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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE AND MARKET DEVELOPMENT COMMITTEE

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SACRAMENTO, CALIFORNIA

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Sharon Green

Jan Howard

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Caroll Mortenson

Dana Papke

Sarah Weimer

Kristin Yee

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1 PROCEEDINGS

2 CHAIRPERSON JONES: Good morning. And welcome to
3 the November 6th, day after elections. My appointing
4 authority as well as Mr. Paparian's won.
5 Welcome to our Special Waste and Market
6 Development Committee.
7 Jeannine, could you call the roll.
8 SECRETARY BAKULICH: Cannella?
9 COMMITTEE MEMBER CANNELLA: Present.
10 SECRETARY BAKULICH. Paparian?
11 COMMITTEE MEMBER PAPARIAN: Here.
12 SECRETARY BAKULICH: Jones?
13 CHAIRPERSON JONES: Here.
14 And Mr. Eaton, we're not sure. He's got some
15 duties that he's taking care of. So we don't know if he's
16 going to be here or not. He called the other day and
17 said there may be some issues that are going to take him
18 away from this.
19 Any ex partes, members?
20 Mr. Cannella?
21 COMMITTEE MEMBER CANNELLA: Up to date.
22 CHAIRPERSON JONES: Mr. Paparian?
23 COMMITTEE MEMBER PAPARIAN: None.
24 CHAIRPERSON JONES: And I'm good.
25 All right. Do any members have anything they

1 would like to add? Otherwise we'll go to the Deputy
2 Director's report.
3 Okay.
4 All right. Shirley.
5 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Good
6 morning, Mr. Chair, Committee Members. Shirley
7 Willd-Wagner, Special Waste Division.
8 Deputy Director's report. Really the only item I
9 was going to report on is the used oil forum that will be
10 taking place December 5th and 6th in Pasadena. And we're
11 fortunate that Chair Jones has agreed to speak with the
12 group on Thursday, the 5th. This will be -- the audience
13 is local government jurisdictions who participate in our
14 Used Oil and Household Hazardous Waste Recycling Programs;
15 also private vendors and businesses that deal in used oil
16 and household hazardous waste.
17 We'll move on into the agenda for today.
18 CHAIRPERSON JONES: Shirley, I just need to make
19 one quick announcement.
20 Originally scheduled for today was a notice for
21 public hearing to consider proposed regs for the waiver of
22 permit term and conditions during temporary emergencies.
23 That used to be called the PEP Enforcement Policy. That
24 hearing has been rescheduled to November 12th. This was
25 part of the P&E stuff, and it was going to be today. But

1 we've changed our committee structure so that P&E and
2 Special Waste weren't so jammed, because we were doing
3 both in one day, that we've gone to single day events.
4 Everybody that had asked for notice received notice that
5 this thing had been moved. But in case anybody's in the
6 audience, I wanted to announce it.
7 And the same is true for the public workshop on
8 waste tire monofill facilities. That workshop was going
9 to be today. It's been moved to November 12th as well.
10 So anybody that was here for either of those --
11 and it doesn't look like anybody's screaming, so I guess
12 that's okay. Everybody got noticed.
13 Thanks. I just needed to do that to make sure
14 that they knew.
15 ACTING DEPUTY DIRECTOR WILLD-WAGNER: All right.
16 Moving then to the first item under Special Waste is Item
17 61, Committee Item B, consideration of the scope of work
18 for Phase 4 of the Boating Clean and Green Campaign. This
19 will be followed by the award of contract item. So Item
20 61 and 62 are related.
21 And Kristin Yee of our staff will present the
22 item.
23 MS. YEE: Good morning, Chairperson Jones and
24 Committee Members.
25 As Shirley said, I'm here to discuss two agenda

1 items, number 61 and 62. And what it is, I'm asking for
2 your consideration of the scope of work and the California
3 Coastal Commission as contractor for Phase 4 of the
4 Boating Clean and Green Campaign, Fiscal Year 2002-2003,
5 Used Oil Program Contract Concept 0-31.
6 The contractor, California Coastal Commission,
7 since 1997 has developed and implemented the Boating Clean
8 and Green Campaign with significant accomplishments in
9 boating education and support for the installation of
10 marina environmental services.
11 The scope of work would produce new boater kits
12 for distribution by Dockwalkers, provide Dockwalkers
13 training and outreach, continue production of their
14 monthly Changing Tides newsletter, update the California
15 Cleaning Boat Network, CCBN, and Earth's 911 website, and
16 support and collaborate with other clean boating education
17 programs and facilities and facilitate the CCBN Network.
18 Also they're going to develop a statewide mapping
19 of marina-based environmental services such as our used
20 oil and HHW collection sites for the boaters.
21 They're going to do a need assessment for oil
22 collection at the marinas based on the mapping
23 information, and they will also participate in
24 stakeholders' meetings and processes.
25 This contract is for a total of $198,000.

1 And before I present my recommendations and
2 options to the Committee, I'd like to mention that I have
3 a 15-minute PowerPoint presentation giving an overview of
4 the activities and of the accomplishments with the
5 campaign since its inception in 1997. This was a request
6 of the advisors at the advisors' meeting last week. If
7 the Committee is interested, I can give this presentation
8 or I can give you hard copies for your review at your
9 convenience.
10 And what is the pleasure of the Committee?
11 CHAIRPERSON JONES: What's the pleasure? You
12 want a hard copy or you want a 15-minute PowerPoint
13 presentation on what the Coastal -- on what this has done.
14 COMMITTEE MEMBER PAPARIAN: I think I'm okay with
15 the hard copy.
16 COMMITTEE MEMBER CANNELLA: That's fine.
17 CHAIRPERSON JONES: Yeah, I think a hard copy
18 works for us.
19 MS. YEE; Okay. So the first Agenda Item, number
20 61, is your consideration of the scope of work for Phase 4
21 of the Boating Clean and Green Campaign. And the
22 Committee's options are to either approve the scope of
23 work by adopting Resolution 202-638 or approve the
24 proposed scope of work with changes and adopt Resolution
25 202-638, or disapprove the proposed scope of work and

1 Resolution 202-638.

2 And the staff does recommend that the Board

3 approve Option 1 and adopt Resolution 202-638.

4 CHAIRPERSON JONES: Mr. Paparian.

5 COMMITTEE MEMBER PAPARIAN: I'm ready to move it

6 if there's no questions.

7 I'll move --

8 CHAIRPERSON JONES: Questions?

9 COMMITTEE MEMBER PAPARIAN: I'll move adoption of

10 Resolution -- we're doing 638 first?

11 CHAIRPERSON JONES: Yes.

12 COMMITTEE MEMBER PAPARIAN: -- 2002-638.

13 MS. YEE: Okay. The second agenda item, number

14 62, is the selection of the contractor, the California

15 Coastal Commission, to work on Phase 4 of the Boating

16 Clean and Green Campaign.

17 And staff does recommend that the Board adopts

18 approval of the interagency agreement with the California

19 Coastal Commission by adopting Resolution 2002-637 for the

20 Board meeting on November 19th, 2002.

21 CHAIRPERSON JONES: Thanks.

22 Mr. Paparian.

23 COMMITTEE MEMBER PAPARIAN: Yeah, I'm going to be

24 ready to move 2002-637.

25 CHAIRPERSON JONES: Okay. Do we have second?

1 COMMITTEE MEMBER CANNELLA: I do.

2 CHAIRPERSON JONES: Okay. We're going to call

3 these in the order that they taken.

4 First we'll take a vote on Mr. Paparian's motion,

5 Mr. Cannella's second, on 2002-638.

6 Call the roll.

7 SECRETARY BAKULICH: Cannella?

8 COMMITTEE MEMBER CANNELLA: Aye.

9 SECRETARY BAKULICH: Paparian?

10 COMMITTEE MEMBER PAPARIAN: Aye.

11 SECRETARY BAKULICH: Jones?

12 CHAIRPERSON JONES: Aye.

13 Now we will hear a vote on Mr. Paparian's motion

14 to approve Resolution 2002-637, Mr. Cannella's seconding.

15 Call the roll.

16 SECRETARY BAKULICH: Cannella?

17 COMMITTEE MEMBER CANNELLA: Aye.

18 SECRETARY BAKULICH: Paparian?

19 COMMITTEE MEMBER PAPARIAN: Aye.

20 SECRETARY BAKULICH: Jones?

21 CHAIRPERSON JONES: Aye.

22 The scope of work we'll put on consent. The

23 award of the contract we'll put on fiscal consensus.

24 Okay.

25 MS. YEE: Thank you.

1 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Thank you
2 very much.
3 All right. Item 63 is the consideration of
4 acceptance of a contract report: "The analysis of
5 Subsidies and other options to expand tire recycling
6 diversion in California," prepared by California State
7 University Sacramento.
8 As you are aware, the five-year plan for Tire
9 Recycling Management Program includes an allocation for
10 Fiscal Year 2001-2 for a rebate study.
11 The contract was awarded to the Graduate Program
12 in Public Policy and Administration at California State
13 University, Sacramento. And under the direction of
14 Professor Wassmer, the report was completed.
15 In April of this year, the draft report was
16 brought to the Committee and the Board for discussion.
17 And because of the intense interest that was generated by
18 the report, the Committee directed us to hold a public
19 workshop. So that workshop was held by the Committee on
20 August 15th. And at that time significant comments and
21 input were received both from the public and from the
22 Committee members.
23 Staff was directed to summarize the comments and
24 include them as an addendum to the report. The comments
25 are summarized beginning on page 115 of the current

1 report.

2 This current version of the report reflects

3 revisions that were made based on your comments in an

4 attempt to address your concerns expressed at the

5 workshop.

6 As we go through this, I could go -- I can go

7 through, if you'd like, some of the significant changes.

8 Primarily we've used the word "productive end-use" for

9 defining tire use as a more generic and overriding term in

10 many areas of the report, instead of tire recycling and

11 diversion.

12 In August at the public workshop the Committee

13 members stressed a couple of things that -- number one,

14 that this is a report to the Board and not of the Board.

15 And I think Chairman Jones specifically emphasized that

16 the report will become one of several tools that the Board

17 can choose to utilize in future decisionmaking. So based

18 on that direction we're not asking for Committee approval

19 of the report, but rather we're asking that you consider

20 the report complete for the purposes of the performance of

21 the contract.

22 Additional direction was given to work on a clear

23 disclaimer. And that's what the secretary's just passed

24 out for you. We have a couple of options there for your

25 consideration. We've worked with the Office of Public

1 Affairs and the Legal Office to try to come up with
2 something here that met your needs.
3 The first version -- well, maybe I'll ask -- Bill
4 Albert, did you want to -- okay.
5 The first version includes a disclaimer. And
6 then on the second page, I think -- I believe it still
7 lists the Committee members. And then the other version
8 lists simply a staff, with Mark Leary there as Executive
9 Director, and does not have the individual names of the
10 Committee members -- or the Board members, I should say.
11 And then it had the disclaimer at the bottom of the page.
12 Both of these are a little different than some of
13 our standard reports that become reports of the Board. So
14 there's a couple of options for you to consider.
15 It is our intention that this report will be
16 placed on the Board's website after next week's Board
17 meeting. It's currently residing in the PDF version on
18 the CSUS website. And after the Board has determined this
19 to be complete, we'll move it and include it with
20 whichever disclaimer you direct onto the Board's website.
21 Are there any concerns or questions I can answer?
22 CHAIRPERSON JONES: Mr. Paparian.
23 COMMITTEE MEMBER PAPARIAN: Just -- the title
24 page I think is different than the title page of the
25 version I see. Not just the disclaimer, but the actual

1 title.

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes. The

3 actual title has been changed to expand the productive

4 end-use of tire -- what does it say? -- productive end-use

5 of tires in California.

6 CHAIRPERSON JONES: Do we have a copy of that?

7 ACTING DEPUTY DIRECTOR WILLD-WAGNER: I've got a

8 copy right here. It's the copy that's currently posted on

9 the website that we distributed this week.

10 CHAIRPERSON JONES: Okay.

11 COMMITTEE MEMBER PAPARIAN: And --

12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: I'm sorry.

13 "Analysis of subsidies and other options to expand the

14 productive end-use of scrap tires an California."

15 COMMITTEE MEMBER PAPARIAN: Okay. So that's how

16 the title with --

17 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's

18 actually the title of the report. The rest of the title

19 page in those options that we distributed would be the

20 same.

21 COMMITTEE MEMBER PAPARIAN: And do we -- all

22 reports from contractors, do we put them on the website in

23 that way? Because it seems to me like some of the E-waste

24 reports we had to access them through the Board agenda

25 items.

1 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Once the
2 report is finalized, it's generally placed on the Board's
3 website, yes. It should -- you should be able to access
4 it from there, not just through the agenda item.
5 CHAIRPERSON JONES: Mr. Cannella.
6 COMMITTEE MEMBER CANNELLA: Well, I'm just at a
7 disadvantage. This happened before I was appointed, so
8 I'm having some difficulty following along with what we're
9 going to do with this.
10 CHAIRPERSON JONES: Okay. I want to frame it to
11 make sure I know.
12 The report that came out had some controversial
13 issues, some terms that weren't used. Plus it
14 basically -- I always thought it was going to be a tool
15 that we could look at, we could pick and choose or choose
16 to take nothing. It was a point of view of those masters
17 students at CSUS. I think it was good for getting us
18 thinking about a whole lot of different types of subsidies
19 that we may be able to do.
20 But each section of that report, as I recall, was
21 written by one specific student. It wasn't an
22 accumulation of the 6 or 7 students, it was each student
23 basically had a piece. So it was basically that student's
24 point of view based on their research.
25 And so what's happened is it's been accumulated

1 to us, that we could use -- choose to use if we want to
2 when we're thinking about subsidies, or choose not to use.
3 So it's not a report of the Board. It is a report to the
4 Board basically as a tool. And I think this disclaimer
5 makes it very clear that in fact it's just a tool. It
6 certainly has provoked an awful lot of thought, and maybe
7 got some people's hopes up a little higher than maybe the
8 Board members were ready to go, because they were looking
9 at subsidies for just about every issue dealing with tires
10 and to try to promote the market place.
11 So it's my understanding that when we accept
12 this, really what we're doing is we're finalizing the
13 contract between the Board and CSUS and Dr. Wassmer and
14 his students. And then this goes as something we may
15 choose to use or may not choose to use, but it is not a
16 report of the Board.
17 Is that fair?
18 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's
19 correct. That's my understanding of the situation.
20 CHAIRPERSON JONES: Okay. I just wanted to make
21 sure I had it clear in my mind. Okay? --
22 All right. Mr. Paparian.
23 COMMITTEE MEMBER PAPARIAN: Just one other minor
24 point. On the disclaimer there's a word missing in the
25 last -- down at the bottom. It should not be cited or

1 quoted.

2 CHAIRPERSON JONES: Oh, there you go.

3 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Thank you.

4 So is it the Committee's preference that we use

5 the version that has this disclaimer with the added word

6 without the Board member individual names on the inside

7 cover?

8 CHAIRPERSON JONES: Yes.

9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay. We

10 will use that and we will post it on the web, that one.

11 CHAIRPERSON JONES: Okay. And this disclaimer's

12 on the front of it?

13 ACTING DEPUTY DIRECTOR WILLD-WAGNER: This

14 disclaimer will be on the front.

15 CHAIRPERSON JONES: Okay. Maybe somewhere in the

16 middle you might want to throw it in there too just for --

17 (Laughter.)

18 CHAIRPERSON JONES: All right. Do we have a

19 motion to accept this contract as being done?

20 No, I don't think we even have to vote on it.

21 ACTING DEPUTY DIRECTOR WILLD-WAGNER: There's no

22 resolution.

23 CHAIRPERSON JONES: Okay. But it's the consensus

24 of this Committee that they fulfill their contract.

25 Okay. So now you can deal with it.

1 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Thank you
2 very much.
3 All right. Item 64. This is the discussion of
4 comments that we received at public workshops conducted in
5 October of 2002 and request for the Committee's direction
6 on revising the five-year plan for Waste Tire Recycling
7 Management Program.
8 We've been working sort of as a team on this
9 item, so I'm bringing up all the members of the team. And
10 actually Mr. Leary's going to lead us through this
11 discussion as we go through the five-year plan. There's a
12 few different options and focuses that we'd like to make.
13 So I will turn it over to Mr. Leary.
14 (Thereupon an overhead presentation was
15 presented as follows.)
16 EXECUTIVE DIRECTOR LEARY: Good morning, Chairman
17 Jones and Members of the Committee. I appreciate Shirley
18 and the entire staff allowing me to help out on this item
19 and pinch hit a little bit in Martha's absence.
20 We have a number of ways we could approach moving
21 the five-year tire plan from the point where it's at now
22 to a full revision acceptable for submittal to the
23 Legislature sometime early next year.
24 As the Committee well knows, as it's participated
25 in every one, we had three reasonably well-attended

1 workshops throughout the state over the last six weeks to
2 eight weeks, and we heard a lot of testimony offered by
3 our stakeholders about how the five-year tire plan should
4 be revised.
5 --o0o--
6 EXECUTIVE DIRECTOR LEARY: We have five thoughts
7 about how to approach this discussion here today. We can
8 certainly spend some time going through the comments that
9 we received at the three workshops. In fact, we have
10 something close to 25 slides summarizing those comments
11 that we've received. We also have to consider I think
12 seriously the implications of the Kuehl Bill passed this
13 past legislative session signed by the Governor.
14 We also can do a program element-by-element
15 analysis and talk today about adding or deleting various
16 program elements associated with the five-year plan.
17 We have the issue that the original tire
18 legislation, Senate Bill 876, calls for the fee to drop in
19 January 1, 2007, from a dollar a tire to 75 cents a tire
20 and its ultimate impact on the Board's revenue to
21 implement this program.
22 And then, finally, there's the process of how we
23 actually go about rewriting and/or addending and providing
24 an addendum to the five-year tire plan.
25 I'd like to start first with some analysis of the

1 Kuehl Bill. I think -- it occurs to us that the Kuehl
2 Bill has some serious impact on how the money is allocated
3 in the five-year tire plan. But before I do, there's a
4 couple of general considerations I'd like to just kind of
5 make sure that we all think about and factor into our
6 thinking.
7 Currently for the upcoming fiscal year our
8 spending authority is $31 million. As the Committee well
9 knows, our staffing resources because of the hiring freeze
10 and such have remained constant, with only really one
11 additional staff being added to implement the five-year
12 tire plan.
13 As I mentioned, the state is currently under a
14 hiring freeze. It's difficult to add resources at this
15 point. And then, as I mentioned also, the tire fee
16 decreases. Those are just kind of backdrop issues that we
17 need to remain aware of and consider as we move forward.
18 --o0o--
19 EXECUTIVE DIRECTOR LEARY: So this raises several
20 I think very important questions on how we go about
21 revising the five-year plan. We have to make some
22 decisions about which program elements are to be added or
23 eliminated from the plan based on these general
24 considerations and based on testimony and of course based
25 on the Committee and the Board's personal perspective on

1 what elements are most important to them.

2 As I mentioned earlier, I think the Kuehl Bill,

3 Senate Bill 1346, that provides grants for rubberized

4 asphalt concrete implementation at the local jurisdiction

5 level, is important to the five-year plan; and actually we

6 need to consider the impact of that importance.

7 The thought occurs to me -- and I will get into

8 this in a little more detail -- that the Kuehl Bill -- we

9 might want to decide that the Kuehl Bill should be -- the

10 five-year plan should be built around the implementation

11 of the Kuehl bill, that is, we should assess what impact

12 the Kuehl bill has on our financial resources and then

13 build the remaining activities around that. Or we should

14 make some decisions about the critical activities for the

15 implementation of the five-year plan and then decide after

16 those decisions were made whether the Kuehl Bill fits into

17 that menu of opportunities.

18 What I'm afraid of is that if we do the latter,

19 that we make some important decisions about the

20 allocations of resources among the various program

21 elements in our five-year plan and then decide

22 subsequently that the Kuehl Bill is very important to us,

23 that we won't then have allocated sufficient resources to

24 make the Kuehl Bill important to provide the incentive

25 that we think the intent of the author and the intent of

1 the Governor in signing it meant to provide with the
2 passage of the Kuehl bill; that is, we need to put enough
3 money into the five-year plan to implement the Kuehl Bill
4 and have it provide that incentive to local jurisdictions
5 to use RAC or not. And I think there's a number of
6 reasons to consider both pro and con in making that
7 decision about the implementation of the Kuehl bill.
8 But let me touch a little bit on the elements of
9 the Kuehl bill.
10 --o0o--
11 EXECUTIVE DIRECTOR LEARY: I'll skip that, Sally,
12 for now.
13 The Kuehl bill is discretionary. The Board has
14 the option to implement that piece of legislation. It
15 says the tire recycling program may award grants for the
16 purposes of reimbursing local jurisdictions for their use
17 of RAC. It consists of awards to cities, counties,
18 districts, and other local government agencies. It allows
19 us to reimburse local jurisdictions for projects. And
20 "projects" is not defined in the statute. Projects that
21 generate between 2,500 and 20,000 tons of RAC. The only
22 criteria being that those tons of RAC need to include 20
23 or more pounds of crumb rubber per ton.
24 --o0o--
25 EXECUTIVE DIRECTOR LEARY: The Kuehl Bill

1 specifies that grants will equal $2.50 for each ton of RAC
2 in the range from 2,500 to 20,000. Do the math -- that
3 amounts to grant totals of between 62.50 and $50,000.
4 But then it has an interesting criteria that
5 we're still struggling with. It says that the fund
6 allocation for the grant program would be -- doesn't say
7 "maybe," it doesn't say "can be up to" or "must exceed" --
8 it says would be 16 percent of the market development in
9 new technology activities budget; implying to me that we
10 would then have to make sure that we've put enough money
11 in the market development section of the five-year plan so
12 that 16 percent of whatever that total is provides the
13 meaningful incentive that the Kuehl Bill is meant to
14 provide to local jurisdictions, that is, that 16 percent
15 of whatever the grand total is equates to a total that's
16 sufficient that $50,000 grants across however many
17 jurisdictions that might apply is sufficient.
18 It's a very short-term piece of legislation. The
19 grant program sunsets on June 30th, 2006. And the bill
20 does not specify that only California rubber used in
21 rubberized asphalt concrete would be subject to grant
22 awards. So that would be I think a policy decision this
23 Committee and the Board would make subsequent to its
24 decision that we want to go forward with the Kuehl Bill
25 and provide the resources adequately.

1 We are not prepared today to give you the data
2 that I think you'll probably need to make a decision on
3 the Kuehl bill; that is, we cannot tell you today how much
4 RAC has been used by local jurisdictions over the last 12
5 months, 18 months, 2 years. We don't have a good idea at
6 this point as what kind of incentive this will
7 realistically provide. But we're going to try to gather
8 that data.
9 We're going to survey public works directors,
10 work with our tech centers, gather as much data as we
11 possibly can so we can give you an idea of what we think
12 implementation of the RAC -- of the Kuehl bill for
13 incentivizing RAC will mean to our resources, and staff
14 are going to do that.
15 I know we have a very full or very projected full
16 agenda for December, and staff have suggested to me that
17 we not come back as soon as December to try to get that
18 data together. Plus, the December meeting kind of sneaks
19 up on us. It's pretty early. But I think it's important
20 that we get that data sooner rather than later because I
21 think, as I've said now several times, I think the
22 decision on how we implement the Kuehl Bill is very
23 important to how we ultimately define the five-year plan.
24 Can I stop at this point and answer any questions
25 or -- as Shirley suggested, we've brought the whole team

1 up here. We were kind of envisioning a fairly informal,
2 kind of roundtable discussion about this issue and other
3 aspects of the five-year plan with you as kind of a -- as
4 a way to work through this. And I've encouraged the staff
5 to chime in at any point if they think they have something
6 to offer in terms of the discussion.
7 So, again, can I stop and answer any questions
8 about my thoughts on the Kuehl Bill?
9 CHAIRPERSON JONES: Mr. Cannella.
10 COMMITTEE MEMBER CANNELLA: Yeah, my question is
11 that -- the Kuehl Bill says we have to use 16 percent of
12 the market development new technology activities budget.
13 That doesn't limit us though in supporting a RAC program
14 just to that budget line item; is that correct?
15 EXECUTIVE DIRECTOR LEARY: I don't think it does
16 either. No, I agree with you wholeheartedly. It seems to
17 me it reads more like a minimum rather than a maximum. I
18 think we could actually throw more money at that or some
19 other aspect of the implementation of RAC and not be in
20 violation of that provision.
21 COMMITTEE MEMBER CANNELLA: And what kind of a
22 timeline are we looking at to develop the budget? If we
23 have -- January's budget is going to include the
24 expenditures or the direction that the Board wants to go
25 in supporting not only the Kuehl Bill but the RAC program

1 and all the other programs that we support?

2 EXECUTIVE DIRECTOR LEARY: Well, our expenditure

3 authority that will be released in the Governor's budget

4 in January and ultimately signed by the Governor come July

5 1st, hopefully, is the $31 million. The Kuehl Bill

6 doesn't affect that in any way.

7 COMMITTEE MEMBER CANNELLA: No. But the

8 decisions that we would make in wanting it to divert more

9 money into the RAC program --

10 EXECUTIVE DIRECTOR LEARY: -- has to fit within

11 that $31 million.

12 COMMITTEE MEMBER CANNELLA: Yeah. And so my

13 question is: Then when would we, the Board, determine

14 what programs we want to continue to fund, what programs

15 we want to modify with new programs we want to implement

16 to go into a direction that the Board is comfortable with?

17 EXECUTIVE DIRECTOR LEARY: Well, that's I think

18 what this five-year plan process is all about. I mean if

19 we revise the five-year plan sometime between March and

20 June and send it over to the Legislature, that will be our

21 spending plan starting July 1st of next year through the

22 subsequent five years.

23 COMMITTEE MEMBER CANNELLA: So if we as a Board

24 decided we want to do grants for 25, 30 local governments

25 to get into the RAC program, it would have to be included

1 in the January budget?

2 EXECUTIVE DIRECTOR LEARY: No, I don't think it

3 needs to be included in the January budget. I don't think

4 we have any need to formally adjust the Governor's budget.

5 I think that the authorization as provided by the Kuehl

6 Bill simply direct -- allows the Board to make these

7 awards within its five-year plan. I don't think we need

8 to affect the Governor's budget.

9 If we want to up our expenditure authority beyond

10 the $31 million, we need to go through the whole budget

11 change proposal process. And we can't -- we're already

12 passed that process really for Fiscal Year 3-4. What we'd

13 have to do is push that for Fiscal Year 4-5, unless the

14 Legislature does it on its own through the budget hearing

15 process.

16 COMMITTEE MEMBER CANNELLA: Thank you.

17 CHAIRPERSON JONES: Mr. Paparian.

18 COMMITTEE MEMBER PAPARIAN: I've got the Kuehl

19 Bill here, and I'm just trying to make sure -- there is

20 the ambiguity there, and I want to make sure I'm

21 understanding it right.

22 The bill -- maybe this might be a legal question,

23 I guess. The bill says that we may put together this

24 program, but then it says we shall do the 16 percent, I

25 guess presuming if we decide to do the program.

1 CHIEF COUNSEL TOBIAS: Well, I think -- and this
2 is -- I wouldn't say this is really well drafted in the
3 sense that it is pretty ambiguous. I think what it says
4 is that -- it almost makes the 16 percent into a goal.
5 Because if you read the sentence the other way, "funds
6 allocated pursuant to this section shall be equal to 16
7 percent," it has the "shall" in it. But then the
8 modifiers are to the -- there's actually three modifiers.
9 Number one, "to the extent possible," which is kind of a
10 general thing which could even include I think the problem
11 with having enough staff to carry out a program. And then
12 the second one, "depending on the number of qualified
13 applications," and the third, whether there's sufficient
14 supply of crumb rubber.
15 So to my reading -- and I think it's susceptible
16 to a number of different ways to read this -- it makes
17 that 16 percent into a goal, basically says you shall try
18 to deal with the 16 percent; and the things that might
19 keep you from doing that are these 3 modifiers.
20 Certainly Legal can take a look at this, and if
21 people want to comment on it. I think it's pretty
22 ambiguous. And, you know, with that ambiguity the Board
23 can certainly adopt, you know, their policy of what they
24 think this means.
25 COMMITTEE MEMBER PAPARIAN: So if we wanted to do

1 something that was, say -- something like a pilot program
2 along these lines that was -- and I'm making up this
3 number -- that was 5 percent of that budget, you're saying
4 that you think we can --
5 CHIEF COUNSEL TOBIAS: I think you could do that.
6 But I think you'd also have to almost make these as
7 findings. You'd have to say we're doing it at 5 percent
8 because we, you know, question the amount of crumb because
9 we're not sure how many applications we'd get.
10 And then again this "to the extent possible" is,
11 you know, pretty open-ended. So I think what you would
12 have expected to see in this kind of statute is something
13 that doesn't necessarily say "to the extent possible"
14 because it really modifies the "shall". So I think what
15 we'd do is -- you know, the Board should figure out what
16 they want to do and then, you know, we can basically work
17 on the findings for those modifiers. But I think you'll
18 have to keep those modifiers in mind as you do this.
19 COMMITTEE MEMBER PAPARIAN: Because I'm inclined
20 from what I know about it to start out very modestly, but
21 to start out with something and see what kind of response
22 we get and what kind of real-world impact that it has.
23 CHIEF COUNSEL TOBIAS: Well, I think the words
24 "to the extent possible" probably allows you to do that.
25 COMMITTEE MEMBER PAPARIAN: I did have a couple

1 other questions though.

2 There are other parts of the Kuehl Bill -- and I

3 don't know whether they have a significant impact on the

4 five-year plan or not. The Kuehl Bill calls on us and

5 CalTrans to do three things. It calls on the Board in

6 cooperation with the RAC centers to create and post on

7 each RAC center's website a database of public works

8 projects that include rubberized asphalt concrete that

9 were completed by local agencies.

10 It seems like it's a step beyond what Mark was

11 talking about a few minutes ago. And it may be something

12 that would require some supplemental funding for the RAC

13 centers or something in order to allow them to collect the

14 information and post it on a website.

15 CHAIRPERSON JONES: I think there are --

16 EXECUTIVE DIRECTOR LEARY: Theron from the local

17 RAC center was part of our discussion yesterday. And we

18 didn't really focus on those sections of the bill. And I

19 think part of the reason we didn't really focus on those

20 sections of the bill because we didn't think they had that

21 large of an impact on the resource devoted to the tire

22 plans.

23 COMMITTEE MEMBER PAPARIAN: Well, that's what I'm

24 getting --

25 EXECUTIVE DIRECTOR LEARY: We were thinking the

1 data was readily available, and it's just a matter of
2 putting it up on a website.
3 COMMITTEE MEMBER PAPARIAN: Okay. So they don't
4 think they need supplemental resources to make that
5 happen?
6 EXECUTIVE DIRECTOR LEARY: I don't believe so. I
7 can double check with them. But we just --
8 COMMITTEE MEMBER PAPARIAN: The next section
9 involves CalTrans. If CalTrans were to say that they
10 needed resources, would they have a case for coming to the
11 Tire Fund because of this being in this bill, or would the
12 expectation be that they would have to do that under their
13 own resources?
14 EXECUTIVE DIRECTOR LEARY: Carol, do you have a
15 perspective on this?
16 MS. MORTENSEN: Carol Mortensen from the
17 Legislative Office.
18 When this bill was being worked on, as it was
19 going through the process, CalTrans never indicated they
20 would need any additional funds to post that information
21 on their website.
22 In essence they'd probably just end up linking
23 back to our sites and to the RAC sites, because we've got
24 all the information anyway.
25 COMMITTEE MEMBER PAPARIAN: Do we have the

1 information on the state highways that are using it.

2 CHAIRPERSON JONES: Mr. Paparian, I think that

3 needs to get directed to Nate Gauff, because Nate's got

4 information on that.

5 MR. GAUFF: Okay. I just wanted to clarify. The

6 northern California center has just entered into a

7 contract to produce a database of local government

8 projects. So that's in the works.

9 CalTrans I think has the information on which

10 state projects are using rubberized asphalt. Now, I don't

11 think it's posted anywhere for the general public. So I

12 don't think that's happening at this point as far as any

13 database that they have on a website. I know they have

14 all the information because obviously they appropriate

15 those projects and construct them. But I don't think

16 there's any central collection point at this time for

17 database purposes for those types of projects for

18 CalTrans.

19 COMMITTEE MEMBER PAPARIAN: Okay. So they would

20 not need -- our position is they wouldn't need any funding

21 out of the tire program to accomplish this?

22 MR. GAUFF: I wouldn't think so.

23 COMMITTEE MEMBER PAPARIAN: But may need some

24 prodding to remind them of the existence of this section

25 of the law?

1 EXECUTIVE DIRECTOR LEARY: That's a different
2 issue.
3 COMMITTEE MEMBER PAPARIAN: Yes.
4 Okay. Thanks.
5 EXECUTIVE DIRECTOR LEARY: Let me just briefly
6 respond to your thought, Mr. Paparian, about the moderate
7 approach to this. We rustled with that a little bit
8 yesterday as we kicked this thing around.
9 And the downside of taking a moderate approach
10 and, that is -- by moderate I mean not maybe having enough
11 funds set aside available to all jurisdictions who seek
12 it -- it then becomes kind of a competitive grant process
13 by which we'll then have to develop criteria for deciding
14 which jurisdictions get the little bit of money we've set
15 aside for this and which do not. And I just offer that as
16 just kind of further information for your consideration
17 for your thinking because I think that of course involves
18 future staff resources.
19 If we had all the money in the world available to
20 do this, we could develop a very simple kind of invoice
21 process where they provide the adequate documentation to
22 us and we turn around and send them a check; and that we
23 may even be able to administer through the RAC centers.
24 But then again it's going to be tough to try to define
25 what an adequate amount of resources will be since this is

1 a brand new area and we don't know how the public works
2 directors will respond to this legislation and the
3 incentive it provides.
4 CHAIRPERSON JONES: You know, the one thing I'm a
5 little nervous about with -- I have no problem with a
6 16-percent allocation because I think that goes to the
7 intent of the law. Our modifier is it's going to be 16
8 percent of our market development. So we need to make a
9 decision as to -- we can control the dollars that go in
10 there based on what we put into that whole category. And
11 that would be one way.
12 But I think to identify the three modifiers first
13 and say, "We're only going to fund at this level because"
14 is a presumption that I don't think we should make,
15 because clearly there should be enough crumb rubber if we
16 listen to all the folks that come up and scream that
17 they're looking for places to buy crumb rubber. So that
18 seems like that becomes moot.
19 And, you know, the staffing issue is -- really I
20 think that's our opportunity to help give direction into
21 how that program is set up, because if it is -- if it's
22 easy enough that we don't have to put a lot of staff to
23 it, you know, to -- you know, if we design a program that
24 says this is going to be a reimbursement program, you
25 know, it's going to be the first however many through the

1 door, you know, instead of a competitive grant -- and I
2 don't think you can do a competitive grant when you're
3 coming to these kinds of subsidies because -- especially
4 Mr. Cannella.
5 You know as a Board of Supervisor, you're
6 approving projects a year and a half, two years out
7 looking for federal dough, state dough, your own dough.
8 To sit there and say, "Here, we'll do this competitively,"
9 nobody's going to do them because they're not going to
10 know if they're going to get funding.
11 So it's almost like -- it's our opportunity to
12 set a policy and a thing with the staff on "How do we
13 minimize the impact to our labor force since they're
14 already stretched and fund this program?", you know. And
15 it seems to me we need to -- you know, depending upon how
16 the other Board members feel, we need to think about -- or
17 maybe we need to be thinking about it for the
18 presentation -- what are the options, if it's first ones
19 in the door, how far out should they be telling us so that
20 we can give them an indication that they would be funded
21 so when they go to their board of supervisors, that's a
22 chit in their pocket to get to the funding to do
23 rubberized asphalt?
24 And so I think while you're accumulating the
25 information on what projects are out there, what they

1 cost, what kind of -- you know, what kind of tonnages, try
2 to get some kind of an idea of how far those public works
3 departments are looking out. Does that -- you know what I
4 mean? I mean --
5 COMMITTEE MEMBER CANNELLA: I also -- if we're
6 going to move down that way -- I personally believe we
7 should be aggressively be funding this program. I don't
8 know what the criteria is. But I believe at this point we
9 ought to be directing legal staff to develop a form that
10 we could look at to decide how we would administer and --
11 I don't want to have to hire a whole bunch of staff and do
12 a lengthy review and oversight and all that kind of stuff.
13 We just want to get the money out there so we can remove
14 the tires and give local government a little bump in their
15 infrastructure projects, as opposed to having them spend a
16 whole lot of money doing forms and us having to review
17 them.
18 But I think that -- you know, I personally would
19 like to see something from Legal about a form that we
20 could introduce to administer the program.
21 CHAIRPERSON JONES: Okay. I agree with you. I
22 think our staff and Legal can work together, because I
23 always get worried when just the lawyers put it together.
24 COMMITTEE MEMBER CANNELLA: Well, the other thing
25 too is I think that very clearly we ought to articulate

1 the fact that we want California rubber only.

2 CHAIRPERSON JONES: Oh, that'll be part of the

3 program.

4 COMMITTEE MEMBER CANNELLA: Yeah, I don't think

5 there should be any question about that at all.

6 CHAIRPERSON JONES: Right.

7 There's no prohibition, is there, Kit, on --

8 Okay. There's no prohibition, so we can set that as the

9 criteria, that it is California only.

10 Is it fair to say -- because they're coming back

11 to us with this information. Is it fair to say find out

12 how many projects are out there, you know, how many were

13 done, what kind of tonnages they had, so we get an idea?

14 And then also ask the question, "How far out are you

15 planning?" You know, "Are you going to your supervisors

16 two years ahead? And if you are" -- so we get some kind

17 of an idea of their training? Because if it's first in

18 the door -- I've got no problem with first in the door,

19 because that'll get you what you want to -- but what we

20 want is the money out, you know.

21 COMMITTEE MEMBER CANNELLA: Right. I certainly

22 don't have any problem. I think local governments are so

23 short on infrastructure dollars that we're not talking two

24 years in advance. I think that this program could be

25 administered right away.

1 But also --

2 CHAIRPERSON JONES: No, I'm not saying

3 administered in two years. I'm saying if --

4 COMMITTEE MEMBER CANNELLA: I understand, about

5 their need, projected need --

6 CHAIRPERSON JONES: Their planning needs, for

7 them to go to their supervisors or city council, so they

8 notify us.

9 COMMITTEE MEMBER CANNELLA: The other thing I

10 wanted to know is that if we're going to compile and

11 identify the different projects, this ought not to be just

12 a one time deal. We ought to be getting reviews every

13 year about the program, how many agencies are using it,

14 what kind of tonnage -- the whole works. I don't believe

15 that we should be investigating this whenever we get a few

16 dollars to spend, but in fact it ought to be part of the

17 information that we get regularly so that we can see how

18 the program's doing and how much money we want to allocate

19 for it, how successful it is.

20 CHAIRPERSON JONES: Right.

21 Mr. Paparian.

22 COMMITTEE MEMBER PAPARIAN: Yeah. And actually

23 there's a requirement in the Kuehl Bill that it be

24 annually posted. Just a moment, I'll get more

25 information.

1 CHAIRPERSON JONES: So we can make a condition of
2 the RAC centers to keep it current, right? Because it's
3 going to be posted in three of the RAC centers. So we
4 just tell them, continually keep it. Would that work?
5 COMMITTEE MEMBER PAPARIAN: Yeah. Well,
6 technically, do the RAC centers -- well, we'll be --
7 CHAIRPERSON JONES: I think they're commissioned.
8 We get them built right now.
9 COMMITTEE MEMBER PAPARIAN: Yeah, I don't think
10 they have fully functional websites at the moment.
11 They're on --
12 MR. GAUFF: The centers do have a website now.
13 Some of that information that we're talking about may not
14 be available at this point. But I think there are plans
15 to put that information on a website -- on their existing
16 websites.
17 CHAIRPERSON JONES: Okay.
18 COMMITTEE MEMBER PAPARIAN: Back to the
19 discussion of the 16 percent. I'd just really like to
20 look at it in the context of the funding that we're going
21 to have available to markets, and explore whether we want
22 to start out with kind of a pilot program and ramp it up
23 or whether we want to start out with the 16 percent. But
24 I don't think -- I'm not really quite ready to have a
25 discussion till we have our market development comments.

1 CHAIRPERSON JONES: I mean I think that's why the
2 staff is taking the tack that they're taking, to run by us
3 and see what they need to do to bring it to the full
4 Board. I mean I'm still concerned with the interpretation
5 that it has to be -- it could be something less than 16.
6 You know, in reading that thing, I just think that it
7 says, "Hey, if you're going to do it, it's going to be at
8 16 percent." But, you know, they can -- we'll get it
9 figured out. But I mean that just -- that's how I'd read
10 that as a contract.
11 EXECUTIVE DIRECTOR LEARY: Just for
12 back-of-the-envelope kind of calculations, if you take
13 $50,000 and get 20 grants for $50,000, that's $1 million
14 dollars. That'd be 16 percent of $6.25 million. Our
15 current projection for market development for the coming
16 year is well over 8. So if we only set aside a million
17 dollars to fund 20 grants, we're covered. I mean we're in
18 good shape as far as that goes.
19 The question that will be is what is the demand
20 going to be and how do we want to address that demand?
21 When we talk about the planning horizon as far as public
22 works directors with Theron yesterday, he basically said
23 public works directors today are designating what road
24 maintenance they will do after the rainy season next
25 spring or early summer.

1 Of course that engendered the obvious question:
2 Well, are they considering the impact of the Kuehl Bill?
3 Or are they thinking, "Oh, boy, There's $2.57 a ton out
4 there. Let's go do RAC."? And he said he hadn't picked
5 up any vibes that in fact that's generating a lot of
6 interest. But he doesn't know how much outreach has been
7 done to stimulate that kind of thinking by public works
8 directors. But he was going to do -- He's going to start
9 polling some of these folks and see how they're responding
10 to the passage of this legislation.
11 CHAIRPERSON JONES: That sort of begs the
12 question then, if we do -- depending upon what the
13 Board -- whatever the number is that we allocate -- do we
14 have an obligation or should we take on the obligation of
15 doing outreach? And if we do, do we fund it out of that
16 16 percent? You know, if there's not a market -- you
17 know, if there's not a demand because we haven't let
18 people know what's available, we probably have an
19 obligation to do that. And if we do that, do we have the
20 ability, Kathryn, to -- you know, if we did outreach on
21 the Kuehl Bill, specifically, to all the local
22 jurisdictions, would we have the ability to recover our
23 dollars -- because we have a staff that's so depleted,
24 would be able to get the dollars that it would cost for us
25 to do that outreach out of that 16 percent?

1 Would that be a reasonable expenditure? Because
2 you don't have the -- I mean you're hurting for staff.
3 And if we've got to do outreach, we better figure out how
4 to do that. Otherwise we're going to have a bunch of
5 money set aside and nobody taking advantage of it.
6 EXECUTIVE DIRECTOR LEARY: It appears the statute
7 contemplates that the RAC centers will be doing the
8 outreach in Section C. So --
9 CHAIRPERSON JONES: All right. So we can fund
10 the RAC centers out of the 16 percent, part of it?
11 EXECUTIVE DIRECTOR LEARY: Good question.
12 CHAIRPERSON JONES: Can you get us an answer for
13 that? Can you look at that, work with staff and figure
14 out what our latitude is there? Because we've allocated
15 half a million bucks to RAC to do other things, and
16 they're -- I know Mr. Cannella and others think that the
17 RAC centers should even do more, which means we may have
18 to fund them more.
19 So if we're going to fund an outreach program, we
20 ought to fund it out of this 16 percent if we decide to do
21 it, and turn that money over -- you know, part of that --
22 and it may only be a hundred grand or something. But
23 we're going to start looking at our dollars. Everybody
24 fighting to keep programs going. So we ought to know what
25 our options are when you come back on that issue.

1 COMMITTEE MEMBER PAPARIAN: Yeah, I think that's
2 a good point. And I mean I think -- well, we should hear
3 from the Legal Office. But it seems like the bill says
4 that the 16 percent applies to the whole section, the
5 whole program for getting these grants out the door and
6 doing these websites and stuff like that.
7 CHIEF COUNSEL TOBIAS: And in (a) it says that it
8 may include the awarding of grants to cities, counties,
9 districts, other local governmental agencies. And so, you
10 know, off the top of my head it sounds to me like what
11 it's saying is that that money needs to go out for grants.
12 And if you granted the RAC centers a portion of that money
13 and said, "With some of this money do the outreach," you
14 could probably do that. I'm not sure that you could
15 include our outreach as a part of that 16 percent because
16 it says the awarding of grants, and then it says they
17 shall be 16 percent. So, you know, it probably will work
18 better to put that outreach out into those RAC centers,
19 and you could do that as a part of it if you wanted to.
20 CHAIRPERSON JONES: That's why I want it anyway,
21 because our staff is too thin right now. So if that ends
22 up being the answer, that would be pretty cool, that would
23 work there.
24 EXECUTIVE DIRECTOR LEARY: Okay. Well, if there
25 aren't any further comments or questions on the impact --

1 CHAIRPERSON JONES: Mr. Cannella.
2 COMMITTEE MEMBER CANNELLA: I just want to follow
3 up on the RAC centers. They've been funded for what,
4 three or four years the RAC center's been in existence?
5 EXECUTIVE DIRECTOR LEARY: I'll defer to Nate.
6 MR. GAUFF: The southern California center's
7 actually been in existence since Fiscal Year '96-'97. The
8 Sacramento or northern California center came on in
9 '99-2000.
10 COMMITTEE MEMBER CANNELLA: Okay. And so am I to
11 believe that -- or have I heard that the RAC centers at
12 this point do not know how much material's been used in
13 what jurisdiction?
14 MR. GAUFF: I don't think they have an exact
15 number.
16 COMMITTEE MEMBER CANNELLA: Why not?
17 MR. GAUFF: Because, one, there's no reporting
18 requirement by anybody to any central point.
19 COMMITTEE MEMBER CANNELLA: But you need that as
20 information to -- when you're marketing this, to go out to
21 other cities and why they should use this, wouldn't you
22 have that information when you have to report to somebody?
23 MR. GAUFF: Yeah. And I think the issue's come
24 up over the last couple years specifically, and that's why
25 the northern California center's now entered into a

1 contract that develop a database to track that
2 information. I mean we've been working with CalTrans for
3 10 years and still don't get a yearly report. I mean the
4 last couple years we've gotten a little better information
5 from them. But they don't even report to any central --
6 COMMITTEE MEMBER CANNELLA: But we don't fund
7 CalTrans. We do the RAC centers.
8 MR. GAUFF: Right. I understand that. I'm just
9 saying in the sense that CalTrans has been in this
10 business a little bit longer, they still don't report to a
11 central function within CalTrans to compile that
12 information on a yearly basis.
13 COMMITTEE MEMBER CANNELLA: So in January then we
14 will have a report from the RAC centers about the programs
15 that they've been involved in?
16 MR. GAUFF: I don't know if the report will be
17 ready in January. I mean they're working on, once again,
18 putting together the contract, getting the database
19 together. It is going to take some time to poll all the
20 different jurisdictions in the state and get their
21 information.
22 COMMITTEE MEMBER CANNELLA: Well, perhaps we
23 ought to make the reporting a condition of their funding
24 in the future then. Because I just think that -- that
25 as just doing good business you would want to have an

1 inventory of what you've been involved in, where the money
2 has gone, how many programs have been funded, how many
3 miles, how much material. I mean to me that's just good
4 business sense. And I'm just really surprised that the
5 centers haven't been doing that on their own.
6 MR. GAUFF: I understand your concern.
7 COMMITTEE MEMBER CANNELLA: Okay.
8 COMMITTEE MEMBER PAPARIAN: Mr. Cannella, I
9 think -- one of the things that is forthcoming is we're
10 going to be putting out a -- or conducting a program
11 evaluation of the RAC centers, which I hope would get at
12 issues like this and talk in a constructive way about how
13 we can improve on the programs and the outreach conducted
14 by the RAC centers.
15 COMMITTEE MEMBER CANNELLA: When is that going to
16 happen?
17 COMMITTEE MEMBER PAPARIAN: We've set aside
18 $100,000 for that. And my understanding -- and staff can
19 correct me -- I think next month we're coming back with
20 something on this.
21 MR. GAUFF: I don't think we were planning on
22 coming back with anything to the Board. The scope of work
23 has been approved. We did put out one solicitation, which
24 we got no response, last fiscal year. The Board did
25 reallocate some funds to that to, once again, make the

1 funding amount the same as it was last year, because we
2 did lose some of the money. We have put together a
3 request for offer that should be going out in the next
4 week to 10 days to companies to respond to that program
5 evaluation contract.
6 COMMITTEE MEMBER PAPARIAN: So the deadline would
7 be like December, we might see it January, February or --
8 MR. GAUFF: Yeah, I think we're looking to award
9 in January, just to give them a little more time. You
10 know, that was one of the concerns last year, and then
11 with the holidays and things coming up. So we're looking
12 to award that in January and get started on that in
13 January.
14 COMMITTEE MEMBER PAPARIAN: Okay. Good.
15 EXECUTIVE DIRECTOR LEARY: Okay. I appreciate
16 that discussion on the Kuehl Bill. I can see the
17 Committee responded like we did, that we kind of got to
18 figure the realm of this whole spectrum of implementation
19 of the Kuehl Bill before we move too much farther.
20 But we are prepared to go through the comments
21 from the workshops, if the Board would like, to go through
22 the current spectrum of activities defined in the
23 five-year plan and talk a little bit about adding and
24 deleting, if the Board would like.
25 We also have the discussion of the fee dropping

1 January 1st, 2007, and how the Committee would like to
2 respond to that issue in regards to making the plans for
3 the five-year submittal to the legislature. Or we can
4 talk a little bit about the process by which we revised
5 the five-year plan.
6 There's a lot of different ways we could go at
7 this point, and we're happy to do whatever the Committee
8 would like.
9 CHAIRPERSON JONES: Okay. I know one thing I
10 would like to do is -- you know, for each of these topics
11 that we've just done -- I've got three speaker slips here
12 that are all -- I kind of know what they're all going to
13 talk about, and it's not really the Kuehl Bill. But I'd
14 like to be able to see if there's somebody here that wants
15 to speak to the Kuehl Bill, if that's okay, just in
16 case -- just so we get that information in a timely
17 fashion. And then, Mark, after -- if we do hear any
18 comments -- just for my own clarification, we're talking
19 about basically setting a path for staff to start
20 accumulating information to come back to the Committee and
21 the Board?
22 EXECUTIVE DIRECTOR LEARY: Absolutely.
23 CHAIRPERSON JONES: This discussion is going to
24 be Committee only, and then does it go -- does this same
25 discussion go to the Board, or are we --

1 EXECUTIVE DIRECTOR LEARY: You mean this month?
2 CHAIRPERSON JONES: Yeah.
3 EXECUTIVE DIRECTOR LEARY: No, I --
4 CHAIRPERSON JONES: This is just us, right?
5 EXECUTIVE DIRECTOR LEARY: Well, it's your
6 decision, but I would recommend it doesn't need to go to
7 the Board at this point.
8 CHAIRPERSON JONES: Right. And I just wanted to
9 make sure so that the public heard that. That's what I
10 sort of had figured. And then unless any of the members
11 object to that, we've really got the burden of trying to
12 at least give you other tasks to do so that when you come
13 back --
14 EXECUTIVE DIRECTOR LEARY: There you go.
15 CHAIRPERSON JONES: Okay. Is there anybody out
16 in the audience that has heard discussions now on the
17 Kuehl Bill that would like a minute or so to voice any
18 opinion, concerns, whatever?
19 Okay. I do -- go ahead, Mr. Leary. Nobody wants
20 to speak to it.
21 I've got our friends from Sonoma, two of them,
22 and -- No?
23 Okay. Go ahead.
24 EXECUTIVE DIRECTOR LEARY: Well, it's really at
25 your pleasure, Chairman Jones, Members of the Committee.

1 We are prepared to go about this any way you'd like. We
2 can do a brief summary of all the comments we've heard
3 from the three workshops. We've got lots of slides to
4 kind of walk us through that. And Bob Fujii will make
5 that presentation. And we can see what that stimulates in
6 terms of discussion of the various program elements within
7 the activities of the five-year plan.
8 CHAIRPERSON JONES: Okay.
9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We're also
10 prepared, Mr. Jones -- we have an interactive slide there,
11 if we get to that point, by the five different categories,
12 program elements, where you could add some ideas, and we
13 could try to capture some of the Committee's directions.
14 So we can kind of go --
15 CHAIRPERSON JONES: We're not talking about
16 dollars; we're talking about potential ideas?
17 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Right.
18 Program ideas, correct.
19 CHAIRPERSON JONES: Some that may need to go,
20 some that may need to be added?
21 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Right. So
22 we can do it whichever way you end up wanting.
23 CHAIRPERSON JONES: Is that reasonable to the
24 Committee?
25 COMMITTEE MEMBER PAPARIAN: Yeah, I kind of think

1 we should go through the comments and then let that help
2 stimulate the ideas.
3 CHAIRPERSON JONES: Absolutely. Is that the way
4 you want to --
5 COMMITTEE MEMBER PAPARIAN: Yeah.
6 CHAIRPERSON JONES: Okay. Go ahead, Mr. Leary.
7 MR. FUJII: Good morning, Members of the
8 Committee. Bob Fujii, Special Waste Division.
9 I'm going to go through the comments relatively
10 quickly. You've all heard most of the comments since most
11 of -- well, all of you have attended the workshops that
12 occurred.
13 As you recall, there were three workshops that
14 were held for public comment:
15 The first on October 1st, 2002, in Sacramento.
16 Approximately 18 stakeholders attended that meeting.
17 The next was on October 10th in Van Nuys. We had
18 about 7 stakeholders attending that meeting.
19 And then the last one on October 17th, 2002, in
20 Concord. And again about 7 stakeholders attended that
21 one.
22 In addition, staff has received five stakeholder
23 written comments in addition to the ones we received in
24 public testimony at the three previous workshops.
25 So what I'm going to do is go through the

1 comments basically in the same format that we conducted
2 the workshops under, in following the major headings of
3 the five-year plan.
4 So the first major heading is "Enforcement and
5 Regulation." And I'm again briefly going to go through
6 these relatively quickly.
7 First comment that was made was a need for
8 training of local enforcement agencies regarding SB 1038,
9 and that the training would inform LEAs regarding
10 conversion technologies.
11 Next, provide consistency inspections. The LEAs
12 need education and training. Enforcement should continue
13 at the same funding level. Enforcement activity should
14 not be a priority.
15 --o0o--
16 MR. FUJII: And the next, some of the comments
17 made by the Committee members. We received one comment
18 that the LEA grants might consider providing two separate
19 funding categories of money. One for ongoing projects.
20 And then the other would be for special projects on a more
21 short-term basis.
22 Another comment suggesting a method to delineate
23 between tire sizes would be to group tires based on Tire &
24 Rim Association's yearbook. And that was -- actually that
25 was a written comment, not a Committee member comment.

--o0o--

MR. FUJII: Then the next major topic under "Cleanup and Abatement," we received a comment that said based on estimate of illegal tire disposal, we're spending too much money -- or too much money has been allocated for short-term remediation and should be reallocated for market development activities.

We received a comment from one of the Committee members directing staff to look at remote sensor technology to search for buried tires.

--o0o--

MR. FUJII: And then still another Committee member asked the question: How can the Board project how much funding will be needed in cleanup if we are unsure of the Sonoma sites?

Then another comment from the Committee. Directed staff to identify money received from cost recovery, how will it be spent? And then indicated this might free up money that the Board could reallocate in the revised five-year plan.

--o0o--

MR. FUJII: Then under the "Research" topic, first comment: Conversion technologies should be at the end of the hierarchy and the Board should stay in focus; work more closely with the Energy Commission; keep

1 research dollars at their current funding levels through
2 2007-2008 Fiscal Year; focus on technology that has been
3 proven but still needs support and not concentrate only on
4 emerging technologies.
5 --o0o--
6 MR. FUJII: And then a few more comments in the
7 research area. Research needs to continue so innovation
8 will be furthered. Research and evaluation should be
9 continued and compared to SB 1038. And that the grants
10 provided by the Board should require a funding match.
11 And then in another comment. Two years of
12 research is not enough time. And they provide an example:
13 Development of fiber and steel markets and standards need
14 at least five years of specification for all parties to
15 come to an agreement. And this current plan does not
16 allow the flexibility to change if some sort of research
17 has been proven.
18 Still a few more comments under research.
19 Provide research for adding recycled content into new
20 tires. Recycled content into new tires is typically at
21 the rate of only one pound per tire and is not the highest
22 potential for feedstocks.
23 And then another comment. Add information of
24 flow analysis sources and uses of tires to plan and to the
25 Board's website.

1 --o0o--

2 Research and potential markets providing
3 California rubber in overseas markets. Then some of the
4 Committee member comments. One, from looking at language
5 of SB 876, research should continue each year.
6 Another Committee member commented that research
7 is needed to test if fewer sports injuries would result on
8 rubberized tracks. And then this research could look into
9 the benefits or functionality of the rubberized tracks and
10 other construction projects -- or products.
11 Another Committee member commented that from past
12 experience of scoring grant applications he felt that
13 additional funding may be needed for the last part of
14 research and development; maybe create an R&D grant
15 program to bridge the market development funding.
16 And we received some comments from the Department
17 of Health Services, which they seek to collaborate with us
18 to reduce mosquito breeding in discarded tires. And they
19 commented further that research, public education, and
20 enhanced surveillance to address the problem of mosquitos
21 that carry the West Nile virus and other diseases.
22 Still some more comments -- some comments in the
23 market development. Should we use the hierarchy listed in
24 Senate Bill 876 and, therefore, tire-derived fuel should
25 not be promoted? RAC should be the Board's highest

1 priority. And then the California Department of
2 Transportation used to work more with Board's program and
3 the RAC should be available to local government projects.
4 --o0o--
5 MR. FUJII: A few more market development
6 comments. To take all the TDF funding and reallocated it
7 to RAC projects or commercialization grants. There's
8 certainly a need for stricter enforcement of the State's
9 RAC purchasing requirements for state agencies. And then
10 to provide additional funding to local governments for RAC
11 projects is needed.
12 --o0o--
13 MR. FUJII: Market development is the key to
14 solving the problem. And several sub-comments under this
15 one. What they have done with the grant dollars such as
16 economic environmental impacts. Look at RAC to see what
17 is the potential and how much can be used in the process.
18 Look at other states to see if there's a potential to
19 promote RAC to their markets. And then look at rubberized
20 mats. What will happen to the market in four or five
21 years. After the grants are gone, will the products
22 survive?
23 --o0o--
24 MR. FUJII: Still more market development
25 comments. What health problems are caused or solved by

1 rubberized tracks or playgrounds? And we need research in
2 this area. We may need to broaden the market development
3 to include life cycles in the commercialization grants.
4 What is a better use of the feedstock by determining which
5 process is better use of the tires. Summary evaluation of
6 the commercialization grant priorities: Currently molded
7 rubber products are at the top.
8 --o0o--
9 MR. FUJII: And then, finally, a study under the
10 market development -- final comments. Study conducted to
11 research if rubberized asphalt concrete can be recycled.
12 And then maybe additional funding is needed in the RAC
13 tech centers in southern California who could provide the
14 resources for more workshops and outreach.
15 --o0o--
16 MR. FUJII: Well, not the final comment. Sorry.
17 Commercialization grants should be funded at a
18 higher level. Rebuilding grant programs need additional
19 funding for research and market development, which means a
20 product in transit defining the name green. Provide money
21 to businesses to aid their energy bills and higher
22 insurance costs.
23 --o0o--
24 MR. FUJII: Commercialization grants should be
25 given fewer applicants with larger grant amounts. And

1 those grant amounts should be given out for $2 million
2 each.
3 And then one of our Committee members had
4 suggested we investigate the possibility of funning RAC
5 tech centers with full-time staff.
6 --o0o--
7 MR. FUJII: That same Committee member mentioned
8 that he fully supports the use of RAC, suggested the Board
9 be aggressive in pursuing its use by local governments
10 rather than focusing our efforts solely on CalTrans.
11 A Committee member also commented that we would
12 like to see the RAC technology centers expanded so we can
13 provide outreach and technical experience to the outlying
14 states.
15 --o0o--
16 MR. FUJII: Committee also indicated that after
17 the five-year plan has been approved, they would like the
18 two RAC tech centers to come together to create a
19 strategic plan.
20 Identification of higher mileage tires is
21 dependent on many factors, including design tradeoffs, the
22 environment, the roads the tires are used on. Suggested
23 that the Board initiate an interagency coordination to
24 research these factors. This is a written comment.
25 --o0o--

1 MR. FUJII: The tire hauler program and manifest
2 system, we received no comments.
3 --o0o--
4 MR. FUJII: And there's just a few other comments
5 that really didn't fit into the major headings of the
6 five-year plan. I'll go through these quickly.
7 Legislation should be passed that the tire
8 manufacturers could only sell tires in California if they
9 contain recycled content.
10 Take all the tire's funding and transport to
11 their local public works department for RAC projects.
12 Provide recognition to those local governments
13 that choose to buy California rubber for their RAC
14 projects.
15 And then provide training of local contractors
16 working on school and track playground projects is needed.
17 --o0o--
18 MR. FUJII: A new program element should be
19 developed to deal with cleanup of legacy piles in the
20 state. This new element would basically separate
21 legacy -- agricultural piles from illegal waste tire piles
22 a then grandfather those legacy tire piles into
23 compliance. This was an oral comment that was made at the
24 Concord workshop and also received as a written comment.
25 Spend 20 million over the next two years to lure

1 tire manufacturers back into California, promote public
2 sector use of retreaded truck tires, and train state
3 agencies on their properties.
4 --o0o--
5 MR. FUJII: And then a few Committee Member
6 comments. First, can the Board promote free rotation and
7 pressure checks of tires at service centers?
8 And then direction to legal staff to take a look
9 at SB 876 to provide a summary where funding should be
10 directed, such as 6.5 million for cleanup.
11 --o0o--
12 MR. FUJII: And still more Committee member
13 comments. Suggested that we ship California crumb back to
14 the manufacturer for recycling into new tires into their
15 empty shipping containers after they have unloaded new
16 shipments into California. Backhauling, essentially.
17 And then another comment -- another member just
18 asked if we could keep the same million for the reserve
19 account in the budget each year, directed Legal and Admin
20 to look into this question.
21 --o0o--
22 MR. FUJII: Another Committee member comment,
23 suggesting a contingency plan in the out years to provide
24 options for the Board. Asked that the Board Admin
25 Division assist with the development of this contingency

1 plan. And then a plan should have, for example, A, B & C
2 options in each category.
3 The Committee suggested we send DOF a letter
4 asking for additional staff to implement the Kuehl Bill,
5 which we've discussed earlier.
6 --o0o--
7 MR. FUJII: And then another Committee member
8 asking if the Board did provide assistance with business
9 energy bills, would it need to be those that operate
10 during the more efficient energy times? Sort of
11 capitalizing on the cheaper energy costs.
12 And then consider subsidizing the purchase and
13 installation of backup and reserve type energy generation
14 systems for those companies that produce molded rubber
15 products. There was a written comment.
16 --o0o--
17 MR. FUJII: And I think that is it.
18 Any questions about the comments?
19 CHAIRPERSON JONES: Just that the one about
20 providing assistance with the energy bill, it should have
21 had a big "if." You know, "if" should have been
22 capitalized, because that was my comment.
23 Are there any comments on this?
24 I have three speakers. And I think this would be
25 the time to hear them, don't you, as -- I mean because

1 this is a comment period -- I mean we're hearing comments.
2 One, I had to leave the dais for a little bit.
3 Tom Faust had put down this Item 64. But in talking to
4 him, it was almost a rebuttal on the subsidies issues,
5 which we've accepted now that -- you know, and I explained
6 to him what he had done. There's some things in here he
7 may want to talk about on the five-year tire report. So I
8 think I want to give him that opportunity. But I'm not
9 sure I want the whole diskette and eight minute
10 presentation. We've got this. And then we can follow it.
11 Is that reasonable?
12 Okay. First speakers -- is it okay, whoever's
13 running -- I'm going to listen to the -- okay.
14 I'm going to let the Sonoma folks go first. And
15 whichever one of you wants to go first. Just announce
16 yourself. I don't know if you have a strategy.
17 MS. GERBOSI: Thank you very much.
18 My name is Karen Gerbosi. My brother and sister
19 and I own ranch land in Sonoma County that has been in our
20 family since 1954. And one of legacy agricultural tire
21 sites in Sonoma County is on our land.
22 I prepared written comments with my suggestions
23 for the update of the five-year plan and submitted those.
24 I did want to just observe as an aside, there are some of
25 my comments that I didn't see in the summary. I'm

1 guessing that there are just way too many to include in
2 all the slides. But I'm guessing that's what the
3 explanation for that is.
4 CHAIRPERSON JONES: We actually got -- Board
5 members each got a pamphlet of the written ones. And --
6 MS. GERBOSI: Okay, great. Thanks.
7 And basically I've come here this morning just to
8 reaffirm our commitment to working with the Board on this
9 challenging matter, and that I believe that the
10 suggestions that I've made will support the accomplishment
11 of the Board's objectives. I also believe my proposed
12 modifications to the five-year plan will assist in
13 alleviating the sometimes adversarial tone that has
14 surfaced and achieve the kind of partnership and
15 collaboration that will lead a smoother and quicker
16 resolution.
17 And we urge the California Integrated Waste
18 Management Board to use its authority and resources to
19 make these revisions to the five-year plan.
20 We appreciate your time and efforts. And thank
21 you very much.
22 CHAIRPERSON JONES: Great. This is your letter.
23 MS. GERBOSI: Thank you.
24 CHAIRPERSON JONES: Any questions?
25 Okay. Our next speaker.

1 MS. SWENT: Good morning. I'm Leandra Swent, as
2 you know, I'm sure, from Sonoma County. And I also
3 submitted written comments that were in addition to the
4 comments at the October 17th Concord meeting.
5 I just wanted to urge the Board to consider the
6 comments -- we requested that the legacy sites in Sonoma
7 County be categorized differently and that there be some
8 additional verbiage in the five-year plan covering these
9 sites and allowing them to be categorized separately and
10 funding to be separate for those sites.
11 I think, as you know, that we do all want to go
12 forward with this project. And you, Mr. Jones, indicated
13 that we might be having more workshops on the subject in
14 Santa Rosa. I think that if it's handled in the five-year
15 plan, we may be able to move forward with just working
16 with staff and not having to go forward with those -- more
17 workshops. I think if it is covered in the five-year
18 plan, then staff will have a direction and we can all move
19 forward and get this taken care of sooner rather than
20 later.
21 Thank you very much.
22 CHAIRPERSON JONES: Yeah. The response to the
23 workshops was at your guys' request. You know, I mean I
24 wanted you to feel comfortable that we were getting it
25 done. But I think your testimony since then and your

1 written responses, we may have a way to deal with this.
2 And I've got to talk to all the Board members. I haven't
3 been able to get them all because we've been all over the
4 State.
5 But it would be my intent that if they all agree,
6 that we would -- first, we've got a formidable task, and
7 it would be sitting down with all the regulators -- not
8 the interested parties, but the regulators -- to determine
9 exactly what -- you know, we've heard their testimony.
10 And we had a lot of them that said they wanted to see the
11 piles cleaned up, but -- and then we had others that said
12 that they didn't need to come to the meeting because they
13 could put a halt to everything. Well, if they want to put
14 a halt to everything, we're not going to allocate dollars.
15 It would be dumb.
16 So we need to firm up with each of the Board
17 members a path that we may be able to take and as quickly
18 as possible. And if they're in concurrence with that,
19 then we will start that task. And first it's going to be
20 meeting with the regulators before we end up going
21 anywhere else.
22 But Mr. Paparian and I haven't had a chance to
23 talk. We've been going the other way. But I do think the
24 regulators are the key, because otherwise it's all a joke,
25 you know. If they say no, the answer's no.

1 MS. SWENT: Well, I concur. And I think that if
2 we started down the process with this design in mind that
3 we could hand them, then they would be willing to go
4 forward with agreeing or disagreeing or at least making
5 modifications. And then we know where we're going to go
6 with the project. So I appreciate that.
7 CHAIRPERSON JONES: Okay.
8 COMMITTEE MEMBER PAPARIAN: May I ask a question
9 of Ms. Swent?
10 I looked at the information you submitted with
11 the chart with the costs. And I guess what I'm wondering
12 is what the underlying presumption is to the level of
13 cleanup associated with these costs?
14 MS. SWENT: You mean the actual physical removal
15 of tires?
16 COMMITTEE MEMBER PAPARIAN: Yeah. Are you
17 thinking you're going to leave some tires, remove them
18 all?
19 MS. SWENT: Well, I believe that we can remove
20 the majority of the tires in most of the sites. I think
21 there are a few sites where that's not going to be
22 possible. And each site's going to be considered
23 differently. But when I put -- those numbers are really
24 estimates. And I'm not locked into them. I just wanted
25 to sort of put together some numbers to give you an idea.

1 We discussed this with David Norren with EVA technologies.
2 And he's actually working with Karen Gerbosi to start down
3 a process of trying to clean up her site.
4 Those were estimates of numbers to remove the
5 majority of the tires. But some of them are so deeply
6 embedded in the banks or have trees growing out of them,
7 that removal would be impossible. And I think that the
8 dollars are there to remove the majority of them, that the
9 land owners are all certainly willing to do that when it's
10 possible. And I think that's going to be up to the other
11 regulators to make that final determination what they'll
12 say can stay in and come out.
13 COMMITTEE MEMBER PAPARIAN: Okay. So in terms of
14 coming up with the numbers then, it's going to -- I think
15 what I'm hearing you say is it's kind of site specific.
16 That you can get most of them at the sites, but depending
17 on the site there's different costs involved.
18 MS. SWENT: Yes, absolutely.
19 COMMITTEE MEMBER PAPARIAN: Thank you.
20 CHAIRPERSON JONES: Mr. Cannella?
21 COMMITTEE MEMBER CANNELLA: No.
22 CHAIRPERSON JONES: You've also testified and
23 talked quite a bit about the fact that there's been a
24 million three hundred fifty grand or something spent over
25 the years. We need that delineated. We need to know what

1 those dollars were spent, so that that's part of our
2 information. Is that reasonable? Because clearly you
3 spent money, we need to know what you've spent, because we
4 do like to make sure that everybody pays their share.
5 MS. SWENT: Okay. I can get you that
6 information.
7 CHAIRPERSON JONES: Okay.
8 COMMITTEE MEMBER CANNELLA: When we were in
9 Sonoma for the hearing -- Santa Rosa we had a number of
10 regulatory agents that came up and voiced their concern.
11 It would be most helpful for us to provide for remediation
12 to develop a plan. If you folks -- I understand that you
13 have a close working relationship with these different
14 agency representatives. If you would articulate to them
15 the desire to get it cleaned up, perhaps that might be
16 able to expedite the cooperation between the agencies so
17 that we could move forward to do what we're going to do.
18 MS. SWENT: Okay. I can certainly do that.
19 CHAIRPERSON JONES: Okay.
20 MS. SWENT: Any other questions?
21 CHAIRPERSON JONES: That's it. Thank you.
22 MS. SWENT: Thank you.
23 CHAIRPERSON JONES: Okay. We do have one other
24 document that was part of the -- or a document that's
25 germane to this. It was part of what our staff gave us as

1 written documents, which all of our members have, which is
2 from the Department of Health Services for the State of
3 California, where they're talking to us about their
4 concern about West Nile virus and how we really need to
5 ramp up. And I think it's important as far as this part
6 of the discussion goes. Okay.
7 Our next speaker is Tom Faust.
8 And, Tom, I would ask that you -- we understand
9 that this was kind of mixed between two. But we've got a
10 copy of your thing, and maybe you can just walk us through
11 it.
12 MR. FAUST: Good morning, Chairman Jones and
13 Committee Members Paparian and Cannella. My name is Tom
14 Faust.
15 And I came up and am prepared to address the
16 Wassmer tire study. And I understand it has -- you're not
17 going to adopt it, and that's fine.
18 I just wanted to point out that on page 6 of the
19 Wassmer tire study, Professor Wassmer invited all these
20 tire-burning folks to his class to kind of taint or slant
21 the report. And that was like Terry Gray, Mark Hope,
22 Randall Roth from Waste Recovery and the Lakin people.
23 All those people have an economic business plan that
24 encourages burning and burying tires. So, anyways, that
25 said, let's go on to the -- and because of that the report

1 got tainted.

2 Wassmer -- let's go on page 1. The Wassmer -- on

3 page 9, he indicates his ideal use of where all the

4 markets are. And one of the things he omitted was a

5 product called devulcanized rubber. As a matter of fact,

6 devulcanized rubber is not mentioned in his report, in any

7 of the 120 pages in his report.

8 It's a new product. But because he didn't know

9 about it -- and the new product has tremendous potential.

10 Page 2, I look at the tire rubber recycled in the

11 United States. And you see that minuscule amounts are

12 actually recycled. The status quo is burning and burying

13 the tires.

14 An then I -- go to the next page -- and say why

15 is that happening? And it's really because hardly any

16 money is being spent by the rubber folks. They find it

17 more financially rewarding by continuing to burning and

18 burying because then they get to produce more product.

19 What that causes is more global warming.

20 California's Public Resource Laws 40051 and 40180

21 actually prohibit any activity and -- burning and burying

22 activities. And they say the order of priority is

23 supposed to be done in source reduction. So if you take

24 that in conjunction with the status of the California

25 market where the Legislature and Governor Gray Davis

1 signed in a law mandating reduction of CO2 gases, you see
2 that you have to change the status quo in the way your
3 recycling programs are going. You have to bring in a tire
4 manufacturer into California that has as part of their
5 program formulas for incorporating high amounts of
6 recycled rubber in their tire.
7 CHAIRPERSON JONES: And, Tom, you gave us that
8 plan at our meeting in Concord, and we appreciate that,
9 because we all listened to that and it was part of our
10 discussion.
11 MR. FAUST: Okay. And then I -- so, you know,
12 I'm in agreement with -- I saw the item, $20 million
13 listed on the budget plan. That's a minimum amount you're
14 going to have to offer.
15 CHAIRPERSON JONES: Right, those were your
16 comments. That's not necessarily a part of the plan.
17 MR. FAUST: Okay.
18 CHAIRPERSON JONES: But it's one of the tools.
19 MR. FAUST: One of the tools, right.
20 Well, you know, at the end of the day taxpayers
21 are going to say, "How did we spend the 32 million bucks a
22 year? Did we change the system? Did we improve the
23 environment?" And if the answer that all we did was spend
24 the money injudiciously and didn't change so we have a
25 better environment, then -- you know, you're under the

1 aegis of the California EPA; you're supposed to improve
2 the air quality and the whole environment in California --
3 so then I'd say the money wouldn't have been spent
4 correctly if you didn't get a manufacturer in here that is
5 capable of using a formula that's 25 to 30 percent
6 recycled rubber back into the tires.
7 And, anyway, so on page 9, new direction. He
8 doesn't have a new direction other than kind of
9 maintaining the status quo. But what I'm urging is that
10 all -- in your budget you adopt policies that phase out
11 all landfill and all tire-derived fuel in California. And
12 instead those markets can be picked up by devulcanized
13 rubber and actually more crumb rubber in the cities and
14 highways. You're just starting to address that.
15 So my -- on page 12, in conjunction with his
16 thing, is I'm asking that no subsidy be paid for any tire
17 processing, as what it does is it rewards complacency and
18 destroys the natural supply and demand and -- in other
19 words, payments to crumb rubber producers or devulcanized
20 rubber producers, what it would do is it would encourage
21 more entrants in the market and distort the supply and
22 demand in the state and then you'd have -- for example, in
23 Texas you all know they had mountains and acres and acres
24 of tire chips that were artificially created.
25 Okay. So item -- as part of number 1 I'm urging

1 again the $20 million inducement to tire manufacturers
2 provided they do a 25 to 30 percent recycled tire content.
3 And also keeping tire chips under 4 inches in size. And
4 expanding the use of capital equipment up to a million and
5 a half dollars to bring in new equipment that's not
6 available in the United States.
7 And I believe by following these you'll be able
8 to actually reduce the tire tax, because that's what money
9 is supposed to do. It's not supposed to be a crutch
10 forever and ever on the market. You're supposed to help
11 generate a new industry, and eventually you'll be able to
12 reduce the tire tax down to 50 cents or, for example, or
13 other states such as Texas have no tire tax.
14 So that's the sum of my comments on redoing.
15 Do you have any questions?
16 CHAIRPERSON JONES: Members?
17 No. But we do appreciate that you came up and
18 shared that with us. And we appreciate that you were in
19 Clayton or wherever the heck we were -- over in
20 Pleasanton. Thanks, Mr. Faust.
21 Okay. Our last speaker. Bill Magavern.
22 MR. MAGAVERN: Good morning, Board Members. I'm
23 Bill Magavern with Sierra Club.
24 And as you move forward with the five-year plan,
25 we do urge you to make RAC the top priority and that you

1 aggressively implement SB 1346. We hope that you use the
2 16-percent figure as a floor rather than a ceiling. And
3 that you work with local governments through implementing
4 the Kuehl bill and also continue to push CalTrans to much
5 more aggressively adopt RAC in its projects.
6 Clearly we think that only California rubber
7 should be used in these projects. And there seems to be
8 agreement on that.
9 And also I agree with Mr. Faust, that the Wassmer
10 report was flawed in its bias towards tire burning. We
11 strongly oppose burning because of the emissions that it
12 causes. And since we went over that in some detail at an
13 earlier meeting, it's on the record and I won't rehash it
14 here.
15 But thank you for considering our comments.
16 CHAIRPERSON JONES: Thank you, Mr. Magavern.
17 Any questions?
18 All right. We've heard the comments.
19 I've got a question. We've still got to talk
20 about the fee dropping. We've got to talk about some
21 elements and some other things. Do we need to take a
22 couple of minutes?
23 Is it okay with the members, we'll take 10
24 minutes and then we'll join back, staff. Okay?
25 Ten minutes.

1 (Thereupon a brief recess was taken.)
2 CHAIRPERSON JONES: Okay. We're back.
3 Ex partes.
4 Mr. Cannella.
5 COMMITTEE MEMBER CANNELLA: Mr. Faust. We talked
6 about the report.
7 CHAIRPERSON JONES: Thank you.
8 Mr. Paparian.
9 COMMITTEE MEMBER PAPARIAN: Yeah, Bill Magavern
10 from the Sierra Club. Just a general discussion, not
11 issues. And I said hello to Mr. Faust.
12 CHAIRPERSON JONES: Great.
13 I also said "hi" to Mr. Faust and to Mr.
14 Magavern. And then had a quick discussion with Mr. Cupps.
15 All right. We have heard the comments. We have
16 had a great discussion on the Kuehl Bill, I think.
17 I want to ask the members. We're not prepared to
18 started dealing with program elements right now, are we?
19 Because we need to hear this information on the Kuehl Bill
20 first was kind of the direction. Or do we want to go
21 through every one of the program elements without knowing
22 that information?
23 Okay. You want to wait?
24 COMMITTEE MEMBER PAPARIAN: We'll come back next
25 month?

1 CHAIRPERSON JONES: Exactly. So we can pass on
2 the program element component.
3 The fee dropping on January 1st, 2007, is an
4 issue for us as we rewrite the five-year plan. Do we need
5 more discussion on the fee dropping today? We're aware
6 that it's going to drop. We have some options with -- do
7 we need to go into a big discussion on the fee in 2007, or
8 can we hold off on that? Do we have issues?
9 COMMITTEE MEMBER PAPARIAN: Yeah, my comment on
10 it is fairly simple.
11 CHAIRPERSON JONES: Go ahead.
12 COMMITTEE MEMBER PAPARIAN: And I think it's
13 consistent with what the staff was suggesting in their
14 graphs, which was to cushion the drop by drawing on --
15 what do we call the money that's out there?
16 EXECUTIVE DIRECTOR LEARY: The reserve.
17 COMMITTEE MEMBER PAPARIAN: The reserve. Yeah,
18 by drawing on the reserve. So that, you know, eventually
19 we'll be at the 75 cent funding level. But by using the
20 reserve, we can avoid a rapid drop and do it over several
21 years.
22 CHAIRPERSON JONES: Okay.
23 COMMITTEE MEMBER CANNELLA: That's fine.
24 I was just going to say by 2007 we'll have a new
25 governor. Who knows what they -- may extend it.

1 CHAIRPERSON JONES: Yeah. Okay.
2 And then I do want to have, Shirley, a little bit
3 of a discussion on the elements of rewriting the
4 addendum -- writing or doing an addendum to the five-year
5 plan.
6 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay.
7 CHAIRPERSON JONES: Prior to you doing that
8 discussion, I would like to ask Member Cannella a
9 question.
10 Okay. As an Assembly member, when you saw an
11 agency come to one of your budget committees where they
12 had an obligation to continually update a plan, was it
13 easier for you to see the original document with the
14 changes or a totally rewritten draft?
15 COMMITTEE MEMBER CANNELLA: No, just to see what
16 the changes were, as opposed to having to go through the
17 whole thing, and identify what the changes were.
18 CHAIRPERSON JONES: Okay. That was the way as an
19 Assembly member?
20 COMMITTEE MEMBER CANNELLA: Yes.
21 CHAIRPERSON JONES: Okay. And I asked that
22 question because I think from the standpoint of staff we
23 need to -- I think there's certain parts that can be
24 rewritten. But I think we have an obligation to put our
25 product forward that we approved, then that the

1 Legislature approved, and then show where we've done what
2 the Legislature's asked by updating it every two years.
3 And I don't know what anybody -- Mr. Paparian,
4 thoughts?
5 COMMITTEE MEMBER PAPARIAN: I think -- well, I
6 think when we look at some of the requirements for
7 reporting on program performance that are in SB 876, that
8 it may make sense to produce a whole document. But I'm
9 not suggesting that we start from zero. My suggestion
10 would be that we take the five-year plan and make changes
11 in the plan. We'd make some changes in budget numbers.
12 We'll make some changes in the language in the plan. We
13 may pull some stuff out that we no longer want to fund and
14 add stuff that we want to fund. But not -- you know, I'm
15 not at all suggesting we start from zero and redraft all
16 the words. But I think they'll be a fair number of
17 additions in there.
18 I think for, you know, legislative purposes some
19 sort of summary of the major changes will also be
20 appropriate.
21 CHAIRPERSON JONES: Okay. Are you now -- because
22 it's all in computer. And I guess what I'm trying to
23 figure out is that I'm really proud of the five-year plan
24 that we all put together. And I want to -- you know, I
25 have no problem with the addition and subtraction. And I

1 guess what I'm asking is, do we load the five-year plan
2 and then show the additions and subtractions in a
3 different color, which would act as an addendum? Or
4 what -- because I'm getting too -- my sense is I'd prefer
5 the addendum. And your sense is you'd proof a document.
6 COMMITTEE MEMBER PAPARIAN: Yeah, I think --
7 CHAIRPERSON JONES: So let's figure out -- that's
8 not fair to staff.
9 COMMITTEE MEMBER PAPARIAN: Yeah, when I kind of
10 go through it and see some of the changes, I'd like to
11 see -- some of it is pretty specific in language in the
12 plan itself. And I think it would confuse things to have
13 the original language there and then a separate document
14 that says, "Well, that language no longer applies. It's
15 really this language now."
16 CHAIRPERSON JONES: Okay. But it may not be a
17 separate document as -- I mean maybe we need to talk
18 about -- can we do -- I understand Mr. Paparian's
19 concerns. Wouldn't it be beneficial to us that if we
20 downloaded the five-year plan, if we had that on a
21 document and we basically did a strikeout and addition as
22 to what we thought the changes would be and then
23 summarized it? Is that -- because then it show where
24 we've made changes.
25 COMMITTEE MEMBER CANNELLA: Well, it's kind of

1 hard to have a document with the changes in it if you
2 don't have another document that was the original form.
3 So if you presented a document that had the changes
4 highlighted, you know, that still identifies where it was,
5 but it don't show what it was before that.
6 So, you know, it's really difficult to give one
7 document with all the changes in it without having
8 something to compare it to.
9 CHAIRPERSON JONES: Right. Okay.
10 So --
11 ACTING DEPUTY DIRECTOR WILLD-WAGNER: It could be
12 done with strikeout and highlights the way we do a Board
13 agenda item when we make a change between the Committees
14 members -- of the Committee meeting and the Board meeting.
15 It might get pretty bulky though for a five-year plan.
16 Another option of course is we could just have
17 the existing five-year plan continue to exist as a
18 separate document, dated September 2001, as it currently
19 is, and then have another full document dated March, April
20 2003, whatever it ends up being, as another document, and
21 then add a summary of the changes. But, you know, that's
22 completely up to your discretion.
23 CHAIRPERSON JONES: Do we want to think about
24 this, talk about it, and then -- because at some point
25 we've got to give the format direction to our staff.

1 COMMITTEE MEMBER PAPARIAN: There are people who
2 are going to want just a five-year plan, whatever the
3 current five-year plan is. And then there are some who
4 are going to care about, "Well, what changes did we make?"
5 You could almost -- you could essentially do both. If you
6 do a strikeout and addition version and you hit that one
7 button in Word, it will take out all the strikeouts and
8 give you a clean document.
9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Correct.
10 COMMITTEE MEMBER PAPARIAN: Which would be
11 essentially our current five-year plan. But for, you
12 know, legislative purposes we could submit the strikeout
13 version.
14 CHAIRPERSON JONES: Okay.
15 COMMITTEE MEMBER CANNELLA: I think the strikeout
16 one.
17 CHAIRPERSON JONES: Strike out? Okay.
18 We're going to revisit this obviously when we
19 come up because there's still -- but I think we owe it to
20 ourselves to continue to talk about this and see what's
21 going to make the most sense. And it's got to accommodate
22 everybody's issues, and that shouldn't be a problem.
23 All right. Shirley, you want to wrap this up?
24 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay.
25 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I did

1 have some comments based on today also.

2 CHAIRPERSON JONES: Mr. Paparian. Sorry.

3 COMMITTEE MEMBER PAPARIAN: Thank you.

4 I wanted to clarify, my request of the Legal

5 Office was not just focused on the $6 1/2 million for

6 cleanup and abatement, but rather to look at 876 and the

7 Kuehl Bill as a whole and inform us about what ought to be

8 in the plan based on what the legal requirements are. And

9 I think the Legal Office is working on this, and perhaps

10 they can give us an update next month or give us something

11 in writing, you know, at the appropriate time, elaborating

12 on these items.

13 CHAIRPERSON JONES: Okay.

14 COMMITTEE MEMBER PAPARIAN: I have -- go ahead.

15 CHAIRPERSON JONES: So the question was -- the

16 bill said we had to put at least six and a half million

17 into cleanup, right?

18 COMMITTEE MEMBER PAPARIAN: Right. And that's --

19 on the slide -- the implication from the slide was that

20 was my request of the Legal Office. That was just an

21 example that I used of the sorts of things that are in

22 876. And I just want to be clear from the legal office

23 what is required in 876 to assure that our plan addresses

24 what the Legislature intended us to address in the

25 five-year plan.

1 CHAIRPERSON JONES: Okay. All right.
2 COMMITTEE MEMBER PAPARIAN: And so that's why
3 I've asked the Legal Office just to, you know, go through
4 the legislation and let us know what we're supposed to
5 have in there so that we can determine whether there's
6 anything additional that we need.
7 CHAIRPERSON JONES: Okay. My one question is:
8 When we did the five-year plan and when we negotiated 876,
9 the five-year plan was reflective of what the legislation
10 was. Are we saying -- are you asking for -- because I
11 don't see anything in the five-year plan that didn't
12 mirror what was in 876. So I guess what I'm asking you
13 is: Are you saying go through the bill and make sure
14 that -- everything that's required with a dollar amount,
15 make sure it's there?
16 COMMITTEE MEMBER PAPARIAN: There are things in
17 the bill beyond a dollar amount. And I want to make
18 sure -- before I start arguing one way or another whether
19 we need to add something to the plan, I want to make sure
20 it's consistent with what the law requires. There's some
21 things in there about program evaluations and related
22 items that are I think supposed to be in the updates to
23 the plans. But before we start talking about that, I want
24 to know, you know, whether that's right or not.
25 CHAIRPERSON JONES: All right. And so you're

1 asking the Legal staff to give an independent report to
2 us, or are they going to work with tire staff?
3 COMMITTEE MEMBER PAPARIAN: I --
4 CHAIRPERSON JONES: The Legal Department did not
5 negotiate 876. Tire staff and Board members did.
6 COMMITTEE MEMBER PAPARIAN: No, I asked them I
7 think it was at the hearing we had in this room to take a
8 look at the requirements of 876 and let us know what's in
9 there that we ought to know about.
10 CHAIRPERSON JONES: Okay. So you're saying you
11 want that to be independent?
12 COMMITTEE MEMBER PAPARIAN: They're working on
13 it. They're almost done.
14 CHAIRPERSON JONES: They are. But --
15 COMMITTEE MEMBER PAPARIAN: The Legal staff is,
16 yeah.
17 CHAIRPERSON JONES: Right. But there -- and I
18 guess my only question is: They're working in a vacuum as
19 opposed to working with staff?
20 COMMITTEE MEMBER PAPARIAN: I don't know.
21 ACTING DEPUTY DIRECTOR WILLD-WAGNER: No, they've
22 been in contact with staff also.
23 CHAIRPERSON JONES: Have they? Okay.
24 That's all -- I'm trying to figure -- I knew what
25 he asked for. And when they say the Legal staff, it

1 sounds to me like that's an independent thing. And I just
2 wanted to make sure because they weren't part of the
3 negotiations, you know. Tire staff and Board members
4 were. So -- or they may have been part of it. But that's
5 all I wanted to know.
6 So that's fine.
7 COMMITTEE MEMBER PAPARIAN: Okay. Should I go
8 onto a couple other items?
9 CHAIRPERSON JONES: Go ahead.
10 COMMITTEE MEMBER PAPARIAN: The letter from
11 Health Services about mosquito issues, I couldn't get from
12 that what type of research or what it is they would want
13 that would cost us money, perhaps other than clean up
14 these sites as fast as possible.
15 CHAIRPERSON JONES: I think that's it.
16 COMMITTEE MEMBER PAPARIAN: But that's what I
17 want to ask our staff.
18 In your discussions with Health Services, is
19 there something beyond to clean up these sites as fast as
20 possible that we're looking for?
21 MR. FUJII: That's probably the gist of it. They
22 probably -- there's also issues that we have with
23 coordination with the other regulatory agencies. I know
24 when we took our -- for example, we took our tour of the
25 Sonoma sites, they were saying, "Spray everything." And

1 then we have Fish and Wildlife Service and Fish and Game
2 saying, "Don't spray." So, you know, some of this is kind
3 of related to that as well. So we're working with them to
4 see, you know, should they be spraying this pile or
5 spraying that pile? Are we going to be cleaning it up
6 soon? Because we certainly have issues when they spray
7 pesticide all over tires and we got to go and clean them
8 up because it changed the nature of the waste.
9 And so there would be some coordination maybe
10 along those lines as well. But I think, you know, their
11 underpinning concern is that the tires not exist. And to
12 show that, you know, there certainly is a threat from all
13 tire piles. And the more remote they are, the worse --
14 you know, they can still be a significant issue for them.
15 So --
16 COMMITTEE MEMBER PAPARIAN: So there's no
17 research needed in this area that we need to --
18 MR. FUJII: You know, I hadn't had a direct
19 conversation with them, to be truthful with you. Just
20 what I saw from the letter as well. That's pretty much
21 what I saw as well, just clean the tires up. But I have
22 had discussions with them on this, you know, issue of
23 spraying in the past. So it also may be something related
24 to that too.
25 COMMITTEE MEMBER PAPARIAN: Okay. Next issue is

1 something that I've thought of since our workshops. And
2 that has to do with enforcement and whether it might be
3 appropriate to set some money aside for equipment
4 purchases that would enhance our enforcement efforts,
5 including our enforcement efforts with the California
6 District Attorneys Association contract that we have.
7 Things like, you know, remote surveillance equipment or
8 cameras or, you know, even as much as night vision
9 equipment, things that might enhance their ability to do
10 whatever they're going to do. I don't have a dollar
11 amount in my mind. But I thought that it would be
12 appropriate for us to, perhaps with the Legal Office and
13 with the CDAA folks, check with whether there might be
14 some equipment needs that ought to be funded out of the
15 enforcement portion of the tire program, and maybe even
16 based on our recent experience with -- what do I call
17 them? -- the sting operations. I don't know if there's
18 any equipment needs associated with those either. But if
19 there are, I think this would be the time and place to --
20 or the tire plan would be the place to address them and
21 put funds in there.
22 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We'll look
23 into that.
24 COMMITTEE MEMBER PAPARIAN: Some of the slides on
25 market development -- and I think it probably pretty

1 obvious. Some of the slides on market development
2 included items that really seemed to be more appropriate
3 for research. There was the one on recycling rubberized
4 asphalt, kind of stuck out in my mind. Is when the person
5 brought that up I think down in Van Nuys, I thought that
6 was a really good idea, to take a look at the
7 recyclability of rubberized asphalt. But, again, it seems
8 more like a research item than a market development item.
9 That's it for now. I do have some specific
10 comments on some of the language in the five-year plan as
11 it stands. And I'll just provide that to staff
12 separately.
13 CHAIRPERSON JONES: Thanks, Mr. Paparian.
14 Mr. Cannella, anything?
15 COMMITTEE MEMBER CANNELLA: Just a clarification
16 of where we're headed with the form for local government
17 to administer RAC programs and grants. Are we going to
18 get that before January or are we going to get it next
19 month? I would like not to leave it in limbo. I would
20 like to have a time certain that we can expect something
21 back that we can review it before we get into developing
22 grants.
23 CHAIRPERSON JONES: Okay. I can let staff answer
24 that.
25 I do have a comment as part of that discussion.

1 If you're going to find out the projects and the
2 number of tires that were used in those types of things,
3 then that would at least give us an idea of the kind of
4 activity that's been going on lately. And we also need to
5 know, I think, the issues about timing. And I think
6 Theron from the Sacramento center said that they're
7 looking at projects now to start after the rains next
8 year. Where I thought it was two years, it looks like
9 it's one year. So we need that kind of information. And
10 then there was something else that we had talked about
11 during this process.
12 So is what you're asking is, based on that
13 information, when you guys look at that, you may be able
14 to determine the number of projects that might come
15 forward; and if the Board allocated 16 percent of eight
16 million bucks, that would make this much money available,
17 it could be up to 50 grand per project; a form -- if we
18 did first in the door, a form could look like this; if it
19 was competitive, it would take this many PYs, a form would
20 look like that. Is that what you're asking? I mean would
21 that kind of information be helpful?
22 COMMITTEE MEMBER CANNELLA: Well, I think there's
23 multiple things in what you were just talking about.
24 Number one, we just need to have a simple form that we can
25 review that says, "Okay, we're going to administer grants.

1 City X, all you have to do is send this form back. You
2 don't have to go reinvent the wheel."
3 Secondly, I want to know how many miles would
4 $50,000 provide for, how many tons. A lot of things other
5 than just "We're going to give you $50,000" or create
6 $50,000. I also would like to see the RAC centers provide
7 up-to-date information about how many miles of road, how
8 many cities, what the cost is, how many pounds went into
9 it. I mean stuff that we can use to evaluate the
10 programs.
11 And so what I'm asking for is a simple form that
12 we could administer for the programs and, secondly, that
13 we require the RAC centers to be more up to date on that
14 information so that we could use it in the determining on
15 the grants, what will $50,000 buy you, how many miles, how
16 many tons, all that stuff.
17 CHAIRPERSON JONES: Okay. If the RAC centers are
18 going to provide all that information, which I think they
19 should. I agree with you.
20 COMMITTEE MEMBER CANNELLA: By January I think we
21 ought to have it.
22 CHAIRPERSON JONES: I agree with you. We ought
23 to -- you ought to be talking about those centers and find
24 out what we're looking at for support, what the dollars
25 are going to be, right?

1 COMMITTEE MEMBER CANNELLA: Right. But I also,
2 you know, don't want this thing left forever. I want it
3 by January.
4 CHAIRPERSON JONES: Can you bring this back in
5 January when we have -- you were going to come in January
6 with these other issues. Can you have all this
7 information for us --
8 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes.
9 CHAIRPERSON JONES: -- for the January Committee
10 meeting?
11 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes.
12 CHAIRPERSON JONES: Okay. And from that we're
13 going to hear it in January as well -- both here and at
14 the Board, is that -- or what do you want to do there?
15 EXECUTIVE DIRECTOR LEARY: Well we were talking
16 over the break that January is going to be a very
17 substantive discussion of the five-year plan. I mean I
18 think it's going to be the right time to roll up our
19 sleeves, have a discussion of the full implementation of
20 the Kuehl Bill, as well as a program element discussion.
21 I'd like to propose that we set aside a day,
22 separate and apart from the regular Committee agenda, to
23 get down and dirty with the five-year plan, and have the
24 time so we don't have other agenda items pressing on us to
25 really discuss and talk through some of this. And we as

1 staff will come prepared with information, the best
2 information we can gather about the implementation of the
3 Kuehl Bill, both in terms of numbers, quantities and costs
4 of RAC, as well as some ideas about how to administer it
5 including the use of a simple form for reimbursement of
6 RAC by local jurisdictions. So I think it's got to happen
7 in January.
8 CHAIRPERSON JONES: All right. Could you make
9 sure that if you do it that way, to have representatives
10 from both RAC centers here?
11 EXECUTIVE DIRECTOR LEARY: Yes.
12 CHAIRPERSON JONES: And it would be helpful to
13 contact -- are the members willing to do -- you know,
14 let's have a one-day deal on this thing? And then what we
15 will do is we will invite the entire Board to participate?
16 Does that work? Is that okay? We'll invite the entire
17 Board. We'll have a one day, put it -- try to get it in
18 the same week that we have committee meetings, I would
19 think, only just a separate day. Would that be okay
20 scheduling-wise?
21 COMMITTEE MEMBER PAPARIAN: We'll have to look at
22 our schedules, yeah.
23 At some point we're going to see a spreadsheet
24 essentially of the various allocations. And that's
25 something that I've been looking forward to participating

1 in the development of that spreadsheet. Would we develop
2 it that day? Or would we come up with the Committee in
3 December and try to come up with some initial things or --
4 CHAIRPERSON JONES: Let's do it that day.
5 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We came
6 with a blank spreadsheet basically today for you. But I
7 don't believe that we're prepared with all this
8 information to -- you know, to go through those elements.
9 And I would suggest that we bring that and actually do
10 that in January.
11 CHAIRPERSON JONES: At that meeting.
12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: At that
13 workshop.
14 COMMITTEE MEMBER PAPARIAN: Okay. Because I
15 don't want to put -- and staff would be in an awkward
16 position I think if they'd just try to come out with
17 numbers at this point. I think it's our obligation on the
18 Board to decide who's not going to get funded and who is
19 going to get funded.
20 CHAIRPERSON JONES: Right. I agree with you.
21 So we can develop that five-year plan that day.
22 We'll get all the information first and we'll start going
23 through the programs, through the elements. We'll invite
24 all the Board members to be here to participate. And then
25 at the end of the day we should have a document that, you

1 know, we're ready to probably bring to the Board for
2 approval. I don't know if we can improve it. You guys
3 figure that out.
4 EXECUTIVE DIRECTOR LEARY: Sounds pretty
5 optimistic to me. But maybe at the end of the day we'll
6 have a conceptual plan that where the major concepts have
7 been developed. Maybe a preliminary decision on
8 implementation of the Kuehl Bill by the end of the day.
9 And at that point then it will be a matter of revising the
10 five-year plan for bringing back the Committee, say, in
11 February or March, for ultimate adoption by the Board in
12 April or May.
13 CHAIRPERSON JONES: Okay. Kathryn, you can have
14 all the requests by that day?
15 CHIEF COUNSEL TOBIAS: Yes.
16 CHAIRPERSON JONES: You can talk to them ahead of
17 time obviously. But I mean -- and share that that day?
18 CHIEF COUNSEL TOBIAS: No, I don't think that's a
19 problem.
20 CHAIRPERSON JONES: Cool.
21 Any other questions or issues? Everybody
22 comfortable with that direction? We'll go there?
23 Staff, you're comfortable with that direction?
24 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes.
25 CHAIRPERSON JONES: Instead of bringing us a

1 blank sheet -- I don't care how many columns you have that
2 are blank -- make sure that we have something to work
3 with. Make sure that each one of those shows us what
4 we've already allocated, okay, because we need to be able
5 to look at what we've allocated and make a determination
6 in real dollars what we're striking. Okay?
7 So I would ask you not to just give us a blank
8 form. You can have a blank line next to it.
9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We can have
10 a blank line next to it, yes. And so we'll have the
11 current allocations reflected and then where it would look
12 like if you add and subtract?
13 CHAIRPERSON JONES: Yeah. Just run it and then a
14 blank. And then we can determine what gets filled in. Is
15 that cool?
16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Great.
17 Thank you very much.
18 CHAIRPERSON JONES: All right. Thank you very
19 much. That was a good issue.
20 With a little luck we're going to keep rolling,
21 those of you that don't know how I do planning. Strap
22 them on, because we're moving.
23 All right. Patty Wohl, as soon as you get your
24 seat, you can give us your Deputy Director's report or
25 Director's report, whatever, from Waste Prevention and

1 Market Development.

2 DEPUTY DIRECTOR WOHL: You got it.

3 What I'd like to do is give an overview or an

4 update of PR 1133, and in particular maybe give a little

5 background for Mr. Cannella.

6 And, that is, that the South Coast Air Quality

7 Management District, what we call AQMD, is targeting for

8 reduction emissions from compost and co-compost operations

9 in the development of PR 1133.

10 Originally in August of 2001 the AQMD proposed

11 one rule that would require all composting facilities to

12 be enclosed with emissions vented to a biofilter, and

13 scheduled adoption of that rule was for November 2001. As

14 you know, we got involved at that time, as it would have

15 been extremely cost prohibitive for the composting

16 industry and would have impacted local jurisdiction's

17 ability to reach the 939 mandates.

18 After a lot of negotiation and input AQMD is now

19 proposing to develop a series of rules rather than a

20 single rule.

21 Three of the rules are scheduled for adoption at

22 their December board meeting: Registration/reporting,

23 chipping and grinding, and co-composting.

24 AQMD decided to address green waste composting,

25 the fourth rule, after the first of the year. So we at

1 least have got them to postpone that.

2 Staff has been involved in a multi-divisional

3 effort to reach a workable solution. And CIWMA has also

4 provided vital funding at pivotal times that have helped

5 to answer some of the emissions questions.

6 The initial allocation came from 2001-2002, our

7 contract concept approved in October for the amount of

8 $25,000. And that was with Dr. Charles Schmidt, an air

9 emissions expert, from an informal solicitation to a

10 certified small business.

11 The testing was conducted in partnership with the

12 city of Los Angeles in December of 2001. This testing

13 established the baseline emissions from green waste

14 composting facilities. Additional testing was needed to

15 evaluate the best management practices.

16 Additional reallocated funding of $50,000 was

17 approved in April. The BMPs are simple operating

18 techniques like proper aeration that can reduce emissions.

19 This funding was used to amend the original contract with

20 Dr. Schmidt.

21 Because of the amount of the contract amendment,

22 the noncompetitive bid contract justification procedures

23 were required. We are currently undergoing those testing,

24 as we speak. In fact we have a staff person down there

25 today. So we're looking at gathering additional samples

1 of that.

2 What this leads me to is, in September of this

3 year the Board approved a contract concept for $103,000 to

4 address the threats to organic recycling. This includes

5 funding for further BMP tests to assess additional

6 operating variables and types of compost feedstock.

7 As approved in the September concept item, we

8 will be processing this contract as an amendment to the

9 existing contract through the Executive Director's

10 delegated authority. This way we can provide project

11 continuity, assure the scientific integrity of the

12 testing, utilize the emissions expert that has been

13 acceptable to both AQMD and the Board, and then meet

14 AQMD's schedule for rule adoption.

15 So I just wanted you to know that because of our

16 efforts they have slightly delayed the fourth ruling. But

17 we are still, you know, in an urgent situation to get this

18 going.

19 So I just wanted to give you an update on that.

20 CHAIRPERSON JONES: Thanks.

21 We've got, you know, just one other issue there.

22 The co-composting part of this, the biosolids -- biosolids

23 that come out of every sewer treatment plant, especially

24 in southern California, there are starting to be

25 prohibitions in Kern County, in Fresno and other counties

1 from land application.

2 I ended up speaking to all the POTWs down in --

3 at the San District Wednesday. One of the issues that all

4 of those POTWs that I challenged them to do was to come up

5 with a communication plan. One thing that we're not

6 talking about is all industrial generators have a

7 requirement now to do pre-treatment on their manufacturing

8 locations, before that material ever gets to a sewer

9 treatment plant. So we're seeing less metals.

10 But nobody is telling the farmers or anybody like

11 that about those changes. And we better start doing that

12 because, remember, if that material can't be land applied

13 or composted, it's going to be on our landfills. And

14 there is no other option. It's going Arizona. But at

15 some point Arizona is going to say, "We're not taking all

16 the biosolids from this state." So it is critical that

17 under PR 1133.2 or 3, whatever the co-composting one is,

18 that we remain aware of that because that's going to

19 impact landfills big time.

20 Orange County asked if they could start bringing

21 some biosolids to the Orange County landfills. They were

22 told no by the landfills. And I told them later, after

23 they made their presentation, was because they didn't want

24 that tonnage as part of their AB 939. But that was where

25 they were ready to go. And they were dissuaded by the

1 landfills.

2 So this remains a huge issue.

3 And another issue, their prescriptive standards

4 that they've put forth in these rules prohibit -- I saw,

5 and, Mike, you may have seen the same thing at the SWANA

6 show, Gor, which makes Gortex, that fabric that's in just

7 about everything we own, has applications in Europe where

8 they're using their covering with a system for odor

9 emissions and emission reduction all over Europe on

10 contaminated soils, what we call -- we consider, you know,

11 the excavations from brown fields, things like that, that

12 they've got an awful lot of data. They're not even --

13 they're looking for places in the United States to start

14 doing that. But under the standards of PR 1133, that

15 would not be an acceptable method because it's got

16 positive aeration as opposed to a negative aeration. So

17 it wouldn't even pass. And yet it's been proven to be --

18 to reduce odors between 90 and 97 percent, and it's used

19 all over Europe.

20 So we've still got an obligation to make these

21 people aware that they're prescriptive standards are going

22 to eliminate an awful lot of options that may be a heck of

23 a lot more viable than a building. So I just thought I'd

24 throw that out.

25 I will be at that board meeting. I actually have

1 to do something the day before and then head down there.
2 All right. Mr. Paparian.
3 COMMITTEE MEMBER PAPARIAN: Just a quick
4 question, make sure I'm understanding.
5 The AQMD is okay with the science that we're
6 putting forward at this point? I think I heard you say
7 that.
8 DEPUTY DIRECTOR WOHL: Right. The person that
9 we're contracting with they feel, yeah, is credible.
10 COMMITTEE MEMBER PAPARIAN: Okay. So we're not
11 going to expect them to come out with something and then
12 the district to say they've got problems with it --
13 DEPUTY DIRECTOR WOHL: Right.
14 COMMITTEE MEMBER PAPARIAN: -- on the science
15 part of it?
16 Okay. Good.
17 DEPUTY DIRECTOR WOHL: Now, there is the issue
18 what the data shows still, you know.
19 COMMITTEE MEMBER PAPARIAN: Right. I mean --
20 yeah, it's going to show whatever it shows.
21 CHAIRPERSON JONES: No, no. What she's saying is
22 there's a huge disagreement between our consultant and our
23 staff and what the one person that evaluates those
24 emissions at the air district, how they are evaluating the
25 data. So that's been ongoing. Is that fair to say?

1 DEPUTY DIRECTOR WOHL: That's correct. I think
2 what we did is we came up with a baseline and then they
3 extrapolated in such a away to come up with some figures
4 that we're in disagreement with, yes.
5 CHAIRPERSON JONES: They drove the emissions up
6 using a mathematical extrapolation that doesn't match what
7 our consultant, who they approved of, or our staff have.
8 I wanted you to know that because that's what --
9 COMMITTEE MEMBER PAPARIAN: Okay. That's getting
10 to what I was trying to understand, yeah. Okay.
11 CHAIRPERSON JONES: Exactly.
12 COMMITTEE MEMBER PAPARIAN: Okay. Thank you.
13 DEPUTY DIRECTOR WOHL: Okay. And then the other
14 thing I just wanted to briefly mention was the food
15 summit. As you know, we had a two-day food summit on
16 October 22nd and 23rd. The event was a great success. We
17 had over 200 attendees. The keynote speaker was Frances
18 Marla Pay. And she was well received also.
19 We talked about things such as food banking,
20 animal feed programs, composting, outreach programs. And
21 our plan is, similar to the conversion technology forum,
22 is to bring that information back to the Board and let
23 them from that make some decisions on maybe next steps for
24 us. And we anticipate bringing that to you in January.
25 With that, I'm ready to move into the items.

1 CHAIRPERSON JONES: Okay. You're SABRC meeting
2 was good yesterday. I'm going to talk about it at the
3 Board meeting because I've got a couple of ideas.
4 DEPUTY DIRECTOR WOHL: Okay. Great.
5 So Committee Item H, which is Board Item 55,
6 consideration of reappointment of two Loan Committee
7 members for the Recycling Market Development Revolving
8 Loan Program Loan Committee.
9 And Sharon Green will present.
10 MS. GREEN: Sharon Green, RMDZ Loan staff.
11 This item is consideration of approval of the
12 reappointment of two 2 Loan Committee members for the RMDZ
13 Loan Committee.
14 CHAIRPERSON JONES: Thank you.
15 Mr. Paparian.
16 COMMITTEE MEMBER PAPARIAN: They seem to be doing
17 a good job.
18 I'll move Resolution 2002-647.
19 CHAIRPERSON JONES: And I will second it.
20 Call the roll.
21 And we will leave the roll open. Mr. Cannella is
22 just outside the door taking a call.
23 SECRETARY BAKULICH: Paparian?
24 COMMITTEE MEMBER PAPARIAN: Aye.
25 SECRETARY BAKULICH: Jones?

1 CHAIRPERSON JONES: Aye.
2 We'll leave this open, let Mr. Cannella vote on
3 it.
4 DEPUTY DIRECTOR WOHL: Okay. Agenda Item I,
5 which is Board Item 56, consideration of completion of the
6 '97-'99 rigid plastic packaging container compliance
7 agreements for the following companies.
8 And Jan Howard will present.
9 COMMITTEE MEMBER PAPARIAN: Good work.
10 I'll move --
11 CHAIRPERSON JONES: You guys have done great.
12 COMMITTEE MEMBER PAPARIAN: I'll move Resolution
13 2002-640 -- we've got a whole bunch of them -- all the
14 ones listed in Item 56.
15 DEPUTY DIRECTOR WOHL: We do have one change to
16 one company that Jan could mention. And you can add that.
17 CHAIRPERSON JONES: Go ahead.
18 MS. HOWARD: Yes, I would like to update you on
19 the Schultz Company. We have been working with them. And
20 we would like the Committee recommend Option 4 and extend
21 the compliance agreement. Schultz was purchased by United
22 Industries in May of 2000. And they had also been
23 informed by their container manufacturer that their
24 containers were in compliance and did not know until the
25 final report that the containers were not in compliance.

1 They have subsequently met with their container
2 manufacturer, and he assures them that they will be in
3 compliance by December 31st of 2002. Therefore, we're
4 requesting that we extend the agreement to June 30th,
5 2003, to allow them the 6 months to prove compliance.
6 COMMITTEE MEMBER PAPARIAN: Okay. And Resolution
7 will reflect that?
8 MS. HOWARD: The resolution reflects that. So it
9 would now be Resolutions 2002-648 through 2002-660.
10 COMMITTEE MEMBER PAPARIAN: Okay. So I'll move
11 Resolution 2002-648 through Resolution 2002-660, with the
12 notation on 658, the Schultz Company.
13 MS. HOWARD: That's correct.
14 CHAIRPERSON JONES: I'll second.
15 Jeannine, substitute the previous roll and leave
16 it open for Mr. Cannella, if there are no objections.
17 All right.
18 DEPUTY DIRECTOR WOHL: The next item is
19 consideration of grant award to Santa Ana Unified School
20 District on behalf of the Lorin Griset High Performance
21 Demonstration School.
22 And Tom Estes will present.
23 MR. ESTES: Good morning, Chairman Jones, Board
24 Member Paparian. For the record, my name's Tom Estes. I
25 work in the Sustainable Building Section.

1 This item is the first of two this year that
2 target receptive partners for sustainable building grant
3 funding set aside in the five-year plan.
4 If you recall at the October meeting in Diamond
5 Bar last year the Board awarded $250,000 IWMA funds to the
6 Santa Ana Unified School District in support of their
7 efforts to make the plan Lorin Griset Elementary School a
8 California High performance Demonstration School and, in
9 particular, a materials showcase.
10 I'm happy to report that that school is well on
11 its way to achieving that goal, and much more is possible
12 as this item will present.
13 Given the showcase demonstration potential of
14 Lorin Griset, all the Board's school-related programs met
15 with the Chair's office to brainstorm how we could enhance
16 this project even beyond what was envisioned last year.
17 To that end we're recommending a comprehensive approach
18 that includes Board funding solely for the use of over
19 90,000 square feet of rubberized asphalt concrete in the
20 school's open areas, driveways, and play courts; and about
21 13,000 square feet of tire-derived resilient playground
22 surfaces to offer protection beneath the play equipment.
23 Also, with your approval, the Division of
24 Planning and Local Assistance will offer their technical
25 assistance to develop a recycling program as well as

1 project recycled funds to purchase recycling bins if
2 favorable agreements with local service providers can't be
3 worked out.
4 We kind of think that will be the case, but we're
5 working on all the angles there.
6 The Office of Integrated Environmental Education
7 is committed to working with the school district's
8 Curriculum Development Committee to incorporate the
9 Board's environmental curriculum on campus and district
10 wide.
11 In addition to the proposed funding for RAC, the
12 Special Waste Division will assist the district to adopt a
13 comprehensive re-refined and used oil recycling program.
14 The district will also apply for Energy
15 Commission grants, DOC grants. And they actually just
16 were awarded several trees from the Shade Tree Foundation.
17 They so far have also received assistance from
18 the Energy Commission's Bright Schools Program and So Cal
19 Edison's Savings-By-Design Program.
20 As a direct result of our support of the Board's
21 support in efforts thus far, the Santa Ana Unified School
22 District Board will be considering a resolution to adopt
23 the CHPS high performance school criteria district wide.
24 Of greater significance, in my opinion, is their
25 commitment to make the school available for tours and

1 viewing by all interested school districts. The positive
2 aspects of this are huge when you consider that both this
3 district and its neighbor, Los Angeles Unified, are
4 currently the two most impacted districts in the state as
5 far as need of classrooms.
6 Staff recommends the Board award $200,000 to
7 Santa Ana Unified School District on behalf of the Lorin
8 Griset High Performance Demonstration School from the
9 Green Building Grant Funds allocated under the five-year
10 tire plan for resilient play surfacing.
11 And also we ask that the Board direct staff to
12 incorporate for priority consideration $150,000 into the
13 Spring 2003 Tire Recycling Management Fund reallocation
14 item specifically for Lorin Griset to replace asphalt in
15 the open areas, driveways, which are really fire access
16 areas, and play court with rubberized asphalt concrete.
17 And that of course is subject to availability of funding.
18 With that we ask that the Board approve the
19 proposed award of grant and adopt Resolution 2002-663.
20 And I'm available for questions.
21 CHAIRPERSON JONES: Questions?
22 This would be a reallocation of some tire
23 dollars?
24 MR. ESTES: The final piece, the 150,000 -- the
25 first piece is the Green Building -- the 200,000 comes

1 from the Green Building --

2 CHAIRPERSON JONES: Got that part. But the tire

3 part.

4 MR. ESTES: That's right.

5 CHAIRPERSON JONES: Have we already considered

6 this as part of our reallocation, or we're just going

7 ahead --

8 MR. ESTES: We're going ahead, we're looking --

9 CHAIRPERSON JONES: -- and saying there's

10 money -- and we know how much is available for

11 reallocation out of the tire fund?

12 MR. ESTES: I don't have a specific amount. But

13 I think based on last year, everyone felt comfortable that

14 there would be plenty.

15 CHAIRPERSON JONES: Okay. Admin's looked at

16 this, there's going to be dollars available?

17 MR. ESTES: That's what we're told.

18 CHAIRPERSON JONES: All right.

19 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Mr. Jones,

20 we will bring that forward to the Board in the annual tire

21 reallocation item, along with all of the other

22 recommendations by staff that come forward in probably

23 April.

24 CHAIRPERSON JONES: Okay. But we're doing this.

25 So this would be one that wouldn't come forward.

1 ACTING DEPUTY DIRECTOR WILLD-WAGNER: This would
2 not commit the Board to doing it. This would still come
3 forward as part of our reallocation item.
4 CHAIRPERSON JONES: Oh, okay.
5 COMMITTEE MEMBER PAPARIAN: So this doesn't --
6 the interpretation of this is not that it would give the
7 first $150,000 to this project?
8 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's not
9 my interpretation of it. I don't believe that's Admin's
10 interpretation either. It would be one of all the
11 projects that we would bring back as we reconsider any
12 left-over funds in the tire fund.
13 CHAIRPERSON JONES: Okay. So we're saying -- so
14 this is set up that there's two funding elements. One,
15 you have; one is proposed if you get the reallocation
16 dollars.
17 MR. ESTES: That's correct.
18 CHAIRPERSON JONES: And we're approving the idea
19 that that's a good idea?
20 MR. ESTES: That's correct.
21 CHAIRPERSON JONES: I have no problem with that.
22 I just wanted to make sure, because it wasn't clear to me
23 when I read this exactly where we were. So that's cool.
24 MR. ESTES: That's right.
25 The reason we're doing this now, Mr. Jones, is

1 we're sending a signal to the district. They're getting
2 their construction bids out there right now. We're trying
3 to -- if the Board approves in the spring, we're avoiding
4 change-order costs, which, you know, those are
5 significant.
6 CHAIRPERSON JONES: Got you.
7 And we're not using rubberized asphalt in parking
8 lots?
9 MR. ESTES: No, we're not.
10 CHAIRPERSON JONES: Okay. Because we funded
11 those. And we found since going to the RAC training
12 programs that in fact those don't work because of the
13 turning --
14 MR. ESTES: We will put some parking stops --
15 CHAIRPERSON JONES: -- and pulls it up. And that
16 will ruin our efforts, you know.
17 MR. ESTES: We will put some parking stops in
18 those --
19 CHAIRPERSON JONES: That's fine. Parking stops
20 are made out of rubber -- I mean they're molded.
21 MS. PAPKE: My name's Dana Papke, and I work in
22 the Sustainable Building Program.
23 CHAIRPERSON JONES: Hi, Dana. How are you?
24 Go ahead and talk.
25 MS. PAPKE: I just wanted to say something really

1 briefly and, that is, that I'm going to be the contract
2 manager for this grant -- or I guess the grant manager for
3 this particular allocation. And I'm the contract manager
4 for the existing contract that we have with the Lorin
5 Griset Demonstration School.
6 And my understanding is that this would be a
7 pre-allocation or a special consideration for allocating
8 this $150,000. So I just wanted to make sure that that
9 was stated.
10 CHAIRPERSON JONES: Okay. So we have two -- we
11 have conflicting --
12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yeah. And
13 let me just --
14 MS. PAPKE: Because the main --
15 CHAIRPERSON JONES: Why would it be any
16 different?
17 Go ahead.
18 MS. PAPKE: The main reason why I wanted to
19 ensure that is because this school is planning to go out
20 to bid in the next couple of months, and they need to make
21 changes to the specifications right now. And unless we
22 definitely say that we're going to commit to giving these
23 funds to them, they have no guarantee that they're going
24 to be able to purchase the RAC for these areas unless they
25 know they have money to do it.

1 CHAIRPERSON JONES: Makes sense.

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: But, Mr.
3 Jones, Admin also just reminded me we do not know how much
4 money will be available in the Tire Recycling Fund for
5 reallocation. At this point the Board has allocated about
6 $33 million already for this fiscal year. And unless
7 there's funding available, left over, there is no other
8 money to fund this. There probably will be, but we don't
9 know that for sure until probably March or April.

10 CHAIRPERSON JONES:

11 MR. ESTES: I think the key word is "if
12 available."

13 CHAIRPERSON JONES: Okay. Hold on.

14 MS. JOHNS: Susan Johns, AFD.

15 CHAIRPERSON JONES: Yeah, but, Tom, we're hearing
16 two different things.

17 MR. ESTES: Oh, okay.

18 MS. JOHNS: I'm Susan Johns from AFD.

19 The discussion in the meeting that we were in was
20 that they would come forward and state that if there was
21 money available in the tire reallocation item for next
22 spring -- if -- then this $150,000 would be pre-allocated
23 now against that then.

24 CHAIRPERSON JONES: Oh, okay.

25 MS. JOHNS: In other words, you're saying now

1 that if there is money available, they do get the 150.
2 CHAIRPERSON JONES: They get it. It's off the
3 table then if there's an -- Okay. We need to know that,
4 you know, and just like the school needs to know it.
5 Okay. Go ahead. I mean personally I don't have
6 a problem --
7 COMMITTEE MEMBER PAPARIAN: Yeah, I'm kind of --
8 I'm torn. I love the school project. But to decide now
9 that this is more important than, say, you know, funding
10 playground grants like we did last year where we had the
11 additional applicants in the past but we didn't have the
12 money available initially and we gave them money
13 afterwards where we had the reallocation. We're kind of
14 prejudging now that this is more important than that or
15 any other reallocation we might do.
16 CHAIRPERSON JONES: We are prejudging it. But --
17 MS. PAPKE: One thing to take into consideration
18 though is that this really is a great project and that
19 this really is a good application for tires. And if we're
20 looking to create markets for tires, this is somewhat of a
21 new application because typically we're not using RAC in
22 open areas or play court areas of schools. We're using
23 asphalt. And this type of RAC that we'll be using is a
24 terminal blend RAC which does not use crumb rubber. It
25 will use rubberized liquid. And so it will be more

1 applicable for this type of a surface area.
2 And knowing that this is one of the eight high
3 performance demonstration schools in the state and that
4 all states -- or all schools districts across the state
5 will be looking to this as an example, as a material
6 showcase, and they need to know what products, what
7 recycled products are available to use on their campuses.
8 And if we want to start using tires at schools, then this
9 would be a great application.
10 COMMITTEE MEMBER PAPARIAN: Okay. And the Tire
11 Program believes that there is market potential for play
12 court surfaces using terminal blend rubberized asphalt?
13 CHAIRPERSON JONES: Yeah, I'm real interested in
14 the answer to this one.
15 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Well, of
16 course -- and my technical staff has left right now. But
17 the Kuehl Bill specifically supports the use of the other
18 process, the wet process, rather than the terminal blend
19 process. So I don't believe that we're in a position to
20 state right now.
21 MS. PAPKE: I have new information on that. I've
22 been speaking to all of the experts at the resource
23 centers. They've been holding my hand through this
24 process. I spoke to an engineer down in southern
25 California who's an engineer for the city of Santa Ana.

1 And they say that this terminal blend would be appropriate
2 for this application. It's going to be more durable.
3 It's going to last longer. They're not going to have to
4 replace it as often for the schools. So that's the
5 information that I've developed.
6 And the same thing with the terminal blend. The
7 different between --
8 CHAIRPERSON JONES: Have you heard our Board ever
9 talk? Have you ever followed any of our discussions on
10 rubber?
11 MS. PAPKE: I spoke with Nate Gauff about the
12 rubber --
13 CHAIRPERSON JONES: Right. But have you ever
14 heard our discussions about rubber?
15 MS. PAPKE: No, I have not.
16 CHAIRPERSON JONES: We had a choice to make
17 between the wet process and terminal blend. And because
18 there's no history of success with terminal blend, we made
19 it very clear that we wanted wet process. So if we're
20 going to have a demonstration school that highlights
21 different technologies, you're asking us to fund a
22 technology that this Board has put into a secondary
23 position. And I'm not sure that I'm prepared to get off
24 of what I know to be 25 years of verifiable -- wait a
25 minute -- verifiable data that the wet process holds up.

1 Terminal blend has only been around four to five years.
2 MS. PAPKE: The only thing is I don't -- I talked
3 to Nate and he said wet process would not be appropriate
4 for this type of application --
5 CHAIRPERSON JONES: Then maybe we don't fund it.
6 MS. PAPKE: -- and the terminal blend would.
7 CHAIRPERSON JONES: Because you're telling me
8 that there's no crumb rubber in the blend.
9 MS. PAPKE: Right, it's rubberized liquid. They
10 have melted down tires and they actually use 10 percent
11 recycled content.
12 CHAIRPERSON JONES: Okay. So it is a used -- it
13 is tire recycling?
14 MS. PAPKE: Yes. And they can certify that it's
15 California tires as well.
16 CHAIRPERSON JONES: Okay. I think what you need
17 to do -- I mean I'll let the members make up their minds.
18 But all the information you've given us is contrary to
19 everything that we've heard for years.
20 MS. PAPKE: And I've just been doing research the
21 last few weeks. So maybe it's new information.
22 CHAIRPERSON JONES: Or maybe it's a better
23 salesman.
24 MS. PAPKE: I don't know.
25 COMMITTEE MEMBER CANNELLA: Mr. Jones?

1 CHAIRPERSON JONES: Yes, sir, Mr. Cannella.
2 COMMITTEE MEMBER CANNELLA: I have a question.
3 First of all I'd like to commend the young woman
4 for sitting up here and disagreeing. I think it's very
5 healthy that we have folks who engage in difference of
6 opinions.
7 But I'm a little confused. I heard somebody say
8 that this was preauthorization. I heard you just say that
9 the school board -- the school district was not going to
10 go unless they got a commitment that we were going to set
11 aside this money. So what are we doing?
12 DEPUTY DIRECTOR WOHL: I believe our discussions
13 said that this school needed to incorporate this
14 information into their specifications. So we were
15 bringing this item forward. We were using the term
16 "pre-allocated," but the idea was that, yes, the Board --
17 or the Committee would be saying this is a priority, it
18 would be the first priority when the reallocation item
19 came forward. And, therefore, if you committed now, if
20 money was available, they could assume that there was a
21 very strong possibility that it was going to come to
22 fruition.
23 So that's what we're working under today.
24 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And that
25 would then create that prejudgment that Mr. Paparian

1 referred to earlier, that that means that this project
2 would have priority over preplanned projects that might
3 come to the reallocation item or any other issues that
4 come forward during -- the Committee wants to consider
5 during the reallocation item. So that would be your
6 choice.
7 COMMITTEE MEMBER PAPARIAN: Yes. Based on this
8 discussion, you know, and in addition to my concern about
9 the pre-allocation, I feel like I need to hear from the
10 Tire Program -- not necessarily here; we only have a
11 little bit of time before the Board meeting -- that this
12 is, you know, an important use for used tires and would
13 result in something that is indeed a demonstration which
14 might lead to an expanded market for recycling used tires.
15 But based on Mr. Jones' interchange, I'm not convinced of
16 that yet.
17 DEPUTY DIRECTOR WOHL: Well, sure, we can have
18 some conversations and bring it back to the full Board.
19 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We tried to
20 contact staff, and they're not available right now. But
21 we could certainly get that information for the full
22 Board.
23 COMMITTEE MEMBER PAPARIAN: Yeah. And you
24 understand what we're getting at? I want to -- you know,
25 I want to know if this is something that -- you know, by

1 doing this, it's likely to lead to others wanting to use
2 something similar and, therefore, absorb some of the used
3 tires in California.
4 CHAIRPERSON JONES: Right. Yeah, and I have no
5 problem with that. It's just I want to know what the area
6 is that this blend is going into. You know, I want to
7 know exactly what it looks like, because it may be very
8 similar to a pour-in-place-type application. I don't
9 know, you know. But I want to see it.
10 And I think it's important that if we're making a
11 pre-allocation and you got to tell a school that, then
12 it's got to be cast in concrete that they're going to get
13 the money if there is money left over. Otherwise, why
14 tell them. They're not going to go for it, you know, if
15 it's up to our discretion.
16 So I think you need to bring it back to the full
17 Board, be prepared to answer that. Is that cool?
18 All right. Mr. Cannella. The roll was kept
19 open. Item 55, which was H, was two Committee members to
20 reappointment. Mr. Paparian made the motion, I seconded
21 it.
22 COMMITTEE MEMBER CANNELLA: I'm an aye.
23 CHAIRPERSON JONES: You're an aye?
24 Record an aye for Mr. Cannella.
25 On Item 56, which was the RPPC issues, there was

one change on number 11, which was the Schultz Company. We're going to extend that compliance order to last another four or five months because they will be in compliance. All of these resolutions will show -- I mean they'll be shown. That was also a 2-0 affirmative --

COMMITTEE MEMBER CANNELLA: And I'm an aye vote.

CHAIRPERSON JONES: All right. Thanks, Mr. Cannella.

And that's it. We're up to date.

So 57 is coming to the full Board without any recommendation.

We're on item 58.

DEPUTY DIRECTOR WOHL: Agenda Item 58, consideration of a joint offering and the scoring criteria and evaluation process for the Reuse Assistance Grants for Fiscal Years 2002-2003 and 2003-2004.

And Sarah Weimer will present.

MS. WEIMER: Good afternoon, Chairman Jones, Members of the Committee. Sarah Weimer with the Reuse Assistance Grants Program of the Waste Prevention and Market Development Division.

This agenda item is for consideration of a joint offering and the scoring criteria and evaluation process for the Reuse Assistance Grants for Fiscal Years 2002-2203 and 2003-2004.

1 The general review criteria consist of standard
2 review criteria already approved by the Board, weighted
3 heavily on need for the proposed project.
4 There are a maximum of 125 points possible,
5 including 25 preference criteria points. Preference
6 criteria areas include key priority wastes, expansion,
7 visible and educational, recipients of project, and
8 vocational training. These criteria are nearly identical
9 to the criteria of the Fiscal Year 2001-2002 offering in
10 which grant recipients are currently working on their
11 projects.
12 The Board approved award of these projects at the
13 February 19th and 20th, 2002, meeting, with projects
14 ranging from establishing a habitat for humanity restore
15 in El Dorado County, to reusing a movie-set house for a
16 new library at a Charter School in Los Angeles, to an
17 electronics reuse program in Kern County.
18 COMMITTEE MEMBER PAPARIAN: Mr. Chair?
19 CHAIRPERSON JONES: Mr. Paparian.
20 COMMITTEE MEMBER PAPARIAN: Staff is doing a
21 great job on this. And I'd like to just go forward and
22 move Resolution 2002-661.
23 CHAIRPERSON JONES: Mr. Cannella.
24 COMMITTEE MEMBER CANNELLA: Second.
25 CHAIRPERSON JONES: All right. We've got a

1 motion by Mr. Paparian, second by Mr. Cannella.
2 Substitute the previous roll okay?
3 So done.
4 MS. WEIMER: Thank you.
5 CHAIRPERSON JONES: And it'll be on consent.
6 Thank you.
7 Next item.
8 DEPUTY DIRECTOR WOHL: Okay. The last two items
9 are the scope of work and then the contractor of the award
10 for the Yosemite Closing the Loop Project.
11 And Brian Larimore will present.
12 MR. LARIMORE: Good afternoon, Chairman Jones
13 Committee Members. For the record, I work in the Board's
14 Organic Materials Management Section.
15 I'm here to discuss two items: Consideration of
16 the scope of work and consideration of the contractor for
17 the Yosemite Closing the Loop Project. The Board approved
18 Contract Concept number 25 on which the scope of work was
19 based at its September meeting.
20 COMMITTEE MEMBER PAPARIAN: Mr. Chairman?
21 CHAIRPERSON JONES: Yes, Mr. Paparian.
22 COMMITTEE MEMBER PAPARIAN: Staff's doing another
23 great job on this one.
24 I do have a question -- after we're done with the
25 roll call, I do have a question about this one.

1 But I'll move first Resolution 2002-582.

2 COMMITTEE MEMBER CANNELLA: I second.

3 CHAIRPERSON JONES: We've got a motion by Mr.

4 Paparian, a second by Mr. Cannella.

5 Substitute the previous roll?

6 On consent?

7 Mr. Paparian, your question.

8 COMMITTEE MEMBER PAPARIAN: I'll move the next

9 Resolution first.

10 I move Resolution 2002-662.

11 COMMITTEE MEMBER CANNELLA: Second.

12 CHAIRPERSON JONES: Okay. Mr. Cannella coughed

13 the second.

14 COMMITTEE MEMBER PAPARIAN: At least he could

15 breath.

16 CHAIRPERSON JONES: Yeah, at least he could

17 breathe.

18 This is fiscal.

19 Call the roll please, Jeannine.

20 SECRETARY BAKULICH: Cannella?

21 COMMITTEE MEMBER CANNELLA: Aye.

22 SECRETARY BAKULICH: Paparian?

23 COMMITTEE MEMBER PAPARIAN: Aye.

24 SECRETARY BAKULICH: Jones?

25 CHAIRPERSON JONES: Aye.

1 And put this on fiscal consensus, members?
2 And Mr. Paparian's question.
3 COMMITTEE MEMBER PAPARIAN: Did the resolution
4 say that this 70 tons of fat and oil and grease is land
5 applied right now in the Central Valley and farmland?
6 MR. LARIMORE: Correct.
7 COMMITTEE MEMBER PAPARIAN: Is that right?
8 MR. LARIMORE: Yes, that's correct.
9 COMMITTEE MEMBER PAPARIAN: What do they -- I
10 mean is that -- applying fat to farmland.
11 MR. LARIMORE: Well, it really generally would be
12 considered disposal.
13 COMMITTEE MEMBER PAPARIAN: I would think so.
14 MR. LARIMORE: Right. Sometimes people do that
15 and try to, you know, use it as a -- for crops, or they
16 state that it's for crop use. But in general it's
17 considered disposal.
18 COMMITTEE MEMBER PAPARIAN: Yeah, I would think
19 so. Okay.
20 CHAIRPERSON JONES: But it's a land application
21 that adds nutrients to the ground, right?
22 Let me put it to you this way: All the cooking
23 that we do in Placer County for all those fund raisers,
24 when we get done cooking something in olive oil, I walk
25 out, we've got grapes growing over a trellis, and I dump

1 that grease right at the base. And those grapes are so
2 good, it is unbelievable.
3 Anybody got a comment? Anything else?
4 Mr. Cannella.
5 COMMITTEE MEMBER CANNELLA: Personally I'd like
6 to say I appreciate Mr. Leary's comments and his
7 participation. I come from a background where the CEO was
8 very much engaged. And I appreciate him taking the lead
9 and his presentation.
10 CHAIRPERSON JONES: That's a good point, Mr.
11 Cannella. It was refreshing. And good to see you.
12 And --
13 EXECUTIVE DIRECTOR LEARY: Thank you.
14 CHAIRPERSON JONES: -- this whole Committee
15 meeting went really good.
16 That young girl -- I agree with Mr. Cannella.
17 She at least had the guts to sit up here and say
18 something. What I was worried about was I want -- I don't
19 need somebody telling me that it's good. I want to know
20 where it's being used and why it's good.
21 Thanks, staff. You guys all did a good job.
22 We're done.
23 (Thereupon the California Integrated Waste
24 Management Board, Special Waste and Market
25 Development Committee concluded at 12:15 p.m.)

1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:
5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Management Board
7 Special Waste and Market Development Committee meeting was
8 reported in shorthand by me, James F. Peters, a Certified
9 Shorthand Reporter of the State of California, and
10 thereafter transcribed into typewriting.
11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting nor in any
13 way interested in the outcome of said meeting.
14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 13th day of November, 2002.
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