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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

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2ND FLOOR

SIERRA HEARING ROOM

SACRAMENTO, CALIFORNIA

MONDAY, DECEMBER 2, 2002

3:45 P.M.

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Tom Estes

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Jim Lee

Matt McCarron

Tom Micka

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1 PROCEEDINGS

2 CHAIRPERSON JONES: Okay. Welcome to the -- what
3 is today -- December 2nd Committee Meeting of the Special
4 Waste and Market Development Committee.

5 Jeannine, could you recall the roll.

6 SECRETARY BAKULICH: Cannella?

7 COMMITTEE MEMBER CANNELLA: Here.

8 SECRETARY BAKULICH: Papanian?

9 COMMITTEE MEMBER PAPANIAN: Here.

10 SECRETARY BAKULICH: Jones?

11 CHAIRPERSON JONES: Here.

12 Mr. Eaton has, for those members that see his
13 name down there and wonder where he is, has resigned his
14 position and is -- that was effective I think the last day
15 of the month.

16 And unfortunately our loss. He's going to be
17 heading back over to the dome building.

18 So there's three of us, and that's who you get.

19 Staff -- oh, folks, if you have something to
20 speak on, if you have an issue that you want to address
21 the Committee on, there's speaker slips in the back. Fill
22 it out, bring it up to Jeannine Bakulich. She'll get it
23 to us, and we'll let you speak.

24 Anybody got a mobile phone, put it on vibrator,
25 shut it off, please, during the meeting.

1 And anybody have anything they need to say?

2 No? Cool.

3 Patty Wohl.

4 We're going to be moving today, folks.

5 DEPUTY DIRECTOR WOHL: In the interests of time,
6 I don't have anything to report.

7 And I'm going to try and do most of these items
8 myself. So we'll move along.

9 So Agenda Item B, which is Board Item 2, is
10 consideration of completion of the '97-'99 Rigid Plastic
11 Packaging Container (RPPC) Compliance Agreements for the
12 companies listed in the item. And there are a total 17
13 companies this month.

14 Staff recommends approval of Option 1 for eight
15 companies, Option 2 for two companies, Option 4 for three
16 companies and Option 5 for four companies; and that the
17 Board adopt Resolutions 2002-746 through 762.

18 And Jan Howard is available if there are any
19 questions.

20 COMMITTEE MEMBER PAPARIAN: Mr. Chairman?

21 CHAIRPERSON JONES: Mr. Papanian.

22 COMMITTEE MEMBER PAPARIAN: I'll move adoption of
23 Resolution 2002-746 through 2002-762.

24 COMMITTEE MEMBER CANNELLA: Second.

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

1 Paparian and a second by Mr. Cannella.

2 Would you call the roll.

3 SECRETARY BAKULICH: Cannella?

4 COMMITTEE MEMBER CANNELLA: Aye.

5 SECRETARY BAKULICH: Paparian?

6 COMMITTEE MEMBER PAPARIAN: Aye.

7 SECRETARY BAKULICH: Jones?

8 CHAIRPERSON JONES: Aye.

9 Consent, members?

10 So done.

11 Item Number 3, which is C.

12 DEPUTY DIRECTOR WOHL: Agenda Item will be
13 presented by Tom Estes.

14 MR. ESTES: Good afternoon.

15 This is consideration of reallocating \$150,000
16 from the Fiscal Year 2002-2003 civil engineering uses to
17 green building and rubberized asphalt activities in the
18 market development allocation of the five-year plan for
19 the Waste Tire Recycling Management Program to supplement
20 funding for the proposed Lorin Griset High Performance
21 Demonstration School Grant Project and consideration of a
22 direct grant award to the Santa Ana Unified School
23 District on behalf of Lorin Griset High Performance
24 Demonstration School.

25 This is essentially the same item that you heard

1 last --

2 COMMITTEE MEMBER PAPARIAN: Yeah, Mr. Chairman, I
3 think I may have raised some questions the last time. But
4 now I'm ready to move this item.

5 CHAIRPERSON JONES: Okay. And I'm ready too,
6 because I had a conversation with our staff, and in fact
7 she assured me that terminal blend was the right stuff for
8 that application because there was no cars running on it.

9 So go ahead.

10 COMMITTEE MEMBER PAPARIAN: Right. I had the
11 same conversation.

12 Mr. Chairman, I'll move Resolution 2002-663.

13 COMMITTEE MEMBER CANNELLA: Second.

14 CHAIRPERSON JONES: We've got a motion by Mr.
15 Paparian, a second by Mr. Cannella to adopt Resolution
16 2002-663.

17 Substitute the previous roll?

18 So done.

19 On consent -- on fiscal consensus, abbreviated
20 presentation to the Board with a 3-0.

21 Okay. Item D.

22 DEPUTY DIRECTOR WOHL: Okay. The next three
23 items are loans.

24 The Agenda Item D, which is Agenda 4, is
25 consideration of the Recycling Market Development

1 Revolving Loan Program application for Amigo
2 Environmental, Inc. This is a loan in the amount of
3 \$50,000 to Amigo Environmental, Inc., for the purchase of
4 machinery and equipment.

5 Staff recommends approval of Option 1 and
6 requests that the Board adopt Resolution 2002-764.

7 And board staff Jim La Tanner is available for
8 questions.

9 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I'll
10 move this item, although I recognize that the loan
11 committee hasn't met yet. So this would be -- I'll move
12 this item for -- and ultimately for fiscal consensus, I
13 hope, but with the recognition that I or someone else
14 might pull it if there's any issue that arises from their
15 RMDZ Loan Committee.

16 So I'll move Resolution 2002-764.

17 COMMITTEE MEMBER CANNELLA: Second.

18 CHAIRPERSON JONES: We've got a motion by Mr.
19 Paparian, a second by Mr. Cannella, with conditions.

20 Substitute the previous roll?

21 On fiscal consensus?

22 Okay. So done.

23 DEPUTY DIRECTOR WOHL: Okay. Agenda Item E,
24 which is Board Item 5, consideration of the Recycling
25 Market Development Revolving Loan Program application for

1 North SLO County Recycling, Inc. And this is a loan in
2 the amount of \$750,000 to North SLO County Recycling,
3 Inc., for the purchase of equipment.

4 Staff recommends approval of Option 1 and
5 requests that the Board adopt Resolution 2002-765.

6 The applicant, Brad Goodrow, and Board staff, Don
7 Tsukimura, are available if there's any questions.

8 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, with
9 the same caveat as the last item, I'd move Resolution
10 2002-765.

11 CHAIRPERSON JONES: I'd like to second it. I've
12 known Mr. Goodrow for a while. I knew his dad for a long
13 time too.

14 I'll second it.

15 Oh, we have a speaker?

16 SECRETARY BAKULICH: Sorry. I apologize.

17 CHAIRPERSON JONES: They may not want to speak.

18 DEPUTY DIRECTOR WOHL: I think it was just if
19 they had questions.

20 CHAIRPERSON JONES: Okay. If needed.

21 You're not needed.

22 (Laughter.)

23 DEPUTY DIRECTOR WOHL: Thanks, but no thanks.

24 CHAIRPERSON JONES: All right. Mr. Papanian made
25 a motion, Mr. Jones seconded.

1 Substitute the previous roll?

2 On fiscal consensus?

3 Thank you, Mr. Members, Mr. Goodrow.

4 All right. Item F, which is Agenda Item 6.

5 DEPUTY DIRECTOR WOHL: Consideration of the
6 Recycling Market Development Revolving Loan Program
7 application for Van Duerr Industries, Inc. This is a loan
8 in the amount of \$370,000 to Van Duerr Industries for the
9 purpose of equipment and working capital.

10 This is actually a tire loan, so this money will
11 come out of the \$2 million set aside for that.

12 Staff recommends approval of Option 1 and
13 requests that the Board adopt Resolution 2002-766.

14 The applicant, Timothy Vander Heiden, and Board
15 staff, Steve Boyd and Don Tsukimura are available for
16 questions.

17 CHAIRPERSON JONES: Any questions?

18 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I'll
19 move, again with the same caveat about the loan committee,
20 Resolution 2002-766.

21 COMMITTEE MEMBER CANNELLA: Second.

22 CHAIRPERSON JONES: Got a motion by Mr. Paparian,
23 a second by Mr. Cannella.

24 Substitute the previous roll?

25 On consensus -- fiscal consensus?

1 So done.

2 Item number 7, which is G in this Committee
3 program.

4 DEPUTY DIRECTOR WOHL: I understand the Committee
5 may want to hold this one over for the full Board.

6 CHAIRPERSON JONES: Oh, I'm sorry. Excuse me.
7 It's my fault.

8 This item number 7 -- we don't have speaker slips
9 on this, do we, Jeannine?

10 SECRETARY BAKULICH: No.

11 CHAIRPERSON JONES: This item is going to be
12 continued to the Board meeting next week because there are
13 some issues that need to be taken care of between now and
14 then. All right?

15 DEPUTY DIRECTOR WOHL: Okay. That leads us to
16 Agenda Item H and I, which is 8 and 9 of your Board
17 packet.

18 Consideration of the scope of work for California
19 Heartland sponsorship and consideration of the award of
20 contract to KVIE for California Heartland sponsorship.

21 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, we've
22 heard this item actually several times in several forums
23 over the past couple months.

24 CHAIRPERSON JONES: Mr. Paparian, do you have a
25 motion?

1 COMMITTEE MEMBER PAPARIAN: I move Resolution
2 2002-768, scope of work for the Heartland sponsorship.

3 COMMITTEE MEMBER CANNELLA: Second.

4 CHAIRPERSON JONES: We've got a motion by Mr.
5 Paparian, a second by Mr. Cannella.

6 Substitute the previous roll?

7 On consent?

8 COMMITTEE MEMBER PAPARIAN: Yeah. Then we just
9 have --

10 CHAIRPERSON JONES: This is just scope of work,
11 right?

12 DEPUTY DIRECTOR WOHL: H is the scope of work,
13 and then I is --

14 CHAIRPERSON JONES: On consent. Okay.

15 COMMITTEE MEMBER PAPARIAN: Then I is -- I'm not
16 sure that I --

17 DEPUTY DIRECTOR WOHL: 2002 --

18 COMMITTEE MEMBER PAPARIAN: 2002-769. If you
19 look at the top of the resolution, it says consideration
20 of scope of work. I think it should be an award as the
21 wording of the resolution.

22 You see where I'm at? Top of Resolution
23 2002-769.

24 DEPUTY DIRECTOR WOHL: Mine says -- oh, on the
25 resolution.

1 Okay. Yeah, we can make that change.

2 COMMITTEE MEMBER PAPARIAN: Okay. If you'll make
3 that change, I'll move Resolution 2002-769.

4 COMMITTEE MEMBER CANNELLA: Second.

5 CHAIRPERSON JONES: We've got a motion by Mr.
6 Paparian for 2002-769 revised, a second by Mr. Cannella.

7 Substitute the previous roll?

8 On fiscal consensus?

9 DEPUTY DIRECTOR WOHL: Do I get a record for --

10 CHAIRPERSON JONES: You did good, you know. Good
11 work.

12 COMMITTEE MEMBER CANNELLA: We're almost on time.
13 We started at --

14 CHAIRPERSON JONES: We're getting pretty close?

15 Thank your staff. Good staff work. Everything
16 was prepared. Hey, I'm not kidding you guys. Staff for
17 Market Development, you guys are all congratulating
18 yourself. I'm going to tell you something. These items
19 were written in a way that we could get through them
20 quickly. We appreciate the effort. We do not take this
21 stuff lightly. So you did a good job. Thank you.

22 All right. See if you can follow.

23 (Laughter.)

24 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Good
25 afternoon, Committee members. Shirley Willd-Wagner with

1 the Special Waste Division.

2 And, no, I didn't have the speed dial really
3 quite up on my report. But in the essence of time, we'll
4 just make a few brief remarks on the Deputy Director's
5 report.

6 On Thursday and Friday we're hosting the used oil
7 recycling forum in Pasadena. And I'll report on the
8 outcomes of that at the January meeting.

9 The focus is local government participation. And
10 local government grantees will be in attendance.

11 Secondly, the five-year plan for Waste Tire
12 Recycling Management Program, the date for that workshop
13 has been set at January 30th. The Committee is sponsoring
14 a special workshop that day. And we're working to gather
15 the data that you need on the Kuehl bill implementation.
16 And we're also working up an application form as requested
17 by the Committee last month.

18 Thirdly, the California Highway Patrol check
19 points are continuing. And felt that they've been
20 received well, and we expect to continue conducting at
21 least one or two of these CHP check points a month. We've
22 been getting a little bit of publicity, and we hope this
23 will continue to improve our compliance efforts as far as
24 especially unregistered haulers that have been cited
25 through the program.

1 And, lastly, on the Westley site, there was an
2 undated item that was to be heard today, but we have
3 decided to put it over to the full Board so that the full
4 Board could have the benefit of hearing all the work
5 that's been accomplished at Westley. Basically the
6 cleanup operation has been completed and our field
7 operations have been shut down. So we'll provide that
8 update at the full Board.

9 Any questions on that? We'll move --

10 CHAIRPERSON JONES: I just have two quick
11 questions.

12 On the stops -- or on the CHP inspections, the
13 last I had heard -- I've heard of two where I think the
14 last one was 19 trucks came in and 17 of them were in
15 violation or some ridiculous number like that. They even
16 threw a guy in jail for being drunk, you know.

17 Are we still running those kinds of numbers?

18 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Actually,
19 no, I didn't go into the details on the last two. They've
20 been a little bit better -- on November 20th at BAS
21 Recycling there were no violations noted. And at ATD -- I
22 think it's American tire disposal -- four of the seven
23 vehicles were unregistered haulers. So there is still a
24 significant number of unregistered haulers.

25 CHAIRPERSON JONES: Right. And the operators

1 have to take them in, but they have to notify.

2 Do the records show that these folks are
3 notifying?

4 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes, yes.
5 All the records are showing that they have been notifying
6 the Board of the unregistered haulers.

7 CHAIRPERSON JONES: Okay. And the fact that
8 we're hearing Westley site talk at the Board meeting is
9 appropriate. Albert did -- Albert and Fujii and everybody
10 else did a great job, and the whole Board needs to hear
11 that.

12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes. Thank
13 you.

14 CHAIRPERSON JONES: Any questions of the members
15 on this?

16 Okay. Go ahead.

17 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay. Item
18 L, December Board Item 11, is a scope of work item.

19 And Bob Fujii will present.

20 MR. FUJII: Good afternoon. Bob Fujii, Special
21 Waste Division, like she just said.

22 Item L is the consideration of scope of work for
23 the technology evaluation and economic analysis of Waste
24 Tire Pyrolysis, Gasification and Liquefaction Contract.
25 That's quite a mouthful.

1 The purpose of the contract is basically to
2 conduct an update investigation of the economic analysis
3 of the pyrolysis, gasification and liquefaction technology
4 operations.

5 And the reason I say update is back in 1995 the
6 Board did conduct a study under contract with a company
7 called Cal Recovery who produced a report entitled
8 "Environmental Factors of Waste Tire pyrolysis,
9 gasification and liquefaction." Again, the report that
10 was done represented the status of the -- I'm going to use
11 the acronym PGL to represent pyrolysis, gasification,
12 liquefaction. Just easier to say. But it represented the
13 status of the PGL technology, the environmental impacts,
14 and the result in product market information cost analysis
15 and recommendations of the areas to monitor for future
16 developments. And so they did do somewhat of a study back
17 then. This study will be an update of that report since
18 it's almost -- well, going on eight years old now. And we
19 wanted to make sure that, you know, things -- how things
20 have changed. And we could do an evaluation of the
21 current conditions as they exist with the pyrolysis and
22 gasification and liquefaction.

23 The other thing is we wanted this to focus more
24 on the economic end of it rather than, you know, whether
25 this is viable or not. I think the technology's viable.

1 That report to document that. So this is going to focus
2 more on the market condition, do an evaluation of some of
3 the successful gasification-type operations that may exist
4 overseas that aren't here in the states, why are they
5 successful and they are not here? So it's going to have a
6 little bit different bent on it than the last report that
7 we did in the past.

8 So, you know, we have also been receiving
9 inquiries from various pyrolysis-type operations. And,
10 you know, because of that we feel that this report would
11 give us a better handle on making those evaluations, be in
12 a better situation to determine whether some of these --
13 whether the current technology is viable or not, and
14 whether we need to do further research or not.

15 And I'm not going to go through the scope of
16 work.

17 But the five-year plan did allocate \$200,000 for
18 this fiscal year for this purpose. And we're proposing
19 that \$150,000 of that money be used to fund this contract.

20 And with the options available to the Board, we
21 would recommend that the Option 1, which is approval of
22 the scope of work for this contract.

23 Any questions?

24 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I did
25 have a question.

1 CHAIRPERSON JONES: Mr. Papanian.

2 COMMITTEE MEMBER PAPANIAN: This is an area
3 where -- in fact I know Mr. Jones and I together -- a
4 couple months ago someone approached us at the dais here
5 where -- it seems that people often come up and say,
6 "Here's what the feedstock was and here's what the result
7 is, and I can do this with my mystery box."

8 The question I think that we may have in the
9 future -- if this report winds up indicating that this
10 technology has any viability, either, you know, on the
11 ground somewhere in the world now or potentially, if it
12 indicates any viability and a future board decides it
13 wants to fund a little bit of this activity, they are
14 going to need to evaluate what's real and what's not, if
15 you see what I'm getting at. They're going to need -- if
16 there's any desire on a future board to pursue pyrolysis
17 financially, there's going to need to be a process in
18 place to evaluate the proposals that might come forward.
19 And I don't think that -- as good as technically our staff
20 is, I'm not sure they're going to be in the best position
21 to be able to say this black box might work and this black
22 box might not work.

23 So what I'm getting at is I'm wondering if as
24 part of this evaluation either there should be some
25 indication of how we might evaluate projects in the future

1 or recommendations about how to determine how to evaluate
2 projects in the future.

3 MR. FUJII: You know, we can certainly take a
4 look at the scope of work. And, you know, I would agree
5 that maybe as an area we could include them and maybe we
6 haven't done much in the past. I mean, you know, you're
7 right. I mean maybe we do need to spend some time
8 discussing with our contractor ways that we could use
9 that -- you know, either at staff or through another
10 contractor, ways to evaluate proposals that come to us.

11 However, you know, that -- I don't think there's
12 an issue with the viability of the technology. I think
13 everyone that knows anything about this industry -- I'm
14 certainly not an expert -- but would agree that it can be
15 done. It's just, again, we're trying to focus this report
16 on economic viability. What are the market conditions
17 that would make this conducive? I mean I don't think the
18 staff is going to argue that this is something -- no
19 matter what the black box is, pyrolysis or gasification
20 will work. It's just what does the economic condition
21 need to be for that to happen.

22 So -- well, no, there will be discussion more
23 about that. But we've already done that in the 1995
24 report. We'll continue that discussion somewhat. But
25 we'd like to maybe focus a discussion on, you know, has

1 anything changed from 1995 that makes this technology now
2 more viable than it was, say, back in 1995? I think the
3 number that I saw in the report suggested that the per-ton
4 charge ought to be somewhere in the neighborhood of like
5 \$60 a ton. You know, they would have to charge a tipping
6 fee of \$60 a ton to make this work. And that's back in
7 '95. So have the conditions changed somewhat to make that
8 different, you know, in 2003 or 2000 -- yeah, 2003 or
9 2004, whenever we decide we might want to do something?

10 But what you're suggesting, Mr. Paparian, is that
11 we develop some kind of evaluation process to --

12 COMMITTEE MEMBER PAPARIAN: I think it's
13 almost -- it depends somewhat on the first half of the
14 question. If the first half of the report or the --
15 whether the first half -- if the report determines that
16 there's not economic viability here, then there's not
17 going to be a purpose in, you know, doing much with this
18 technology. If it indicates, well, there might be some
19 economic viability, then the question in my mind will be
20 well, what do we do with that; how would we approach
21 evaluating one black box versus another black box?

22 MR. FUJII: Sure. And I'm sure that's something
23 we could address with the contractor, whoever we hire, to
24 maybe come up with something for us.

25 CHAIRPERSON JONES: Mr. Cannella.

1 COMMITTEE MEMBER CANNELLA: Well, along the lines
2 of Mr. Papanian is, first of all, if it was economically
3 viable, we'd already have it. Everybody knows it's too
4 expensive. So we're going through this exercise just to
5 once again show that it's too expensive to pursue.

6 But, secondly, will this report provide the Board
7 with any kind of guidance on what projects we ought to
8 subsidize? I mean that's what the whole purpose of this,
9 is to explore, first of all, the viability of economically
10 for it to be done. But if you do come with an economic
11 profile that says it's doable, does this report provide
12 any direction or any guidance for the Board on what we
13 ought to be subsidizing and what we shouldn't be?

14 MR. FUJII: Outside of pyrolysis?

15 COMMITTEE MEMBER CANNELLA: No, just pyrolysis
16 itself.

17 MR. FUJII: It is only focusing on that
18 technology itself, pyrolysis, gasification and
19 liquefaction.

20 COMMITTEE MEMBER CANNELLA: So we're going to get
21 a report that says it's not viable because it costs 60
22 bucks a ton?

23 MR. FUJII: It could be, yes.

24 COMMITTEE MEMBER CANNELLA: And that's all we're
25 going to have?

1 MR. FUJII: Right. I mean evaluation of the
2 market condition, like I said. And there are countries
3 that are doing this now. What's different about what's
4 over there than what's over here? I mean -- and sort of
5 put this issue to rest, you know, at least for now.

6 COMMITTEE MEMBER CANNELLA: Okay. Thanks.

7 CHAIRPERSON JONES: I think it's important too
8 that -- those first ones that were talked about, they cost
9 more to operate than you could ever get in revenue. That
10 has changed. I mean there's an awful lot of proposals out
11 there that are looking for things that I think --
12 following up on what both members are saying, part of the
13 scope of work needs to be I think some kind of a matrix
14 that if a proponent comes to us with an idea, that they
15 have some basic information for us to look at like, you
16 know, a business -- not so much a business plan, but a
17 business plan, that they know that if they get a feedstock
18 of this type of material, they're looking to make these
19 by-products at this price. Okay. They need to tell us if
20 it is an oxygen-free environment. You know, they need to
21 look at some of those things and then where are they, you
22 know, permitted or where are they looking to permit. Or I
23 don't even care if they're the first ones that want to
24 come down the pike. But I think it's important when you
25 talk about things in other countries.

1 Friday at this Cal EPA building there will be a
2 presentation to the ARB by Dr. Dennis Shootsel, who's the
3 Director of International Research and Technology for Ford
4 Motor Company. This is the person that has been leading
5 the charge on alternative fuels, on, you know, looking at
6 hydrogen, looking at all these things through an Asian
7 market, where they're looking for -- you know, obviously
8 market share -- but they're looking at alternatives. And
9 one of the alternatives that he and I are going to talk
10 about earlier that morning are the conversion technologies
11 that they're right in the middle of.

12 So, you know, people that are interested in this
13 ought to take a shot and come in here -- I forget what
14 room -- it's at Coastal hearing room at 10 o'clock -- 10
15 to noon. But here's somebody from the business side --
16 Ford Motor Company, considered pretty big business -- are
17 looking at how do we move the bar forward, you know, what
18 are we doing, what do we need to have in place so we can
19 eventually get to a hydrogen-based system of moving
20 machinery or all electrical or whatever. And so this is
21 the guy that's in charge of that research and development.

22 And I don't know that we're going to have this
23 box soon. But it does always crack me up when somebody
24 comes in my office and says, "Look, it's working," and it
25 passes all the environmental protection of Poland, you

1 know. I mean I'm not really all that impressed. But if
2 they've got enough of a business plan that they can tell
3 us what they're doing, I think we ought to be looking at
4 figuring that out.

5 One other thing I'd like to add before I see if
6 any other members have anything to say is we ought to add
7 under probably -- well, you can add it where you want.
8 What are the barriers to entry? Every one of these
9 technologies is either going to be making a fuel or a fuel
10 source. But there a lot of them are going to be making
11 energy as part of the existing plan. I want to know what
12 the barriers are to getting that energy into the grid, you
13 know. I mean what is -- I mean what do we have to do as
14 a Board that if somebody sights one of these things and
15 it's at a reasonable cost, even if they just got, you
16 know, the market price for selling into the grid, is that
17 a barrier? That has to be part of the this study, is what
18 are the barriers?

19 Same with the fuels. What's the next step -- if
20 they're getting a bio-fuel, what the next step of
21 processing? And is that processing capacity available so
22 that that green fuel ends up getting into a truck?

23 Okay. I think that's going to add value, you
24 know. I think we need to know those things.

25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1 I think we've got the beginning of some of that.

2 Martha Gildart, Special Waste Division.

3 In Task 4 we're going to be asking the contractor
4 to evaluate the markets for certain products, including
5 cost of secondary processing that must be necessary to
6 increase the value or salability of the products. Now, we
7 can be very specific there, that it would be what kind of
8 further refinement would be necessary to any of the oil
9 products for use as fuel? If you want, we could be more
10 specific there.

11 But also Task 6 --

12 CHAIRPERSON JONES: Yeah, if they tell us 12
13 bucks -- or they tell us it's only going to be another 20
14 cents a gallon, but there's nobody there to do it, then it
15 might as well be a million dollars a gallon.

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

17 And then Task 6 is a cost sensitivity analysis.
18 And what we had listed there as examples were the
19 sensitivity to the markets for crude oil, carbon black,
20 and steel steel prices, for instance. But we could also
21 include additional products in that list.

22 CHAIRPERSON JONES: Okay. Any other -- Mr.
23 Papanian.

24 COMMITTEE MEMBER PAPANIAN: Then back to the
25 prior discussion. I think somewhere in there, I don't

1 know if it's a separate task or just part of one of the
2 other tasks, just any recommendations for evaluating
3 future proposals, including the -- what would you say --
4 an economic viability of the proposal and technical
5 viability of the proposal. And would I be getting that
6 added on, like what the technical viability would be? You
7 know, what your average bio -- average organic chemist be
8 able to take a look at a proposal and say, yes, that makes
9 sense or doesn't? Or would you need somebody very
10 specialized to do that, you know? Or are there just a few
11 people in the country who can do that? Is it virtually
12 any university? Just kind of how -- if we got proposals
13 coming our way in the future that we were attracted to,
14 how would we, you know, make sure that this state would be
15 spending its money wisely if it decided to pursue those
16 proposals?

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

18 Okay. The former report had produced a series of
19 sort of economic graphs for the different products. And
20 they had like a break-even point, you know, that as the
21 tip fee went up and the cost of the production of product
22 went down, that you could look at a certain point on that
23 graph and get a sense, are we there yet? Is the tip fee
24 low enough and the market strong enough that this product
25 would be a viable product for a PGL system?

1 It's sort of a visual technique. It wasn't an
2 in-depth analysis. You're asking for something more of an
3 evaluation tool that staff would use with that data, but
4 more of a step by step, sort of.

5 COMMITTEE MEMBER PAPARIAN: I would envision
6 something more -- something of a couple pages probably.
7 You could produce a graph that shows it's economically
8 viable to open up a gas station in downtown Sacramento.
9 Whether I would make money doing that or could make it
10 work would be a question that would be, you know, subject
11 to debate. I think if we got a proposal coming our way,
12 it might be debatable whether someone has the business
13 plan that would make the project work and whether they
14 have the technology that would make the project work. So
15 what I'm asking for is a brief narrative of how we would
16 go about evaluating those questions. You know, it
17 wouldn't be -- not to provide us with the in-depth tools
18 to do it, but provide us how we would begin to do that.

19 CHAIRPERSON JONES: That makes sense.

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21 So we could make that Task 7, and then the final
22 report would be Task 8. We could make that change.

23 COMMITTEE MEMBER CANNELLA: Isn't there a limit
24 on the amount of money that we would grant any venture? I
25 mean is it 25 percent of what the cost would be or up to

1 \$2 million?

2 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

3 It would depend whether they applied through a
4 grant or a loan program. The grant program right now is
5 set at \$250,000. But that's a Board policy. You could
6 always up it if there were some reason in the future that
7 you'd want to.

8 COMMITTEE MEMBER CANNELLA: Well, my point a that
9 we would never finance a hundred percent whether it would
10 be a loan or through a grant. And economic viability
11 would be certainly established by the lending institutions
12 as to whether they have the technology, the business plan,
13 or anything else before they would loan the rest of the
14 money that would be necessary to start any kind of a
15 business venture.

16 CHAIRPERSON JONES: Right. But the Energy
17 Commission -- because we got some language changed about
18 conversion technology in the legislative session, they can
19 go to the Energy Commission and take advantage of some
20 grants for renewables. So I think it is incumbent on us
21 to try to get some information. And I know that this
22 staff of special waste -- the tire group is working with
23 Fernando Berton and Howard Levenson on these rings right
24 now. I mean --

25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1 We keep in touch.

2 CHAIRPERSON JONES: Really? How was your --
3 yeah, good.

4 Good to see you back.

5 Because it is -- I think this is critical stuff,
6 because everybody is telling us that tires and plastic are
7 going to be the easiest ones to site and to find a waste
8 stream that is going to be able to deal with this
9 technology. But I see, you know, that being the stepping
10 stone to a lot of other issues that are critical to this
11 Board. So it is a -- hopefully you'll keep those guys
12 involved.

13 All right. What is the -- any other questions by
14 the members?

15 COMMITTEE MEMBER PAPARIAN: No. I'm ready to
16 move this to the Board. But I think we're going to
17 probably come back and see a revised agenda item at the
18 Board.

19 So I think it would be a "do pass" recommendation
20 with the revisions that we'll see at the Board meeting --

21 CHAIRPERSON JONES: That'll work.

22 COMMITTEE MEMBER PAPARIAN: -- on Resolution
23 2002-704.

24 So I'll move that as a "do pass" recommendation
25 with the changes we'll see.

1 COMMITTEE MEMBER CANNELLA: Second.

2 CHAIRPERSON JONES: We've got a motion by Mr.
3 Paparian, a second by Mr. Cannella that this is coming
4 back to the Board. And we're looking at it -- but we are
5 recommending that with those changes -- what'd you say,
6 "do pass" or whatever?

7 COMMITTEE MEMBER PAPARIAN: Yeah, pass, approve.

8 CHAIRPERSON JONES: Okay. We'll pass it or
9 approve it, but we want to see it at the Board meeting.
10 Substitute the previous roll?

11 Okay. And then we we'll see you at the Board
12 meeting on this item.

13 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Very good.

14 CHAIRPERSON JONES: All right. Thank you very
15 much. Exciting stuff.

16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Item M is
17 consideration of a contractor. This is Board Item 12. So
18 this will go to both the Budget and Administration
19 Committee as well as this Committee.

20 And Albert Johnson will make this presentation.

21 MR. JOHNSON: Good afternoon, Mr. Chairman,
22 members of the committee. Albert Johnson, Special Waste
23 Division.

24 This item is for the consideration of a
25 contractor for the Engineering and Environmental Services

1 Contract for the Tracy tire fire site. I will be the
2 contract manager for this contract.

3 In August the Board approved the scope of work
4 for this contract. And after that we put out the -- the
5 contracts put out the RFQ. We had nine statements of
6 qualification submitted to the Board. All nine were
7 deemed to be complete and responsive by contracts.

8 Then I turned them over to our selection panel.
9 Selection panel consisted of four members, two from Waste
10 Tires, one from 2136, and a person from DTSC.

11 They reviewed the statement of qualifications
12 from the nine companies, and they chose the top three
13 companies to be interviewed.

14 We completed those interviews. And they've
15 chosen Levine Fricke as the Rank 1 company to work for us.

16 Board staff recommend that the Committee approve
17 Levine Fricke and adopt Resolution 2002-744.

18 Any questions, I'd be happy to answer them.

19 CHAIRPERSON JONES: Any questions, members?

20 Mr. Papanian.

21 COMMITTEE MEMBER PAPANIAN: Mr. Chairman, I'll
22 move Resolution 2002-744, with the addition of Levine
23 Fricke as the contractor in the "resolved" clause.

24 CHAIRPERSON JONES: I'll second it.

25 We've got a motion by Papanian, second by Jones.

1 Substitute the previous roll?

2 And this will come forward on fiscal consensus
3 because it is a money item.

4 MR. JOHNSON: Okay. Thanks.

5 CHAIRPERSON JONES: All right. Thank you.

6 Next.

7 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Next is
8 Item N, December Board Item 13. And this is final
9 regulations for the revisions and additions to the Waste
10 Tire Facility Permitting and Storage Regulations. So
11 you've seen these a couple of times. Because it is a
12 final adoption, it will go to the full Board also.

13 And Tom Micka will present.

14 WASTE MANAGEMENT ENGINEER MICKA: Good afternoon,
15 Mr. Chairman, members of the Committee.

16 At the October Committee meeting staff
17 recommended some additions and changes to Waste Tire
18 Facility permitting and Storage Regulations. These
19 recommendations were based on comments received during the
20 45 day comment period and staff input.

21 Staff was directed to hold an additional 30 day
22 comment period. These changes were noticed for 30 days
23 starting on October 11th, and no comments were received.

24 Staff is now requesting that the committee
25 forward this Regulation package to the Board for adoption

1 of resolution 2002-745. In addition staff believes that
2 the proposed regulatory amendments will not have a
3 significant affect on the environment and that these
4 amendments qualify for a categorical exemption.

5 At the Board's direction, staff will file a
6 Notice of Exemption with the State Office of Planning and
7 Research.

8 CHAIRPERSON JONES: Anybody have questions?

9 I have a couple questions.

10 Do we ask for the notice of exemption for CEQA
11 prior to -- I mean after the fact or prior? I mean when
12 are you going to ask it?

13 WASTE MANAGEMENT ENGINEER MICKA: When the
14 board --

15 CHAIRPERSON JONES: -- approves it?

16 WASTE MANAGEMENT ENGINEER MICKA: -- adopts the
17 regulations, you know, then the Board will also be
18 approving the concept of the exemption and directing the
19 staff to a file it.

20 CHAIRPERSON JONES: Okay. I have a question. On
21 one of your key issues, Issue Number 6, trust fund to be
22 paid over a five-year period. We had made an
23 adjustment -- or we had made an accommodation a couple of
24 times -- I think we've done it on two permits, and we may
25 have done it on three permits -- where they were reputable

1 enough. We didn't -- they didn't have the wherewithal to
2 put down a complete closure funding. So if they were
3 going to go for a 50,000 tire permit and they had, let's
4 say for the sake of this discussion, a quarter of the
5 money, we had written a permit that basically said that
6 because they could only fund closure for 2500 tires, that
7 they could only operate that facility with a maximum of
8 2500 tires, with the outboard side being that they -- as
9 they fund closure, we would increase their permit number
10 to reach the 10,000 tires. And the 10,000's too low
11 because I think it went up to 100 or couple hundred,
12 whatever the number was -- couple hundred thousand tires.

13 But it meant that that operator didn't have to
14 come to this Board five times and do five different
15 permits. And it seemed to me we had a unanimous support
16 from the Board at that time to do it as a step process to
17 try to eliminate the paperwork. It gave a clear number
18 for people to enforce to. And now it's being eliminated,
19 it sounds like. And I'm wondering, why that direction of
20 the Board? And I think it was in three cases. I know it
21 was in two. It may have been three.

22 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: Mr. Jones,
23 I don't remember the specific permits, but I do remember
24 doing at least two or three times. And those situations I
25 think it was where our inspectors had gone in and found

1 that they had tires in excess of their permitted number.
2 And they were coming in to kind of redo their permit to be
3 in line, and that's when the Board gave them that
4 leniency, that we wanted them to be under the new permit.
5 And then you gave them the opportunity to step it up over
6 a period of time as they were able to pay their closure --
7 post closure costs.

8 Perhaps program staff can enlighten the Board as
9 to through the public participation process why it was
10 determined that that approach should be abandoned, because
11 I don't know.

12 CHAIRPERSON JONES: I mean I know -- I don't know
13 what the trigger was for the new permit. It may have been
14 in excess of an existing permit. But the closure funding
15 in incremental thing, that was a hard and fast -- they
16 couldn't have any more tires than what were there. I mean
17 if we said, you know, a fifth or a quarter of the fund had
18 to be paid and it meant 25,000 tires, and that was the
19 limit until they did funding. And it was just to
20 eliminate, you know, going through this routine four
21 times.

22 WASTE MANAGEMENT ENGINEER MICKA: I think what
23 you're talking about was specific permits that were come
24 before the Board. And what you've mentioned was a
25 condition that was added to the permit. One of the

1 concerns was that we're not able to inspect facilities
2 that frequently. And facilities can increase the number
3 of tires, you know, over a short time. And by the time we
4 get out there, you know, if there's -- you know, if we
5 only go out once a year and you go out and a facility has
6 a large amount of tires and they're on the verge of going
7 out of business, then we haven't collected the financial
8 assurances that we need for closing the facility.

9 CHAIRPERSON JONES: Okay. We don't want to see
10 that. But, you know, we're putting a lot of money into
11 local enforcement for tires, with the idea that instead of
12 us going out once a year, they're be an LEA that goes out
13 once a month. So are you telling me that because of these
14 regs we're never going to be able to get a little bit
15 creative and let somebody try to develop a business in
16 some kind of a staged -- you know, because the original
17 rules were you had five years to pay off a trust fund. If
18 you had a permit for a million tires, you had five years
19 to fund that trust fund. I have no problem with
20 recognizing that there could be a huge pile of tires and
21 no money to pay for it. That's why we staged -- that's
22 why we said if you have 250,000 tires, which is a quarter
23 of what you owe, that's only if you've funded that closure
24 commitment to that 250,000 tire number, and not have to
25 come back every six months for a revised permit.

1 WASTE MANAGEMENT ENGINEER MICKA: Right.

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Mr. Jones,
3 it sounds like -- that's certainly a question that I don't
4 have the full background to answer. But I believe that
5 staff worked on this part of the item with Permitting and
6 Enforcement --

7 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: Yeah, Garth
8 just walked in.

9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Oh, Garth
10 is here? He may be able to --

11 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: So perhaps
12 we ought to catch him up to speed on the question here.

13 I guess I was just looking to see whether or not
14 during the informal process or comments that there had
15 been any controversy over what you're suggesting.

16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: There were
17 not any questions on this issue. Correct?

18 WASTE MANAGEMENT ENGINEER MICKA: Correct.

19 ACTING DEPUTY DIRECTOR WILLD-WAGNER: There were
20 no questions. Or since this does have to go to the full
21 Board for adoption, if you'd prefer to get the answers at
22 that time.

23 CHAIRPERSON JONES: Go ahead and give me the
24 answers at that time. But I'm telling you that, you know
25 when we have -- I mean -- I mean I don't know if the

1 members, you know, necessarily need an answer. But go
2 ahead, Garth.

3 MR. ADAMS: Actually this is Garth Adams,
4 Financial Assurances.

5 I was listening to it on the computer.

6 The couple of permits that we did in the past had
7 to do with the Board's direction to eliminate the buildup
8 of funding for trust funds for five years -- which when we
9 had -- because a person could have all of the tires on the
10 site and not have the money. And what we did was put in
11 the permit as a condition ramping up different levels.
12 When they reached a certain level of tires, they'd fund
13 that level. So you're right, they never had to come back
14 because it was a permit condition.

15 And if the Board in the future wants to consider
16 something like this, we have on the Financial Assurances
17 other mechanisms that are available or the Board will
18 approve. So we can be continuously creative for the folks
19 that you're talking about.

20 But the Board's direction in the past has been
21 get rid of that trust fund because too many people were
22 having too many tires on the ground with no money.

23 But in the few cases you're talking about, the
24 Board did consider some other options.

25 CHAIRPERSON JONES: Did it work?

1 MR. ADAMS: I haven't heard if they've had any
2 problems with it so far.

3 CHAIRPERSON JONES: Okay. That's fine. I mean I
4 don't have a problem. If we can come up with this as an
5 option later. It was just the way I read it was like this
6 is not going to be on option. And it seemed me that it
7 was -- when we're looking for reliable folks, that just
8 may not have the money to put, you know, a million bucks
9 down for closure, if you stage it and let them build their
10 business. And, you know, you don't let them bring in any
11 tires that exceed whatever that level of closure was --
12 funding is.

13 MR. ADAMS: Yeah, one of the mechanisms is
14 something that the Board would consider, other than the
15 normal trust fund, letter of credit, bonds. You know, we
16 always put in there something that -- you know, someone in
17 the future might come up with something else that would
18 help suit this or anything -- any of the other facilities
19 that we're working with.

20 CHAIRPERSON JONES: All right.

21 CHIEF COUNSEL TOBIAS: May I add, Mr. Jones, that
22 one of the -- this is kind of an obvious statement -- but,
23 you know, the difference between the tire permits and the
24 waste permits is that that Financial Assurances' function
25 is separate. So we can basically work on that if

1 somebody's going up or down. It doesn't always trigger
2 the permit change. With the tires, it's altogether
3 because that's part of the permit condition and that's
4 what makes them come back in.

5 The other issue is CEQA and, that is, that if
6 they come in and they have, let's say, a permit for -- I
7 don't know, whatever -- 50,000 tires and that's what their
8 CEQA document says, then it's not going to make any
9 difference if it's easier or harder to do the financial
10 assurances because they're still going to have to redo
11 their CEQA and then go through another permit process.

12 So what I hear you looking for is some
13 flexibility on just the financial assurances part of it?

14 CHAIRPERSON JONES: If they were at 50,000 and
15 that's what went through CEQA, but they could only afford
16 to fund 10,000, then rather than come back and get
17 multiple permits, they ought to be allowed to operate as
18 long as it was lower than that CEQA number, to the level
19 of funding that they've put into the trust fund.

20 CHIEF COUNSEL TOBIAS: Well, if we could fix
21 that, I don't have as big a problem with that approach,
22 because then I kind of feel like the CEQA would cover
23 that.

24 The other side is I think more problematic, where
25 we basically say, you know, we know their CEQA's at a

1 certain number and they'd like to build up from there.

2 That doesn't really get us anywhere.

3 CHAIRPERSON JONES: Yeah, that's not my intent.

4 CHIEF COUNSEL TOBIAS: So I think we could try
5 clarifying this --

6 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

7 Well, If I understand Garth and I think what's
8 been done before, we could write the permit based on the
9 CEQA number saying that the operation intends to achieve a
10 50,000 tire storage level, but that for the first six
11 months they'll only be allowed 10,000 because that's their
12 financial assurance. They make another payment, they can
13 go up to 20,000, they make another payment, they go up to
14 30,000. So they never exceed the money that is in hand.

15 But I think we could write those permit
16 conditions to allow that under this --

17 CHIEF COUNSEL TOBIAS: And I think that would be
18 good as long as we know they're going to do that. It's a
19 little bit more problematic where -- I could see a
20 situation arising where somebody who knows that there is
21 that build-up allowed would be operating at a certain
22 level. Then they move their tires up when we find out
23 about this. They say, "Oh, yes, we meant to come in and
24 do that." So I think we have to do it in such a way
25 that -- if they know at the start they want to do that,

1 from a legal standpoint that's great. And that would help
2 I think give it some finiteness.

3 MR. ADAMS: And that's what we've done in the
4 past is allow that ramping. And with the inspections at
5 the facilities and other operators watching other people,
6 it becomes pretty clear as to when someone's stacking
7 tires really quick.

8 CHAIRPERSON JONES: Oh, yeah.

9 Okay. Thank you, Garth.

10 Any other questions, members?

11 Mr. Papanian.

12 COMMITTEE MEMBER PAPANIAN: Just a quick one.
13 I'm virtually certain I'm reading this correctly. I just
14 want to be sure.

15 The fines that are on page 13-19 and 13-20, as I
16 read this, these are the fines per day. So once you go
17 through the calculation, you would take whatever that
18 calculated number is and multiply it by the number of days
19 to get the fine, both for a permitted facility on the next
20 page and the unpermitted facility on the first page. So,
21 you know, a hundred day fine would be a hundred times
22 whatever the calculated number is.

23 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's
24 correct.

25 COMMITTEE MEMBER PAPANIAN: Okay. Thank you.

1 CHAIRPERSON JONES: Just one other thing too.

2 On the next page, 13-20, you've listed all the --
3 you've listed a range of penalties with a Table 5, which
4 is additional penalties, and thrown in a bunch of the
5 codes. But, you know, you might want to put in a little
6 heading of what those codes are so we don't have to go
7 look them up.

8 One of the codes is inspection access. That, you
9 know -- I mean that clearly is a violation, and that needs
10 to be brought to our attention.

11 But another one is part of the closure section,
12 the one above it; 18441 is a pretty broad section. And
13 we're going to find somebody between \$500 and \$5,000 based
14 on which violation of what part of closure? Because when
15 you go back and look at the statute, there's a lot of
16 things that are under that one 18441. So is it because
17 they didn't send in the right letter or -- you know.

18 I mean I don't mind giving some guidelines as far
19 as penalties go. But when I see, you know, six -- and
20 actually the line above -- probably 10 or 11 types of
21 violations by code, but no determination as to what those
22 are. And then I got to go back and read them. Inspection
23 access is a big deal to me. You should be able to go
24 anywhere you have to. But somebody not filling out a
25 closure plan the right way, and they could be liable for

1 the same kind of penalty, that may not get as much support
2 from me as the one above. So I think we need a little bit
3 of description there.

4 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay. A
5 little -- some headings, and then also you're asking for
6 it to be broken down a little bit more?

7 CHAIRPERSON JONES: Yeah. I mean 14441 is huge.
8 It's closure, you know. So I don't know what that means.
9 I don't know what part of it.

10 Isn't there four or five sections in 441?

11 CHIEF COUNSEL TOBIAS: Yes, there are. And I
12 think what we could do is basically modify this chart,
13 come back and show you.

14 I think there is some discretion that goes into
15 dealing with this, which is why you have a range. We're
16 not always really excited about having range of penalty
17 things in a table like this because it does give rise to
18 that question, "Well, how do we come up with what the
19 number is?"

20 And I know in another penalty schedule that we're
21 working on now we've taken out some of the ranges because
22 it just doesn't work well with either the decisionmakers
23 or with people who are reading it.

24 So let me go back to the person who worked on
25 this and get some -- you know, it might -- this table may

1 need to be broken out a little bit further. And we may
2 need to look at the use of ranges in there.

3 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Do we want
4 to -- are these going to change? Do we need to go out to
5 another 15 day notice period or comment period, or just
6 bring to the Board --

7 CHAIRPERSON JONES: I'll let the lawyers tell
8 you. But I mean I knew what it was because I went and
9 looked it up. I'm just saying -- you know, I mean if
10 nobody else commented on it, that it wasn't an issue, then
11 giving them more of a description of what it means is not
12 a change. So I mean --

13 CHIEF COUNSEL TOBIAS: I think that's right. You
14 know, we'd be looking for clarity here, and then being
15 able to try to just make this a better statement of what's
16 going to be looked at for the fines.

17 CHAIRPERSON JONES: Okay. Mr. Paparian.

18 COMMITTEE MEMBER PAPARIAN: With that additional
19 clarity provided, then I'll move Resolution 2002-745.

20 COMMITTEE MEMBER CANNELLA: Second.

21 CHAIRPERSON JONES: We've got a motion by Mr.
22 Paparian and a second by Mr. Cannella to adopt Resolution
23 2002-745.

24 Substitute the previous roll?

25 On -- what are we doing? You're bring this back

1 to the Board?

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: This will
3 come to the full Board with those additions.

4 CHAIRPERSON JONES: Okay. With a 3-0 -- yeah,
5 bring it with additions, and let the Board know we've
6 supported it 3-0.

7 ACTING DEPUTY DIRECTOR WILLD-WAGNER: All right.
8 Thank you.

9 CHAIRPERSON JONES: Next.

10 Sorry about that, but that needed lots of
11 discussion.

12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: The next
13 two items are grant awards. The first is the grant awards
14 for the Amnesty Day -- Public Education and Amnesty Day
15 Program.

16 And Boxing Cheng will make this presentation.

17 MR. CHENG: Committee Chair and Board members. I
18 will present to you Agenda Item 14, Local Government
19 Public Education and Amnesty Grant Program.

20 This program was funded by the five-year plan.
21 We have \$500,000 for the Fiscal Year 2002-2003.

22 We had -- this year Board received 14 applicants,
23 totally requesting \$411,185. After reviewing the 14
24 applicants, there's 11 passed with 70 percent. So we have
25 11 applications received a passing score, ranging from 75

1 to 95.

2 And based on the score results staff would
3 comment that funding 11 applications receiving 70 points
4 or above, for the total funding of \$321,247. Staff would
5 comment that the Board adopt Resolution Number 2002-703.

6 This completes my presentation.

7 CHAIRPERSON JONES: Any questions?

8 Mr. Papanian.

9 COMMITTEE MEMBER PAPANIAN: Mr. Chairman, I'm
10 ready to move Resolution 2002-703.

11 COMMITTEE MEMBER CANNELLA: Mr. Chair, I'm ready
12 to second, but I have a question I'd like to ask.

13 CHAIRPERSON JONES: Sure.

14 COMMITTEE MEMBER CANNELLA: If the program is
15 under-utilized, do we contact areas that we know could
16 benefit by the program to inquire why they're not
17 participating in the program? And those who don't
18 qualify, do we notify them as to why they didn't qualify?
19 Did they interpret the application differently than we
20 thought they should? I'm just curious. When you offer
21 local government a helping hand and they don't accept it,
22 I have to wonder why.

23 And I need to know, do we contact those who don't
24 apply and ask why they didn't? And those who failed, do
25 we give them some kind of an in-depth response as to why

1 they didn't qualify?

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We do
3 contact all those that did not receive a passing score and
4 of course all those that do receive a passing score. And
5 those that want to follow up with us, we will help let
6 them know where their application was weak.

7 In addition, because this is the first time that
8 this program was under-subscribed, we do plan to make some
9 recommendations for next time. And we just kind of didn't
10 go into it because of the hour here. But we'll relook
11 again at our noticing. We send this out to all local
12 governments. But perhaps there's somebody else in the
13 local government that we need to really target the
14 noticing to. And, in addition, we're going to look at
15 maybe some of the streamlining some other requirements as
16 we have with the Local Government Enforcement Tire
17 Program, some of those other grant programs that we
18 streamlined some of the requirements. That might help
19 with next time.

20 Also, this program has a required match. And we
21 might ask the Board when they come back with our criteria
22 item if you wanted to maintain that same match for next
23 year.

24 COMMITTEE MEMBER CANNELLA: That's good.

25 CHAIRPERSON JONES: All right. We've got a

1 motion by Mr. Paparian, a second by Mr. Cannella.

2 Substitute the previous roll?

3 On fiscal consensus, members?

4 Okay. So done.

5 ACTING DEPUTY DIRECTOR WILLD-WAGNER: All right.

6 The next grant award program is for the Tire Product
7 Commercialization and Applied Technologies Grant Program.

8 I did want to make one notice for the record of a
9 correction in Attachment 2. This is the actual listing of
10 the applications. The heading says: "Public Education
11 and Amnesty Day Grant Program." And it should say: "The
12 Tire Product Commercialization Grant Program." This is
13 our effort for increased standardization. Perhaps taking
14 that a little bit too far. We used the same formatting
15 for consistency for you, but we did not catch the change
16 in the title.

17 I'm sorry. Jesse Adams will be presenting.

18 MR. ADAMS: Yeah, and whose fault was that?

19 (Laughter.)

20 MR. ADAMS: Mr. Chairman, members. As Shirley
21 indicated, this item presents staff recommendations toward
22 the Fiscal Year 2002-2003 Tire Product Commercialization
23 and Applied Technologies Grants.

24 Scoring criteria we utilized are presented in
25 Attachment 1, Projects Recommended For Funding. And

1 Projects Failing to Achieve Passing Scores can be viewed
2 in Attachment 2. Descriptions of the projects recommended
3 for funding are in Attachment 3.

4 At the June Board meeting the Board adopted the
5 scoring criteria for this cycle. And at its August 20, 21
6 meeting the Board considered and adopted grant eligibility
7 and qualifying requirements for permits and other
8 specialized licenses.

9 The general checklist of business permits and
10 licenses and filings adopted by the Board at the August
11 meeting was also made part of this application.

12 We received -- we distributed the notice of funds
13 and received approximately 250 interested parties. The
14 NOFA was also posted on the website. We received 26
15 applications, totaling \$6,268,544 in requested funding.

16 We utilized a review panel consisting of four
17 staff members. The results of the grant award and funding
18 recommendations are as shown in Attachment 2.

19 Staff recommends that the grants be funded in the
20 order described in Attachment 2. And if there are more
21 projects that pass than there is funding available, staff
22 recommends fully funding all passing projects if
23 additional funds become available. We did have five who
24 had passing scores, but we ran out of funding.

25 And staff recommends adoption of Resolution

1 Number 2002-702.

2 CHAIRPERSON JONES: Okay. Any questions,
3 members?

4 COMMITTEE MEMBER PAPARIAN: Just a quick one on
5 that last point. As I'm reading the resolution, it's just
6 suggesting that we have the discretion when it comes time
7 for reallocation to reallocate to this item. We could
8 decide -- if we had enough money, we could decide to
9 allocate it to some other tire item or we could decide to
10 allocate it to this item. But it's still possible that
11 these folks who had passing scores but didn't get funded
12 this cycle could get money in the future.

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 Typically the Board approves the ranking as
15 presented by the staff and approves funding those that
16 were indicated as having funds available. That second
17 step of providing funds for the passing unfunded
18 applications will happen if the Board chooses at that
19 reallocation item, typically around May.

20 At that time obviously they'll be other competing
21 requests for those funds. So the Board will have to make
22 that decision then. And any of those applicants on that
23 list will have to understand that, you know, it's
24 contingent upon that Board action.

25 COMMITTEE MEMBER PAPARIAN: Right. So it's no

1 guarantee that if we have that many available for
2 reallocation, that they will get it; it could go to some
3 other tire --

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 It's not a guarantee.

6 ACTING DEPUTY DIRECTOR WILLD-WAGNER: It will

7 also come back to you for that final decision.

8 COMMITTEE MEMBER PAPARIAN: Yeah, okay.

9 CHAIRPERSON JONES: Mr. Paparian, would that --
10 and I got no problem with that because we do that all the
11 time.

12 But it would be whatever this -- however this --

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 It's wording's not --

15 COMMITTEE MEMBER PAPARIAN: No, the wording is
16 good. But I just wanted to make sure everybody understood
17 what it is we're talking about here when it come to
18 reallocation.

19 CHAIRPERSON JONES: Right. And it would be in
20 this order?

21 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

22 Yes. The rank order is very important.

23 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes, that
24 is correct.

25 CHAIRPERSON JONES: Mr. Paparian.

1 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I'll
2 move adoption of Resolution 2002-702.

3 COMMITTEE MEMBER CANNELLA: Second.

4 CHAIRPERSON JONES: We've got a motion by Mr.
5 Paparian -- which included that direction, Mr. Paparian?

6 COMMITTEE MEMBER PAPARIAN: That's actually part
7 of the resolution.

8 CHAIRPERSON JONES: Right, but in order. Okay.

9 And a second by Mr. Cannella.

10 Substitute the previous roll?

11 On fiscal consensus for the Board meeting?

12 All right. Thank you very much.

13 You guys all came a long way to hear this thing,
14 and not one speaker slip.

15 COMMITTEE MEMBER PAPARIAN: It's good news
16 though.

17 CHAIRPERSON JONES: It's good news.

18 All right. Next item.

19 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Item Q has
20 been pulled.

21 CHAIRPERSON JONES: Item Q has been pulled.

22 Item 17, R.

23 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Item 17, R.

24 Moving to the used oil and household hazardous waste

25 portion of the Special Waste Division.

1 This is a consideration of an award of contract
2 for the used oil program.

3 And Matt McCarron of our staff will be
4 presenting.

5 MR. McCARRON: Good morning -- or good
6 afternoon -- or should I say good evening, Mr. Chair and
7 Board members.

8 CHAIRPERSON JONES: It's getting there. It's
9 dependent on you.

10 MR. McCARRON: Yeah, I know. I'll go fast.

11 This is to award a contract for a previous
12 contract concept that was approved last November, of 2001.
13 And the scope of work was approved in September of 2002
14 Board meeting, Item Number 40.

15 This is to go over and develop some environmental
16 justice criteria base-line information and to develop
17 additional information for better marketing efforts for
18 the minority communities.

19 The contractor we are selecting has done some
20 work for the Board in the past. And some of the things
21 that we're doing in this contract are following on his
22 recommendations from the minority's community -- study of
23 the minority's community in the waste stream report done
24 in June of 2002.

25 CHAIRPERSON JONES: Questions?

1 I have just one.

2 There's a lot of barriers in certain parts of all
3 urban areas with move-outs and, you know, real transient
4 area, you know, in and out of apartments. Is anything in
5 this study going to be looking at that, addressing that?
6 I mean it's very clear in curbside programs where you've
7 got certain areas. And they can be all different ethnic
8 groups. But where there's a lot of moving in and out, a
9 lot of fluidity, you're seeing contaminated loads of
10 recyclables, you're seeing -- you know, and here we're
11 dealing with the used oil issue. And a lot of that
12 material may be ending up in other places because there's
13 no ongoing education. You know, doing an education
14 program once doesn't do a lot of good if five people have
15 moved into that same house over the course of a year.

16 So are we going to be looking at some of those
17 moving-in-and-out-type issues in this? I didn't really
18 see it. But --

19 MR. McCARRON: We certainly can. One of the
20 things we want to do with this study is look at the really
21 successful programs, see what their attributes are. And
22 if they are addressing these things on a continuing
23 information basis to the public, is it -- how do they
24 contact them? Is it by radio, is it by television, is it
25 direct contact at the places they frequent the most? Do

1 they put where to drop off used oil? Those are the
2 successes we're looking for so we can share those with
3 other programs.

4 CHAIRPERSON JONES: Okay. Are they going to be
5 able to show you how they quantified their success? Now,
6 we had testimony in another committee today about just how
7 great a jurisdiction was. And I know firsthand that
8 relying on that staff at that city to determine how good a
9 program is is a joke. I didn't tell the person that. But
10 in reality that's it, because they all think so highly of
11 themselves they just know it's successful because they're
12 involved.

13 So how do you gauge whether or not a
14 jurisdiction's really doing a good job?

15 MR. McCARRON: I think what we're trying to do is
16 we're looking at the higher volume collection centers.
17 Used oil's collected by a wide variety of places. So
18 we're looking at the ones that are successful so far.
19 Going to compare to those other ones with similar
20 demographics, so that we'll be able to sort out which is a
21 little bit better than another.

22 You may have, you know, a public belief in that
23 area, that it has, you know, more of an incentive to
24 recycle. So we'll have to sort that out as we go along
25 with some of the demographic --

1 CHAIRPERSON JONES: Okay. That's fair. That's
2 reasonable.

3 Mr. Cannella.

4 COMMITTEE MEMBER CANNELLA: Yeah, this is to
5 develop environmental justice guidelines for local
6 government.

7 MR. McCARRON: No, not to develop the guidelines
8 for them. It's more of a tool kit for them to --

9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: -- a
10 guidance document, correct.

11 COMMITTEE MEMBER CANNELLA: Yeah. Well, that's
12 what I meant. Even though I didn't say that, I expected
13 you to know that.

14 (Laughter.)

15 COMMITTEE MEMBER CANNELLA: Does it -- well, just
16 give me an example. I live in an area where they have
17 these collection places. And there's normally nobody
18 there. There's oil thrown all over the place. They're
19 not -- this is not very effective. Is this kind of a
20 document going to improve on those collection sites in
21 these areas, or is it just going to be a document that
22 says some are good and some are bad and this is what you
23 ought to do to improve them?

24 MR. McCARRON: Well, we're going to try to pull
25 out the best activities of the collection programs that

1 are addressing the minorities in those services areas. So
2 if we can tailor these marketing efforts back to the local
3 program so they can reach out to the minority
4 communities --

5 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And the
6 idea is to provide a tool that local governments can
7 choose to do. This is not an enforcement contract though.
8 It will not -- you know, you make some good valid points
9 there. It's not going to necessarily eliminate the used
10 oil that might be left in the neighborhoods. That's up to
11 the local government and then the LEA for the inspection
12 and our partners at the Department of Toxics. But
13 hopefully this will provide some tools that will enable
14 the local government to improve their programs and their
15 services.

16 COMMITTEE MEMBER CANNELLA: Okay.

17 ACTING DEPUTY DIRECTOR WILLD-WAGNER: The
18 proposed contract, Ray's here also, if he has anything to
19 add or if you have any other specific questions.

20 CHAIRPERSON JONES: He heard some of my stuff,
21 right?

22 Does it make sense, the things that Mr. Cannella
23 and Mr. Papanian and I are asking?

24 MR. SITILLIAN: Yes, it does. And we'll take
25 those into consideration --

1 THE REPORTER: Can he identify? Who was that?

2 CHAIRPERSON JONES: Oh, I'm sorry.

3 He's a professor at Sac State.

4 MR. SITILLIAN: His name is Dennis Sitillian.

5 CHAIRPERSON JONES: I'm only kidding. I mean
6 you've got to have a little fun at the end of this day.

7 Okay. Any other questions?

8 Mr. Paparian.

9 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I'll
10 move Resolution 2002-774.

11 COMMITTEE MEMBER CANNELLA: Second.

12 CHAIRPERSON JONES: We've got a motion by Mr.
13 Paparian, a second by Mr. Cannella.

14 Substitute the previous roll?

15 On -- there's no money here -- on consent?

16 So done.

17 Next item.

18 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Next Item,
19 S, is the part of the grant process. This is to consider
20 the scoring criteria and evaluation process for the Used
21 Oil Research, Testing, and Demonstration Grant Program,
22 which we haven't done for a couple of years. So this is
23 kind of exiting, moving into a new area.

24 James Herota of the Used Oil Program staff will
25 make this presentation.

1 CHAIRPERSON JONES: Can I ask a question first?

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes.

3 CHAIRPERSON JONES: Okay. We just picked Sac
4 State. But there's no money involved. Had we
5 previously --

6 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Award of
7 contractor would go the Budget and Admin Committee still.

8 CHAIRPERSON JONES: Okay. So it does have to go
9 to fiscal consensus?

10 ACTING DEPUTY DIRECTOR WILLD-WAGNER: It would go
11 up fiscal consensus, yes.

12 CHAIRPERSON JONES: Because there's not a dollar
13 amount in this thing, is there, in this resolution.

14 What's this thing supposed to --

15 ACTING DEPUTY DIRECTOR WILLD-WAGNER: The
16 contract concept of course had the dollar amount.

17 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: The funding
18 information's listed in the item itself.

19 CHAIRPERSON JONES: Okay. That's fine.

20 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: So it can
21 go on fiscal consensus. It should be in the amount.

22 CHAIRPERSON JONES: It can go on consent then,
23 you mean?

24 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: It could go
25 on fiscal consent because you're going to the Budget and

1 Admin Committee. We're noting that the resolution should
2 have the dollar amount in there.

3 CHAIRPERSON JONES: Okay. But it doesn't. So --

4 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: Well, we
5 need to revise that.

6 CHAIRPERSON JONES: Okay. Thanks.

7 I was looking for another one.

8 ACTING CHIEF DEPUTY DIRECTOR NAUMAN: Yeah, I can
9 see that. Thanks for point that out.

10 CHAIRPERSON JONES: I don't him to do all the
11 work and not get paid.

12 Okay. I'm sorry. Go ahead.

13 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay.

14 James, are you ready?

15 I know that we lost our PowerPoint operator over
16 there at this late hour, but I believe we've got it
17 readied anyway.

18 (Thereupon an overhead presentation was
19 Presented as follows.)

20 MR. HEROTA: Good afternoon, Chairman Jones and
21 Board members. I'm James Herota. I'm the grant manager
22 in the Used Oil Household and Hazardous Waste Branch.

23 I'll present Item 18, consideration of the
24 scoring criteria and evaluation process for Fiscal Year
25 2002-2003 Used Oil Research, Testing, Demonstration Grant

1 Program.

2 I can make either one of two presentations, a
3 short version or a long version.

4 CHAIRPERSON JONES: Short version works for us.

5 COMMITTEE MEMBER CANNELLA: You make it long, you
6 might be here by yourself.

7 (Laughter.)

8 MR. HEROTA: Okay. On that note, I'll proceed to
9 the short version.

10 The Board has allocated \$2 million dollars from
11 the Used Oil Recycling Fund for the Fiscal Year 2002-2003
12 Used Oil Research, Testing, and Demonstration Grant
13 program.

14 We propose that applicants could request up to
15 \$300,000 per grant. Board staff would send a notice of
16 funding availability to our current nonprofit grantees,
17 used oil block grantees, used oil haulers, oil recycling
18 facilities, businesses, universities, and nonprofit
19 organizations for the purpose of applying for the research
20 grant.

21 As shown on the overhead, this is the general
22 criteria for the scoring for Board approval. It's also
23 shown in Attachment 1, as required by the Board's
24 procedures for developing the scoring criteria and
25 evaluation process. Staff assigned point values to each

1 category of their review criteria and program-specific
2 criteria as shown in Attachment 1.

3 --o0o--

4 MR. HEROTA: The next overhead shows the specific
5 program criteria that would award additional points to
6 applicants that specify and meet either of the following:

7 Applicants that provide matching funds of at
8 least 10 percent.

9 Applicants that involve a public institution, a
10 public-private partnership, or a local jurisdiction.

11 --o0o--

12 MR. HEROTA: The proposed priority program
13 criteria would award additional points when the
14 applicants' projects meet one of the following mutually
15 exclusive criteria:

16 Projects that develop a technique process, market
17 a product not already available in California which
18 utilizes re-refined motor oil.

19 Projects that involve an independent third party
20 technology evaluation of storm drain inlet filter devices
21 relating to storm water pollution from used oil.

22 Projects that further the development and
23 effectiveness of equipment designed to recover oil from
24 oily water.

25 Projects that propose to develop a cost-effective

1 field test kit for use in identifying PCB's in used motor
2 oil.

3 Projects that propose to develop a strategy and
4 establish a pilot program for collecting used oil from
5 independent truckers.

6 As required by the Board's procedures for
7 presenting the scoring criteria and evaluation process,
8 staff assigned point values to each category of the
9 general review and specific program criteria for Board
10 approval. All proposals will be ranked according to the
11 total number of points received. Proposals must attain 70
12 points out of 100 possible points for funding.

13 In a event that there is insufficient funding for
14 all qualified applicants, the highest ranked proposals
15 will have funding priority.

16 Staff will use the scoring and evaluation process
17 that was approved at the March 2001 Board meeting.

18 For tied scores at the time of the award,
19 applicants with tied scores would be brought forward to
20 the Board for determining which applicant, if any, shall
21 receive an award or portion of an award in a manner that
22 is both fair and equitable in order to resolve the issue
23 of tied scores.

24 Several of the Board's grant programs have
25 enacted a geographic distribution provision for grants

1 according to the division of the state based on estimated
2 populations provided by the Department of Finance. Staff
3 feels that awarding the proposed research grant based upon
4 geographic split would not support the funding priorities
5 as presented in the proposed scoring criteria.

6 Program staff believes it would be more prudent
7 to award the highest ranking proposals based upon the
8 proposed scoring criteria until all grant funds are
9 expended regardless of where the applicants are located.

10 In conclusion, staff recommends Board approval of
11 Option 1 and adoption of Resolution Number 2002-775, and
12 approve the proposed Fiscal Year 2002-2003, Used Oil
13 Research, Testing, and Demonstration Grant scoring
14 criteria.

15 Are there any questions?

16 CHAIRPERSON JONES: Mr. Cannella.

17 COMMITTEE MEMBER CANNELLA: Well, I figured it
18 out. The reason that you only allow for applicants to
19 choose from one of the criteria here is because each
20 application would be based on a different issue. I didn't
21 see that until I read all of them. But that was my
22 question, why do you limit it to one? But I see now
23 because each one is doing a different thing and each
24 application would be directed towards that specific area.

25 MR. HEROTA: Right, to the specific project.

1 COMMITTEE MEMBER CANNELLA: If you read it long
2 enough, you figure it out.

3 (Laughter.)

4 CHAIRPERSON JONES: Mr. Paparian.

5 COMMITTEE MEMBER PAPARIAN: Thank you, Mr.
6 Chairman. Just a brief comment. I note in the past I've
7 been interested in pursuing this idea of a field test kit
8 for the contaminants of motor oil. And I certainly
9 appreciate the staff following up and including that as
10 one of the possible areas for funding.

11 I'll move Resolution 2002-775.

12 COMMITTEE MEMBER CANNELLA: Second.

13 CHAIRPERSON JONES: We've got a motion by Mr.
14 Paparian, a second by Mr. Cannella.

15 Substitute the previous roll?

16 On consent?

17 Is this one of your first presentations to the
18 Committee?

19 MR. HEROTA: Yes.

20 CHAIRPERSON JONES: You did a nice job.

21 MR. HEROTA: Thank you.

22 CHAIRPERSON JONES: See, we remember who the heck
23 you guys are.

24 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Especially
25 for 5 o'clocks in the afternoon.

1 CHAIRPERSON JONES: Okay. So this is going to go
2 on consent, members?

3 Okay.

4 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Thank you.
5 Down to our last item of a very long day for you
6 folks, undoubtedly.

7 Item 19 and Committee Item T are some changes
8 that we're bringing forward to approve the efficiency of
9 the Used Oil Block Grant Program. I'm sure that the
10 presentation will go over. But you're all aware of the
11 background, that this is the noncompetitive,
12 based-on-population grant that goes to all of our local
13 government partners.

14 Cheryl Williams of our staff will make this
15 presentation.

16 CHAIRPERSON JONES: Hitting all the highlights.

17 MS. WILLIAMS: The highlights only.

18 (Thereupon an overhead presentation was
19 Presented as follows.)

20 MS. WILLIAMS: In fact I'll just move right on
21 into it.

22 After administrating the Used Oil Block Grant
23 Program for over nine years staff is proposing five
24 administrative changes to improve overall program
25 efficiency and streamline processes.

1 --o0o--

2 MS. WILLIAMS: Proposal Number 1. Offer grant
3 payment reimbursements for grantees receiving 20,000 or
4 less in lieu of advance payments.

5 The current process. Presently grantees receive
6 an advance of 90 percent of the grant allotment.
7 Beginning in Fiscal Year 2000-2001 grantees were required
8 to keep grant advances in a separate interest-bearing
9 account. And every six months grantees report on the
10 interest accrued as a part of their semi-annual report.
11 Since the interest reporting requirement has been
12 implemented, many small jurisdictions report problems in
13 establishing separate accounts to facilitate interest
14 tracking or problems in receiving timely reports to meet
15 grant reporting schedules.

16 --o0o--

17 MS. WILLIAMS: Proposed process. Staff proposes
18 offering smaller jurisdictions -- and those are grantees
19 receiving 20,000 or less -- the option of reimbursement
20 payments in lieu of an advance. This option of
21 reimbursement payments will provide an alternative to
22 those jurisdictions where interest reporting and tracking
23 has been a problem.

24 Proposal Number 2.

25 CHAIRPERSON JONES: Okay. Can I ask a question?

1 MS. WILLIAMS: Sure.

2 CHAIRPERSON JONES: I mean if it's reimbursement,
3 it's money they've already spent, which means we're going
4 to build this fund back up to have another huge balance.
5 That's why we went to this -- that's why we changed to
6 giving in the money in advance.

7 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's
8 correct. But this is just those recipients receiving less
9 than 20,000. And I still think that most of them will
10 choose to have the advance. But there were several that
11 couldn't fiscally deal with having that -- the interest
12 tracking was a real burden for a number of these agencies.

13 CHAIRPERSON JONES: Yeah, who gets the interest?

14 ACTING DEPUTY DIRECTOR WILLD-WAGNER: They have
15 to spend the interest on the program.

16 CHAIRPERSON JONES: Okay. So, I mean --

17 ACTING DEPUTY DIRECTOR WILLD-WAGNER: The program
18 gets the interest.

19 CHAIRPERSON JONES: So they get the money, they
20 get the interest. And what, we want to know if for 20
21 grand, and they spend the money in six months, that they
22 made \$18 in interest and then it got spent on the program?

23 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And then it
24 got spend of the program. Under the reimbursement option
25 of course the fund would continue -- accrue the interest,

1 not the grantee.

2 CHAIRPERSON JONES: Okay. Then who gets the
3 interest from the fund?

4 ACTING DEPUTY DIRECTOR WILLD-WAGNER: The
5 program. It goes right back into the program.

6 CHAIRPERSON JONES: Okay. I mean that just seems
7 like a lot of work for a small amount of money.

8 ACTING DEPUTY DIRECTOR WILLD-WAGNER: It's a lot
9 of work on the local government part, on the part of the
10 local government to track that for a small amount of
11 money. It's not a lot of work for us. It would just be a
12 matter of doing a reimbursement check -- doing a check
13 later rather than sooner.

14 CHAIRPERSON JONES: Okay.

15 COMMITTEE MEMBER CANNELLA: So this would
16 streamline it. They wouldn't have to keep track of the
17 interest. They could choose to take it in reimburse as
18 opposed to an up front, and then keep track of all the
19 book work and all of the interest and all that stuff --

20 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's
21 correct.

22 COMMITTEE MEMBER CANNELLA: -- that they would
23 have this option to streamline it.

24 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And if it'd
25 been more difficult from us, the Administration and

1 Finance Division wouldn't have wanted us to do this. But
2 they're also in support of this recommendation.

3 CHAIRPERSON JONES: Okay. I'm just worried about
4 coming up with a big number that we worried about was
5 going to get swept. And this could do the same thing if
6 we're not getting that money in quick enough. Yeah, I
7 mean if we're not getting the reimbursement claims in quick
8 enough.

9 CHIEF COUNSEL TOBIAS: You know, Mr. Jones, I'm
10 assuming this will go on consent. But Legal will look at
11 this. This just seems really burdensome. So I don't know
12 whether we can do anything about it or if we need to look
13 at some kind of legislative change. But, you know, there
14 must be costs here to be keeping track of those smallest
15 amounts of interest, which seems to me just the cost of it
16 would probably equal the amount of interest they're
17 getting on it.

18 So we'll look at it. And if we can't come up
19 with anything, it could proceed on consent but maybe we'll
20 look at a legislative --

21 CHAIRPERSON JONES: Well, I'm seeing staff, looks
22 like they're frustrated that there's an awful lot of
23 effort going into this little piece. And so, clearly,
24 they don't want to see this -- the words that came to mind
25 can't be repeated -- but they don't want to see this

1 happen. So if it's Admin or some rule, some law, maybe
2 you guys need to really to look at that and figure out --

3 CHIEF COUNSEL TOBIAS: I think Maria's saying
4 that it does have to do with the way the statute is set
5 up. I've asked her to meet with me tomorrow and to see if
6 there's either a way we can look at this or if we need a
7 legislative change. But I would think that in the long
8 run maybe we could do something about at least these small
9 amounts, trying to get rid of that. So we'll look at it.
10 If we have something, we'll ask you to pull it. Otherwise
11 we'll just continue to work on long term.

12 CHAIRPERSON JONES: Keep going. I apologize.
13 But it's just --

14 MS. WILLIAMS: That's all right. Four more to
15 go.

16 Proposal Number 2. Eliminate the semi-annual
17 reporting requirement and return to the statutorily
18 authorized annual report.

19 --o0o--

20 MS. WILLIAMS: The current process. Public
21 Resources Code requires annual reporting for block grants.
22 Semi-annual reporting was established as Board policy in
23 September 2000 to provide for improved grant oversight
24 with the 90 percent advancement of grant funds.

25 However, there's been several unintended impacts

1 enforce the 90 day agreement return policy.

2 Current process. December 1998 Board policy
3 required all grant agreements must be fully executed and
4 returned by grantees within 90 days of a mail-out date.
5 Grantees are reminded of the 90 day return date on the
6 agreement itself and on the cover letter, and there are
7 courtesy reminder letters.

8 In January 2002 the Board heard and considered
9 two such appeals and authorized an extension on a couple
10 jurisdictions that did not meet the deadline.

11 Proposed process. Staff proposes that the Board
12 strictly enforce its 90 day return requirement and
13 disallow appeals for extension. A majority of grantees do
14 return to report their agreements on time. And it should
15 also be noted that competitive grant program have not
16 encountered this problem with returning agreements.
17 Without strict enforcement of the deadline staff has no
18 recourse but to continue to spend time preparing and
19 presenting agenda items for delinquent grantees.

20 --o0o--

21 CHAIRPERSON JONES: These are grantees that don't
22 have the resolution from the Board of Supervisors or city
23 council usually?

24 MS. WILLIAMS: These are grantees who wait.

25 CHAIRPERSON JONES: Well, I understand. So I got

1 no problem with saying the 90 days. But there was an
2 issue with -- there was an action taken by a city council
3 that kind of covered all of the grant applications for
4 their staffs. And we didn't take that or we didn't accept
5 it or something because it wasn't specific. I forget what
6 the -- it was something weird like that. Wasn't it that?

7 MR. LEE: When we came to you in January, I
8 guess -- I'm Jim Lee, Acting Manager for the Used Oil and
9 Household Hazardous Waste Branch.

10 I think when we came before the Board in January
11 there was a couple of issues. Some of the grantees were
12 delinquent on return of the signed grant agreement, which
13 is the 90 day limitation. We also presented to you at the
14 time a request from a couple grantees that had gone past
15 the December 1 deadline for submission of a complete grant
16 application. Cheryl will be discussing that issue
17 separately.

18 But on the 90 days for the grant agreement, you
19 know, this is just a situation, you know, where a lot of
20 the grantees -- I think because this is an entitlement
21 program, I think that breeds a certain degree of
22 complacency on the part of some of the grantees. And, you
23 know, basically what we're looking to do here with this
24 and our other proposals is basically just tighten up a
25 ship. You know, basically we feel that 90 days is more

1 than adequate for them to return a signed grant agreement.

2 CHAIRPERSON JONES: Right.

3 Mr. Cannella.

4 COMMITTEE MEMBER CANNELLA: When this action was
5 taken in January you didn't change the rules, you just
6 provided for an extension. So it didn't say we now will
7 allow for you to go beyond 90 days. So what do you have
8 to change? It's still the Board's discretion to grant an
9 extension. There was no language change, there was no
10 regulation changes. It's still the same say it was. Is
11 that correct?

12 MR. LEE: Mr. Cannella, there was some language I
13 think in the resolution I think that implied that the
14 Board was only approving these because there was some
15 extenuating circumstances. So we didn't come out and
16 explicitly say, you know, it's 90 days or else. But, you
17 know, we certainly were trying to -- in the Board's
18 determination, I think they were trying to send the signal
19 that we wanted to be -- we only were approving the -- the
20 Board was only approving these extensions for, like I say,
21 extenuating circumstances.

22 COMMITTEE MEMBER CANNELLA: Yeah. And I don't
23 disagree with that. What I'm trying to get the handle on
24 is that there was no language change in the application
25 that says you have 90 days, but you can't -- period. And

1 then the language was changed that said you have 90 days
2 plus. There was no change in that. The rules still say
3 90 days. The discretion of the Board is to allow for on a
4 case-by-case basis whether an extension will be allowed.
5 So I don't understand what we're changing here. It's
6 still the same as it was.

7 CHAIRPERSON JONES: Now we're saying no
8 extension -- no appeals for extensions.

9 COMMITTEE MEMBER CANNELLA: So you're saying that
10 the Board no longer will entertain any kind of an appeal
11 from a jurisdiction that didn't do it within 90 days?

12 CHAIRPERSON JONES: On that 90 day, that's what
13 they're --

14 COMMITTEE MEMBER CANNELLA: Okay. If that's what
15 we're doing.

16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's what
17 the proposal is, to make that clear.

18 MS. WILLIAMS: Proposal Number 4. Change the
19 application due date of December 1st to June 1st and
20 strictly enforce the June 1st application due date.

21 Current process. Since the Block Grant Program
22 is noncompetitive the application is one page,
23 straightforward, and very simple. Presently grantees have
24 three months to submit the complete application package
25 for grant funds that are awarded on July 1st. In

1 September 2000 the Board approved an application due date
2 of December 1st to encourage participation by all
3 qualified jurisdictions. Extending the application phase
4 into what would normally have been an agreement phase of
5 the grant cycle has basically merged the two phases
6 together. Tracking and monitoring 250 applications and
7 agreements, coming and going, plus the various parts,
8 pieces, and components of those applications over nine
9 months is very time consuming and extremely inefficient.

10 Proposed process. Staff proposes to modify the
11 application period from January 1st to June 1st prior to
12 the July Board meeting for grant award. Receiving the
13 complete application before the July Board meeting will
14 clearly establish participating grantees and separate the
15 application process from the award process.

16 Staff proposes the date change for overall
17 program administration efficiency and application deadline
18 clarity.

19 --o0o--

20 MS. WILLIAMS: Proposal Number 5. Exempt the
21 Used Oil Block Grant Program from the newly required grant
22 permit check list.

23 Current process. Pursuant to Board policy
24 established at its August 2002 Board meeting, all grant
25 applications and grant agreements must require the

1 grantees to submit the general checklists of permits,
2 licenses, and filings unless Board staff receives an
3 exemption for a given grant program. The Used Oil Block
4 Grant Program is an entitlement grant program, not a
5 competitive grant program. Verification of permits and
6 our licenses has never been an application requirement.

7 Proposed process. Block Grant Program should be
8 exempt from the permit requirement since it's an
9 entitlement grant program. The August 2002 Board policy
10 recognized that the permit checklist requirement maybe
11 inappropriate for some grantees, particularly those
12 grantees receiving entitlement grants. The Board did
13 provide for an exemption process. However, the process
14 was developed for competitive grants where the eligibility
15 requirements and scoring criteria are formally presented
16 to the Board. It is at that time an exemption would be
17 considered.

18 Because the Used Oil Block Grant Program is an
19 entitlement program, there isn't that opportunity to
20 present an appeal. Therefore, the program staff proposes
21 that the Board provide an exemption to the permit
22 checklist for the Used Oil Block Grant Program at this
23 time.

24 CHAIRPERSON JONES: Questions, members?

25 What's your pleasure?

1 Mr. Paparian.

2 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, first
3 of all I'll say I know this type of thing takes a lot of
4 effort and energy to put together. And I really
5 compliment the staff for going through this exercise in
6 order to make this program more efficient in the future.
7 So really good work.

8 And will that I'll move Resolution 2002-773.

9 COMMITTEE MEMBER CANNELLA: Second.

10 CHAIRPERSON JONES: We've got a motion by Mr.
11 Paparian, a second by Mr. Cannella.

12 Substitute the previous roll?

13 Put it on consent?

14 All right. So done.

15 Nice job.

16 All right, folks, that's our last item.

17 Anybody got something to say from the public?

18 No?

19 Thank you, members. Thank you, staff. Thanks.

20 We got out of here at 5:15. Nice job. We
21 appreciate staff work and appreciate the members.

22 (Therepon the California Integrated Waste
23 Management Board, Special Waste and Market
24 Development Committee adjourned at 5:15 p.m.)

25 CERTIFICATE OF REPORTER

1 I, JAMES F. PETERS, a Certified Shorthand
2 Reporter of the State of California, and Registered
3 Professional Reporter, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing California Integrated Waste Management Board,
6 Special Waste and Market Development Committee meeting was
7 reported in shorthand by me, James F. Peters, a Certified
8 Shorthand Reporter of the State of California, and
9 thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 19th day of December, 2002.

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JAMES F. PETERS, CSR, RPR
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