENT, WHERE WE MAKE IT AVAILABLE AND  
24 EVERYBODY IN THE REGION ENDS UP BENEFITTING BECAUSE OF A

1 LOWER COST PER TON, THEORETICALLY.

2 WE'RE NOT ANYWHERE CLOSET TO GETTING THERE,  
3 AND I DON'T THINK WE'D EVER GET THAT DONE BETWEEN NOW AND  
4 JUNE 30. BUT, AT TWO BUCKS A TIRE, THAT WE'RE RECOMMENDING,  
5 I DON'T THINK WE'RE GOING TO HAVE A PROBLEM. YOU KNOW? I  
6 MEAN, I -- WE'RE GOING TO BE OKAY THERE. YOU KNOW?

7 BUT I DO THINK IT'S IMPORTANT THAT NOBODY GET  
8 DISCOURAGED ABOUT NORTHERN CALIFORNIA, BECAUSE WE DEFINITELY  
9 HAVE TO DO SOMETHING. WE'VE JUST GOT TO TAKE THE RIGHT  
10 COURSE, IN MY MIND, AND THAT'S GOING TO TAKE US A LITTLE BIT  
11 OF TIME.

12 YOUR PROPOSAL, LEGAL, TIRE PROMOTION GRANT,  
13 AMNESTY DAY, PLAYGROUND MATS -- I REMEMBER SITTING IN SAN  
14 BERNARDINO ONE DAY.... THE SACRAMENTO/MATHER PROJECT, I  
15 DON'T HAVE ANY PROBLEM IF....

16 BUT, TRUTHFULLY, IF THIS SEBASTAPOL THING,  
17 WHICH IS A RUNNING TRACK, WHICH I DON'T HAVE ANY PROBLEM  
18 WITH IS IN, THEN I THINK WE OUGHT TO PUT THE GLENN COUNTY  
19 ONE IN FOR 25 GRAND. HE MADE THE TRIP. I MEAN, IT'S THE  
20 SAME THING. SO, YOU KNOW, I MEAN IT'S 25 GRAND, GIVES US  
21 ANOTHER AREA OF RUBBERIZED PAVEMENT, AND THEN DROP THE WASTE  
22 TIRE CLEANUP BY 25 GRAND.

23 MS. TRGOVCICH: I BELIEVE, AND I NEED TO CHECK  
24 VERY QUICKLY, BUT IF YOU WERE TO APPROVE -- AND IT'S ON LINE

**CALIFORNIA SHORTHAND REPORTING**

1 15 THERE, THE PLAYGROUND COVER AND SURFACING GRANTS, THE  
2 REALLOCATION THERE, THAT THAT WOULD COVER THE GLENN COUNTY.

3 MEMBER JONES: GLENN COUNTY? DOES IT?

4 MS. TRGOVCICH: YES, IT WILL.

5 MEMBER JONES: OH, OKAY. I MEAN, I JUST HATE  
6 SEEING ONE GET THROWN IN, AND SOMEBODY WHO MADE A WHOLE TRIP  
7 DOWN HERE, YOU KNOW, NOT GET IT. YOU KNOW?

8 I DO HAVE A QUESTION ABOUT THE EAST END  
9 PROJECT THOUGH. THE EAST END PROJECT THAT WAS WRITTEN IN  
10 THIS THING -- I MEAN, IS THERE SOME -- IT WOULD SEEM TO ME  
11 THAT THAT MAY BE AN AREA THAT'S PRETTY VISIBLE THAT WE COULD  
12 REALLY MOVE SOME PRODUCT IN.

13 WE JUST REALLOCATED 695 GRAND, OR -- HOW MUCH  
14 DID WE JUST PUT IN THE TIRE ABATEMENT CONTRACT?

15 MS. NAUMAN: SIX HUNDRED AND TWENTY-FIVE.

16 MEMBER JONES: SIX TWENTY-FIVE?

17 CHAIRMAN EATON: I THINK THE ONE THING WITH THE  
18 EAST END, YET, THEY'RE NOT READY FOR CONSTRUCTION. IN FACT,  
19 WE'RE STILL DEALING WITH THE RFP --

20 MEMBER JONES: OH, OKAY.

21 CHAIRMAN EATON: -- AND THE RFQ. AND I THINK  
22 PROBABLY MORE APPROPRIATE -- MY UNDERSTANDING IS WHAT WE CAN  
23 DO TO GET OUT THE DOOR, THAT CAN BE UTILIZED TO SOME DEGREE  
24 THIS YEAR, ALTHOUGH THE EAST END PROJECT, I THINK, NEXT YEAR

1 WILL TAKE A SUBSTANTIAL AMOUNT OF REVIEW AND PROBABLY  
2 ALLOCATION.

3 MEMBER JONES: ALL RIGHT, THAT'S FINE. I DIDN'T  
4 KNOW IT WAS A TIMING ISSUE.

5 CHAIRMAN EATON: NO, I MEAN, I BELIEVE, IF I'M NOT  
6 MISTAKEN, WE'RE JUST STILL SORT OF COMBATING THEM WITH --  
7 TRADING BID SPECS. AND MS. TRGOVCICH HAS BEEN SPENDING MANY  
8 AN EVENING LOOKING OVER AND BATTLING WITH DGS OVER BASICALLY  
9 WHAT NEEDS TO BE INCLUDED BEFORE IT GOES TO THE PUBLIC.

10 MEMBER JONES: NO PROBLEM.

11 CHAIRMAN EATON: I THINK SENATOR ROBERTI HAD A  
12 COMMENT AS WELL.

13 MEMBER ROBERTI: NO, I'M READY TO DO TWO THINGS  
14 (INAUDIBLE; OFF-MIKE).

15 CHAIRMAN EATON: OKAY.

16 MEMBER PENNINGTON: MR. CHAIRMAN?

17 CHAIRMAN EATON: MR. PENNINGTON.

18 MEMBER PENNINGTON: I'D LIKE TO ASK ABOUT THE 140  
19 TO THE HIGHWAY PATROL. WE'VE ALREADY ALLOCATED MONEY, BUT  
20 YOU SAID IT DOESN'T BECOME EFFECTIVE UNTIL 2001, 2002?

21 MS. NAUMAN: I MADE TWO COMMENTS, MR. PENNINGTON.  
22 ONE WAS THAT WE HAVE EXTENDED THE INTERAGENCY AGREEMENT TO  
23 MAY 15TH OF THE YEAR 2000.

24 THEN I WAS REFERRING TO A SECTION IN THE

**CALIFORNIA SHORTHAND REPORTING**

1 DRAFT TIRE REPORT THAT PROPOSES AS PART OF THE FUNDING PLAN  
2 A \$200,000 ALLOCATION TO CHP BEGINNING IN FISCAL YEAR 2001-  
3 2009. SO WE WERE LOOKING AT THE 140 AS CARRYING US THROUGH  
4 UNTIL -- I'M PRESUMING THAT THERE WOULD BE A \$200,000 IN  
5 2001-2.

6 MEMBER PENNINGTON: OKAY. MR. CHAIRMAN, I HAVE TO  
7 TELL YOU THAT I HAVE A VERY HARD TIME WITH THIS PLAYGROUND  
8 MAT THING. WE'RE ALLOCATING ALMOST \$600,000 TO THAT. IT'S  
9 SUBSIDIZING A PROGRAM THAT WE PAY -- WE PUT SUBSTANTIAL  
10 MONEY INTO UP-FRONT, SO WE END UP FINANCING THE MANUFACTURER  
11 AND THAT'S NOT VERY GOOD.

12 THESE OUGHT TO BE THINGS THAT ARE STANDING ON  
13 THEIR OWN. AND, YOU KNOW, WE JUST KEEP PUTTING MONEY IN  
14 THERE AND IT'S AN ENDLESS PIT THAT IS A BIG ONE. I MEAN,  
15 THAT'S THE BULK OF THIS FINANCING.

16 CHAIRMAN EATON: MR. PENNINGTON, I WOULD DISAGREE  
17 THAT WE BUY THEM. I THINK, YOU KNOW, IF YOU LOOK AT THE  
18 PREVIOUS PROGRAM THAT WE HAD WITH LOCAL GOVERNMENT WHERE  
19 WE'RE UNDER-SUBSCRIBED, HERE'S A PROGRAM WHERE WE'RE OVER-  
20 SUBSCRIBED, AND SO THE DEMAND IS OUT THERE. I THINK IT'S  
21 IMPORTANT THAT WE MEET DEMAND.

22 NOW, I DON'T -- I TRIED TO BE SOMEWHAT FAIR  
23 IN MY PRESENTATION BEFORE I PULLED OUT THE BIG HAMMER, BUT I  
24 THINK IT'S TIME RIGHT NOW AND -- THAT I HAVE HERE IN MY HAND

1 FROM -- A PROCLAMATION FROM THE GOVERNOR OF THE STATE OF  
2 CALIFORNIA DECLARING TODAY AS A NATIONAL PROGRAM FOR  
3 PLAYGROUND SAFETY. AND I -- AND I WAS REALLY GOING TO DO  
4 IT, AND THANK EVERYONE AFTERWARDS, AND BEING CONSISTENT WITH  
5 THE GOVERNOR ON THIS AND ISSUING THE PROCLAMATION HERE, AND  
6 COMMENDING US FOR IT.

7 SO, I WOULD JUST ASK YOUR COURTESY, AT LEAST  
8 IN THIS GO-AROUND, THAT IF YOU WOULD SHARE HIS SUPPORT FOR  
9 NATIONAL PROGRAM FOR PLAYGROUND SAFETY BY SUPPORTING THE  
10 PLAYGROUND MATS ONE MORE TIME, I THINK THE GOVERNOR, AS WELL  
11 AS MYSELF, WOULD GREATLY APPRECIATE IT.

12 MEMBER PENNINGTON: WELL, IN THAT SPIRIT I'D BE  
13 MORE THAN HAPPY TO SAY THAT I WOULD ALLOCATE 140 TO THE  
14 HIGHWAY PATROL, AND 143 TO COVER THOSE TWO CATEGORIES.

15 CHAIRMAN EATON: OF THE WASTE TIRE CLEANUP?

16 MEMBER PENNINGTON: NO, OF THE PLAYGROUND MATS AND  
17 THE -- YOU KNOW, THE WEST SONOMA --

18 CHAIRMAN EATON: WELL, I'D GO ALONG WITH YOU IF WE  
19 JUST TAKE IT OUT OF THE WASTE TIRE CLEANUP THAT'S JUST LEFT  
20 OVER.

21 BUT I THINK, YOU KNOW, I'M PRETTY CONVINCED  
22 THAT WHEN YOU HAVE A DEMAND AND OVER-SUBSCRIPTION WITH  
23 REGARD TO PLAYGROUND MATS, IF THE DEMAND'S THERE.... WE  
24 HAVE JUST GOT A PROGRAM NOW WHERE WE HAD AN ALLOCATION OF

1 ONLY FOUR GRANTS FOR LOCAL GOVERNMENT IN AN AREA, AT SOME  
2 POINT WE'VE GOT TO MEET THE DEMAND, AND THESE ARE ISSUES  
3 THAT ARE GOING TO BE PUT FORWARD.

4 SO, HOPEFULLY IF I CAN'T CONVINCING YOU THEN,  
5 YOU KNOW, PERHAPS THE NEW GOVERNOR WOULD BE PERSUASIVE.

6 MEMBER PENNINGTON: WELL, HE GOT 143 OUT OF ME.

7 MEMBER JONES: MR. CHAIRMAN?

8 CHAIRMAN EATON: MR. JONES.

9 MEMBER JONES: ON THE PLAYGROUND MATS, YOU SAID  
10 GLENN COUNTY WAS INCLUDED AS A RUBBER TRACK. IT SEEMED TO  
11 ME THAT WAS ONE THAT WE SAID THEY COULD BE RUNNING SURFACES,  
12 THEY COULD BE MATS, THEY COULD BE -- I THINK THAT'S PLACE OR  
13 --

14 MS. TRGOVCICH: PLACE OR TILES.

15 MEMBER JONES: OR TILES.

16 MS. NAUMAN: AND RUNNING TRACKS, YEAH.

17 MEMBER JONES: AND RUNNING TRACKS. SO THIS ISN'T  
18 JUST PLAYGROUND MATS. I MEAN, THIS IS RUNNING SURFACES AT  
19 COLLEGES, JUNIOR COLLEGES, HIGH SCHOOLS.

20 MS. NAUMAN: YEAH, AND GLENN COUNTY PASSED THE  
21 CRITERIA AND WAS ON OUR LIST "B," WHICH THE BOARD VOTED TO  
22 FUND AS MONIES CAME AVAILABLE.

23 MEMBER JONES: OKAY. MR. CHAIRMAN.

24 CHAIRMAN EATON: MR. JONES.

1 MEMBER JONES: HAS ANYBODY MADE A MOTION ON  
2 ANYTHING YET? I'M CONFUSED IN ALL THIS TALK.

3 CHAIRMAN EATON: NOT YET.

4 MEMBER JONES: I WANT TO MAKE A MOTION THAT WE  
5 ADOPT -- OR, THAT 65,000 FOR THE PERMITS, 80,000 FOR THE  
6 ENTIRE PROMOTION GRANT -- THAT'S THE SHINGLES, RIGHT?  
7 CAREN, IS THAT THE SHINGLES? OKAY -- 26,500 FOR THE AMNESTY  
8 DAY, 233,900 FOR RUNNING SURFACES, MATS, TILES, 50 FOR  
9 SEBASTAPOL, 200 FOR SAC/MATHER, AND 150,600 FOR THE WASTE  
10 TIRE CLEANUP.

11 MEMBER ROBERTI: SECOND.

12 CHAIRMAN EATON: OKAY. MR. JONES MOVES, AND MR.  
13 ROBERTI SECONDS, THAT THE PROPOSAL FOR THE FOLLOWING: LEGAL  
14 AND PERMITS IN THE AMOUNT OF 65,000, TIRE PROMOTION GRANTS,  
15 80,000, AMNESTY DAY GRANTS, 26,500, PLAYGROUND MATS,  
16 233,900, THE SEBASTAPOL SCHOOL PROJECT, 50,000, THE  
17 COUNTY/MATHER PROJECT, 200,000, AND THE WASTE TIRE CLEANUP  
18 IN THE AMOUNT OF 150,600 BE ADOPTED.

19 MADAM SECRETARY, WOULD YOU PLEASE CALL THE  
20 ROLL?

21 THE SECRETARY: BOARD MEMBERS JONES?

22 MEMBER JONES: AYE.

23 THE SECRETARY: PENNINGTON?

24 MEMBER PENNINGTON: NO.

1 THE SECRETARY: ROBERTI?

2 MEMBER ROBERTI: AYE.

3 THE SECRETARY: CHAIRMAN EATON?

4 CHAIRMAN EATON: AYE.

5 ALL RIGHT, MOTION FAILS.

6 NEXT ITEM, ITEM NUMBER --

7 MEMBER JONES: WELL, MR. CHAIRMAN, LET ME TAKE  
8 ANOTHER CUT AT THIS.

9 HOW MUCH DO YOU WANT FOR THE HIGHWAY PATROL,  
10 140?

11 MEMBER PENNINGTON: UM-HUM.

12 MEMBER JONES: OKAY.

13 MR. CHANDLER: MR. JONES?

14 MEMBER JONES: WAIT, HOLD ON. I WANT TO GO WITH  
15 ALL MY FOLLOWING, EXCEPT ADD 140 OF THE CHP AND CUT DOWN  
16 WASTE TIRE CLEANUP TO 10,600.

17 CHAIRMAN EATON: ALL RIGHT. WOULD SOMEONE LIKE ME  
18 TO --

19 MEMBER PENNINGTON: LET ME COMMENT ON MR. JONES' -  
20 -

21 CHAIRMAN EATON: SURE.

22 MEMBER PENNINGTON: YOU KNOW, I APPRECIATE YOUR  
23 EFFORT HERE. AND I COULD GO ALONG WITH THAT IF WE COULD  
24 TAKE THE CITY OF SEBASTAPOL OUT. THEY WERE GIVEN AN

1 OPPORTUNITY TO APPLY, JUST LIKE THE OTHERS THAT WERE IN  
2 THERE. AND SO THAT'D BE, WHAT 60,000, 60 TO THE TIRE  
3 CLEANUP.

4 MEMBER ROBERTI: MR. CHAIRMAN?

5 CHAIRMAN EATON: SENATOR ROBERTI.

6 MEMBER ROBERTI: ON THAT ITEM -- I WASN'T HERE,  
7 BUT I DO UNDERSTAND THAT THE FORMER MEMBER CHESSBRO (PHON)  
8 MADE A CONDITION OF HIS VOTE LAST YEAR WHEN THIS ITEM CAME  
9 UP, LOCAL GOVERNMENT ALLOCATION, AND FOR SOME REASON THAT  
10 WAS NEVER IMPLEMENTED. WITHOUT THAT VOTE THIS PROGRAM  
11 WOULDN'T BE BEFORE US. HENCE, THAT ITEM IS THE SINE QUA NON  
12 IN MY VOTE FOR THE WHOLE ITEM.

13 SO, IN DEFERENCE TO A FORMER MEMBER -- AND I  
14 MIGHT ADD, A MEMBER OF THE APPOINTING POWER THAT PUTS ME ON  
15 THIS BOARD.

16 MR. CHANDLER: MR. EATON?

17 CHAIRMAN EATON: WE HAVE A LOT OF GUNS OUT TODAY,  
18 DON'T WE. (LAUGHTER.)

19 MR. CHANDLER.

20 MR. CHANDLER: LET ME JUST MAKE AN OBSERVATION  
21 THAT MIGHT HELP IN THE DISCUSSION. AS YOU KNOW, MR.  
22 CHAIRMAN, WE HAVE A MAY REVISE PROPOSAL GOING FORWARD FOR --  
23 ESSENTIALLY A RESERVE OF FIVE MILLION THAT WILL BE AVAILABLE  
24 JULY 1ST, ON TOP OF OUR ESTIMATED FOUR AND A HALF MILLION

1 THAT WE'LL COLLECT, THE 25 CENTS.

2 PERHAPS THE HIGHWAY PATROL CONSIDERATION  
3 SHOULD BE RECOGNIZED AVAILABLE JULY 1ST FROM THE ALLOCATION  
4 FROM THE MAY REVISE. AND SO THAT WOULD NOT IMPACT THIS  
5 DISCUSSION, BUT STILL BE AVAILABLE COME THE UPCOMING FISCAL  
6 YEAR, AS AT LEAST ONE WAY TO ADDRESS THE HIGHWAY PATROL'S  
7 NEEDS, BUT NOT IMPACT OUR DISCUSSIONS PER THE PROPOSAL THAT  
8 YOU'VE PUT FORWARD. IT'S JUST AN OPTION TO CONSIDER IF  
9 YOU'RE LOOKING FOR A WAY TO ADDRESS....

10 BUT I DO -- I WOULD POINT OUT TO THE BOARD  
11 THAT THOSE MONIES WILL BE AVAILABLE JULY 1ST, IF IT'S -- IF  
12 IT MAKES THIS DISCUSSION ANY EASIER.

13 MEMBER PENNINGTON: WELL, IN LIGHT OF THIS BEING  
14 SCHOOL SAFETY DAY, ACCORDING TO OUR GOVERNOR, AND --

15 CHAIRMAN EATON: I'LL LET YOU READ IT.

16 MEMBER PENNINGTON: -- SINCE I SAVED (PHON) WITH  
17 MR. CHESSBRO, I'LL ACCEPT MR. JONES' MOTION.

18 CHAIRMAN EATON: LET ME RESTATE THE MOTION AND SEE  
19 IF THIS COMPORTS --

20 MEMBER JONES: HOW COME YOU ONLY MAKE ME RESTATE  
21 THEM WHEN THEY'RE HARD AND WE'RE MAKING THEM UP? I DON'T  
22 UNDERSTAND THIS.

23 CHAIRMAN EATON: MR. JONES, BECAUSE I MAY VERY  
24 WELL WALK OUT ONTO A PLAYGROUND AND FALL TODAY, I ASK YOU

1 TO, WOULD YOU KINDLY RESTATE THE MOTION? GO AHEAD.

2 MEMBER JONES: OKAY. SIXTY-FIVE GRAND FOR LEGAL  
3 AND PERMITS, 80 FOR PROMOTIONAL GRANTS, 26,500 FOR AMNESTY  
4 DAYS, 233,900 FOR SURFACES AND PLAYGROUND MATS, 50 FOR THE  
5 CITY OF SEBASTAPOL PROJECT, 200 FOR THE SAC/MATHER PROJECT,  
6 140,000 FOR THE CHP, \$10,600 TO THE WASTE TIRE CLEANUP.

7 MEMBER PENNINGTON: I'LL SECOND THE MOTION.

8 CHAIRMAN EATON: ALL RIGHTY, MR. JONES MOVES, MR.  
9 PENNINGTON SECONDS, THAT THE REALLOCATION PROPOSAL AS  
10 IDENTIFIED FOR 65,000 FOR LEGAL AND PERMITS, 80,000 FOR TIRE  
11 PROMOTION GRANTS, 26,500 FOR AMNESTY DAY GRANTS, 233,900 FOR  
12 PLAYGROUND MATS, 50,000 FOR THE SEBASTAPOL PROJECT, 200,000  
13 FOR THE SAC COUNTY/MATHER PROJECT, THE CALIFORNIA HIGHWAY  
14 PATROL IN THE AMOUNT OF 140,000, THE REMAINDER OF THE  
15 DOLLARS THAT ARE AVAILABLE, I BELIEVE 10,600, TO THE WASTE  
16 TIRE CLEANUP.

17 MADAM SECRETARY, PLEASE CALL THE ROLL.

18 THE SECRETARY: BOARD MEMBERS JONES?

19 MEMBER JONES: AYE.

20 THE SECRETARY: PENNINGTON?

21 MEMBER PENNINGTON: AYE.

22 THE SECRETARY: ROBERTI?

23 MEMBER ROBERTI: AYE.

24 THE SECRETARY: CHAIRMAN EATON?

1 CHAIRMAN EATON: AYE.

2 THANK YOU, MR. PENNINGTON, FOR YOUR  
3 COOPERATION.

4 MEMBER PENNINGTON: MR. CHAIRMAN, I WOULD ONLY  
5 LIKE TO SAY THAT I HOPE ON THE WAY HOME I DON'T GET A DAMN  
6 TICKET FROM THE CHP NOW.

7 CHAIRMAN EATON: I WILL BE HAPPY TO CALL SKIP  
8 HELMICK (PHON) AND -- SO THERE.

9 BUT WHILE WE'RE THERE, THANK YOU EVERYONE.  
10 WHILE WE'RE THERE -- AND WE'VE GOT ONE MORE -- IT IS TRUE,  
11 JUST SO IT WASN'T THERE, MR. PENNINGTON CAN VOUCH FOR IT,  
12 THAT THERE IS AN ACTUAL PROCLAMATION ISSUED TODAY REGARDING  
13 NATIONAL PROGRAM PLAYGROUND SAFETY ISSUED BY GRAY DAVIS.  
14 AND THANK YOU VERY MUCH.

15 AGENDA ITEM 34: CONSIDERATION OF AWARD OF THE FISCAL  
16 YEAR 1998/99 HOUSEHOLD HAZARDOUS WASTE GRANT

17 CHAIRMAN EATON: LAST AND FINAL ITEM FOR THE DAY,  
18 THE APRIL MEETING, ITEM NO. 34.

19 MS. WILLD-WAGNER: GOOD AFTERNOON CHAIRMAN EATON  
20 AND BOARD MEMBERS, A LONG AFTERNOON AFTER A LONG MEETING,  
21 THREE DAYS I GUESS. NOW WE'RE GETTING OUR POWER POINT  
22 PRESENTATION UP HERE.

23 ITEM 34 IS THE STAFF'S PRESENTATION OF THE  
24 FISCAL YEAR '98-99 HOUSEHOLD HAZARDOUS WASTE GRANT AWARDS.

1                   IN OCTOBER A NOTICE OF THE GRANT -- OH, I'M  
2 SORRY, SHIRLEY WILLD-WAGNER OF THE DIVERSION PLANNING AND  
3 LOCAL ASSISTANCE DIVISION, USED OIL AND HOUSEHOLD HAZARDOUS  
4 WASTE BRANCH.

5                   IN OCTOBER A NOTICE ABOUT THE GRANT  
6 OPPORTUNITY WAS ISSUED TO ABOUT 1300 PEOPLE, AND THE RESULTS  
7 OF THE NOTICE IS THAT 48 APPLICATIONS WERE RECEIVED  
8 TOTTALLING \$7.4 MILLION IN REQUESTED FUNDING. SEVENTEEN  
9 APPLICATIONS ARE BEING RECOMMENDED TODAY, TOTALING AND  
10 FUNDING \$2,985,431.

11                   LAST SEPTEMBER THE BOARD APPROVED THE REVIEW  
12 CRITERIA FOR THIS ITEM, FOR THE HOUSEHOLD HAZARDOUS WASTE  
13 GRANTS, AND I'LL BRIEFLY GO OVER THOSE CRITERIA.

14                   THE CRITERIA THAT'S APPROVED BY THE BOARD HAS  
15 A GREAT EMPHASIS ON NEED, A NEED THAT IS JUSTIFIED AND WELL  
16 DESCRIBED IN THE APPLICATION, MEASURABLE ON SPECIFIC  
17 OBJECTIVES, A SOUND METHODOLOGY THAT'S CLEARLY DESCRIBED  
18 WITH A REASONABLE TIME LIMIT, A SOLID EVALUATION PLAN, A  
19 BUDGET THAT'S DOCUMENTED, DESCRIBED, AND JUSTIFIED IN THE  
20 NARRATIVE, AND THAT THE PROJECT IS COMPLETE -- OR, THE  
21 APPLICATION IS COMPLETE, WITH ALL THE PIECES.

22                   ADDITIONALLY, THE BOARD DIRECTED STAFF TO  
23 FOCUS THIS YEAR ON CERTAIN PREFERENCE CRITERIA. THE  
24 PREFERENCE CRITERIA FOR THIS YEAR ARE TO ESTABLISH NEW

1 PROGRAMS FOR RURAL AREAS, UNDER-SERVED AREAS AND SMALL  
2 CITIES, ESTABLISH MULTI-JURISDICTIONAL OR REGIONAL PROGRAMS,  
3 EXPAND EXISTING PROGRAMS TO INCLUDE THE ADDITION OF EXTRA  
4 WASTE AND NEW COLLECTION OF NEW WASTE MATERIALS, AND  
5 PREFERENCE IS GIVEN TO THOSE WHO DID NOT RECEIVE A GRANT IN  
6 THE LAST THREE CYCLES, AND PERMANENT FACILITIES ARE  
7 EMPHASIZED ALSO. ALL OF THOSE WERE GIVEN PREFERENCE POINTS.

8 WE HAVE, BRIEFLY, A REAL BRIEF ANALYSIS OF  
9 THE APPLICATIONS THAT WERE RECEIVED. AND THIS FIRST SLIDE  
10 SHOWS THAT THE AMOUNT OF REQUESTS, AS FAR AS THE RURAL/URBAN  
11 BREAKDOWN IS REAL SIMILAR TO THOSE THAT ARE BEING  
12 RECOMMENDED FOR FUNDING.

13 AND THE NEXT SLIDE THEN SHOWS THAT THIS  
14 NORTH/SOUTH/CENTRAL SPLIT IS AGAIN ALSO VERY SIMILAR TO  
15 THOSE THAT WERE -- APPLIED IN THE FUNDING. AND IT'S A  
16 PRETTY EVEN SPLIT BETWEEN NORTHERN CALIFORNIA, CENTRAL AND  
17 SOUTHERN CALIFORNIA.

18 THE APPLICATION PROCESS THAT HAS BEEN  
19 APPROVED AND ESTABLISHED BY THE BOARD CONSISTS OF THREE-  
20 MEMBER REVIEW PANELS CONSISTING OF MEMBERS FROM THE USED OIL  
21 AND HOUSEHOLD HAZARDOUS WASTE BRANCH AND THE FINANCIAL  
22 ASSISTANCE BRANCH.

23 THERE WAS AN ORIENTATION MEETING HELD AMONGST  
24 ALL OF THE PANEL MEMBERS JUST TO DISCUSS THE INTERPRETATION

1 OF THE CRITERIA AND AN ACTUAL SCORING STRUCTURE.

2 THEN THE REVIEW PROCEEDS. THE APPLICATIONS,  
3 OF COURSE, ARE DISTRIBUTED. EACH PANEL -- EACH INDIVIDUAL  
4 GOES OUT AND SCORES THE GRANT, THE PANELS MEET TO REACH A  
5 CONSENSUS ON EACH SCORE, FOR EACH CRITERION.

6 AND THEN, FINALLY, THE CHAIR PEOPLE FROM EACH  
7 PANEL MEET TO MAKE SURE THAT THE CRITERIA IS APPLIED EVENLY  
8 BETWEEN THE DIFFERENT PANELS.

9 PER BOARD DIRECTION LAST DECEMBER, WE HAVE  
10 IMPLEMENTED FOR THE SECOND TIME A DOUBLE-BLIND REVIEW. SIX  
11 APPLICATIONS, WHICH IS 13% OF THE GRANTS, WERE CHOSEN AT  
12 RANDOM BY AN EXCEL RANDOM-NUMBER GENERATOR, TRULY RANDOM, TO  
13 BE REVIEWED BY TWO SEPARATE PANELS.

14 THE BOARD ITEM DIRECTS STAFF -- THE BOARD  
15 POLICY DIRECTS STAFF TO REVIEW THEM IF THERE'S MORE THAN A  
16 FIVE-POINT SPREAD BETWEEN THE TWO DIFFERENT PANELS. THEN  
17 THE PANEL MEMBERS AND THE PANEL CHAIRS GET TOGETHER, AND WE  
18 NEED TO DISCUSS THAT. THERE WAS ONE APPLICATION THAT THIS  
19 POINT SPREAD WAS SEVEN POINTS, AND THE PANEL MEMBERS AND THE  
20 PANEL CHAIRS GOT BACK TOGETHER, AND IT WAS DETERMINED THAT  
21 THE VARIANCE IN THE SCORING WAS A RESULT OF THE DIFFERENCE -  
22 - THE ACTUAL PURPOSE OF THE PROGRAM RATHER THAN THE  
23 INTERPRETATION OF THE CRITERIA.

24 SO, THE RESULT WAS THAT ALL PANELS HAD THE

## CALIFORNIA SHORTHAND REPORTING

1 SAME RECOMMENDATION TO FUND OR NOT FUND EACH OF THE PROJECTS  
2 THAT WERE DOUBLE-BLIND REVIEW.

3 ANOTHER -- ONE LAST PART OF THE APPLICATION  
4 PROCESS, THIS YEAR WE ADDED A SEPARATE COMPONENT IN WHICH WE  
5 INVOLVED THE OFFICE OF LOCAL ASSISTANCE, WHO'S BEEN LOOKING  
6 AT THE BIENNIAL REVIEWS AND THE HOUSEHOLD HAZARDOUS WASTE  
7 ELEMENTS. WE ASKED FOR THEIR INVOLVEMENT AFTER THE SCORES  
8 WERE RANKED, AND ALL THE STAFF THAT ARE ASSIGNED TO THE  
9 VARIOUS JURISDICTIONS LOOKED AT EACH PROJECT TO ENSURE THAT  
10 IT'S IN COMPLIANCE WITH THE BIENNIAL REVIEW, THAT THERE'S NO  
11 COMPLIANCE ISSUES, THAT IT'S CONSISTENT WITH THE ELEMENT,  
12 AND ANY WASTE MANAGEMENT OR FACILITY TYPE ISSUES THAT NEEDED  
13 TO BE ADDRESSED. AND THAT WAS A REAL WORTHWHILE PROCESS, I  
14 THINK HELPED WITH INFORMATION-SHARING BETWEEN THE TWO  
15 BRANCHES.

16 SO THE FINAL RANKING. THE SCORES, OF COURSE,  
17 WERE MERGED, THE APPLICATIONS ARE RANKED BY THE TOTAL  
18 SCORES. SOME PROJECTS WERE IDENTIFIED BY THE PANELS FOR  
19 PARTIAL FUNDING, EITHER THE PROGRAM COSTS WERE INELIGIBLES,  
20 THERE WERE SOME ERRORS IN CALCULATIONS, OR IT MIGHT HAVE  
21 BEEN DUPLICATIVE. ALSO, WITH THE LIMITED AMOUNT OF MONEY,  
22 WE TRIED TO STRETCH THE FUNDING AS FAR AS IT WOULD GO.

23 THEREFORE, WHAT YOU SEE IN FRONT OF YOU AS  
24 ATTACHMENT 2 LISTS BOTH AN "A" LIST, WHERE THE AVAILABLE

1 FUNDING STRETCHES DOWN TO THE 2.9 MILLION, AND THEN THERE IS  
2 ALSO AN ADDITIONAL "B" LIST.

3 SO, STAFF'S RECOMMENDING APPROVAL OF  
4 RESOLUTION NO. 99-177, TO AWARD \$2,985,431 TO 17 LOCAL  
5 GOVERNMENT JURISDICTIONS.

6 ARE THERE ANY QUESTIONS?

7 CHAIRMAN EATON: ANY QUESTIONS OF STAFF?

8 MEMBER JONES: MR. CHAIRMAN?

9 CHAIRMAN EATON: MR. JONES.

10 MEMBER JONES: JUST A COUPLE OF QUICK.... I HAD  
11 SOME COMMENTS FROM SOME FOLKS. I UNDERSTAND YOUR THREE-YEAR  
12 CYCLE, IF THEY DIDN'T GET ANY MONEY IN A COUPLE YEARS THAT  
13 WOULD RAISE THEM UP A LITTLE BIT.

14 BUT ONE LETTER FROM WASTE MANAGEMENT, ONE  
15 CITY OF SANTEE, AND EL CAJON THAT WERE WORKING TOGETHER ON A  
16 REGIONAL BASIS KIND OF WERE DISAPPOINTED.

17 ANOTHER ONE WAS MIKE MOHAJER, WHERE HE WAS --  
18 THEY PUT TOGETHER AN EDUCATIONAL PROGRAM, AND HE BROUGHT UP  
19 A POINT THAT I THINK IS WORTH REPEATING. THAT THEY'VE BUILT  
20 THE INFRASTRUCTURE, AND THEY HAVE THE, YOU KNOW, COLLECTION  
21 EVENTS. I THINK HE HAD 58 DIFFERENT EVENTS SCHEDULED OVER  
22 THE NEXT, I DON'T KNOW, EIGHT MONTHS, NINE MONTHS. WHAT HIS  
23 PROBLEM IS, IS TRYING TO EDUCATE THE RESIDENTS DOWN THERE AS  
24 TO THE HARM THAT COMES ALONG WITH NOT PROPERLY DISPOSING OF

1 THAT.

2 AND I THINK WHEN YOU LOOK AT A REGION THAT  
3 HOUSES 10 MILLION PEOPLE, A THIRD OF THE STATE, AND, YOU  
4 KNOW, THERE IS A PROGRAM TO TRY TO EDUCATE ONCE THE  
5 INFRASTRUCTURE'S BEEN BUILT, THAT, IN MY MIND, IS VALID.

6 I'M NOT QUESTIONING WHERE THEY SHOULD BE, I  
7 DON'T KNOW. I'M JUST TRYING TO GIVE A LITTLE DIRECTION FOR  
8 NEXT TIME AROUND. I MEAN, WE -- IT'S IMPORTANT TO BUILD IT,  
9 BUT IF YOU BUILD IT THEY WILL NOT COME UNLESS YOU TEACH THEM  
10 THAT THEY NEED TO COME.

11 SO I THINK MOHAJER'S GOT A POINT, WHERE HE'S  
12 GOT TO BOLSTER -- HE SPENDS, I DON'T KNOW, FIVE OR 10  
13 MILLION BUCKS OF HIS OWN MONEY DEALING WITH THIS STUFF, AND  
14 DEALING WITH 10 MILLION --

15 CHAIRMAN EATON: PERSONAL MONEY?

16 MEMBER JONES: WELL, COUNTY MONEY.

17 CHAIRMAN EATON: OH.

18 MEMBER JONES: BUT IT'S LIKE ANYBODY ELSE, YOU  
19 KNOW, WHEN THEY THINK IT'S -- WHEN THEY'RE THE ONES WRITING  
20 THE CHECK I GUESS THEY THINK IT'S THEIRS.

21 BUT I THINK WE NEED TO LOOK AT THAT. BECAUSE  
22 JUST BUILDING THE STRUCTURE DOESN'T GET THE JOB DONE --

23 MS. WILLD-WAGNER: THE PRIORITIES THAT WERE  
24 ESTABLISHED LAST YEAR DID SPECIFICALLY STATE THAT PUBLIC

1 EDUCATION HAD TO BE DIRECTLY TIED TO A PROGRAM -- A  
2 COLLECTION PROGRAM, AND THAT'S WHY THAT PARTICULAR  
3 AGREEMENT. SO, WE CAN CERTAINLY BUILD THAT INTO NEXT YEAR.

4 MEMBER JONES: JUST, YOU KNOW, SOMETHING TO THINK  
5 ABOUT, BECAUSE EVERY YEAR IT GETS BETTER. AND I DON'T HAVE  
6 A PROBLEM WITH IT, I'M JUST TRYING TO DELIVER A MESSAGE.

7 AND THEN ONE OTHER QUICK ONE, WHICH REALLY I  
8 DON'T HAVE TO ADDRESS IT TO YOU, I COULD ADDRESS IT TO KAY  
9 MARTIN (PHON), I THINK IT'S BEEN TAKEN CARE OF. THE CITY OF  
10 VENTURA HAD WRITTEN US A LETTER, BUT THEY SAY THEY HAVE AN  
11 AGREEMENT WITH THE COUNTY THAT THEY'RE GOING TO LOOK AT  
12 POTENTIALLY SOME SITES BECAUSE THE PROPOSED SITE IS RIGHT  
13 NEXT TO THE WATER TREATMENT SITE.

14 IS THAT -- ARE WE NODDING OUR HEADS YEAH,  
15 WE'RE GOING TO LOOK AT IT, OR NO, WE'RE NOT? YEAH, WE ARE?  
16 OKAY. THAT WAS ALL I WANTED TO KNOW.

17 CHAIRMAN EATON: ALL RIGHT. I HAVE JUST TWO  
18 SPEAKER SLIPS, AND I THINK THEY'RE SHORT. MR. STEVE DEVINE,  
19 WEST CONTRA COSTA. WELCOME.

20 MR. DEVINE: THANK YOU. MY NAME IS STEVE DEVINE  
21 AND I'M HERE ON BEHALF OF THE WEST CONTRA COSTA WASTE  
22 AUTHORITY TO SUPPORT YOUR STAFF'S HHW GRANT FUNDING  
23 RECOMMENDATIONS.

24 LAST YEAR AT THIS TIME THE WEST CONTRA COSTA

1 WASTE AUTHORITY PROPOSED AN HHW GRANT PROJECT THAT WAS NOT  
2 SELECTED FOR FUNDING. HOWEVER, SINCE THAT TIME WE'VE WORKED  
3 CLOSELY WITH YOUR GRANT STAFF TO IMPROVE OUR LOCAL PROJECT  
4 BY INCREASING LOCAL FUNDING, PREPAREDNESS AND PERMITTING,  
5 AND OTHER FEATURES.

6                   THANK YOU FOR YOUR TIME, AND WE LOOK FORWARD  
7 TO OPENING OUR PROPOSED PERMITTED (PHON) PERMANENT?)  
8 FACILITY WITH YOUR HELP LATER THIS FALL. THANK YOU.

9                   CHAIRMAN EATON: OUR FINAL SPEAKER ON THE LAST  
10 ITEM OF THE DAY IS MR. DE ROCO AGAIN, FROM GLENN COUNTY.  
11 I'VE GOT A COUPLE OF QUESTIONS OF MR. DE ROCO. MR. DE ROCO.

12                   MR. DE ROCO: THANK YOU. I'M THE I-5 FLIER.

13                   I RISE IN SUPPORT OF THIS RECOMMENDATION THAT  
14 YOU HAVE FROM THE STAFF. THIS ONE IS TRULY GOING TO BE A  
15 REGIONAL GRANT. WE'RE THE LEAD AGENCY FOR SEVEN REGIONAL  
16 COUNTIES, SMALL COUNTIES, AND IT'S GOING TO BE A REGIONAL  
17 COLLECTION OPERATION OF MANY SMALL ONE-DAY COLLECTION HHW  
18 EVENTS, AND ALSO THE OPERATION OF A REGIONAL COLLECTION  
19 FACILITY IN GLENN COUNTY.

20                   AND YOUR QUESTION, SIR?

21                   CHAIRMAN EATON: WELL, MR. DE ROCO, DUE TO YOUR  
22 INORDINATE AMOUNT OF SUCCESS HERE BEFORE THE BOARD --

23                   MR. DE ROCO: THANK YOU. IT'S CHRISTMAS IN APRIL.

24                   CHAIRMAN EATON: -- IN RECENT MONTHS, I WOULD

1 WONDER IF YOU WOULD SUPPORT THE BOARD'S MOTION TO MAKE GLENN  
2 COUNTY'S RECYCLING RATE ABOUT 75% AS STATE MANDATED UNDER AB  
3 939? (LAUGHTER.)

4                   SINCE IT'S APPARENT THAT -- AND BY THE WAY,  
5 WHAT IS YOUR RECYCLING RATE?

6                   MR. DE ROCO: I THINK WE'RE GOING TO HIT ABOUT 44%  
7 FOR '98.

8                   MEMBER JONES: THERE YOU GO. THERE YOU GO.

9                   CHAIRMAN EATON: THAT'S GREAT. ONE OTHER THING,  
10 WERE YOU HERE THIS MORNING FOR THE TIRES?

11                   MR. DE ROCO: YES.

12                   CHAIRMAN EATON: OKAY. WERE YOU ABLE TO GET  
13 ENOUGH TIRES FROM EVERYONE IN THE AUDIENCE FOR YOUR --

14                   MR. DE ROCO: NO, WE'RE ALWAYS LOOKING FOR TIRES,  
15 WE HAVE A LOT OF ENGINEERED PROJECTS FOR TIRES.

16                   CHAIRMAN EATON: THANK YOU VERY MUCH.

17                   MR. DE ROCO: THANK YOU.

18                   MEMBER JONES: MR. CHAIRMAN.

19                   CHAIRMAN EATON: MR. JONES.

20                   MEMBER JONES: I'D LIKE TO MOVE RESOLUTION --  
21 ADOPTION OF RESOLUTION NO. 1999-177.

22                   MEMBER ROBERTI: SECOND.

23                   CHAIRMAN EATON: MR. JONES MOVES, AND SENATOR  
24 ROBERTI SECONDS, THAT WE ADOPT RESOLUTION 199-177.

**CALIFORNIA SHORTHAND REPORTING**

1                   WITHOUT OBJECTION, WE'LL SUBSTITUTE THE  
2 PREVIOUS ROLL CALL. HEARING NO OBJECTION, SO SHALL BE  
3 ORDERED.

4 VIII. PUBLIC COMMENT

5                   CHAIRMAN EATON: LADIES AND GENTLEMEN, ARE THERE  
6 ANYONE WISHING TO ADDRESS THE BOARD DURING THE PUBLIC  
7 COMMENT PERIOD?

8                   MEMBER JONES: WHO HASN'T HAD A CHANCE IN THE LAST  
9 THREE DAYS?

10 IX. ADJOURNMENT

11                   CHAIRMAN EATON: HEARING AND SEEING NONE, THE  
12 BOARD HAS A QUICK MATTER ON A LITIGATION MATTER, AN UPDATE I  
13 BELIEVE. IS THAT RIGHT, MS. TOBIAS? THAT WILL TAKE TOO  
14 LONG, AT WHICH TIME WE WILL ADJOURN THE APRIL BOARD MEETING.

15                   I THANK ALL OF YOU FOR YOUR PATIENCE OVER THE  
16 LAST THREE DAYS, YOUR KINDNESS, YOUR COOPERATION, AND YOUR  
17 STAMINA. AND ALL OF YOU, NICHOLE, PATTY AND LISA. THANK  
18 YOU VERY, VERY MUCH. THIS MEETING STANDS ADJOURNED.

19                   SEE YOU MAY 6TH, SEE YOU NEXT WEEK.

20                   (WHEREUPON, THESE PROCEEDINGS WERE CONCLUDED.)

21                   - - - -