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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

1001 I STREET

2ND FLOOR

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, SEPTEMBER 15, 2004

9:30 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
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APPEARANCES

COMMITTEE MEMBERS

Ms. Cheryl Peace, Chairperson

Ms. Linda Moulton-Patterson

Mr. Carl Washington

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Ms. Marie Carter, Chief Counsel

Mr. Jim Lee, Deputy Director

Ms. Wendy Breckon, Staff Counsel

Ms. Lillian Conroe

Mr. Mitch Delmage

Ms. Linda Dickinson

Ms. Sue Happersberger

Ms. Michelle Martin

Mr. Terry Smith

Ms. Georgianne Turner

Ms. Elena Yates

ALSO PRESENT

Mr. Terry Leville, TL& Associates, Lakin Tire

Ms. Jana Nairn, Golden Byproducts

Ms. Tracy Norberg, Rubber Manufactures Association

Dr. Barry Takallou, CRM Company

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1 PROCEEDINGS

2 CHAIRPERSON PEACE: Good morning. And welcome to

3 the Special Waste Committee for September. We're all

4 here. We have a lot of interesting things to discuss this

5 morning, so let's get started.

6 Selma, do you want to call the roll.

7 SECRETARY LINDRUD: Moulton-Patterson?

8 COMMITTEE MEMBER MOULTON-PATTERSON: Here.

9 SECRETARY LINDRUD: Washington?

10 COMMITTEE MEMBER WASHINGTON: Here.

11 SECRETARY LINDRUD: Peace?

12 CHAIRPERSON PEACE: Here.

13 Okay, at this time, if you could remember to turn

14 off your cell phones and your pagers or put them on

15 vibrate.

16 There are some agendas on the back table, as well

17 as speaker slips. If you want to address the Committee on

18 an item, please bring your speaker slip to Ms. Lindrud.

19 And, members, any ex partes?

20 COMMITTEE MEMBER MOULTON-PATTERSON: I'm up to

21 date.

22 COMMITTEE MEMBER WASHINGTON: I'm up to date.

23 CHAIRPERSON PEACE: And I spoke briefly to Terry

24 Leveille this morning.

25 COMMITTEE MEMBER MOULTON-PATTERSON: I did too

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1 just to say hello.

2 CHAIRPERSON PEACE: Okay. Before we begin I'd

3 like to remind everyone that our first meeting on revising

4 the five-year plan will take place here on September 29th

5 in the Coastal hearing room beginning at 9:30 a.m. We do

6 welcome your comments and your ideas.

7 And along the lines of continuously improving our

8 programs, staff held two workshops on the manifest system.

9 The staff will be coming to the Board in October, I

10 believe -- Jim, it will be in October?

11 DEPUTY DIRECTOR LEE: Yes, Madam Chair, that is

12 the staff's current plan.

13 CHAIRPERSON PEACE: -- okay, in October with some

14 options on how to simplify the manifest system to make it

15 less burdensome for the regulated community as well as for

16 our tire staff.

17 Okay. Are you ready for your Executive Director

18 report?

19 DEPUTY DIRECTOR LEE: Thank you. And good

20 morning, Madam Chair, members of the Committee. My name

21 is Jim Lee with the Special Waste Division.

22 And, Madam Chair, I think you covered most of the

23 items in my Deputy Director report I was going to bring

24 up.

25 Again, one item that you didn't mention with

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regards to upcoming workshops, on September the 30th, staff will be holding a roundtable discussion on the Rubberized Asphalt Concrete Program. The meeting will be down in Los Angeles at the County Department of Public Works main auditorium.

This, again, is to follow up on some of the recommendations and a third-party evaluation done of the RAC centers that was presented to the Board a couple of months ago. So basically we want to get this out to the community and solicit their opinions on how that program might be revised to meet some of those -- to respond some of the questions and concerns that were raised in that evaluation.

With that, Madam Chair, I'm prepared to move into this morning's agenda, if that meets with your approval.

CHAIRPERSON PEACE: Okay. That's Item B, Agenda Item 8, I believe.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Item B is consideration of the adoption of a Negative Declaration, State Clearinghouse No. 2004071146, and the issuance of a new minor waste tire facility permit for the Copper Chopper, Incorporated, Waste Tire Facility, Los Angeles County.

Terry Smith will make the staff presentation.

MR. SMITH: Is this on?

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1 Okay. Good morning.
2 The Copper Chopper facility is located at 1428
3 South Maple Avenue in the City of Gardena. The site is
4 zoned for heavy manufacturing. And the surrounding use of
5 property are all industrial.
6 Copper Chopper has been at this location for the
7 past four years, removing insulation from copper and
8 aluminum wire and reducing wire size to less than a
9 quarter of an inch.
10 In 2003, the operator began processing waste
11 tires using the same equipment and the same workforce that
12 had been used for the wire processing facility.
13 Waste and scrap tires are also reduced a quarter
14 inch -- less than a quarter inch in size. However, they
15 can produce various sizes. And the sizes that they
16 produce will be dependent on customer demand.
17 Copper Chopper has been operating under a tire
18 dealer exclusion, which authorizes them to store up to
19 1500 waste tires on site. The operator has determined
20 that that's not enough of an inventory for a feed stock,
21 so they've applied for a minor waste tire facility permit.
22 And this permit will allow them to store less than 5,000
23 tires there.
24 In April of 1998 the Board delegated the
25 authority to approve minor waste tire facility permits

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1 where there are no unresolved issues or local opposition
2 to the Executive Director.
3 Since there's a Negative Declaration that must be
4 adopted by the Board prior to issuing this permit, staff
5 has brought the permit forward for your consideration and
6 approval.
7 During the local review process, the county
8 planning department -- Los Angeles County Planning
9 Department determined that the addition of tires to this
10 existing recycling facility was an approved use of the
11 zoning designation and didn't require a California
12 Environmental Quality Act review. However, since the
13 waste tire facility permit is a discretionary act and
14 considered a project under CEQA, the Board has assumed the
15 role of lead agency for purposes of CEQA and prepared a
16 Negative Declaration.
17 The document evaluates environmental impacts
18 associated with the project and concludes that potentially
19 significant impacts will be reduced to less than
20 significant levels once the project is approved and the
21 permit is issued.
22 In our effort to inform the public regarding the
23 potential adoption of this Negative Declaration, staff
24 placed a public notice in the Los Angeles Times,
25 circulated the Negative Declaration through the State

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1 Clearinghouse, made a copy of it available in our Los
2 Angeles office and at the CalEPA headquarters on the
3 second floor in the library.
4 The Negative Dec was also placed on the Board's
5 web page along with the notice of an intent to adopt,
6 which includes a project description.
7 The notice of intent to adopt was also
8 distributed.
9 CHAIRPERSON PEACE: Okay. Hold it -- Terry, Mr.
10 Washington has a question.
11 COMMITTEE MEMBER WASHINGTON: I have a question
12 for you, Terry.
13 MR. SMITH: Oh, I'm sorry.
14 COMMITTEE MEMBER WASHINGTON: Why didn't you guys
15 go to the city council meeting and inform them of this
16 increase with the 5,000 tires?
17 MR. SMITH: Why didn't we go --
18 COMMITTEE MEMBER WASHINGTON: Why didn't you go
19 to the city council? Most citizens are at city council.
20 You could have done a brief presentation to them: "This
21 is an addition to what you have here at the Copper
22 Chopper. And they want to increase" -- "they want to add
23 5,000 tires to their facility." I'm just asking the
24 question: Was there any reason why you didn't, in terms
25 of the public process, go to the city council to inform

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them that this would be added to this?

MR. SMITH: Well, I didn't go to the city council. I contacted the county planning department. They told me that they were the ones that had jurisdiction over this area. And they said that environmental document was old and they didn't require any kind of special use permit.

COMMITTEE MEMBER WASHINGTON: Okay.

COMMITTEE MEMBER MOULTON-PATTERSON: Excuse me. But is this an unincorporated area of Gardena? Is that why the county's --

MR. SMITH: Yes.

Okay. In our effort to inform the public we put this document out and distributed even the notice of intent to adopt to all the surrounding land owners, property owners. The publicly review period ran from July 28th to August 26th, 2004. And we didn't receive any comments on the document.

In conclusion, staff has determined that all the requirements to approve the minor waste tire facility permit have been met, including the local requirements which are fire, vector, and planning department. And we inspected the site and determined that the storage standards are being complied with. And with the Board's adoption of the Negative Declaration, the California

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1 Environmental Quality Act requirements will be satisfied
2 also.
3 So staff recommends that the Board adopt
4 Resolution No. 2004-248, adopting the Negative Declaration
5 and Resolution No. 2004-249, approving the issuance of
6 Minor Waste Tire Facility Permit No. 19-TI-1505.
7 This concludes staff's presentation.
8 CHAIRPERSON PEACE: Thank you, Terry.
9 Do either of you have any questions or comments
10 to make?
11 Okay. We do have a speaker. If I can remind the
12 speakers to please state your name and state who you
13 represent for the records.
14 Mr. Takallou.
15 MR. TAKALLOU: Good morning. I'm Barry Takallou
16 with CRM company.
17 I have no position in this regard with this
18 permit. However, as Terry mentioned, this process is
19 going to require -- it's going to shred tires, granulate
20 tires. One of the permits usually required in this type
21 of operation is Southern California Air Quality Permit.
22 My question is: Does the Board require to see that, the
23 Southern California Air Quality Permit?
24 CHAIRPERSON PEACE: Terry, can you answer that
25 question?

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1 MR. SMITH: Our authority's over the tire storage
2 operations, not the operation of the machinery. So, no,
3 it's not part of our requirements, you know, to get a tire
4 storage permit for them to have a permit from the air
5 authority. However, usually those permits exist.
6 In this case, I thought that they had a -- I
7 think they have a variance. But it's not something that's
8 on our laundry list that we go through and check for tire
9 storage.
10 CHAIRPERSON PEACE: So if they do need to get an
11 air quality permit, who would make sure that they do that?
12 MR. SMITH: If they needed one -- if they were
13 supposed to have one, what I'm trying to say is, it
14 doesn't have any bearing on our -- on what we're looking
15 at. We're looking at tire storage.
16 In our regulations, the permit -- the issuance of
17 an air permit is not on our laundry list. It's not one of
18 the things we look at. We look at the standards, we look
19 at the fire department requirements, we look at vector
20 control, and we look at planning documents.
21 CHAIRPERSON PEACE: I want to say, so if we don't
22 require them to get the air quality permit if it was
23 needed, who would require that, the planning department,
24 or who --
25 MR. SMITH: Oh, that would be the local air

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1 pollution control district.
2 CHAIRPERSON PEACE: Okay. Thank you.
3 Any other questions or comments?
4 Okay. Do I have a motion?
5 DEPUTY DIRECTOR LEE: Excuse me, Madam Chair.
6 I think Terry mentioned in his remarks, again we
7 were only asking for approval of Resolution 249. There's
8 two resolutions: One approving the Negative Declaration
9 and the second approving the permit.
10 COMMITTEE MEMBER MOULTON-PATTERSON: I'd like to
11 go ahead and move Resolution 2004-248, consideration of
12 the adoption of a Negative Dec, State Clearinghouse No.
13 2004071146, for the Copper Chopper, Incorporated, Minor
14 Waste Tire Facility.
15 COMMITTEE MEMBER WASHINGTON: Second.
16 CHAIRPERSON PEACE: Okay. I have a motion by
17 Linda Moulton-Patterson and a second by Carl Washington.
18 Please call the roll.
19 SECRETARY LINDRUD: Moulton-Patterson?
20 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.
21 SECRETARY LINDRUD: Washington?
22 COMMITTEE MEMBER WASHINGTON: Aye.
23 SECRETARY LINDRUD: Peace?
24 CHAIRPERSON PEACE: Aye.
25 COMMITTEE MEMBER MOULTON-PATTERSON: I'd like to

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move Resolution 2004-249, consideration of the issuance of a new minor waste tire facility permit for the Copper Chopper, Incorporated, Los Angeles County.

COMMITTEE MEMBER WASHINGTON: Second.

CHAIRPERSON PEACE: Okay. I have a motion by Linda Moulton-Patterson, a second by Carl Washington.

If there's no objection to substitute the previous roll.

And we will move this to the full Board with full Committee support.

That takes us to Item C, Agenda Item 9.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Item C is consideration of eligibility, scoring criteria, and evaluation process for the Fiscal Year 2004-2005 Waste Tire Playground Cover Grant Program and Waste Tire Track and other recreational surfacing grant programs.

Elena Yates and Linda Dickinson will make the staff presentation.

MS. MARTIN: Actually I'm going to be making the presentation.

It's okay, Jim.

Hello. My name's Michelle Martin. Good morning, Committee Chair and Board members.

(Thereupon an overhead presentation was

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Presented as follows.)

MS. MARTIN: This presentation is for Committee Item C, consideration of eligibility scoring criteria and evaluation process for the Fiscal Year 2004-2005 Waste Tire Playground Cover Grant Program and Waste Tire Track and other recreational surfacing grant programs.

This agenda item combines the playground and track grant programs for simpler administration for CIWMB staff. The funding and grant review process for each of these grant programs, however, will remain separate. These two grant programs are included in the Board-approved document five-year plan for the Waste Tire Recycling Management Program.

The purpose of these competitive grant programs are to promote markets for recycled content products derived from waste tires generated in California and decrease the adverse environmental impacts created by unlawful disposal and stockpiling of waste tires.

Also, these programs provide many safety benefits to children and athletes as well.

--o0o--

MS. MARTIN: The applicant eligibility. Public entities that operate and manage public playgrounds/ recreational sites in California during normal recreational hours.

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1 The project eligibility. It's rubberized
2 surfacing materials must be used -- they must be made of
3 100 percent California waste tires. They also must be
4 placed underneath and/or around the playground equipment
5 or recreational site.
6 The funding for the Waste Tire Playground Cover
7 Grant Program. It's been allocated 800,000 for the Fiscal
8 Year 2004-2005 Waste Tire Playground Cover Grant Program.
9 Staff proposes that the funding level for this grant
10 program not to exceed 25,000 for each eligible applicant.
11 Staff also proposes to require a 50-percent match
12 and a reduction of the match to 25 percent of the grant
13 amount if the applicant qualifies for extreme financial
14 hardship.
15 --o0o--
16 MS. MARTIN: And for funding for the waste tire
17 track and other recreational surfacing program. Eight
18 hundred thousand for Fiscal Year 2004-2005 for the grant
19 programs. That funding not to exceed a hundred thousand
20 for each eligible applicant. Staff proposes to require a
21 hundred percent match and a reduction of the match to 50
22 percent of the grant amount if the applicant qualifies for
23 extreme financial hardship.
24 The notice of fundings available. Upon approval
25 by the Board, staff will notify approximately 4,000

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1 potential applicants and post on the tire website for both
2 of the programs.
3 --o0o--
4 MS. MARTIN: This slide is the proposed general
5 criteria. It's as follows: The need is up to 20 points;
6 goals and objectives, up to 10; workplan, up to 10;
7 evaluation, up to 5; budget, up to 10; and application
8 completeness, up to 5; and the evidence of recycle content
9 purchasing policy or directive, up to 15 points.
10 --o0o--
11 MS. MARTIN: The program criteria is: The
12 Recycling and Sustainable Practices Program, up to 5
13 points; estimated cost per California waste tire diverted
14 from the waste stream, up to 10 points; economic need, up
15 to 5; and prior waste tire playground cover, we're
16 actually -- that's going to be 5 points as well.
17 Now, there's been a suggestion to changes of
18 Criteria 9, the estimated cost per California tire
19 diverted from the waste stream. The proposal is to put a
20 cap on the cost per tire for each project. And
21 applications with a cost per tire estimate of $15 and
22 under will only be considered for funding. Applications
23 with the lowest cost per tire will receive more points
24 than a project with a high cost per tire.
25 And I have the next slide.

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--o0o--

MS. MARTIN: This is just information based on active grants that we have right now for the playground cover and track and other recreational surfacing. And this shows if a $15 cap was put on each application, we would only be able to fund 15 grants for playground cover. And 23 would go unfunded. And for track if a $15 cap was implemented, 7 of those grants would be funded and 9 would not be funded.

The evaluation staff will reevaluate the application based on the process approved in the November 2001 and June 2002 Board meetings.

And this concludes my presentation.

CHAIRPERSON PEACE: Okay. Thank you, Michelle.

Do either of you have any questions or comments?

COMMITTEE MEMBER WASHINGTON: I do.

Jim, in terms of charter schools, that raise some concerns as to applying for these grants. Have we addressed the issue of charter schools as related to getting these grants or -- we have private ownership of charter schools; we have public ownership of charter schools. And the concern, just so you know, that they raise is that they have to go through the public school system to get approval to start their charter schools, so they should be considered to -- you know, they want to be

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able to apply for those grants.

DEPUTY DIRECTOR LEE: Mr. Washington, I believe that at least -- it's been addressed at least in part with regards to the private schools, you know, church-related schools, the determination we received from our Legal Office was that because these schools aren't, you know, open to the public per se, that they didn't qualify.

Now, the issue on a public charter school, you know, perhaps I could ask, you know, our Legal staff to respond to that particular issue.

CHIEF COUNSEL CARTER: Marie Carter, Chief Counsel.

What we can do is check into that to see what charter schools would qualify and what would not and what would be necessary to evidence their qualification.

COMMITTEE MEMBER WASHINGTON: Okay.

CHAIRPERSON PEACE: Also, then in changing -- you know, adding to Criterion 9, that there be a cap on the amount. What I'm saying is, like the grant funds available divided by the number of tires diverted, that it not be more than $15. That was -- I would like that added -- that was my idea and I would like that added. I just think that's important that we fund the projects that are going to be using the most tires and we're getting the biggest bang for our buck.

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1 When I looked through the grants that we gave
2 last year, if we had that cap on there in the
3 playground -- I mean in the tracks, we would still be
4 oversubscribed. If we applied that cap to the playground
5 cover, we would be undersubscribed by about 50 percent.
6 But we could always put that money towards then the
7 tracks. I still think it's important that we put our
8 money where we're getting the biggest bang for our buck,
9 we're getting rid of the most tires for our money. So
10 that's why I requested that.
11 And if nobody has any objections to that, I do
12 want to make it clear that you will put that in the
13 eligibility requirements so it will be made very clear to
14 the people applying --
15 MS. MARTIN: Yes --
16 CHAIRPERSON PEACE: -- that if they have a $15 a
17 tire more cost, that they will not even be considered.
18 MS. MARTIN: We will put that in the --
19 COMMITTEE MEMBER MOULTON-PATTERSON: I would
20 support you on that.
21 DEPUTY DIRECTOR LEE: Madam Chair, point of
22 clarification. You wanted the -- to propose the $15 cap
23 for both programs?
24 CHAIRPERSON PEACE: Yes, for both.
25 DEPUTY DIRECTOR LEE: Okay. And in your

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1 statement you mentioned something about again if the $15
2 cap had been applied to the track grants for last, we
3 would have been undersubscribed, but that money could have
4 been utilized for the playground grants. Were you
5 thinking that that money --
6 CHAIRPERSON PEACE: We would be oversubscribed on
7 the tracks. If we applied that cap this last year we
8 still would have been oversubscribed on the tracks.
9 DEPUTY DIRECTOR LEE: Okay.
10 CHAIRPERSON PEACE: But we would have been
11 undersubscribed on the playgrounds.
12 DEPUTY DIRECTOR LEE: Excuse me.
13 CHAIRPERSON PEACE: So if that happens again the
14 next year, you know, we'll take that money and put it
15 towards the tracks.
16 DEPUTY DIRECTOR LEE: It normally would go back
17 into the reallocation --
18 CHAIRPERSON PEACE: Well, that's what I mean,
19 would go back into the reallocation. And we could always
20 put that then to the tracks. But I still think it's
21 important that we use our money wisely and we're getting
22 rid of the most tires for the money that we spend.
23 DEPUTY DIRECTOR LEE: I understand. And, again,
24 I say staff is --
25 CHAIRPERSON PEACE: Yeah, if you look, you know,

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1 the different grants that we've given out, it's very
2 doable that you are, you know, using tires -- getting rid
3 of these tires for less than $15. Some of them were, you
4 know, down to $2 -- the cost was down to $2 a tire. So I
5 think it's very doable and we need to encourage our
6 grantees to look at that.
7 DEPUTY DIRECTOR LEE: I understand.
8 CHAIRPERSON PEACE: Okay. And also -- there was
9 also something that was brought up that maybe we could
10 consider the tracks that weren't funded last year, that
11 maybe they be given some sort of priority this year.
12 DEPUTY DIRECTOR LEE: We did look into that,
13 Madam Chair, with our Legal Office. And perhaps I could
14 ask them to kind of respond directly with some of the
15 problems, you know, with trying to accomplish that this
16 year.
17 CHIEF COUNSEL CARTER: Marie Carter.
18 Let me make sure that I understand the issue.
19 What you would like to do is to give preference points to
20 parties who had applied in the previous cycle who had
21 passed but were unfunded?
22 CHAIRPERSON PEACE: Right. Is there any way to
23 give them any sort of a little edge just because, you
24 know, they've already gone through their school district
25 and they've gone through all the approvals and everything

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1 that they'd need; they've raised the money for their --
2 you know, their matching part and they've already done all
3 this work; if there's any way we can give them a little
4 advantage?
5 CHIEF COUNSEL CARTER: We can give them an
6 advantage through the scoring. We couldn't substitute the
7 last application for this application. They would have to
8 file a brand new application and be scored competitively.
9 CHAIRPERSON PEACE: Right.
10 CHIEF COUNSEL CARTER: But that's one of the
11 purposes of the Board's hearing this item, to make
12 determinations on the criteria if you want to adjust the
13 numbers or the criteria itself. So that would be an
14 appropriate addition.
15 CHAIRPERSON PEACE: So we could add a few points
16 then for -- if they had already applied and passed and
17 didn't get funded, we could add a few extra points to
18 that?
19 CHIEF COUNSEL CARTER: Correct.
20 DEPUTY DIRECTOR LEE: That's a different
21 situation that I thought that, you know we had discussed
22 previously. But, yes, I think I could concur with what
23 Legal's saying, you know, on preference points.
24 I thought that the question we'd been asked
25 originally was whether or not we could fund projects that

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had been approved in previous cycles but there were no -- where there was no funding available. So that, you know, this is a different take on that. And it Looks like some accommodation can be made there, and we will -- by the time we come back to the Board next month -- I mean next week we will revise the scoring criteria to reflect that consideration --

CHAIRPERSON PEACE: Okay. Is that --

DEPUTY DIRECTOR LEE: -- if that's the Committee's direction.

CHAIRPERSON PEACE: Does anybody have any comments on that or --

COMMITTEE MEMBER WASHINGTON: So that I'm clear. So you're saying that the ones who filed for the funding and were not funded, who did meet the criteria, you can't give them extra points because this is a whole new process and they have to refile all that stuff over again?

CHAIRPERSON PEACE: Well, they still have to reapply. They'll still have to reapply. But we can give them some extra points.

COMMITTEE MEMBER WASHINGTON: Oh, okay.

CHAIRPERSON PEACE: I mean give them a little bit of an edge since, as I said, they've already gone through so much work to raise their matching funds and get their approvals --

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1 COMMITTEE MEMBER WASHINGTON: You just have to
2 determine what those points are going to be?
3 CHAIRPERSON PEACE: Right.
4 MS. MARTIN: I think we talked about 5 points.
5 Is that still okay?
6 CHAIRPERSON PEACE: If that makes sense to staff.
7 MS. MARTIN: Five preference points? Yeah, I
8 think so.
9 MR. DELMAGE: Mitch Delmage.
10 I'd like to add two points to this: One is that
11 by adding 5 points, we change the total number to 105
12 points, which would change the preference points for
13 recycled content -- but what's it called? -- the recycled
14 content policy. The way it's written in policy, it's 15
15 percent of the total points. So it won't be 15 points; it
16 will be 15 points and some fraction. So we'll need to
17 resolve that as well.
18 CHAIRPERSON PEACE: So there's no way you can
19 just, say -- just score them; and then the ones that had
20 already applied last year and didn't get funded, just give
21 them 5 extra points?
22 MR. DELMAGE: That's something Legal could maybe
23 speak to.
24 CHIEF COUNSEL CARTER: In the past the Board
25 directed that the criterion for evidence of recycled

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1 content purchasing policy or directive be applied to the
2 total amount, not -- it had to be factored in to the
3 scoring as a whole. So you could not score it and then
4 add the 5 points after.
5 The intent, as I understood the Board in past
6 discussions, was that that criterion was very important to
7 the Board and they wanted it to be able to have the full
8 power, if you will, of the up-to-15 points as to the whole
9 score, not just as to the score minus some additional
10 preference points. I think --
11 CHAIRPERSON PEACE: You know, this is kind of a
12 different situation. I don't think we do this a lot, do
13 we, giving preference points to past people that have been
14 funded and --
15 CHIEF COUNSEL CARTER: We have in the past.
16 However -- and this is maybe something that you want the
17 whole Board to consider -- I think Mr. Paparian in the
18 past felt very strongly about this particular criterion.
19 And so he may feel as though he wants to continue to
20 provide this criterion with the full power of the 15
21 points for considering the unique circumstances of these
22 grants. You know, back away from that and add the
23 preference points at the end.
24 CHAIRPERSON PEACE: So would it work to give the
25 recycled content policy one more point and then add 4

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1 points for the previous applicants?

2 CHIEF COUNSEL CARTER: Pardon me?

3 CHAIRPERSON PEACE: So would it work then to give

4 the recycled content policy one more point and then to add

5 4 points for the previous applicants? That would keep 15

6 percent requirement?

7 CHIEF COUNSEL CARTER: I think that would work,

8 yeah.

9 EXECUTIVE DIRECTOR LEARY: Or, Madam Chair, may I

10 suggest maybe some modification of Criteria No. 11, which

11 gives 5 points to previous -- applicants who have not

12 received a grant in the last two years. Maybe you'd divvy

13 that 5 up, apply 2 -- all in the interests of staying

14 within 100 points -- you have 2 points for applicants who

15 have not received a grant, an additional 3 points for an

16 applicant who applied last year, passed the criteria --

17 had a passing score but did not receive funds. So you

18 just divvy the 5 as to 2 and 3, stay within your 100

19 points, and still have your 15 percent recycled criteria

20 standard that the Board has set still apply and still be

21 whole.

22 Any -- I'm just thinking out loud here, but

23 trying to help.

24 MR. DELMAGE: The other way to keep into a

25 hundred points would be to waive the 15 points for the

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1 recycled content to 10 points or -- and then have the 5
2 points added, and it still stays within 100, doesn't
3 change anything.
4 EXECUTIVE DIRECTOR LEARY: Certainly.
5 CHAIRPERSON PEACE: Is there any preference
6 what -- I mean I think all those things would work. Does
7 staff have any preference in how they would like to --
8 DEPUTY DIRECTOR LEE: On this one I think --
9 COMMITTEE MEMBER MOULTON-PATTERSON: I have a
10 question.
11 Is that what you said Mr. Paparian was very
12 concerned about?
13 CHIEF COUNSEL CARTER: My understanding was that
14 he wanted to give us as many points and a lot of emphasis
15 to this particular criterion. And that's why I'm
16 suggesting that maybe this is a matter not for consent but
17 rather for Board discussion. And in the meantime we can
18 come up with some options to address various ways that the
19 Board might achieve this goal.
20 MR. DELMAGE: Mitch Delmage again.
21 I just wanted to add one further point. The
22 applicants for the playground that didn't receive funding
23 last year were at the lower end of the spectrum as far as
24 the score goes. And in many cases it's because of the
25 higher cost per tire. So it may be a moot point anyway.

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1 CHAIRPERSON PEACE: Yeah, it could be. But when
2 I was looking at the ones that didn't get funded, I think
3 there were some that would have qualified even under that
4 15 cap.
5 Okay. So what did we decide here? Do we need to
6 make a decision on how we're going to give those extra
7 points to the previous --
8 DEPUTY DIRECTOR LEE: I think, Madam Chair, what
9 I'd like to suggest again is, you know, we'll work with
10 Legal, you know, to craft a couple of options for the full
11 Board's consideration next week, recognizing that it
12 appears to be the consensus of the Committee that the
13 Committee would like to have, you know, some consideration
14 of priority funding for applicants that were successful in
15 previous grant cycles but for lack of funding did not
16 receive grant funding.
17 CHAIRPERSON PEACE: So you'll work on that before
18 the Board meeting next week?
19 DEPUTY DIRECTOR LEE: Yes, Madam Chair.
20 CHAIRPERSON PEACE: Okay.
21 MR. DELMAGE: And it would just be for playground
22 since track was already funded.
23 CHAIRPERSON PEACE: Yes.
24 MR. DELMAGE: Or -- just track, yeah.
25 MS. DICKINSON: Playground was also --

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playgrounds were --

CHAIRPERSON PEACE: Yeah, playgrounds, we fully funded them with the reallocation. So it would just be the tracks.

Okay. We do have two speakers on this item.

Terry Leveille.

MR. LEVEILLE: Madam Chair, Committee members. Terry Leveille from TL & Associates.

Just as a question, it does seem that this new recycling and sustainable practices program -- there seems to be a little bit of redundancy with the recycled content purchasing policy. Because I do know that on that recycled content purchasing policy they do ask about a lot of the recycled areas that they do recycle within the organization. And it seems to me that, you know, if you're going to look at some area to reduce, it might be one of those -- you know, some sort of combined thing or something like that. I know there's two separate --

CHAIRPERSON PEACE: So we're using a recycled product --

MR. LEVEILLE: There is some overlap there though. And it is 20 points if you add them together. So, you know, I don't know what the -- but just as a suggestion, to maybe take a look at that.

Secondly, on this whole issue of -- an important

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1 issue, which is your suggestion about the tire -- the cost
2 per tire in these projects. These are estimates. And
3 they come -- you know, I mean the local governments really
4 for the most part don't have any idea of what -- you know,
5 how many tires are used. These come from the suppliers --
6 or the producers, the manufacturers of the product.
7 And you can be certain that you're not going to
8 have a clear cut -- that these manufacturers or the
9 producers or the sellers of the product are going to be
10 increasing their amount of -- or they're going to be
11 saying -- since they are an estimate, that they're going
12 to be saying that, well, there's, you know, $15 per tire.
13 There's going to be more of those $15 per tire than $20,
14 $25.
15 So I guess the issue then is: How do you ensure
16 compliance? If, you know, a manufacturer is making these
17 products and, you know, it's maybe $17 or $18 per, you
18 know, per tire, you know, they might be fudging it a
19 little bit. Is there a method for compliance after the
20 fact? Or are you just going to basically say that, you
21 know, it's on your honor that this project is not going to
22 be over $15 per tire?
23 I don't want to say that, you know, staff's going
24 to have to go out and, you know, take a chunk out of each
25 piece of equipment and, you know, measure how much tire is

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in that playground cover. But it just seems to me that there's areas for a little bit of fudging on these things. And maybe just the fact that you asked for it or maximized at $15 per tire might be enough. But it just seems like there's, you know -- for those manufacturers of the product that don't actually include as much tire product as they could, there might be some, you know, edge for them.

CHAIRPERSON PEACE: You know, I thought of that. But we -- we do have to encourage though --

MR. LEVEILLE: Yeah -- no, it's a good policy.

CHAIRPERSON PEACE: -- we have to encourage that. And --

MR. LEVEILLE: And maybe by just saying --

CHAIRPERSON PEACE: -- you know, if you look at all these criteria, you could -- you know, how do we prove any of these things? They're all subjective and all of them could be alleged --

MR. LEVEILLE: I keep wondering when staff is going to start checking the paper that the applications are written on to make sure that they're 30 percent recycled content.

That's just a joke.

(Laughter.)

CHAIRPERSON PEACE: That's a good point.

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1 CHIEF COUNSEL CARTER: Excuse me, Madam Chair.
2 MR. LEVEILLE: But, no, it seems like something
3 as important as this, there -- you know, maybe you have a
4 section in your application that they certify under
5 penalty of punishment that --
6 CHAIRPERSON PEACE: Well, don't they sign the --
7 MR. LEVEILLE: You know, I don't know. It just
8 seems like that there is a potential for fudging on that
9 particular item.
10 CHAIRPERSON PEACE: Yeah, I suppose there's a
11 potential for fudging on a lot of these things.
12 CHIEF COUNSEL CARTER: The application requires
13 signature under penalty of perjury. So we do have that
14 safeguard.
15 CHAIRPERSON PEACE: Right.
16 MR. LEVEILLE: Just -- that's on the part of the
17 local government, the applicant -- the local government
18 applicant. And, you know, it just seems like there should
19 be something -- you know they're relying on what their
20 supplier or their manufacturer of the product is saying.
21 And I don't know, if there's some way that it just can be
22 emphasized.
23 It's a good idea on both cases, you know, the
24 playground and the running track. But, you know, there
25 does need to be some sort of a really strongly worded

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emphasis in this whole thing, to make it work anyway.

CHAIRPERSON PEACE: And I don't know if there's anything Legal can do. I guess there was -- I don't know what -- you know, I have thought of that, how people can fudge on those figures. And I don't know how we can, you know, get around that. Like there's a lot of fudging that they could do on a lot of these things. I don't know how we verify --

CHIEF COUNSEL CARTER: Well, the program was mentioning -- and correct me if I'm wrong, Linda -- but apparently the manufacturer also has a requirement to sign under penalty of perjury.

MR. DELMAGE: On the SABRC form, especially in this case where they're buying a big product, you know, like a track or a playground cover, the manufacturer is going to have to sign under penalty of perjury that it's -- you know, the percentage of recycled content in it. We could add a line that certifies to the -- that the cost per tire or something like that, possible in that form.

CHAIRPERSON PEACE: I mean you can discuss that with Legal and see if that is something we need to add in there.

Okay. Thank you.

We have one more speaker. Tracey Norberg.

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1 MS. NORBERG: Good morning, Madam Chairwoman and
2 Committee. I'm glad to speak with you this morning. I'm
3 Tracey Norberg from Rubber Manufacturers Association.
4 I just wanted to briefly voice our support for
5 the limit on the cost per tire. One of the challenges
6 that we face in this market, the ground rubber market, is
7 looking at how to make this market viable beyond grant
8 programs. And I think what you're attempting to do here
9 is to favor programs that are -- or projects that are more
10 economically viable. And hopefully that will stimulate
11 the marketplace to exist beyond grants. That's something
12 we always look at, and I know staff here looks at too:
13 How can there be follow-on markets after the grants have
14 ended? And hopefully this kind of move will do that.
15 One thing along those same lines that we would be
16 interested in seeing in this program is additionally
17 follow-up on the grants to try and document the overall
18 effectiveness of the surface or material that's applied to
19 a playground or running track so that you have some
20 documentation of possibly the health benefits, you know,
21 the injuries seen on the playgrounds and reductions and
22 that kind of thing, that plight be able to be brought into
23 the grant process to then help market development beyond
24 the grant program itself.
25 I just wanted to sort of plant that seed this

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1 morning and see if there's some way on the front end to
2 put some requirements on the back end of grant recipients
3 to try and do that.
4 CHAIRPERSON PEACE: You know, we've talked about
5 this before, because this -- because it seems like they
6 say, well, once the grant is funded or whatever, we have
7 no control over getting more information. But I am
8 concerned about that too. I'd like to see how these
9 things perform way after the grant cycle is over.
10 DEPUTY DIRECTOR LEE: Well, I think we're --
11 Madam Chair, you know we're looking at this on the
12 Commercialization Grant Program. And, you know, I think
13 we just recent sent you kind of a status update on that
14 particular program. And so I believe we're going to be
15 instituting some policies this cycle on the
16 commercialization to kind of make sure that we get
17 reporting on and after the grant period.
18 I want to Mitch Delmage to step to the
19 microphone, because I know that he was working on this
20 angle, and to get his opinion with regards to, you know,
21 whether or not we can implement this on the playground and
22 track as well.
23 MR. DELMAGE: I believe we're early enough in the
24 process that we could have that as part of the agreement,
25 I think as long as we write it into the terms and

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1 conditions or the procedures and requirements that they
2 report for a certain number of years --
3 CHAIRPERSON PEACE: Um-hmm.
4 MR. DELMAGE: -- just annually, just, you know,
5 that it's still there and it's holding up well.
6 CHAIRPERSON PEACE: Right.
7 MR. DELMAGE: Those are the types of things?
8 CHAIRPERSON PEACE: Um-hmm, um-hmm. Yeah, not a
9 big thing. Just, you know, a couple questions: "Are you
10 still happy with it? Have you had to have any repairs?
11 Is it still holding up?"
12 MS. NORBERG: Yeah, I think those kind of
13 statistics could be a really invaluable tool as you look
14 towards market development beyond grants. You all have
15 such a robust grant program, it seems like a great place
16 to collect data.
17 CHAIRPERSON PEACE: Okay. Thank you.
18 MS. NORBERG: Thank you.
19 CHAIRPERSON PEACE: Okay. Next, we have one more
20 speaker.
21 Barry, you wanted to...
22 MR. TAKALLOU: Hi. Thank you, Madam Chair.
23 Barry Takallou from CRM.
24 We're talking about cost per tire in this
25 program, playground cover. I would like to bring it up to

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your attention, majority of the playground cover has been using a product called rubber buffing. Rubber buffing is a product when you -- in a retreading operation you shave the tread portion of the tire. And that's the byproduct is going to this product.

But the tire, once it gets shaved off, the carcass usually gets shredded and is not being recycled. So the net effect, the volume still is going to go back to the landfill just -- if the weight of the tire was 18 pounds, now you shaved off 2 pounds, it's going 16 pounds.

My question is: How this program can really divert tires away from landfill? Because now people are buffing tires not for the purpose of retreading that. They're buffing the tires to get that byproduct out of it. And still the tire goes back to the landfill. I just want to bring it up, you know --

CHAIRPERSON PEACE: So in your operation where -- I've been down there before -- where you're taking out all the fiber and you're taking out the metal and you're making the crumb rubber, you mean what you're making cannot be used for -- they don't use those for the tracks and the playgrounds?

MR. TAKALLOU: No.

CHAIRPERSON PEACE: Well, that's --

MR. TAKALLOU: Because for the playgrounds you

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1 only can use that product -- you need to be 100 percent
2 free of wire. And that should be absolute number. In the
3 tire recycling operation nobody can give you 100 percent
4 wire-free. It could be 99.999 percent. But one little
5 wire can hurt somebody.
6 So my point is: Make sure -- if he's using
7 buffing, it needs to be disclosed. Where is the source of
8 that rubber? And if it's using buffing, what happened to
9 that leftover tires? Did it get retreaded or it went back
10 to the landfill?
11 CHAIRPERSON PEACE: Okay. Thank you. Those are
12 good comments. I think they are kind of beyond the scope
13 of this item though. And you can bring that up again when
14 we start talking about -- having our market discussions on
15 the five-year plan.
16 Okay. Any other -- Okay. Yes, we have one more.
17 Jana.
18 MS. NAIRN: Jana Golden Byproducts and Ag Link.
19 And I just wanted to chime in on Barry's comments. And I
20 will follow up if this is more appropriate for other
21 conversations.
22 But I think the dollar-per-tire issue is a good
23 starting point. I think we do need to really focus on
24 California recycled tires. And we don't do very much in
25 poured in place, but we're doing a lot of loose fill stuff

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1 right now and playgrounds. But as I understand in poured
2 in place, there are many -- maybe two or three parts of
3 that project that could come from tires, and underlayment,
4 a top coat, and then even a border. And so, similarly
5 with loose fill, there's the fill and then there's also
6 border options. And we just need to I think emphasize
7 that all parts of a project need to come from California
8 recycled tires.
9 And then to add to what Barry was saying, we need
10 to continue to focus that this recycled tire product is
11 coming from whole tire recycling versus a continuation of
12 the support of crumb coming from buffings. And that's a
13 clarification that we need to continue to focus on. So I
14 hope the Board will be aware of that and continue to work
15 toward that goal. I think that's going to help in the
16 long run with the overall goal of diverting tires -- whole
17 tires from landfills.
18 CHAIRPERSON PEACE: Okay. Thank you.
19 Any other questions or comments?
20 Okay. I think we are going to move this item
21 then to the full Board.
22 CHIEF COUNSEL CARTER: Madam Chair, the item has
23 two resolutions: One for the playground cover and then
24 the other for the track. And as I understand it, you're
25 requesting --

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1 CHAIRPERSON PEACE: Oh, okay. We could go ahead
2 with the playground cover?
3 CHIEF COUNSEL CARTER: Yes.
4 CHAIRPERSON PEACE: Okay. So that would be the
5 first resolution.
6 Do I hear a motion on that?
7 CHIEF COUNSEL CARTER: Excuse me, Madam Chair.
8 If we could just clarify exactly what we're -- the
9 criteria is for this.
10 CHAIRPERSON PEACE: Well, actually we're putting
11 the $15 cap on the playground cover also. So I think
12 we're both -- let's must move the whole thing to the full
13 Board.
14 COMMITTEE MEMBER WASHINGTON: Both items?
15 CHAIRPERSON PEACE: Yeah, both resolutions.
16 Okay. Then staff will have comments to make
17 regarding the cap and the scoring criteria and -- right.
18 Okay.
19 Do we need to vote on these resolutions anyway
20 before we put them to the Board?
21 CHIEF COUNSEL CARTER: You could vote to give
22 your support for them. But they wouldn't be necessary.
23 The vote is not necessary. They won't go on consent.
24 COMMITTEE MEMBER WASHINGTON: No, just move them
25 both to the full Board.

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1 CHAIRPERSON PEACE: Yeah, let's just move it --
2 we'll move it to the full Board with Committee support.
3 Okay. And that brings us to Item 10, the product
4 commercialization grants.
5 I'm just wondering though. Sometimes this
6 discussion can get a little heated. So I was just
7 wondering, maybe we can take a 10 -- a quick 10-minute
8 break before we start.
9 Okay.
10 (Thereupon a recess was taken.)
11 CHAIRPERSON PEACE: Are we ready? We can get
12 started again.
13 This brings us to Item D, Agenda Item 10.
14 Before I start, we have any ex partes?
15 Mr. Washington?
16 COMMITTEE MEMBER WASHINGTON: I'm up to date.
17 CHAIRPERSON PEACE: And I spoke again to Terry
18 Leveille.
19 Okay. Item D, Agenda Item 10.
20 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.
21 Item D is consideration of stakeholder input from
22 the July 7th, 2004, roundtable discussion of the Tire
23 Product Commercialization Grant Program.
24 Mitch Delmage will make the staff present -- oh,
25 Linda Dickinson will make the staff presentation.

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1 MS. DICKINSON: I'm here today to present Item D,
2 Consideration of stakeholder input from the July 7, 2004,
3 roundtable discussion of the Tire Product
4 Commercialization Grant Program.
5 The Waste Tire Recycling Act authorized the Board
6 to award grants and loans to businesses and public
7 entities for activities that could expand markets for
8 waste tires. As you know, the intent of the Act is to
9 cause diversion of waste tires from land filling and
10 reduction of illegal disposal and stockpiling of waste
11 tires.
12 One way the Board supports the development and
13 marketing of tire-derived products is the Tire Product
14 Commercialization and Grant Program and the Recycling
15 Market Development Zone Loan Program. During the early
16 years of these programs the Board funded diverse and
17 innovative technologies to reach as wide an audience as
18 possible, and focused more on new technologies.
19 Based on the lessons learned from these early
20 experiences and evaluations of these projects, the Board
21 gained a better understanding of inherent problems and
22 possible solutions.
23 One of the important lessons learned from
24 administering these programs was that a wide range of
25 marketing options would be needed to absorb the annual

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generation of waste tires in California.

The Board sponsored a roundtable discussion for the Tire Product Commercialization Grant Program on July 7th. Stakeholders included representatives from the crumb rubber and recycling industry and environmental organizations, board staff and other interested parties. Several Board members also attended and participated in the discussions. Stakeholders were encouraged to provide input before the roundtable via E-mail, at the roundtable, and after the roundtable again via E-mail.

The discussion was framed by four questions: What has worked well with the grant and loan program? What areas need improvement in these two programs? And what should the focus of the grant program be? And how can the Board best help the entire industry divest waste tires from disposal while meeting its fiduciary responsibility?

Overall everyone supported both the grant and loan programs and continuation of funding. However, there was no consensus on who or what type of industry or manufacturer should be the primary focus of these funding sources.

Would you like me to go over some of the discussion -- summary of the discussion?

CHAIRPERSON PEACE: Yes, please.

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1 MS. DICKINSON: One person indicated that both
2 the grant and loan programs have been instrumental in the
3 development and success of the waste tire industry in
4 California. Nevertheless several participants were
5 concerned about how the Board follows up on past grants to
6 see if the projects were successful. Because of this and
7 because of your suggestion, Chair Peace, we came up with
8 an abstract and status report on five-years worth of the
9 Commercialization Program, which I think you all have a
10 copy of.
11 Staff has reported on the performance available
12 for the Special Waste Committee, and it's in the back of
13 the room also. One company talked about the time and
14 money necessary to get approval for some products like
15 highway safety products. There was also quite a bit of
16 discussion about the number of waste tire businesses that
17 have gone out of business in California. Several talked
18 about California's general economy, workers' compensation,
19 and CalTrans using less RAC.
20 Also, concerns were expressed about the use of
21 waste tires for alternative daily cover and energy
22 production. The discussion then turned to review
23 criteria. And our grant program suggestions included
24 making the criteria more flexible to allow for maximum
25 creativity and making the recycled procurement policy an

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1 eligibility requirement. Another suggestion centered on
2 placing more weight on more efficient projects as measured
3 by the least cost per tire and the greatest number of
4 tires diverted from land filling.
5 There was also discussion about funding more
6 established businesses versus new or start-up businesses.
7 One participant gave credit to the Board for the vision of
8 funding small start-up companies in the early years of the
9 program and those companies becoming some of the largest
10 firms in the state today.
11 Another made a case for issuing grants to
12 establish companies and forgivable loans for
13 entrepreneurial activities. Also, several people talked
14 about a two-tiered grant program that would give smaller
15 grants to companies that want to try out new and
16 innovative ideas and larger grants to established
17 companies for expanding production. Concerns were also
18 expressed about out-of-state businesses being able to
19 receive grant funding if they establish a facility in
20 California.
21 Later, stakeholders discussed subsidies and
22 subsidized crumb rubber for other in Canada. They said
23 that the production and energy costs, workers'
24 compensation and other costs of doing business in
25 California make the business climate unfavorable.

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On the discussion about whether product commercialization could be better accomplished through grants or loans, there were many ideas. Loans reviewed as more flexible by providing some guaranty that the applicant would be successful and could pay back a loan. While grants reviewed as a way to help level the playing field against subsidized crumb rubber.

Finally, there were suggestions to blend loans and grants to make a forgivable loan that won't have to be paid back if the applicants successfully administered their project.

Regarding the question about changing the focus of the grant program, RAC and railroad ties figured prominently in the discussion. Again, the issue of subsidies came up. There was much discussion how the Board could encourage CalTrans and local government to use more RAC. It was mentioned that the RAC technology centers could be instrumental in getting local governments more involved in RAC.

The staff assessment of the discussion is that this grant program has become an integral part of the tire industry in California. As the transcripts indicate, many nuances must be considered before making sweeping changes to a long-term established grant program.

Furthermore, since there's no consensus among the

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1 stakeholders regarding the issue of whether the Tire
2 Product Commercialization Grant Program could be converted
3 to a loan program or a hybrid program or whether its focus
4 should be on startup or established programs, more
5 stakeholder input is essential.
6 Additionally, any substantive revisions to this
7 grant program would be difficult to complete within the
8 Fiscal Year 2004-2005 funding cycle, because the time
9 lines involved would not allow sufficient time to properly
10 evaluate unattended consequences that could result from
11 sweeping changes. Fortunately, the biannual update for
12 the five-year plan for the Waste Tire Recycling Management
13 Program, Third Edition, covering Fiscal Years 2005-2006
14 through 2009-2010 begins in September 2004. Therefore,
15 the timing is just right to incorporate the results of
16 these roundtable discussions into the biennial update
17 process and to receive more diverse input from a broader
18 range of stakeholders through this public process.
19 More importantly, by deferring discussion to the
20 next update of the five-year plan, changes to the
21 commercialization program can coincide with potential
22 adjustments to other plan elements.
23 Finally, staff will continue to incorporate input
24 from stakeholders, various report conferences, and other
25 meetings to assess what changes the Board may want to

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1 consider regarding the Commercialization Grant Program.
2 In November staff plans to bring an agenda item to the
3 Board presenting the scoring criteria for the 2004-2005
4 funding cycle of the commercialization grants.
5 Recommendation: Staff recommends that the Board
6 approve Resolution 2004-251 directing staff to implement
7 the current five-year plan and defer significant changes
8 to this Tire Product Commercialization Grant Program to
9 the biennial update process for the document five-year
10 plan for the Waste Tire Recycling Management Program,
11 Third Edition, covering Fiscal Year 2005-2006, 2009
12 through 2010.
13 Thank you.
14 CHAIRPERSON PEACE: Thank you, Linda.
15 Do you have any comments, members?
16 Do you have any questions or comments?
17 We do have a speaker.
18 Barry Takallou.
19 I'm sorry. Not Barry.
20 Terry -- Terry Leveille.
21 Barry, Terry.
22 MR. LEVEILLE: Terry Leveille at TL & Associates.
23 Madam Chair and Committee members. This is representing
24 Laken Tire, who has been the recipient of grants in the
25 past.

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1 One thing that has been difficult, however, is
2 that there is a criterion in the scoring that gives a
3 company five additional points if they happen to reside in
4 an RMDZ zone, in a recycling market development zone. And
5 for the life of Laken they've been working with Santa Fe
6 Springs. That city has not declared themselves an RMDZ
7 zone. And it seems that -- it seems unfair that just
8 because a company is not in a zone, that they should be --
9 that they should have to suffer a loss of 5 points. The
10 zone itself is an advantage to any company that resides in
11 one simply because they can get a loan if they apply and
12 they meet the criterion. But this grant process is
13 different. And I think that there should be some
14 consideration given to eliminating that criterion for this
15 cycle and for future cycles.
16 CHAIRPERSON PEACE: So how many grants has Laken
17 gotten from us?
18 MR. LEVEILLE: I think three, something like
19 that.
20 CHAIRPERSON PEACE: It doesn't seem like it's
21 hurting them too much.
22 MR. LEVEILLE: No, I mean -- you know, and it's
23 not just for Laken. I'm talking, you know -- I'm trying
24 to get the nexus between, you know, having a company
25 situated in an RMDZ site city or county, which many are,

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1 and that connection with the grant. What is the
2 connection? Why is it beneficial for a company to be in
3 an RMDZ? I mean they are -- for the company, sure, they
4 can get a loan. I mean that's the benefit. But why
5 does --
6 COMMITTEE MEMBER WASHINGTON: Of being in a zone.
7 MR. LEVEILLE: What?
8 COMMITTEE MEMBER WASHINGTON: The benefit of
9 being in a zone is that they can get a loan.
10 MR. LEVEILLE: What? Yeah.
11 COMMITTEE MEMBER WASHINGTON: And you're saying
12 why are they penalized -- or given the extra 5 points --
13 MR. LEVEILLE: Or given -- yeah, given extra 5
14 points just because they happen to be in a zone. It just
15 doesn't seem that there's a connection between a grant and
16 an RMDZ site --
17 CHAIRPERSON PEACE: Does staff want to respond to
18 that?
19 MS. DICKINSON: It was only new last year, and it
20 was one of those last minute things. We didn't do any
21 research on adding it. It was added during a Board
22 meeting.
23 CHAIRPERSON PEACE: But do we want to penalize
24 companies that don't even have an RMDZ loan -- I mean an
25 RMDZ designation?

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1 DEPUTY DIRECTOR LEE: Madam Chair, I think it's
2 something we'll look into when we bring the item back in
3 November, you know, whether or not that criteria needs to
4 be --
5 MS. DICKINSON: We can look into that and see why
6 it's desirable or not.
7 CHAIRPERSON PEACE: Okay. Now Barry wants to
8 speak.
9 MR. TAKALLOU: Thank you, Madam chair, members of
10 the Board.
11 I have couple of general comments on the
12 commercialization program. I believe the
13 commercialization program should stay in place. It has
14 been an effective program for diverting away tires from
15 landfill.
16 However, we learned for last two or three years
17 some of the improvements -- how can this program be
18 improved. I notice on the application it requires how
19 many tires we take away from landfill. One of the
20 questions I think it should be also added to application,
21 how many jobs we're generated -- how many new jobs these
22 $250,000 made for the State of California? And how --
23 what did you do to the economy of the State of California?
24 We have large number of people looking for jobs.
25 I'm noticing we're giving grants to companies from East

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1 Coast, which they're going to outsource everything and
2 they're going to have a P.O. Box in this state. And our
3 tax dollars are going to go away from our state.
4 COMMITTEE MEMBER WASHINGTON: Barry, How many
5 jobs can $250,000 create? With all what you're going to
6 do based on the application, how many jobs could be
7 created from that? If you say you're going to do away
8 with a million dollars, I just can't imagine that you
9 could create two jobs out of $250,000.
10 MR. TAKALLOU: The tire recycling rubber molding
11 products is usually manufacturing jobs, entry jobs which
12 we needed in our manufacturing sectors. I believe you can
13 make more than two jobs. In our case, we actually -- in
14 our last grant I believe we can say comfortably we added
15 seven new jobs in an RMDZ zone from the area because of
16 our grant.
17 COMMITTEE MEMBER WASHINGTON: And that was just
18 based from the 250,000, not the entire zone loan that you
19 received?
20 MR. TAKALLOU: In our case, the total investment
21 was over half a million dollars, because the grant is 250
22 and they require minimum of $125,000 match money.
23 But I really think we should -- if you take away
24 these tax dollars from the State of California residents,
25 some part of the money should stay in circulation in the

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1 State of California economy.
2 Besides creating jobs, are we dealing -- we need
3 supplies. Do we do any dealing with our -- the State of
4 California? We encourage these businesses do more
5 business. Don't go buy your spare parts from China.
6 For instance, I've noticed a couple of grants
7 that you people are -- direct go and buy the product in
8 Taiwan when there's companies in this country do the same
9 product -- they sell the same product.
10 Let's retain --
11 COMMITTEE MEMBER WASHINGTON: That probably
12 happened based on labor. People in Taiwan, they don't pay
13 as much labor as we have to pay in the State of California
14 too.
15 So I mean there's a plethora of reasons why, you
16 know, it is what it is. And I agree with you in terms of
17 if whatever we can could to keep business in California we
18 keep it in California.
19 But there's a reality to all this. And the
20 reality is that we have to make sure -- you know, that
21 these people who are in business who competitively bid for
22 these grants and things like that, you know, we have to do
23 the best we can with working with them. And certainly I
24 believe we ought to encourage folks to stay in California
25 and look at companies who are doing business -- I think

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1 I've said that several times that we should be doing that.
2 And I would continue to say it, you know, that -- but, you
3 know -- and I just want you to know that I agree with you,
4 you know, that we should be looking at business in
5 California.
6 MR. TAKALLOU: Thank you, Board Member
7 Washington.
8 The second comment I had, I believe the criteria
9 given to staff, the staff done a wonderful job evaluating
10 the grant proposals. However, I would like to request and
11 see if we can add a personal interview to these recipients
12 to defend their recent proposals. You know, you can write
13 all of these nice verbiage and look at 7 points -- I need
14 the 7 points, and put all of these in award and get your
15 points. I noticed my -- Terry Leveille was fighting for 5
16 points RMDZ. But I really think that we should really
17 look at the whole project. Is it really this project
18 regardless of being on RMDZ or -- or in RMDZ or any other
19 correct area? The people behind this project, they really
20 have the local experience. They do have -- they do
21 understand doing business in the State of California.
22 The life of this project most of the time is only
23 16 months. And if a gentleman from back east applying for
24 this, by the time he comes and get his real estate, the
25 project is over. It takes more time to get your grant,

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1 get your required power. It's just -- and what's -- what
2 do they have to lose? They come and register an LLC in
3 California for $10 and they're automatically California
4 business. And here we go and they get their money. And
5 we see in some of these cases, sorry, they say the
6 California economy wasn't good and they blame everything.
7 This workmen comp and energy is becoming a good excuse for
8 all of the manufactures, you know. The workmen comp is
9 high, we go to other states.
10 There are manufacturers --
11 COMMITTEE MEMBER WASHINGTON: Oh, you're saying
12 they take the money and run and then they come back for
13 reasons why they had to run?
14 MR. TAKALLOU: They will surface with a different
15 company name. You know, it happened. It's going to
16 happen again.
17 And the door is open -- the way the proposal --
18 the grant criteria is, the door is left wide open for
19 people to do that. And also it would discourage the
20 existing companies to expand. Because if I'm competing
21 with nonexisting company, if I'm going through this --
22 because you guys know all about permits, everything, you
23 know everything about existing company. But you don't
24 have no base from the guy who's promising all of these
25 things. Brand new company.

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1 So I'm competing with somebody who can say
2 whatever he wants to say, put it on a paper. And you have
3 to -- you know, you have a block that says on there the
4 penalty of perjury. You sign everything is true.
5 That's my second comment. You know, we need at
6 this -- this is the time California needs to think about
7 retention, retention of existing jobs, retention of
8 existing manufacturers. Importing companies from outside
9 of California and competing. We are not afraid of
10 competition, but we are just getting the money -- you
11 know, give them a head start to compete with established
12 businesses here, I think that's a second point.
13 And the last point I would like to make is, as
14 part of a scoring criteria there's a north and south
15 requirement. That means even if a northern California
16 company get a lower score and the project is not even
17 taking the tires from the way it should be from southern
18 California, that automatically northern California gets a
19 higher score. I believe, you know, it should be left on
20 the merits of the project, not on the location of the
21 project.
22 Remember, majority over 18 million tires -- of
23 these tires are being generated in southern California.
24 And this diversion, you know, just get automatically more
25 points because you're located in northern California is

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not -- often time you may not get the right project just because you have to push the money to northern California.

So the northern and southern California criteria in my opinion should be deleted. It should be -- products should be evaluated on its own merits.

Thank you.

CHAIRPERSON PEACE: Linda, did you want to comment on that?

COMMITTEE MEMBER MOULTON-PATTERSON: Well, on that or -- yeah. You know, I fought for a long time --

MS. DICKINSON: What that means is that the geographical distribution of funds that -- what is it, 39/61, and 61 percent of the funds are supposed to go to southern California and 39 percent go to northern California. But the most of the tire recyclers are in southern California and most of our grantees that apply for commercialization grants are in southern California and only a few of them are in northern California. So then when we get only a few in northern California passing, those ones usually have a way better chance of being funded.

So if you just take that criteria out of the commercialization scoring criteria, then it makes it a more level playing field for everyone, and it's just based on scores.

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1 Do you know what I mean? So it's based on what
2 score they got. And you don't have to split it and say
3 "These are from southern and these are from northern.
4 And, gee, all northern will get funded who passed. And
5 southern California, you only get funded to the 61
6 percent."
7 COMMITTEE MEMBER MOULTON-PATTERSON: So it's
8 working in reverse for southern California?
9 MS. DICKINSON: Right. Southern California kind
10 of doesn't get as much -- yeah.
11 DEPUTY DIRECTOR LEE: As we've said -- Madam
12 Chair, as we said before on other grant programs, the
13 north/south split, you know, does -- you know, can
14 introduce, you know, some funding anomalies. But, again,
15 that's just the nature of, you know, that criterion.
16 But, again, that's, you know, been the Board's
17 policy directive again to just implement that.
18 I would like to again comment on one other of Mr.
19 Takallou's recommendations.
20 COMMITTEE MEMBER MOULTON-PATTERSON: I had a
21 question.
22 Are you finished, Mr. Takallou?
23 MR. TAKALLOU: Just completing this north/south
24 issue. For instance, we need crumb rubber in southern
25 California for rubberized asphalt projects. Southern

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1 California may be -- over 80 percent of the rubberized
2 asphalt projects are being constructed in southern
3 California. So if we put a plant in northern California,
4 we have to truck the rubber from north down to south. And
5 that's extra cost. I think we should look into the merits
6 of the project, where are the needs, where the holes are
7 for getting the tires away from landfill and where the
8 markets are.
9 Yeah, I'm finished, Madam.
10 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Mr.
11 Lee, I'm looking at this program history on the grants.
12 And it's very -- I mean it is very small. Maybe you could
13 put it on two pieces of paper for the Board meeting.
14 But I just wanted you to address, you know, the
15 allegations that we're giving all these grants to
16 out-of-state companies. I see here Barry's company's
17 gotten 580,000 of grants; just Golden By products, it
18 looks like it's very small, but it looks like 580; Laken,
19 679, almost 680,000; and on and on and on, on companies I
20 know are in southern California. So I mean how prevalent
21 is this?
22 DEPUTY DIRECTOR LEE: Well, again I'll probably
23 ask Mitch Delmage to step to the podium because I know he
24 and his staff kind of compiled this.
25 You know, my understanding is that this has not

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1 been a big problem. The majority of the grants I think,
2 as this status update shows, have gone to relatively, you
3 know, relatively well established companies here in
4 California.
5 The issue with regards to competition from out of
6 state, I think our Legal Office has advised us before that
7 as long as they're conducting -- they may be headquartered
8 out of state, but as long as they're building their
9 facilities, conducting their business using California
10 products, that we couldn't preclude them, you know, from
11 participation.
12 COMMITTEE MEMBER MOULTON-PATTERSON: Well, do we
13 follow up to make sure they did this, they established a
14 business and, you know --
15 DEPUTY DIRECTOR LEE: Do you have any response on
16 that, Mitch?
17 MR. DELMAGE: Yeah, Mitch Delmage here.
18 Yeah, these -- just to remind the Committee,
19 these are reimbursement grants. We don't give them a
20 penny unless they've shown us that they've spent it
21 properly first. So if they were headquartered out of
22 state, before they got any money they would have had to
23 have established a location, started their facility,
24 bought their equipment or whatever. But we don't give
25 them the money up front. It's all on reimbursement.

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1 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. And
2 so you're pretty sure that they have actually made an
3 effort to establish themselves in California?
4 MR. DELMAGE: Yeah. And as Jim mentioned, it
5 just hasn't happened that often.
6 Last go-around we had one company that
7 essentially wanted to establish the project in California
8 where they were going to be using their product here. But
9 they were actually manufacturing it in Iowa, I believe.
10 But we didn't allow that because they have to be building
11 the product here with California waste tires.
12 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.
13 You've answered my question.
14 COMMITTEE MEMBER WASHINGTON: And so, Mitch, in
15 terms of the actual facilities, someone would go out and
16 make sure that there's a building or something that
17 they're operating from?
18 MR. DELMAGE: We have been doing that more. In
19 the past we have not done that as much. You know, we had
20 travel restrictions.
21 COMMITTEE MEMBER WASHINGTON: Linda's saying no.
22 Linda's shaking her head no and you're saying yes.
23 COMMITTEE MEMBER MOULTON-PATTERSON: No, I'm not
24 shaking --
25 COMMITTEE MEMBER WASHINGTON: No, Linda out here.

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1 COMMITTEE MEMBER MOULTON-PATTERSON: Oh, Linda.
2 Hey, we've got to get this straight.
3 (Laughter.)
4 COMMITTEE MEMBER MOULTON-PATTERSON: I'm sorry,
5 Linda.
6 MR. DELMAGE: In the past we have had travel
7 restrictions. We do speak to them regularly on the phone.
8 But more recently we have been going out, because, you
9 know, with travel restrictions lifted we have more of an
10 opportunity. We take pictures. We follow up.
11 COMMITTEE MEMBER WASHINGTON: And it sounds like
12 that's what Barry's saying, it should be a part of the
13 criteria. And I guess this could be a discussion for
14 another time in terms of making sure that that's a part of
15 the criteria, you know, that someone is going to come out,
16 you have to have a facility. Because right now I don't
17 think you have to prove that you have a facility; is that
18 correct?
19 MR. DELMAGE: Well, there could be a situation
20 where somebody is planning on building a facility.
21 COMMITTEE MEMBER WASHINGTON: Right. And so we
22 give them money based on their promises or whatever the
23 case may be?
24 MR. DELMAGE: Well, no, we don't give they any
25 money until they've shown us that they have kept their

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1 promises.

2 MS. DICKINSON: It's reimbursement based on the

3 invoices.

4 MR. DELMAGE: Yeah.

5 COMMITTEE MEMBER WASHINGTON: Based on invoices?

6 MR. DELMAGE: Yes.

7 COMMITTEE MEMBER WASHINGTON: That could be scary

8 too. But I understand what you're saying.

9 MR. DELMAGE: But we've been pretty clean on our

10 audits. We, you know, regularly have audits and we've

11 done pretty well over the last number of years.

12 DEPUTY DIRECTOR LEE: Madam Chair, I'd like to

13 comment on one other aspect that Mr. Takallou brought up,

14 this idea about perhaps revising the criterion to look at

15 a personal interview on the applicants.

16 You know, my first take on this would be

17 something that, you know, staff probably would not be

18 supportive of. You know, right now the criterion, you

19 know, is devised to try and make it as objective as

20 possible, as quantitative as possible.

21 Introducing a personal interview as an additional

22 consideration brings in another layer of subjectivity.

23 You know, how would we score it even if we were to give

24 that some consideration?

25 CHAIRPERSON PEACE: But is it objective as

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1 possible when there's like just a few professional grant
2 writers who are writing all the grants?
3 DEPUTY DIRECTOR LEE: We provide -- like I say,
4 there was recent -- there has been recent grant training.
5 If you're asking if my personal opinion is have, you know,
6 some of the applicants -- successful applicants benefited
7 from their previous success and learned how to, you know,
8 hone their subsequent application, I think that happens in
9 any type of, you know, situation. But we have provided
10 grant writing training in the past, you know, to broaden
11 the availability of this grant writing expertise, you
12 know, to a wider base.
13 As you know, this has been one of the most
14 contentious grant programs that, you know, Board
15 administers. And I'm hard pressed to see how bringing in
16 a personal interview is going to make it any less so.
17 CHAIRPERSON PEACE: Okay. Jana Nairn wanted to
18 speak again.
19 MS. NAIRN: Thank you, Board members. Jana
20 Nairn, Golden Byproducts and Ag Link.
21 A couple of points. I think Barry brought up a
22 good point of where are the holes and what are the needs.
23 And as you can see from the discussion here and at the
24 discussion of the working group, this is a complex matter.
25 And so I strongly support the staff's recommendation to

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1 continue this process, as we've made great leaps and
2 bounds just in the conversations we've had in the last
3 couple of months, but I think that we could continue to
4 make headway toward future changes to this program without
5 maybe making those today necessarily.
6 I do strongly support a personal interview or
7 something that further strengthens the legitimacy of the
8 person, the project, the company, et cetera. And I have
9 reiterated that to Board members and on personal occasions
10 and such.
11 So I think that one matter -- and I pointed this
12 out at the working group as well -- that complexes this
13 matter -- or has continued to complex this matter is, as
14 the grant program has evolved, you now have at any given
15 time companies coming in from various directions and
16 various markets, and small companies and big companies and
17 new companies and old companies. And that has just made
18 it so complex and so crazy. So I also think that we do
19 need to consider maybe kind of portioning it off somehow
20 and saying -- and then again go back to those questions
21 of: Where are the needs and what are the holes? And
22 let's look at that and let's try to use this program as
23 best as possible to fill those needs and those holes.
24 So thank you.
25 CHAIRPERSON PEACE: Thank you.

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1 Any other comments?
2 CHIEF COUNSEL CARTER: Madam Chair?
3 CHAIRPERSON PEACE: Yes.
4 CHIEF COUNSEL CARTER: In reference to the
5 question about eligibility and whether a company should be
6 an established California company. We can look into that
7 and come up with some criteria to present to the Board for
8 your consideration at the next agenda item that comes
9 forward on this grant, if you would like, to give you some
10 options: Maybe established and they stay for a certain
11 number of years, they have a facility in place already.
12 So that you have a comfort level that it's not a company
13 coming from the outside just for the quick buck.
14 CHAIRPERSON PEACE: Okay. Mitch, do you want to
15 respond to that?
16 MR. DELMAGE: Yes. Just one thing.
17 We have had a few companies -- I think Linda
18 brought this up in her presentation -- that, you know,
19 started in California; but, you know, before the grant
20 they weren't really anything. You know, they had a
21 business, they had an idea, they had a concept; and our
22 grant helped get them kick started. They're here in
23 California, at least one that I'm thinking of, and
24 actually exporting product made out of recycled California
25 tires to places like New York and Atlanta, Georgia.

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1 So I just don't -- want to make sure that we
2 don't overlook that aspect of it.
3 CHAIRPERSON PEACE: Um-hmm. Okay. That's a good
4 point.
5 Any other comments?
6 Regarding the north/south split, I don't see that
7 staff think that's a big problem, you know, at this time.
8 I think that's a bigger policy decision with the larger
9 ramifications beyond this program that maybe we can
10 consider later.
11 Regarding points -- more points being given if
12 you're an RMDZ loan. I'm just wondering what benefit
13 really does that have. Companies in zones already are
14 eligible for loans. So why should they get additional
15 benefit? If it was up to me, I think I would probably
16 like to just see that removed. And that can be in the
17 scoring criteria to bring forward in November?
18 MR. DELMAGE: Yes.
19 CHAIRPERSON PEACE: You know, personally, it's my
20 gut instinct just to do away with this program. I'd like
21 to just see it be a loan program. There seems to be a lot
22 of contention, a lot of -- you know, do we give it to new
23 businesses, do we give it to old businesses, do we give it
24 to new technologies? You know, there's arguments that,
25 "Oh, yeah, the grant will help me with my business," but

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there's also arguments that giving the grant to somebody else then puts another company at a disadvantage. And, you know, I think this -- these businesses at the market is maturing to a point where I personally don't think we need these type of grants anymore.

But, you know, so -- and with all the comments we've heard, with the comments we had at the roundtable, it's clear that this program really needs evaluation and revision. And so I'm looking forward to, you know, getting into this more into depth and hearing all these proposals, trying to look at, you know, this whole thing. Like I said, maybe doing away with it, maybe putting part of it into a loan program. And I think these are things that we will really be discussing as we get into the five-year plan.

Some things that were brought up. When we require a matching grant, how much proof do we have that these -- that the companies will actually be able to come up with their matching grant money?

MS. DICKINSON: That they will in the beginning of the grant? Or at the end they provide --

CHAIRPERSON PEACE: Yeah.

MS. DICKINSON: -- invoices and receipts.

CHAIRPERSON PEACE: Do we have a pretty good idea that they will be able to come up with their matching

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1 grant funds to --

2 MS. DICKINSON: As the grant payment requests are

3 given to me or at the end of the grant period, but -- or

4 throughout. It depends on how they're doing it. But they

5 give me receipts just like with payment requests. And I

6 give them -- when I send the payment requests up for

7 approval payment, they also give me matching receipts.

8 CHAIRPERSON PEACE: Oh, they do. Okay.

9 MS. DICKINSON: But at the beginning of the grant

10 with the application, I don't ask for proof that they can

11 give me a match.

12 CHAIRPERSON PEACE: And how about -- go ahead.

13 COMMITTEE MEMBER WASHINGTON: No, that's a good

14 point.

15 So if they get a grant of 180,000 they can match

16 during the day, you don't request that they show a bank

17 account that has the $180,000 in it prior to them even

18 starting the grant process?

19 MS. DICKINSON: No.

20 COMMITTEE MEMBER WASHINGTON: That's interesting.

21 CHAIRPERSON PEACE: And how can we be sure that

22 they have their matching grant money available to start

23 the project?

24 COMMITTEE MEMBER WASHINGTON: Because it sounds

25 Like the way you do is that they piecemeal it, they give

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1 you as they go.

2 MS. DICKINSON: Some do and some just give me a

3 receipt for, you know, $375,000, and that's their entire

4 match and grant money.

5 And, remember, that all documents that all

6 documents that we receive are under the Information Act

7 unless it's proprietary. And that can also be under the

8 Information Act depending on what Mark decides.

9 CHAIRPERSON PEACE: So before we release any of

10 the grant money you're getting receipts to show that they

11 are spending their part of the money too?

12 MS. DICKINSON: Well, it depends. But, yes,

13 mostly.

14 CHAIRPERSON PEACE: And then again the

15 reporting --

16 MS. DICKINSON: And then there's a 10-percent

17 retention and all that kind of stuff till the end of the

18 grant period.

19 CHAIRPERSON PEACE: And, again, with the

20 reporting period -- I just notice that you just report

21 now. But do you have an ongoing evaluation to see how the

22 businesses are continuing to grow or develop or --

23 MS. DICKINSON: Yes.

24 CHAIRPERSON PEACE: You do?

25 MS. DICKINSON: Yes.

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1 CHAIRPERSON PEACE: Okay.
2 MS. DICKINSON: Progress reports.
3 CHAIRPERSON PEACE: Beyond the two years? Beyond
4 the term of the grant?
5 MS. DICKINSON: Beyond the term of the grant,
6 right now we don't. But that's the proposal that we'll be
7 establishing.
8 CHAIRPERSON PEACE: Okay. Are there any other
9 comments?
10 COMMITTEE MEMBER WASHINGTON: Well, I just -- I'd
11 just like to make the comment that I'm pretty much of the
12 same mind as Chair Peace in terms of this grant program
13 becoming a loan program. I think there's just so many
14 problems. And I don't know how much it was thought
15 through in terms of using this grant program, what was the
16 basis of put it together, how would it be structured. It
17 seems like it's just all over the map in terms of who can
18 get a grant, how do we know they are utilizing the money,
19 how do we know people aren't just taking the money and
20 running out of state, things of that nature. And there's
21 legitimate companies who use this grant and do it well.
22 And I think they'll do the same thing under a loan
23 program. And particularly in the loan program maybe we'll
24 set up a process, if they're successful, we forgive the
25 loan or something of that nature.

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1 I just think we got to get a much better handle
2 on this whole grant thing. I think I told that to Jim
3 some time ago, that I had a big problem with the way this
4 whole grant process is working. And, again, I think you
5 could put something in place that -- you know, under the
6 loan program, that if people are successful, we forgive
7 the loan and let people move on with their lives. Or some
8 kind of way we need to come up with a way we get a better
9 handle so people won't be running out the back of their
10 cars, coming and applying for any grants and getting them.
11 So those are just my comments. And, you know,
12 like I say, there could be further discussions on these
13 items. But just for me as a Board member, I really do
14 have those concerns.
15 DEPUTY DIRECTOR LEE: Yes, Mr. Washington and
16 Madam Chair, I concur with the -- I understand -- hear and
17 understand your comments. I think -- in your comments I
18 think you could see some of the things that staff was
19 wrestling with.
20 You know, first of all, again as I stated back in
21 the July Board meeting, you know, I thought that
22 consideration should be given you know, to deferring this
23 information -- you know, this discussion, you know, to the
24 five-year plan so that the commercialization program could
25 be viewed in the context of all the other competing

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1 demands for funds in the whole five-year plan. And again,
2 this will give us the opportunity to kind of take a look
3 at some of these issues that you've raised, you know, on
4 the loan.
5 You know, we've mentioned today that, you know,
6 it might be easy just to send money over to the RMDZ loan
7 program. But, again, you've heard at least from one of
8 the constituents that, you know, having the loan
9 stipulation in the RMDZ wouldn't necessarily be a help.
10 So the issue of a hybrid loan program, again, is not
11 something that's -- it's simple on the front, but it has
12 some complexities for administration.
13 So, again, these kind of things need to be
14 thought out in a much longer time than we had available in
15 order to get a grant program on the street for this year.
16 So that is why we're saying, you know, let us, you know,
17 put the grant program on the street for this year while we
18 continue to wrestle and make recommendations through the
19 five-year plan for making more substantive revisions as
20 part of that process.
21 COMMITTEE MEMBER MOULTON-PATTERSON: I was just
22 going to ask staff's opinion and how they thought about
23 it. I'm open to, you know, what you guys say. But I'd
24 like to know staff's feelings on it and, you know, see it
25 thought out and all.

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1 CHAIRPERSON PEACE: So staff though for right now
2 they want us to go ahead and basically with the way the
3 program is right now, and really give some more thought,
4 you know, to how this should be restructured for the
5 five-year plan.
6 COMMITTEE MEMBER MOULTON-PATTERSON: Would we be
7 discussing this on the 29th? Is that the --
8 CHAIRPERSON PEACE: Well, that's one of our first
9 meetings for the five-year plan. I don't know if this
10 particular thing would be on for that day. But --
11 DEPUTY DIRECTOR LEE: We're going to be -- On the
12 29th I don't know if this particular item is on the
13 docket. I'm sure it will come up. But, again, the next
14 opportunity for the Board again to comment on this will be
15 when we come back in November for the grant criteria item
16 itself. You know, again, we're going to try and tweak
17 that to address some of the issues. You know, there was
18 some of the discussion at the workshop again about whether
19 or not there should be more of an emphasis or an
20 eligibility for market, you know, related activities, you
21 know, marketing products that might be made out of tire
22 products through this grant program, as opposed to perhaps
23 just equipment purchases.
24 You know, we're going to try and, you know, take
25 a look at it and do the ones that we think make some sense

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1 and can be implemented, you know, this fiscal year. But,
2 like I say, deferring discussion to whether or not it
3 should be a hybrid loan or should be abandoned totally,
4 you know, to again the five-year plan discussion.
5 CHAIRPERSON PEACE: Okay. Mitch, did you want to
6 speak again?
7 MR. DELMAGE: I just wanted to close it out on
8 one note. We're certainly open to all these ideas and we
9 encourage our constituency and the Board members to help
10 guide us to a better program. But I just want to say it's
11 been a good program. I don't believe that money has been
12 spent fraudulently. We've had DOF auditors look over the
13 looks. Where we've had issues, we've pointed the auditors
14 at those issues. Where we've had bankruptcies, we've had
15 Legal go in to get our money back.
16 MS. DICKINSON: We've had successes. MR.
17 DELMAGE: Yeah. And so, you know, we've done a good job.
18 And I just want that in the record.
19 CHAIRPERSON PEACE: Yes, I think we have done a
20 good job. But, like I said, I think some of us feel that
21 maybe the market has matured maybe beyond that, that we
22 need to look at some other options. And, like I say, when
23 you give away money there's always contention. So we just
24 need to look at that.
25 Okay. Do we have a motion here?

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1 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd
2 like to move adoption of resolution 2004-251,
3 consideration of stakeholder input from the July 7th,
4 2004, roundtable discussion of the Tire Product
5 Commercialization Grant Program.
6 COMMITTEE MEMBER MOULTON-PATTERSON: I'll second
7 that.
8 CHAIRPERSON PEACE: Okay. We have a motion from
9 Carl Washington, a second by Linda Moulton-Patterson.
10 You want to call the roll.
11 SECRETARY LINDRUD: Moulton-Patterson?
12 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.
13 SECRETARY LINDRUD: Washington?
14 COMMITTEE MEMBER WASHINGTON: Aye.
15 SECRETARY LINDRUD: Peace?
16 CHAIRPERSON PEACE: Aye.
17 And so we'll just put this on consent. And if
18 anybody wants to pull it, they can pull it. Does that
19 sound okay with --
20 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.
21 CHAIRPERSON PEACE: Okay. That brings us to the
22 last item.
23 DEPUTY DIRECTOR LEE: Item E is consideration of
24 applicant eligibility and program criteria, and evaluation
25 process for the Waste Tire Enforcement Grant Program for

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1 Fiscal Year 2004-2005.

2 Madam Chair, this is again one of the items that

3 we discussed back in July and received the Board's

4 direction to come back to you to address some of the

5 considerations with regards to ongoing evaluation of the

6 program that's being conducted by staff relative to a

7 third party -- you know, vis-a-vis having a third party do

8 it. Also some of the questions and concerns were raised

9 about cost effectiveness and gaps in coverage.

10 We've tried to structure the agenda item such

11 that, you know, we show a program history, but also try to

12 address, you know, very directly and succinctly, the

13 concerns that were expressed to us back in July.

14 So with that preview, I'd like to turn it over to

15 Georgianne Turner and Sue Happersberger, who will make the

16 remainder of the staff presentation.

17 MS. TURNER: Good morning.

18 As Jim mentioned, my name is Georgianne Turner

19 and I'm a supervisor at the Waste Tire Enforcement --

20 Permitting and Enforcement Section in northern California.

21 And I'd like to just present a little bit of background on

22 the program just to get us warmed up for the discussion a

23 little bit.

24 (Thereupon an overhead presentation was

25 Presented as follows.)

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1 MS. TURNER: This program started in the
2 mid-1990's as a pilot project to try and extend the two
3 staff that we had doing field work. And we targeted four
4 jurisdictions that were having significant tire issues and
5 asked them to conduct some preliminary surveys and
6 inspections to get a sense of how big the problem was and
7 to start enforcing our regulations in those areas.
8 The Board felt that that was a successful program
9 and continued to allocate funds to the program,
10 approximately 500,000 until the year 2000. And then to
11 grow the program, further allocated money in fiscal year
12 2001-2002 to $2 million.
13 --o0o--
14 MS. TURNER: In part this was in response to the
15 recommendations in AB 77 -- 117 that suggested that the
16 Board take a more uniform approach to enforcement. And SB
17 876 was like minded and provided specific language for us
18 to do this in the statute. It also directed the Board to
19 provide some kind of sufficient and stable funding for the
20 program and to change the program from a competitive
21 program to a noncompetitive program. And the Board was
22 responsive to that and did that by allocating funds, $4
23 million for the first Fiscal Year 2002 to 2003 and $6
24 million thereafter.
25 The Board also changed the criteria to make it a

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1 noncompetitive program. And that's the program that we're
2 operating under today.
3 CHAIRPERSON PEACE: Excuse me, Georgianne. Can I
4 ask a question?
5 MS. TURNER: Sure.
6 Do you want me to go back?
7 CHAIRPERSON PEACE: Yeah, to that --
8 MS. TURNER: Let me see if I can.
9 CHAIRPERSON PEACE: -- where it says SB 876
10 allowed the Board to designate locals.
11 Does Legal know, when it says that, does that
12 mean that we can designate a local LEA or a locality and
13 say, "You are going to do this program"? Is that -- do
14 you know if that --
15 CHIEF COUNSEL CARTER: We can look into that and
16 get back to you. I'm not sure of the top of my head how
17 that --
18 CHAIRPERSON PEACE: Because with the LEAs isn't
19 it that way? You'd have to have an LEA -- you'd have to
20 have, you know, oversight of the landfills and different
21 things that's mandatory, right?
22 DEPUTY DIRECTOR LEE: I think the distinction
23 that Madam Chair is trying to make is like in the LEA
24 program there's a statutory mandate that says if they're
25 going to participate. But in the tire program there

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1 isn't -- our understanding is that there is not any
2 statutory mandate for the -- you know, for the local
3 jurisdictions to participate with us. If they a elect to,
4 then I think -- you know, we interpret the statute as
5 saying, you know, that is to -- you know, their
6 participation is to be encouraged, but we cannot mandate
7 it.
8 CHAIRPERSON PEACE: I just wonder if when they
9 say --
10 STAFF COUNSEL BRECKON: This is Wendy Breckon.
11 That is correct, that interpretation of the
12 statute. I didn't understand your question. I'm sorry.
13 CHAIRPERSON PEACE: I guess I didn't know how
14 strong that language is when it says that the Board can
15 designate locals. I guess that doesn't say that we --
16 that we can designate them, but it doesn't mean that they
17 have to participate unless they want to. I mean --
18 MS. TURNER: My under -- go ahead.
19 STAFF COUNSEL BRECKON: I'll look at it again.
20 Do you know the statute off the top --
21 MS. TURNER: I don't know the code right of the
22 top of my head.
23 But my understanding is that that's pretty much
24 the only language in the statute that supports a program.
25 So if we wanted to provide that, I think we would need

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1 either a little more either in regulations or statute.
2 And I think that's what we need some time to work with
3 Legal on, how much we would need to do to support that.
4 Because it certainly isn't nearly as elaborate as it is in
5 the LEA program, so -- and we can certainly do that. We
6 have not had -- since we last spoke we haven't had really
7 a chance to do that. And provide you with a little bit
8 more information on what that might look like.
9 CHAIRPERSON PEACE: Okay. Thank you.
10 MS. TURNER: Just a little bit more on that
11 issue.
12 My understanding -- I wasn't here at the time,
13 but my understanding is is that when the program was
14 developed, we felt -- because the statute was bad, we
15 delegated the inspection and the first-line enforcement to
16 the grantees through the grant. It wasn't -- so we are
17 delegating. It's just through the grant instead of kind
18 of an entitlement program.
19 Does that make sense?
20 CHIEF COUNSEL CARTER: Madam Chair?
21 We're going to review that statute and get back
22 to you on that.
23 CHAIRPERSON PEACE: Thank you.
24 MS. TURNER: The program is set up to provide
25 funding for inspections of waste tire facilities, tire

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1 haulers, auto dismantlers, tire dealers, and other
2 businesses that deal with waste tires. That's kind of the
3 core of the program.
4 But also a very important part of the program is
5 the surveillance of illegal dumping. It's kind of a
6 unique aspect of our program that a lot of other
7 enforcement programs don't pay for. And we've had a lot
8 of success in this area.
9 Also the money is provided to the locals to
10 provide education to the regulated community. This is
11 especially helpful when we have changes to the
12 regulations. And this was very helpful with our new
13 manifest system, getting it out on the street, and helping
14 businesses understand what was expected of them.
15 The grant also pays for first-line enforcement
16 and investigation of complaints.
17 --o0o--
18 MS. TURNER: And this kind of brings us to why
19 we're here today. Like I mentioned before, we've been
20 operating under the original criteria for the
21 noncompetitive program. And through discussions with the
22 Board and also our internal review of the program as it's
23 grown, we feel that there are ways that we can improve the
24 program to make it more cost effective and assure more
25 coverage throughout the state for, you know, a bigger bang

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1 for our buck, if you will, and still keep our goals of
2 having a streamlined process in place.
3 The other reason why we're here before you today,
4 as Jim mentioned, is to discuss some of our ongoing
5 evaluation of the program and discuss how we evaluate each
6 of the grantees and open that up for discussion also.
7 At this point I'd like to turn it over to Sue
8 Happersberger to go over the specific changes that we are
9 recommending and the issues that we saw surrounding the
10 program that, you know, directed us to the recommendations
11 that we're making.
12 MS. HAPPERSBERGER: Committee members, I'm Susan
13 Happersberger.
14 Applicant eligibility is the first issue. The
15 current grant application eligibility is extremely broad.
16 Multiple cities and agencies within one county could apply
17 for a grant without covering the entire county. Currently
18 if an LEA applied for a grant to cover the entire county
19 where multiple cities already have a grant, it could
20 create an overlap in coverage. It's also expensive and
21 staff intensive to manage several smaller grants. And
22 this approach can result in spotty service.
23 COMMITTEE MEMBER WASHINGTON: Sue, before you go
24 to the next one, who is considered prior grantees?
25 MS. HAPPERSBERGER: Current grantees. And there

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may be a prior grantee that left the program and wanted to come back in.

COMMITTEE MEMBER WASHINGTON: But it is local government, LEAs and those folks?

MS. HAPPERSBERGER: LEAs and code enforcement agencies, correct.

--o0o--

MS. HAPPERSBERGER: Staff recommends that the applicant eligibility criteria be modified. And staff proposes to limit agencies eligible for the tire enforcement grant to city and county LEAs and environmental health and code enforcement agencies, and to grandfather all current and prior grantees that have demonstrated satisfactory performance, since these agencies have authority and experience in the enforcement of solid waste laws and regulations and protection of public health, safety and the environment.

Except for grandfathered grantees, in jurisdictions that are covered by a grantee that is also an LEA, staff proposes that additional cities not be able to apply for a grant if that city is already part of the LEA's jurisdiction, to eliminate the overlap.

Staff also proposes that agencies that are not an LEA have a minimum of 50 sites.

--o0o--

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1 MS. HAPPERSBERGER: One of the goals of the grant
2 is to be as cost effective as possible. Currently the
3 application does not set a cap on hourly rates, overall
4 inspection or surveillance costs. Staff proposes to put a
5 cap on hourly rate charges and the maximum amount that can
6 be charged for an inspection and to limit the number of
7 site inspections based on a sites compliance status.
8 The inspection frequency will be capped at one
9 inspection per site per year for sites found in
10 compliance. For sites found in violation of statute or
11 regulations, grantees may perform up to two additional
12 inspections to ensure that the site is brought into
13 compliance. If warranted, there may be some exceptions to
14 the inspection limit based on a case-by-case pre-approval
15 for additional inspections.
16 The proposed inspection change will require the
17 grantee to focus on sites with compliance problems while
18 reducing the overall inspection cost of sites found in
19 compliance. The proposed surveillance cap will ensure
20 that the maximum surveillance cost estimates are based on
21 need relative to the number of identified sites.
22 In addition, grantees will be asked to prioritize
23 their workload based on the following priorities:
24 Unpermitted illegal tire piles and other tire violations
25 that pose a risk to public health and safety or an

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environmental threat; sites found in noncompliance; and complaints and referrals from the public or Board with required timeframes for follow-up will be given higher priority.

--o0o--

MS. HAPPERSBERGER: Currently the grant instructions specify that all equipment expenses cannot exceed 20 percent of the requested grant amount. Vehicle expenses, including mileage and other related expenses, are capped at $25,000 per grant cycle. However, current grant -- current requirements could allow a grantee to purchase a vehicle one year and leave the program the next year and keep the vehicle for use in other programs other than the waste tire program.

If addition, Board members have raised concerns and questions regarding vehicles purchased under the grant. Staff recommend that the vehicle -- that the purchase of vehicles no longer be an allowable expense under this grant and that leasing to own over multiple years be allowed if the car is either dedicated to the program or the grant is only charged for the percentage of time the car is used for grant activities.

CHAIRPERSON PEACE: Excuse me, Sue. But from what I understand, there haven't been any grantees that have purchased cars and have left the program. Is that

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correct?

MS. HAPPERSBERGER: Correct. There have been no abuses to date. All of the grantees that have purchased vehicles are still in the program and all of the vehicles are dedicated to the tire program.

--o0o--

MS. HAPPERSBERGER: The fourth issue. There are no current criteria for addressing an oversubscribed grant cycle. We want to maintain a stable source of grantee coverage while closing the gaps in coverage.

Currently if the program becomes oversubscribed, existing grantees receive priority resulting in the possibility that new grantees could receive no funding. This is contrary to the goal of increasing inspection coverage throughout the state until all parts of the state are being service equally. In order to accomplish these two goals with the current funding, work may need to be prioritized in each jurisdiction as more grantees come into the program and need resources.

--o0o--

MS. HAPPERSBERGER: If the grant becomes oversubscribed, staff proposed to apply an adjustable calculation factor to each applicant's panel-approved requested grant amount, which is based on the grantee's total number of sites. The adjustable calculation factor

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will reduce all eligible grant requests in an equal manner so that the grant program assists all interested and qualified jurisdictions according to the number of sites within their jurisdiction. For example, if the total eligible grant funds requested in one year was $12 million, and there were only $6 million in grant funds available, the calculation factor would be 0.5 and all approved requests would be decreased by one half to coincide with available funding.

Grant recipients will be asked to prioritize their workload and -- so that the impacts of potential funding cuts could be more readily identified.

--o0o--

MS. HAPPERSBERGER: And I will turn this back over to George.

MS. TURNER: I just wanted to also take this opportunity to discuss a little bit of how we are evaluating the program and what tools we use to do that.

--o0o--

MS. TURNER: One of the major ways we do that is by looking at the quarterly and annual reports. Obviously quarterly, we look at them. And each of our field staff are responsible for certain jurisdictions, and they look at the overall number of inspections that a jurisdiction is conducting and the number and types of violations that

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are being found and whether those violations are being resolved. This gives us an idea of where the problems are.

And while I think in the future as we are able to compile those numbers, we'll be able to give the Board some sense of where our problems are so we can maybe better prioritize where we're spending our resources.

Also, the report tells us surveillance information, the hours that they spend surveilling and the number and names of unregistered haulers that they identify and any violations that are issued.

Also, they are required to report on illegal tire piles that are identified and the status of those piles. We have had a large success I believe in this area. And the item indicates that the 24 grantees' last cycle cleaned up 266 illegal dump sites, to a tune of almost a hundred thousand tires. So this is I think a good success.

But this is also a place where we're expecting that these numbers will go down. I mean hopefully as we have more people out there, there will be less illegal dumping. And this might be a situation where in a few years we're not wanting to allocate as many resources to this specific function, but it makes sense to maybe do it -- to put them somewhere else. And so these reporting

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1 numbers gives us a way to take a look at where we want to
2 redirect sources.
3 Also, we have been working to improve our
4 reporting and have been working on some database things
5 that will improve this effort even better next year.
6 --o0o--
7 MS. TURNER: Also, when we look at the grantee
8 performance, we look at some obvious things: Whether
9 they're completing the work that they said that they would
10 do in the grant. And each grantee sets out to conduct so
11 many inspections, and we look at whether they're on target
12 to accomplish that. In cases where they're not, we
13 provide our technical assistance and training. And in
14 most cases we've been very successful by just offering our
15 assistance, and have gotten them back on track. There's
16 been a couple cases which we didn't have any success and
17 they are not in the program anymore.
18 We also look at the quality of work that they're
19 doing, make sure that they are citing the violations
20 correctly and providing the correct information out in the
21 field. And in any grant program they're required to
22 have -- submit their reports in a timely manner. And we
23 also have requirements on how long they have to respond to
24 complaints and referrals that we give them. And they have
25 certain timeframes too on their enforcement referrals back

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to us, so that we make sure that, you know, any kind of significant violations aren't out there lingering.

--o0o--

MS. TURNER: Another important part of our evaluation of the program is to look at whether the state is being covered in an equal manner. And it has always been staff's intent to get as many of the areas of the state that have a tire program into the program. And right now 61 percent of the sites are being covered by a grantee with this last grant cycle that we awarded $4.5 million for. And that leaves the remaining 39 percent of those sites to be covered by state inspectors, and currently we have 5, all of which are very diligently trying to support grantees right now. So we're highly motivated to get more people into the program.

--o0o--

MS. TURNER: This is just a little of a map, a graphic representation of who's in the program right now. The orange shows those areas where we have complete coverage. The two yellow areas, San Diego and Madera, are areas where the city is in the program but the county is not. And the blue areas indicate the areas where we targeted last year and we're going to continue to target because they are either in high population, high sight areas or they have tire issues.

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--o0o--

MS. TURNER: In our effort to try and close the gap a little bit, we were unfortunate to lose the coverage of Los Angeles City last year. Los Angeles County was doing that work for several years prior. But because of funding cutbacks and several other things, they were not able to cover the city. And so we have been working with and will continue to work with Los Angeles to see if we can get them in the program, which would increase our coverage greatly, as you can see.

Also, we will be continuing to work with San Diego County and Orange County to -- because they're large areas and they would provide a large coverage.

Additionally, Santa Barbara, Stanislaus, Solano, and Butte have also indicated that they -- some interest in the program. And we -- they would make up another five percent of the state. Bringing us to almost close to 90 percent coverage of the state. Leaving the additional 12 to 10 percent for state staff to conduct inspections.

--o0o--

MS. TURNER: And as you can see, most of those would be -- if we were able to be successful in those areas we targeted, most of the areas would be in rural areas where we are not aware of significant tire issues at this time. And we believe that with a few additional

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1 resources that we could cover the state with the grant
2 program at a $6 million amount with the current system
3 that we've got right now.
4 And --
5 CHAIRPERSON PEACE: Yeah, that one there, I don't
6 see -- the next one where you said the ones you were
7 trying to target. I don't see Riverside on there.
8 MS. TURNER: We will continue to work with them.
9 I didn't include them in the numbers because we just have
10 not been very successful. We've been after them for about
11 three years. But they are still on our list and they're
12 still color blue on my list. So -- there are other
13 jurisdictions too that I'm going to continue to work on.
14 This just shows kind of the big ticket items. I think
15 Riverside is about two of the coverage.
16 CHAIRPERSON PEACE: According to the chart I
17 have, it's five percent.
18 MS. TURNER: You know what -- yeah, I'm not
19 remembering off the top of my head.
20 CHAIRPERSON PEACE: But you are going to continue
21 to work on --
22 MS. TURNER: But we are going to work with them,
23 yes.
24 We've had kind of a situation where we had a
25 really positive feedback from their county counsel. And

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1 then at the staff level we just haven't -- had been able
2 to be successful.
3 So, you know, I look for any suggestions in these
4 areas. If you have good contacts in those areas, I'm very
5 willing to go and talk to those people.
6 CHAIRPERSON PEACE: So we have our enforcement
7 people then doing Riverside?
8 MS. TURNER: Yes.
9 CHAIRPERSON PEACE: And how much of a problem is
10 it there?
11 MS. TURNER: You know, I think Lillian probably
12 would be the best person to respond to this. But, you
13 know, I know that there are issues, but I don't think
14 it's -- you know, it's not L.A. City, if you will, I mean
15 in relative terms.
16 CHAIRPERSON PEACE: So what are some of the
17 reasons that Riverside gives for not wanting to be in the
18 program? They just don't think it's that big of a problem
19 there or --
20 MS. TURNER: Can you say that again. I'm sorry.
21 CHAIRPERSON PEACE: Do you remember what reasons
22 Riverside gives for not wanting to be in the program?
23 MS. CONROE: Good morning. I'm Lillian Conroe,
24 Supervisor for the Southern California area of Waste
25 Tires.

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1 What has been the problem with Riverside is that
2 they just have refused to participate. They have the
3 attitude that if they participate in the grant program, is
4 that they will have to succumb to everything that we want.
5 They feel that they would not have a say so in how they
6 want to run the program.
7 CHAIRPERSON PEACE: So do they do tire
8 enforcement on their own? They just don't want any of our
9 money, so they aren't being told what to do?
10 MS. CONROE: Well, the Health Department has done
11 some tire inspections. But our inspectors have been the
12 ones who have really identified the tire problems. And a
13 lot of the problems have come from referrals or people who
14 have called in and says, you know, "We witnessed illegal
15 dumping." And then some of the dumpings are in remote
16 areas that's even hard for our staff to even get to in
17 those mountain areas.
18 DEPUTY DIRECTOR LEE: Lillian, didn't our staff
19 respond like at that canyon lake? Wasn't that Riverside
20 County?
21 MS. CONROE: Yes.
22 DEPUTY DIRECTOR LEE: And that was the result of
23 a complaint that they received and investigated?
24 MS. CONROE: Right. And sometimes we get
25 complaints from other federal and state agencies about

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tire dumping, which we will respond to. But Riverside, we've been trying since I've been on board, really talking with them, trying to get them to be -- you know, become a part of the program.

CHAIRPERSON PEACE: And these areas that refuse to come on board so our tire enforcement staff has to do it, I mean I imagine they're spread pretty thin. I mean is there any way that we can get more people -- and like with the LEAs when they -- like was it San Luis Obispo that said they didn't want to do it anymore? Then we'd go out and do it for them. Is there any program -- is there anything like that that we can do? Like "If you're not going to do it, we're going to do it for you." And is there a way to get more staff people to do that?

DEPUTY DIRECTOR LEE: Well, we're putting forth I believe an agency BCP, you know, this -- you know, for this next budget year, you know, trying to get some additional resources in that particular area.

MS. CONROE: And also too, I have a staff person who handles that area. Because he has more grantees in his area, he is able to focus more so on the Riverside area now.

CHAIRPERSON PEACE: Okay. Thank you.

--o0o--

MS. TURNER: So at this time I would be happy to

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1 take any additional questions or comments.
2 CHAIRPERSON PEACE: Okay. I think what I would
3 like to do, if the members don't have any objections, is
4 go back to the first recommendation, you know, the No. 1,
5 maintaining a cost effectiveness -- and see if there's any
6 questions on that particular item.
7 Go back to No. 1.
8 MS. TURNER: Right. This is the change in
9 applicant eligibility, which would be changing the
10 eligibility to any city or county entity to focus only on
11 LEAs and code enforcement and then grandfather those
12 existing grantees into the program.
13 CHAIRPERSON PEACE: You know, that makes sense to
14 me.
15 How many of these will we -- grantees will we be
16 grandfathering that aren't LEAs or -- are there very many?
17 MS. TURNER: You know, my guess right now is
18 probably around eight or less that would not meet this
19 criteria. We've got five cities. But they're all code
20 enforcement agencies. So let me think.
21 Probably -- less than a handful of jurisdictions
22 that wouldn't meet this criteria.
23 CHAIRPERSON PEACE: Okay. So --
24 MS. TURNER: So a small amount.
25 CHAIRPERSON PEACE: If we have a jurisdiction

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1 that has a grant right now, and then the LEA that kind of
2 goes over that, decides they want a grant, how are we
3 going to -- and we're going to grandfather them, how do we
4 do that?
5 MS. TURNER: Deal with that?
6 Well, we only have that situation in three
7 counties, I believe. I think we're going to have to just
8 work out with the LEA that they're not going to be
9 inspecting in those jurisdictions where we're already
10 covered, so we don't have -- we're not paying for
11 duplicate efforts in that --
12 CHAIRPERSON PEACE: Or get them to work
13 together --
14 MS. TURNER: Or get them to work together, which
15 would be even better. And that's kind of how Fresno
16 works. Fresno County LEA is in the program, and they have
17 their city code enforcement. And they do work a lot
18 together and kind of bounce things off of each other. So
19 even though the LEA has jurisdiction in the city, they
20 refer -- or defer to the city code enforcement for many of
21 the activities.
22 CHAIRPERSON PEACE: All right. Do any of you
23 have any other questions on that particular item? Anybody
24 want to make a comment on that?
25 Okay. That recommendation, I agree with that. I

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like that one.

Let's go to the second one, maintaining the cost effectiveness of the program.

MS. TURNER: Right. And this is to set hourly -- a cap on the hourly charges and to limit the number of inspections per site, unless there are enforcement issues.

CHAIRPERSON PEACE: You know, $125 an hour, that sounds okay to me, because you're taking the highest existing rate. That sounds okay. Does that $125 an hour then also include all the fringe benefits as well?

MS. TURNER: Yes.

CHAIRPERSON PEACE: Okay. So that has to include everything. And that's made very clear?

MS. TURNER: Right. They are allowed to have a 10-percent miscellaneous fees through any of our grant fees. But that -- but, yes, that cap is required to include their overhead.

CHAIRPERSON PEACE: Okay. Then you say you're going to cap the inspections per site -- okay. The frequency, will be capped at one inspection per site per year. And I think that the frequency like for permitted minor waste tire facilities is limited to every 30 months. So why did you think there needed to be a difference there and not want to do it the same as the frequency for the tire -- the minor waste tire facilities?

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MS. TURNER: I think we could entertain that. I think the reason why we didn't is because it would be a little bit more complicated to manage because these are yearly grants.

CHAIRPERSON PEACE: Although you're capping it, it doesn't mean --

MS. TURNER: And this is a limit --

CHAIRPERSON PEACE: -- it doesn't mean -- that doesn't mean then -- if they think they're not a problem, they don't have to do an inspection that year? You're just saying they can't do more than the one?

MS. TURNER: Right.

CHAIRPERSON PEACE: Okay. And also I was just looking over these, you know, the recommendations where -- let's see -- the enforcement costs are capped at 30 percent and the surveillance and stuff at 50 percent, blah, blah, blah. And then you're going to prioritize first the unpermitted legal tire piles and then sites found in noncompliance. Now, are these just guidelines or -- I mean are these like strict things that they have to follow or are these kind of like guidelines that you set out?

MS. TURNER: The caps are set kind of in stone, if you will. The inspection number is a little wishy-washy in the sense that we're -- it's a limit. But

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1 if there is a problem at a site, they can charge
2 additional inspections under enforcement, you know, based
3 on prior approval from us, because it would be an
4 enforcement activity at that point because they had been,
5 you know, in violation for several inspections. And so we
6 can -- there's room in the grant to work with them on that
7 aspect. However, the hourly cap would not -- that's
8 strict.
9 And then the surveillance and the enforcement cap
10 is strict the way it is right now. I have had concerns
11 about that myself, and we have -- when we considered this
12 number, we looked at all of the existing grants and we
13 felt that everybody would comply -- they would be able to
14 comply with us the way they're set up right now.
15 But we do have one jurisdiction that does a lot
16 of surveillance because they have a lot of illegal
17 dumping. And so we could add language in the application
18 that would suggest that if they want to propose more money
19 in that category, they could as long as they provided
20 additional justification that there was a problem or a
21 need there.
22 CHAIRPERSON PEACE: And also additional
23 justification, like it says there's a maximum of three
24 inspections. When I talked to the LEA in San Diego, he
25 was saying there was a site that maybe they needed -- they

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1 went back six times, but they finally -- you know, they
2 were worked with, they were improving each time. I'm just
3 wondering, do these have to be so cast in stone that we
4 can't let the local enforcement people use their judgment
5 on what they think is best for their area?
6 MS. TURNER: Well, that's what I was saying is
7 that that -- that's why we allow three inspections if
8 there are violations. And that's what I was saying, is
9 that we can allow flexibility by then going to a fourth
10 inspection. If we feel it's warranted and they're
11 achieving some compliance, that we can give them, you
12 know, approval to do additional inspections under the
13 enforcement category of the grant. That is allowed.
14 CHAIRPERSON PEACE: So there's some flexibility
15 and that we're just not watching them to make sure they
16 don't go over the 30 percent, you know, and enforcement
17 and 50 percent and then surveillance. I'm just wondering
18 if that sometimes when the people want to apply for these
19 grants they think, "Oh, my gosh, we have to be so strict
20 in this that maybe it's not worth it." So that's what I'm
21 thinking, maybe if these -- there were basically more
22 guidelines, but they do have, you know, some flexibility.
23 MS. TURNER: You know, my feeling is that
24 everybody's going to be able to comply with these and not
25 have a problem. But we can set them up as guidelines and

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then make, you know, recommendations when we bring the awards to the Committee. So we can set them out as guidelines. And then if we feel an area is --

CHAIRPERSON PEACE: But let them know there is some flexibility in those guidelines.

MS. TURNER: Yeah, we can do that.

CHAIRPERSON PEACE: Okay. Let's go -- vehicle purchasing. Do we have any questions on that?

COMMITTEE MEMBER WASHINGTON: Yeah, I just -- I have some concerns with that one. I think as I read the reasoning for staff recommending doing away with the vehicle process, and then reading their comments as to the lease, I have a problem with the -- the lease could be multiple years, which means you could pay for that one car ten times over depending on how many years you lease it, which makes no sense.

And then we have a situation to where we have a problem: That it's not broken, so why do we need to fix it? The staff just said that there's no violations, nothing has occurred. I really think that we ought to do away and leave the vehicle as it is. If people are -- I mean they need those cars to get around. L.A. is a big place. San Diego County, Ventura, those -- there's some huge counties out there. And to start to trying to, you know, go after these folks who are using vehicles to do

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1 what we're asking them to go out there to do just poses a
2 problem for me. I just --
3 CHAIRPERSON PEACE: That's kind of the way I feel
4 too. There hasn't been any problems. Yet we're going to
5 ask them to start leasing cars, which can be more
6 expensive in the long run than actually buying it.
7 DEPUTY DIRECTOR LEE: Madam Chair, we'll accept
8 the Board's direction on this. As you recall the
9 discussion back in -- I believe in July, there was
10 concerns being expressed I think by Board Member Paparian,
11 you know, about the car issue. We investigated it. Our
12 investigation showed there didn't look to be a problem,
13 you know, with the use of the cars by the existing
14 grantees. But certainly there is that potential for
15 abuse.
16 And, again, the overall -- you know, the concern
17 that was expressed to us by the Board as a whole was again
18 making sure we were evaluating this program on an ongoing
19 basis and we were making it as cost effective as possible.
20 You know, clearly, you know, vehicle purchase is
21 something, you know, that can be abused. And certainly
22 are -- we think our programs' objectives could be made,
23 you know, through the lease arrangement. Ultimately Board
24 Member Washington is right. You know, you're going to pay
25 more over the lifespan of a car by leasing it than buying

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it outright.

So, again, this is -- it's one of those, you know, balancing acts. And it's whatever the Board would like to do on this.

MS. TURNER: I will mention that we do have a couple of jurisdictions leasing. And so we would -- and they are currently in the program. And so we would like to be able to continue to accommodate them if -- unless --

CHAIRPERSON PEACE: Yeah, I would say leave it up to the jurisdiction, you know, how they want to handle it. I mean as long as there hasn't been any abuse, then -- I guess if someone leaves the program and a year after they buy a car, then we'll have to deal with it. I mean isn't there a way to ask for the money back, prorate it, and say, "Okay. You've dropped out of the program. Either give us the car back or pay us for" -- you know, I'm sure there must be a way to do that.

MS. TURNER: Is that the Committee's direction, is for us to find some way of prorating it? Or would you like to just leave it the way it is?

COMMITTEE MEMBER MOULTON-PATTERSON: I hate to, you know, make a decision about this if Mr. Paparian felt so strongly about it. I tend to agree that -- if there have been no abuses. But yet if he did have a problem, I can see why you're proposing this. And maybe we ought to

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let him address that at the Board meeting. He can always pull it, I guess.

CHAIRPERSON PEACE: Yeah, he can always pull it.

It just seems there should be a way to -- you know, if they drop out of the program, but have a car that we should be able to get reimbursed and --

COMMITTEE MEMBER WASHINGTON: Yeah, if they used our money to purchase --

CHAIRPERSON PEACE: -- use our money, we have to -- you know, they reimburse us for that. Just make that real clear. I mean can that just be made real clear when we authorize them to buy a car? Because don't they ask us if they can buy the car? And we say, "Okay, you can use this much money, up to $25,000, for a car." I mean don't they still get permission from us to buy a car or equipment before you let them do it?

MS. TURNER: No. When we approve their application, they're granted free will to go out and spend that money that they proposed that they were going to with the grant.

CHAIRPERSON PEACE: The one -- don't they propose they're buying a car?

MS. TURNER: Um-hmm. So if they say, "We're going to buy a vehicle for 25,000," then they can go out and purchase that, and then they send us the receipts and

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1 we pay them.

2 CHAIRPERSON PEACE: There's no way to make that

3 real clear that -- you know, "You're buying this, and

4 that's fine that you buy it. But if you leave the

5 program," that, you know --

6 MS. TURNER: I think that there's --

7 CHAIRPERSON PEACE: Is there legally some way we

8 can -- that's prorated, "You'll owe us this much" --

9 COMMITTEE MEMBER WASHINGTON: I mean for the

10 county through the county council, and through the city

11 you do it through the city attorney's office. Have the

12 Legal Office set that up with them through the county

13 council's and the city attorney's office that if they use

14 our money and they get out of the program, they have to

15 return those vehicles over to us -- back to us.

16 CHIEF COUNSEL CARTER: We can build that into the

17 grant agreement.

18 CHAIRPERSON PEACE: It seems like we should be

19 able to build something in there like that.

20 Okay. Any other questions on that?

21 Then down to the No. 3, adjustable calculation

22 factor when oversubscribed. I guess I'm -- I'm concerned

23 about that because if the grantees are concerned that they

24 want stable funding, but yet we're going to tell them, "If

25 we become oversubscribed, then your funding's not so

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1 stable." So I guess that concern -- I don't know how to
2 get around that, but --
3 MS. TURNER: It's a challenge. We figured it was
4 better that they got some money, you know, than no money
5 at all. But, you know, we're open to, you know,
6 discussion in this area. It is a tough issue.
7 CHAIRPERSON PEACE: Especially when you say that,
8 you know, you'll have a calculation factor that we'll
9 reduce everybody equally. I don't know if all the
10 jurisdictions though are equal. Some might have worse
11 problems than others. So I don't know if just using --
12 MS. TURNER: The only thing this does do is it
13 does then require -- if we are oversubscribed, it requires
14 every jurisdiction to pick their highest priority issues
15 and deal with those. So in a way we're getting the
16 biggest bang for our buck.
17 CHAIRPERSON PEACE: I know there's a formula in
18 statute like for the LEAs that they use. I mean have you
19 considered something like that where you have a formula
20 based on how many tire facilities or population or square
21 miles or something that, you know, this jurisdiction would
22 be entitled to this amount of money?
23 MS. TURNER: These are things that we
24 preliminarily discussed. And we were really unable to
25 grapple with that issue. We felt that the downsides to

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1 doing it for this particular grant cycle were big enough.
2 We weren't secure in going there right now.
3 I've done some preliminary numbers. We just
4 based it on the number of sites. You could end up with
5 Calaveras County getting $500 and L.A. getting $1.5
6 million. So that wouldn't work.
7 So we'd have to figure out some other way of
8 doing it. And I just don't know that we're there right
9 now to be able to propose something, you know, that would
10 be sound and cost effective at this juncture. But maybe,
11 you know, we could continue with the effort that we're
12 putting forward for this grant cycle and then try and
13 propose something different for the next grant cycle that
14 would address that issue maybe a little bit more
15 completely.
16 CHAIRPERSON PEACE: Like when you mentioned
17 Calaveras, on my chart here they're lumped in with
18 Humboldt and Imperial, Lake, Madera and Napa. And, you
19 know, they're -- as 3 percent -- 3 percent of the total
20 state population. Yet they're getting 14 and a half
21 percent of the grant money. So they're getting almost a
22 million dollars of grant money for this little population
23 here with 508 facilities.
24 Have you looked at that for like the next grant
25 cycle? Because I don't think there's any way that this

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1 508 facilities should be getting $865,000.
2 MS. TURNER: Well, some -- and that's kind of
3 been our challenge in this program, is we've used the
4 number of sites to try and base the costs of the program
5 on. And so that will -- some of the changes that we're
6 proposing in this next cycle will help that, because we do
7 have a cap on the number of inspections and the cap on the
8 cost. And that's also the reason why we had that
9 percentage of enforcement and surveillance, so that if you
10 had a jurisdiction that only had 50 sites, you could not
11 come in for a $300,000 grant. And so that would address
12 that somewhat. Does it address it a hundred percent? No,
13 it's, you know, kind of our best guess of how to deal with
14 that issue right now.
15 CHAIRPERSON PEACE: Yeah, I know you say it's
16 based on what they applied for. But, you know, this one
17 area here has 508 businesses, and they applied for almost
18 a million dollars. Like, oh, yeah, you know, okay, they
19 get it. Or if they have another -- you know, the Fresno
20 applied for 340 -- they only have 345 sites, and they
21 applied for grants, you know, for almost 500,000. Yet the
22 County of Los Angeles, with 2,362 sites, only got like a
23 hundred thousand. This doesn't --
24 MS. TURNER: Right, right.
25 DEPUTY DIRECTOR LEE: Madam Chair, if I could

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1 perhaps elaborate on that a little bit. Again, what we're
2 trying to wrestle with is there's simply -- there's not
3 enough money in the program, you know, do you all the
4 sites across the entire state. So there has to be some
5 prioritization.
6 We are also, you know, burdened by the fact that,
7 again, this isn't a statutory program. So, you know, the
8 participation of these jurisdictions is voluntary. So,
9 again, we have to, you know, pay the full ride, if you
10 will, to get these people to participate.
11 When we tried -- the program was originally
12 competitive based on the number of sites you had, you
13 know, the nature of your problems. You know, our success
14 rate in getting anybody to apply was dismal. So the Board
15 elected in August of 2002, I believe, again to say, "We're
16 going to streamline this program. We're going to make it
17 different than the way we run our other grant programs,"
18 in acknowledgement of the difference -- of these various
19 circumstances that I've just laid out for you.
20 I think staff's proposal, whereby, you know,
21 we've said that we are going to continually evaluate these
22 grantees to make sure that they are satisfactorily
23 performing; that we've also said that whatever level of
24 funding the Board grants for this particular program, we
25 will try and make work and spread among all the

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1 participating jurisdictions to minimize the problem with
2 gaps; by having the grantees prioritize their workload, no
3 matter what the funding level they ultimately get, they
4 should only be working on the highest priority that they
5 defined in their particular areas, we believe that's the
6 best we can do at this particular time, you know, to
7 address the situation, with limited funds, non-mandatory
8 participation, you know, by the local jurisdictions, and
9 the minimum staff that we have to deal with this problem.
10 CHAIRPERSON PEACE: But do we want to say -- do
11 we want to put this in stone here that all eligible
12 grants -- if we're oversubscribed, all eligible grants
13 will be, you know, reduced in an equal manner. Would that
14 be --
15 DEPUTY DIRECTOR LEE: Well, I think George has
16 already pointed out to you that right now we're probably
17 at about 61 percent with about $4 1/2 million dollars.
18 You know, we've identified some additional -- you know,
19 the largest counties where there's problems. They'll
20 probably bring us up in the 80-plus range. And we can
21 accommodate those, we'll be within our $6 million range.
22 But, again, as you know, there was discussions among the
23 Board about whether or not $6 million was too much or hot
24 not enough. So, again, what we're trying to do is, number
25 one, give an alert to the grantees knowing that, again,

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we're not guarantying -- we can't guarantee funding in perpetuity for these programs. But they can best protect themselves by prioritizing their workload so that they can -- to get the most bang for their buck, and then be able to show the Board that the money that they are receiving is being spent on the various highest priority needs.

CHAIRPERSON PEACE: I'm just saying if we do become oversubscribed, do we want to say, "Okay, we're going to reduce everybody equally," or do we want to say, "We're going to look individually," and say this place still has a lot of tire problems and they need all the money that they're getting, where this one over here they had there's under control, and maybe they don't -- you know, they don't need everything they're asking for.

DEPUTY DIRECTOR LEE: We can do that if that's --

MS. TURNER: Yeah, we could look at that. I'm not really sure right now what that would look like. But we can develop something that is based on the number of sites that they have versus --

CHAIRPERSON PEACE: Well, like making them aware that, you know, if we become oversubscribed, there might have to be some adjustments to their funding level. But I don't know if we want to say --

MS. TURNER: We actually have that ability now.

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1 If we took this -- we didn't take this recommendation, we
2 didn't implement this, we do have the ability to go in and
3 cut back jurisdictions based on what we think their need
4 is if we become oversubscribed. And we could just
5 maintain that's the way we'll do it this next grant cycle.
6 And then if we are oversubscribed, provide that kind of
7 information to the Committee members so that you can make
8 an educated decision on that.
9 COMMITTEE MEMBER MOULTON-PATTERSON: I just want
10 to jump on here. I think there's got to be a way -- I
11 don't want to figure it out. I want staff to. But
12 there's got to be a way that there's some common sense to
13 this. I know -- it's not just our problem. I just heard
14 the homeland security money -- I mean it's amazing the
15 amount that's going to little tiny rural counties where
16 there's really no problem. And so, you know, I'm sure
17 everybody has this problem, but it just seems like there's
18 got to be a common sense answer to this.
19 CHAIRPERSON PEACE: Right.
20 MS. TURNER: So what I'm kind of hearing from the
21 Committee is to keep our current way that we're dealing
22 with this by individually looking at each grant and
23 looking at the need, and cutting them back if we become
24 oversubscribed based on, you know, our expertise, and
25 bringing that to the Board this next grant cycle.

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1 CHAIRPERSON PEACE: Yeah, our expertise. And it
2 may be our enforcement people that are out in the field.
3 You know, I think they'd probably have a really good idea
4 of where, you know, things could be cut back and where we
5 need to put more funds and --
6 MS. TURNER: Right. And then hopefully we'll
7 have some more concrete way of dealing with this for the
8 next cycle.
9 CHAIRPERSON PEACE: Yeah, hopefully we'd get more
10 people on board and this will work itself out.
11 Okay. No. 4, another important. Goals provide
12 ongoing program evaluation.
13 I can see here -- okay. We've had this many
14 letters of -- you know, this many inspections, this many
15 reinspections, this many letters of violation. Okay, this
16 tells us how many inspections and enforcement actions have
17 been taken. But does this tell us if it's resulted in the
18 goal of actually reducing illegal tire piles?
19 MS. TURNER: Can I ask where you are right now?
20 CHAIRPERSON PEACE: Yeah, No. 4.
21 MS. TURNER: No. 4?
22 CHAIRPERSON PEACE: Yeah.
23 MS. TURNER: Okay.
24 CHAIRPERSON PEACE: I mean other than this saying
25 how many inspections they've done, is there any other way

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1 that we evaluate this program? Do we get information from
2 the people down in --
3 COMMITTEE MEMBER WASHINGTON: Yes, another --
4 MS. TURNER: Yes. In fact those -- we're talking
5 about just our evaluation of the program and the grantees?
6 Yes. In fact the field inspectors are the ones
7 that are reviewing this data. And, you know, ultimately
8 if we have a jurisdiction that's low in numbers and are
9 having problems, we are asking our grant -- our field
10 staff who are intimately involved with them whether they
11 feel that they are capable and they want to do the program
12 and they're providing enough effort to get kind of over
13 the humps. And if they say, you know, it all looks good,
14 then that's where we -- you know, we trust that.
15 CHAIRPERSON PEACE: Okay. So that we're getting
16 more than just those paper reports. We're getting verbal
17 feedback and --
18 MS. TURNER: Yeah.
19 CHAIRPERSON PEACE: Okay. No. 5, maintaining a
20 high level of grantee performance is important to the
21 success.
22 I'm just wondering, the grantee performance --
23 again, you're going through the, you know, progress
24 reports and final reports and how they use their grant
25 funds -- is there any -- do we do anything like send out

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1 our enforcement staff or Board staff to do maybe a joint
2 inspection with some of these jurisdictions to ensure that
3 they're doing the inspections right and that the --
4 MS. TURNER: We don't have anything that
5 specific.
6 CHAIRPERSON PEACE: -- that they're consistent?
7 MS. TURNER: But they're -- you know, they're
8 continually working with them. But I think that's not a
9 bad idea. I think it would be good to maybe do maybe a
10 joint inspection or two maybe before the end of the annual
11 report to get a sense from our field staff of how things
12 are going.
13 The whole -- the way the program is set up though
14 is that there's continual kind of dialogue between our
15 field staff and the local grantee. So hopefully they've
16 been out in the field, you know, several times throughout
17 the grant cycle. That's the way it's set up. So we
18 haven't really thought about putting something specific
19 in, but we certainly could. If that's the Committee's
20 direction, we could make something more concrete.
21 DEPUTY DIRECTOR LEE: Madam Chair, point of
22 clarification on that. Again, is your recommendation or
23 your desire that we send out our state inspectors on every
24 enforcement, you know --
25 CHAIRPERSON PEACE: Oh, no. I mean just --

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1 DEPUTY DIRECTOR LEE: It's kind of like a random
2 spot check within an evaluation?
3 CHAIRPERSON PEACE: Yeah, when they're evaluating
4 them, that we'd go out on a couple inspections to see if
5 they're doing it consistently and with what we expect that
6 they're looking at.
7 DEPUTY DIRECTOR LEE: I don't see any problem
8 with --
9 CHAIRPERSON PEACE: Instead of just getting
10 paperwork all the time, where we're actually getting some
11 hands-on knowledge of what --
12 DEPUTY DIRECTOR LEE: I'm pretty sure that that's
13 occurring already. As of right now the majority of our
14 staff -- a lot of our staff time is spent, you know, in
15 educating and bringing these local grantees up to speed
16 of, you know, what our expectations are of them.
17 CHAIRPERSON PEACE: Does anybody have any other
18 questions?
19 Okay. So I guess, in summary, we'll move staff's
20 recommendation with the following exceptions:
21 That the applicant can vehicles however they
22 want, with the understanding that if they leave the grant
23 program, that, you know, we get reimbursed. And we can
24 build that in somehow.
25 And then also in terms of reducing the funding,

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1 instead of doing it across the Board, we'll do that on a
2 case-by-case basis.
3 MS. TURNER: Correct.
4 CHAIRPERSON PEACE: Okay. Does anybody want to
5 move the resolution?
6 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd
7 like to move adoption of Resolution 2004-252,
8 consideration of the applicant eligibility and program
9 criteria, and evaluation process for the Waste Tire Grant
10 Program for FY 2004-2005, with the changes the Madam Chair
11 mentioned.
12 COMMITTEE MEMBER MOULTON-PATTERSON: Second.
13 CHAIRPERSON PEACE: Okay. We have a motion by
14 Carl Washington and a second by Linda Moulton-Patterson.
15 Do we want to put this on consent, and then
16 somebody can pull it if they want to?
17 COMMITTEE MEMBER MOULTON-PATTERSON: Yeah, that's
18 fine.
19 COMMITTEE MEMBER WASHINGTON: Yeah.
20 CHAIRPERSON PEACE: Okay. Let's go ahead and
21 we'll put that on consent.
22 DEPUTY DIRECTOR LEE: Madam Chair, a
23 clarification on the first item we discussed. You had
24 indicated that it was going to go to the full Board with
25 Committee support.

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1 Is that also on consent? Are you proposing that
2 for consent?
3 CHAIRPERSON PEACE: On the very --
4 DEPUTY DIRECTOR LEE: That was a permit.
5 CHAIRPERSON PEACE: On Copper Chopper?
6 DEPUTY DIRECTOR LEE: Yes.
7 CHAIRPERSON PEACE: Well, since that is a permit,
8 I think we're going to -- what, we decided on permits,
9 that the full Board should hear them -- we just put it to
10 the full Board with full Committee support.
11 DEPUTY DIRECTOR LEE: That's it.
12 CHAIRPERSON PEACE: What did we decide on that,
13 Legal?
14 CHIEF COUNSEL CARTER: As you know, we've got an
15 Agenda Item 2 coming forward to the Board discussing this
16 particular aspect of the consent, as to CEQA issues and
17 permitting. And at this point I think at the time this
18 matter was heard you said you would just allow it to go to
19 the full Board.
20 And also I would remind you, we haven't had a
21 vote on this particular item.
22 CHAIRPERSON PEACE: Oh, gosh. Thank you.
23 Okay. Can we just substitute the previous roll?
24 CHIEF COUNSEL CARTER: Yeah.
25 CHAIRPERSON PEACE: No one has a problem with

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that?

We'll substitute the previous roll.

Okay. If there's no other comments, this meeting is adjourned.

(Thereupon the California Integrated Waste Management Board, Special Waste Committee meeting adjourned at 12:20 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:
5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Management Board,
7 Special Waste Committee meeting was reported in shorthand
8 by me, James F. Peters, a Certified Shorthand Reporter of
9 the State of California, and thereafter transcribed into
10 typewriting.
11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting nor in any
13 way interested in the outcome of said meeting.
14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 25th day of September, 2004.
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23 JAMES F. PETERS, CSR, RPR
24 Certified Shorthand Reporter
25 License No. 10063