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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

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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

INDEX	PAGE
Roll Call And Declaration Of Quorum	1
A. Deputy Director's Report	2
B. 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, Inc., Waste Tire Facility, Los Angeles County -- (September Board Item 8)	3
Resolution 2004-248	
Motion	10
Vote	10
Resolution2004-249	
Motion	11
Vote	11
C. Consideration Of Eligibility, Scoring Criteria, And Evaluation Process For The FY 2004/2005 Waste Tire Playground Cover Grant Program And Waste Tire Track And Other Recreational Surfacing Grant Programs -- (September Board Item 9)	11
D. Consideration Of Stakeholder Input From The July 7, 2004 Roundtable Discussion Of The Tire Product Commercialization Grant Program -- (September Board Item 10)	39
Motion	74
Vote	74
E. Consideration Of Applicant Eligibility And Program Criteria, And Evaluation Process For The Waste Tire Enforcement Grant Program For FY 2004/2005 -- (September Board Item 11)	74
Motion	117
Vote	117
Public Comment	119
Adjournment	119
Reporter's Certificate	120

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

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

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

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

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

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

18 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

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

24 Terry Smith will make the staff presentation.

25 MR. SMITH: Is this on?

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

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

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

1 them that this would be added to this?

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

8 COMMITTEE MEMBER WASHINGTON: Okay.

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

12 MR. SMITH: Yes.

13 Okay. In our effort to inform the public we put  
14 this document out and distributed even the notice of  
15 intent to adopt to all the surrounding land owners,  
16 property owners. The publicly review period ran from July  
17 28th to August 26th, 2004. And we didn't receive any  
18 comments on the document.

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

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?

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

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

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

4 COMMITTEE MEMBER WASHINGTON: Second.

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

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

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

11 That takes us to Item C, Agenda Item 9.

12 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

13 Item C is consideration of eligibility, scoring  
14 criteria, and evaluation process for the Fiscal Year  
15 2004-2005 Waste Tire Playground Cover Grant Program and  
16 Waste Tire Track and other recreational surfacing grant  
17 programs.

18 Elena Yates and Linda Dickinson will make the  
19 staff presentation.

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

22 It's okay, Jim.

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

25 (Thereupon an overhead presentation was

1 Presented as follows.)

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

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

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

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

21 --o0o--

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



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.

1                                   --o0o--

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

10                   The evaluation staff will reevaluate the  
11 application based on the process approved in the November  
12 2001 and June 2002 Board meetings.

13                   And this concludes my presentation.

14                   CHAIRPERSON PEACE: Okay. Thank you, Michelle.

15                   Do either of you have any questions or comments?

16                   COMMITTEE MEMBER WASHINGTON: I do.

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

1 able to apply for those grants.

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

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

11 CHIEF COUNSEL CARTER: Marie Carter, Chief  
12 Counsel.

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

16 COMMITTEE MEMBER WASHINGTON: Okay.

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

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

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,

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

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

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

8 CHAIRPERSON PEACE: Okay. Is that --

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

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

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

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

21 COMMITTEE MEMBER WASHINGTON: Oh, okay.

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

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

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. Papanian 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

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

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. Papanian 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.

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 --

1 playgrounds were --

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

5 Okay. We do have two speakers on this item.

6 Terry Leveille.

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

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

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

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

25 Secondly, on this whole issue of -- an important

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

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

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

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

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

14 MR. LEVEILLE: And maybe by just saying --

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

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

23 That's just a joke.

24 (Laughter.)

25 CHAIRPERSON PEACE: That's a good point.

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

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

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

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

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

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

24 Okay. Thank you.

25 We have one more speaker. Tracey Norberg.

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 might 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

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

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

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

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

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

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

23 MR. TAKALLOU: No.

24 CHAIRPERSON PEACE: Well, that's --

25 MR. TAKALLOU: Because for the playgrounds you

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

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 --

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.

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.

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

1 generation of waste tires in California.

2           The Board sponsored a roundtable discussion for  
3 the Tire Product Commercialization Grant Program on July  
4 7th. Stakeholders included representatives from the crumb  
5 rubber and recycling industry and environmental  
6 organizations, board staff and other interested parties.  
7 Several Board members also attended and participated in  
8 the discussions. Stakeholders were encouraged to provide  
9 input before the roundtable via E-mail, at the roundtable,  
10 and after the roundtable again via E-mail.

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

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

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

25           CHAIRPERSON PEACE: Yes, please.

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

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.

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

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

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

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

25           Furthermore, since there's no consensus among the

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

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.

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,

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?

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

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

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

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,

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.

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

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

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

6 Thank you.

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

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

11 MS. DICKINSON: What that means is that the  
12 geographical distribution of funds that -- what is it,  
13 39/61, and 61 percent of the funds are supposed to go to  
14 southern California and 39 percent go to northern  
15 California. But the most of the tire recyclers are in  
16 southern California and most of our grantees that apply  
17 for commercialization grants are in southern California  
18 and only a few of them are in northern California. So  
19 then when we get only a few in northern California  
20 passing, those ones usually have a way better chance of  
21 being funded.

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

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

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

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.

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.

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

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

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

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.

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.

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

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

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

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

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

22 CHAIRPERSON PEACE: Yeah.

23 MS. DICKINSON: -- invoices and receipts.

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

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

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.

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.

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

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.

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

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?

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

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.)

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

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

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

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

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

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

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

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

5 MS. HAPBERSBERGER: LEAs and code enforcement  
6 agencies, correct.

7 --o0o--

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

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

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

25 --o0o--

1 MS. HAPBERSBERGER: 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

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

5 --o0o--

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

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

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

1 correct?

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

6 --o0o--

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

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

20 --o0o--

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

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

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

13 --o0o--

14 MS. HAPBERSBERGER: And I will turn this back  
15 over to George.

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

19 --o0o--

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

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

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

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

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

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

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

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

3 --o0o--

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

16 --o0o--

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



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

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.

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

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

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

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

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

23 CHAIRPERSON PEACE: Okay. Thank you.

24 --o0o--

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

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

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

1 like that one.

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

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

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

11 MS. TURNER: Yes.

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

14 MS. TURNER: Right. They are allowed to have a  
15 10-percent miscellaneous fees through any of our grant  
16 fees. But that -- but, yes, that cap is required to  
17 include their overhead.

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

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

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

7 MS. TURNER: And this is a limit --

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

12 MS. TURNER: Right.

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

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

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

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

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

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

6 MS. TURNER: Yeah, we can do that.

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

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

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

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 Papanian,  
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

1 it outright.

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

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

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

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

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

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

3 CHAIRPERSON PEACE: Yeah, he can always pull it.

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

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

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

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

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

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

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

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

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

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

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

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,

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

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

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

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

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

25 MS. TURNER: We actually have that ability now.

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.

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

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

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 --

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,

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.

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

1 that?

2 We'll substitute the previous roll.

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

5 (Thereupon the California Integrated Waste  
6 Management Board, Special Waste Committee  
7 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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JAMES F. PETERS, CSR, RPR  
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