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STATE OF CALIFORNIA

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE COMMITTEE MEETING

JOE SERNA JR., CAL EPA BUILDING

CENTRAL VALLEY AUDITORIUM

1001 I STREET, SECOND FLOOR

SACRAMENTO, CALIFORNIA

TUESDAY, MAY 3, 2005

9:33 A.M.

Doris M. Bailey, CSR, RPR, CRR
Certified Shorthand Reporter
License Number 8751

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A P P E A R A N C E S

COMMITTEE MEMBERS PRESENT:
CHERYL PEACE, Chair
ROSARIO MARIN
ROSALIE MULE

STAFF PRESENT:
MARK LEARY, Executive Director
MARIE CARTER, Chief Legal Counsel
JULIE NAUMAN, Chief Deputy Director
DEBORAH MCKEE, Board Assistant (A.M.)
DEB BALLUCH, Board Assistant (P.M.)
SELMA LINDRUP, Board Secretary

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I N D E X

PAGE	
Roll Call	1
Agenda Item A - Deputy Director's Report	3
Agenda Item B	4
Motion	14
Agenda Item C	15
Motion	24
Agenda Item D	31
Motion	37
Agenda Item E	38
Motion	51
Agenda Item F	61
Direction	81
Afternoon Session	82
Agenda Item G	82
Direction	171
Agenda Item H	171
Direction	213
Adjournment	213
Certificate of Certified Shorthand Reporter	214

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1 P R O C E E D I N G S

2 --oOo--

3 COMMITTEE CHAIR PEACE: Looks like we're all

4 here. Good morning, welcome to the Special Waste

5 Committee meeting.

6 Selma, would you like to call the roll,

7 please?

8 COMMITTEE SECRETARY LINDRUD: Marin.

9 COMMITTEE MEMBER MARIN: Here.

10 COMMITTEE SECRETARY LINDRUD: Mule.

11 COMMITTEE MEMBER MULE: Here.

12 COMMITTEE SECRETARY LINDRUD: Peace.

13 COMMITTEE CHAIR PEACE: Here. At this time I'd

14 like to remind you to either turn your cell phone or

15 pagers off or put them on the meeting or vibrate mode.

16 There are agendas and speaker slips on the back

17 table, so if you'd like to address the committee,

18 please fill out a slip and hand it to Ms. Lindrud,

19 sitting over there in the black jacket and turquoise

20 top.

21 Members, any ex-partes?

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

23 COMMITTEE MEMBER MULE: Up to date.

24 COMMITTEE CHAIR PEACE: And I am also up to

25 date.

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1 Before we begin, I wanted to mention the
2 household hazardous waste and the used oil conference
3 that I attended last Thursday in my hometown of San
4 Diego. And for those of you who were there, you now
5 know that the song, "It Never Rains in Southern
6 California" is not entirely accurate.
7 And even though I was there for only a small
8 part of the conference because the two days earlier I
9 was racking and rolling on a rock and roll tour, but I
10 want to say I was so impressed with the exchange of
11 information and the ideas among the attendees. You can
12 tell that there were a lot of dedicated people there
13 from all over the state who are passionate about what
14 they do to protect the environment, and they were
15 anxious to share their success stories.
16 I just want to say it was a great conference.
17 And I know it takes a lot of organization and a lot of
18 hours to make an event like that happen and to make it a
19 success, and I'd like to give special thanks to
20 Christian Yee and Anna ward, and apparently Matt
21 McCarron also.
22 COMMITTEE MEMBER MULE: Excuse me, Madam Chair,
23 it's Vivian.
24 COMMITTEE CHAIR PEACE: Plus that, we saw Jim
25 Lee and Matt, they demonstrated their dancing ability,

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1 and it was quite good. California and it's
2 surroundings --
3 Would you guys like to give a demonstration?
4 MR. LEE: No, Madam Chair. Madam Chair, to
5 paraphrase the, Tobi Keith, the country and western
6 singer, you know, what happens in San Diego stays in San
7 Diego.
8 COMMITTEE CHAIR PEACE: It was a great
9 conference. So now are we ready to begin? Are you
10 ready to give your deputy director's report?
11 MR. LEE: Thank you, Madam Chair, and good
12 morning, committee members.
13 My name is Jim Lee, Deputy Director of the
14 Special Waste Division.
15 Madam Chair, I guess the only thing I was going
16 to bring up in my report again was again the used oil
17 conference, and basically to thank you and Board member
18 Mule and Board member Washington for attending and
19 participating.
20 I know Board Chair Marin was tied up with other
21 commitments, but as I'm sure you've heard from the
22 remarks this morning, you missed a good one.
23 COMMITTEE MEMBER MARIN: I certainly did.
24 MR. LEE: There are several of the items, I
25 know one of the venues that we discussed, we had a

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1 luncheon speaker that talked about the curbside program
2 versus the certified centers, some of the pros and cons
3 of each. Very interesting and informative discussion.
4 We're going to bring that back before the
5 committee as part of one of our regularly scheduled
6 informational discussions that we committed to back in
7 December when we presented the used oil allocation
8 item. And we want to give you the opportunity again to
9 understand, you know, what is happening with regards to
10 that particular area. And so we think that will be very
11 interesting, so you do get an opportunity to hear that.
12 Madam Chair, unless there's any other
13 questions, I'm prepared to move into this morning's
14 agenda.
15 COMMITTEE CHAIR PEACE: Okay. Let's go.
16 MR. LEE: Madam Chair, the first item for the
17 committee's consideration this morning is Board item
18 number five, committee item B, consideration of scope of
19 work and contractor for the feasibility study of crude
20 oil refineries, processing used oil, or products derived
21 from used oil. That's fiscal year 2004-'05 used oil
22 fund contract concept number 0-3.
23 This contract concept was approved as part of
24 the used oil allocation item approved by the Board in
25 December.

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This contract will explore the feasibility of blending waste oil back with crude or pretreating used oil prior to blending with crude or semi-refined used oil products.

This research may show the potential for refineries to absorb a significant amount of the waste oil production if various technical and economic barriers can be overcome.

With that overview, I'll ask James Herota to make the remainder of the staff presentation.

MR. HEROTA: Good morning, Madam Chair and Board members.

At the December 14th-15th, 2004, Board meeting, $165,000 was allocated to perform the feasibility study of crude oil refineries processing used oil and products derived from used oil.

This contract would provide funds for Lawrence Livermore National Laboratory as contractor to determine the feasibility of blending used oil or products derived from used oil into the crude oil refinery process.

The scope of work would require the contractor to complete the following tasks:

Identify and evaluate the compositions of materials in used oil that offer potential for processing within a crude oil refinery.

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1 Identify potential crude oil refinery
2 operations for blending waste oil back with crude oil,
3 and the potential use of pretreated or semi-refined used
4 oil.
5 Gather input from used oil related stakeholders
6 about institutional and resource barrier. Industry
7 stakeholders would include marine shippers, bunker field
8 businesses, crude oil and used oil refineries.
9 Finally, the contractor would conduct a cost
10 benefit analysis of impacts to the environment and
11 stakeholders, assess policy options, complete final
12 recommendations, and present to the Board the findings.
13 The scope of work will be conducted within 18
14 months from June, 2005, through December, 2006.
15 The proposed contractor, Lawrence Livermore
16 National Laboratory, is a national security laboratory
17 with the responsibility for ensuring that the nation's
18 nuclear weapons remain safe and secure.
19 Lawrence Livermore National Laboratory also
20 applies its special expertise, conducting energy and
21 environmental research projects aimed at remediation
22 technologies, advancing the science base for
23 environmental regulation, and accurately modeling
24 regional and global climate conditions.
25 Staff recommends option one, approve the scope

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of work at Lawrence Livermore National Laboratory as contractor for an amount not to exceed $165,000, and adopt resolution 2005-115.

This concludes my presentation. Can I answer any questions?

COMMITTEE CHAIR PEACE: Does anyone have any?

COMMITTEE MEMBER MARIN: I think that this particular contractor is certainly capable of doing this work.

I have a question so far, and this is not just for this contract, but I would like to know when we award these contracts, do we put them out to bid or do we just know that these people would do a fabulous job and it's a single source or -- what do you call it, single source or? -- sole source, thank you.

MR. HEROTA: This is a interagency agreement with another state agency or federal agency. In this situation it's a federal agency so we can do an interagency agreement, so it doesn't require a formal request for proposal.

However, we did look at several state universities and interviewed those contractors along with Lawrence Livermore National Laboratory, so we asked other universities to submit requests for proposals, and then we interviewed 'em.

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1 COMMITTEE MEMBER MARIN: So it wasn't a sole
2 source, we did not -- right? We went through some
3 process where we actually bid? And this is something
4 that I want to do that for all of, all of --
5 COMMITTEE MEMBER MULE: We should be doing
6 that.
7 COMMITTEE MEMBER MARIN: Yeah. So this is not,
8 there is no question about the qualifications of this
9 particular source, it's no problem. I just, as a matter
10 of routine questioning of how we award contracts, I want
11 you to know and everybody know that I am one that would
12 prefer to go out to bid, more so than just rely on our
13 wonderful knowledge of people and companies and
14 individuals and award sole source contracts.
15 That's just, I have no problem with this
16 contract. You understand what I'm saying Mark, Mr.
17 Leary?
18 EXECUTIVE DIRECTOR LEARY: I do, Madam Chair,
19 or committee member.
20 When credentials are clear, as in this one,
21 there's a clear advantage to going with an interagency
22 agreement because the process for entering into that
23 contract is much more streamlined. As you might
24 imagine, going out through some sort of bid process
25 involves quite a bit of time.

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1 And typically when we, always when we do
2 business with the private sector we go through a
3 competitive bid process.
4 But when we have an opportunity to do business
5 with our fellow state government, federal government, or
6 local jurisdictions, we take advantage of the
7 interagency agreement contract method to kind of
8 shortcut. But clearly when the credentials are there
9 and the service can be provided by the contractee, then
10 there's a definite advantage of going through the
11 interagency agreement.
12 You'll see that actually, as a matter of fact,
13 Madam Chair, at the Board meeting in Anaheim when I make
14 a proposal to you about implementing our action plan.
15 As we get towards the end of the year and the money
16 needs to be encumbered before the end of the year, the
17 only option really at this point in time is interagency
18 agreements, because we don't have time between now and
19 June 30th to go through a long, competitive process. So
20 when we can identify an agency that clearly has the
21 credentials, the interagency agreement process is much
22 preferred because of the time limits.
23 COMMITTEE MEMBER MARIN: Yeah. Yeah, I think
24 that, and those would be far and few between situations,
25 that comes in, you know. I know that we would do every

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1 effort to identify those situations way ahead of time so
2 that enables us to do that.
3 EXECUTIVE DIRECTOR LEARY: That's right.
4 COMMITTEE MEMBER MARIN: But when a situation
5 like that arises, then I can understand that. I just
6 don't want that to be a matter of policy that we just
7 wait until the last minute so that it becomes a sole
8 source, you know.
9 EXECUTIVE DIRECTOR LEARY: Definitely not.
10 COMMITTEE MEMBER MARIN: I know.
11 EXECUTIVE DIRECTOR LEARY: Definitely not.
12 COMMITTEE MEMBER MARIN: But I have no problem.
13 And I didn't, I didn't mean to put you on the spot,
14 there is no question, I mean this is a national level
15 laboratory so there is no question about their
16 capabilities, but the point was bigger than that.
17 Okay?
18 COMMITTEE CHAIR PEACE: Okay. And from what I
19 understand from this contract, you'll also be looking at
20 the economics of this, the economic likelihood that the
21 used oil would actually flow to the refineries instead
22 of the bunker fuel market. Because even though the
23 study might show it's possible for the refineries to add
24 back in, you know, used oil, what is the economics of
25 doing that? Is it, would it still, even though they can

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1 do it, will they do it? Or will it still go to the
2 bunker fuel market? So we'll be looking at that also as
3 part of the study, correct?
4 MR. HEROTA: Yes, the economic impacts to the
5 stakeholders will be included. Some additional
6 information on that. We don't think there will be
7 significant impacts to the fuel industry. In California
8 there's about 60 million gallons of fuel oil produced
9 per year from our used oil that's collected. In
10 California the consumption of residual and dissolate
11 fuels is about fourteen million gallons per day. So
12 we're consuming an extremely large amount in compared to
13 the amount that's produced from the used oil recycling
14 facilities. So we're, just by the production and
15 consumption level we think there's going to be little
16 impact, to the shipping fuel markets anyway.
17 COMMITTEE CHAIR PEACE: I guess what I meant,
18 where the reused oil is going now, to the bunker fuel
19 market, that's cheaper, right, for the bunker fuel
20 people to buy that oil because it hasn't gone through
21 the distillation process and all that? I mean what's to
22 keep it from still going to that market instead of being
23 added back into the, I guess the virgin oil process?
24 What's to keep it from still going to the --
25 MR. HEROTA: Those are some of the issues that

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1 this study is going to have to be sorting out and
2 looking at.
3 COMMITTEE CHAIR PEACE: Yeah. Okay. Thank
4 you.
5 COMMITTEE MEMBER MARIN: In my tour, you know,
6 it's dangerous to send me out on these tours. I visited
7 a place that it's a collector of used agricultural oil.
8 And one of the things that he was telling us is that
9 there are major oil companies that do not, there's
10 specifications, you know, because, you know, they
11 produce oil. Their desire is to continue to have that
12 new oil be used.
13 So to the degree that we can, is there, would
14 this study enable us to work with the producers of oil
15 to get them to buy into the results of this study?
16 MR. HEROTA: Yeah, the contractor is going to
17 be interviewing crude oil refinery processors and
18 getting their feedback on the feasibility of taking
19 crude oil and blending it into their crude oil pipeline
20 or other steps within the refining process.
21 COMMITTEE MEMBER MARIN: Good. Good. You
22 understand the reason, if we work with them and we bring
23 them along, and they have a buy-in to what is it that
24 we're doing, then hopefully they'll be far more willing
25 to accept the results of the study than if we impose on

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them or we ask them at the end of the study to buy the results, you know. So I think that it's very important to do that.

MR. LEE: Ms. Marin, and I'd like to ask you, James, to kind of correct me if I'm wrong on this, but we do intend to engage the stakeholders as part of this.

COMMITTEE MEMBER MARIN: Good.

MR. LEE: We want to hopefully, you know, get their participation. Basically we're trying to establish the foundation for a product stewardship effort. You know, you have to appreciate, again, that there's going to be some resistance from the refiners, you know, because you're talking about a cost for collection, a cost for the additional processing. But on the other hand, you know, there are pressures building, you know, and additional scrutiny is being put on how the oil is being, you know, currently disposed of, utilized. You know, it's being burned off, that's not the highest benefit, it's got some potential adverse environmental impacts associated with it.

So, and we're trying to look at, you know, again, the product stewardship initiatives, things that allow us to address that situation in a much more environmentally benign fashion.

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1 COMMITTEE MEMBER MARIN: Okay. Thank you.
2 COMMITTEE CHAIR PEACE: Like I say, we do need
3 to address that because, from what I understand, this
4 bunker fuel is burned off now in ships. As the ships
5 get newer engines, as the ships become updated and get
6 the newer engines they won't be able to burn this
7 dirtier oil, so eventually, I guess, we can eventually
8 lose that market for this dirty oil, so oil laden with
9 the heavy metals.
10 Okay. If there are no other questions, do I
11 hear a motion?
12 COMMITTEE MEMBER MULE: I'd like to move
13 resolution 2005-115.
14 COMMITTEE MEMBER MARIN: Second.
15 COMMITTEE CHAIR PEACE: We have a motion by
16 member Marin and a second --
17 COMMITTEE MEMBER MARIN: Mule.
18 COMMITTEE CHAIR PEACE: Mule, and a second by
19 Marin.
20 Please call the roll.
21 COMMITTEE SECRETARY LINDRUD: Marin?
22 COMMITTEE MEMBER MARIN: Aye.
23 COMMITTEE SECRETARY LINDRUD: Mule?
24 COMMITTEE MEMBER MULE: Aye.
25 COMMITTEE SECRETARY LINDRUD: Peace?

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COMMITTEE CHAIR PEACE: Aye.

Okay. Next item.

MR. LEE: Madam Chair, just a point of clarification. Is that item recommended for fiscal consent?

COMMITTEE CHAIR PEACE: Oh, I'm sorry. Yes, that is a fiscal item, so we'll move that to the full Board and put it on fiscal consent. Fiscal item moved to the full Board with full Committee support.

MR. LEE: Thank you, Madam Chair.

Board item 6, committee item C is consideration of the grant awards for the local government waste tire cleanup grant program for fiscal year 2004-05.

Fifteen applicants are being recommended for grant awards totalling approximately $700,000, but below the one million dollar five year plan allocation.

One applicant, the City of San Diego, was disqualified since their application was postmarked but not received by the grant application deadline.

Since this grant program is undersubscribed, and because there are public health and safety considerations that could go unaddressed if not for this project, staff recommends that the Board consider funding for this project as part of the May reallocation.

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1 With that overview, I will ask Diane Nordstrom
2 to make the remainder of the staff presentation.
3 MS. NORDSTROM: Good morning, Madam Chair and
4 members of the Special Waste Committee.
5 The item before you is the consideration of the
6 grant awards for the local government waste tire cleanup
7 grant program for fiscal year 2004-2005. The local
8 government waste fire cleanup grant program provides
9 grant funding to local jurisdictions to clean up
10 illegally dumped tires. This will be the eighth year
11 that the Board has provided funding for this program.
12 The Board allocated one million dollars for
13 this fiscal year. The maximum amount of funding allowed
14 for each site is $50,000 and up to $200,000 for each
15 jurisdiction.
16 The NOFA and application were sent to local
17 governments and Indian tribes throughout California.
18 Board staff received seventeen applications.
19 Of these seventeen applications, one was disqualified
20 because it was received a day after the deadline; a
21 second application was withdrawn by the applicant; and
22 the remaining fifteen applications were received and
23 ranked using the existing priority ranking criteria that
24 was approved by the Board at the September, 2003, Board
25 meeting.

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1 The total grant award being requested for this
2 grant cycle is $693,936.22. The fifteen jurisdictions
3 that are recommended for grant awards are the city of
4 Modesto, the city of Fresno, the San Pasqual Band of
5 Mission Indians, the city of Victorville, Plumas County,
6 San Luis Obispo County, the city of Madera, Sonoma
7 County, Los Angeles County, Kern County, the city of
8 Lancaster, the city of El Centro, Madera County, El
9 Dorado County, and the city of Lynwood.
10 The Board has been provided a handout with
11 detailed project descriptions for each applicants. The
12 cost per tire varies due to the number of tires to be
13 removed, the location of the tires, the final end use,
14 and the amount of labor required to remove the tires.
15 Two of the applications submitted signed
16 affidavits as required by the cost recovery policy that
17 was approved by the Board at the May, 2003, Board
18 meeting. This policy requires property owners to, with
19 more than 500 tires to sign an affidavit under penalty
20 of perjury that they were not responsible for the
21 illegal disposal of the tires on their property.
22 The affidavit that was submitted by Plumas
23 County states that the absentee owner purchased the
24 property through a real estate agent and was told that
25 the county would be responsible for the removal of these

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tires.

The affidavit submitted by San Luis Obispo County states that the tires were illegally dumped on the property from an adjacent road.

Board staff is recommending that cost recovery not be pursued for these two sites because the property owners are not responsible for the disposal of the tires on their property.

Staff recommends the adoption of Resolution 2005-118 to approve the award of $693,936.22 to the applicants of the local government waste tire cleanup grant program for fiscal year 2004-2005.

This concludes my presentation.

COMMITTEE MEMBER MULE: I just have one question. The application that was submitted or that was received late was, in fact, postmarked by the due date?

MS. NORDSTROM: Yes.

COMMITTEE MEMBER MULE: And this goes back to what Chair Marin has suggested last week is that when we look at all of our grant applications, we have some sort of consistent receipt policy in place. And I know that you're working on that, Julie, so thank you. Thank you.

COMMITTEE CHAIR PEACE: And I'm happy to hear

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1 that we're putting San Diego's request grant into the
2 reallocation item, I feel very strongly about that.
3 Also, I have a question about the Plumas County
4 property where it says that the property owner, she did
5 sign a thing saying that the tires were there before she
6 purchased the property. But when did she purchase the
7 property?
8 MS. NORDSTROM: May of 2003.
9 COMMITTEE CHAIR PEACE: And yet she knew the
10 tires were there when she purchased the property?
11 MS. NORDSTROM: Yeah, she had not seen the
12 property, though, prior to purchasing it. She went
13 through a real estate agent, and she was --
14 COMMITTEE CHAIR PEACE: But she knew the tires
15 were there and she knew that they would have to be
16 cleaned up because you can't have that many tires on
17 your property?
18 MS. NORDSTROM: Correct, but she was under the
19 understanding that it would be removed by the county.
20 COMMITTEE CHAIR PEACE: And how do we know she
21 didn't get some sort of big discount on this property
22 because the tires were there?
23 MS. NORDSTROM: It's my understanding that she
24 didn't. She figured that the tires were going to be
25 removed, and there's no indication that she got a

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1 discount on the purchase price of the property.
2 COMMITTEE CHAIR PEACE: I guess I don't feel
3 too sorry for someone who bought property, who lives out
4 of state and bought property knowing that there were
5 tires on that property, knowing that they had to be
6 cleaned up. I guess I don't feel too sorry for this
7 person. I kind of feel like she should clean 'em up
8 herself.
9 MS. NORDSTROM: Yeah, this particular issue
10 isn't addressed in the cost recovery policy, and we want
11 to bring it forward when we bring the criteria to the
12 Board this next fiscal year.
13 COMMITTEE CHAIR PEACE: And we'll take a look
14 at that about when property is purchased, and if they
15 know there's a problem on the property when they
16 purchase the property, then I think we really need to
17 look at that.
18 Okay. Any other questions?
19 COMMITTEE MEMBER MARIN: One. I was going
20 through the list of all of the cities. And I know that
21 for some of them you have actually reduced the amount
22 from the requested amount. In, I don't know why, what
23 was the criteria for doing that? Can you just explain
24 that to me?
25 MS. NORDSTROM: We review the budget and we try

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1 to keep it as cost efficient as possible. And some of
2 the applicants charged too much staff time to remove
3 tires. For instance, a thousand tires should not take
4 3,000 staff hours to remove tires, and that's what
5 they've charged us, so we reduced it to the amount we
6 thought was acceptable.
7 COMMITTEE MEMBER MARIN: But there's also a
8 huge discrepancy on the per tire disposal, even within
9 the ones that we have granted.
10 MS. NORDSTROM: Yeah, it depends on the amount
11 of tires because it's more cost effective if there's
12 larger tires in one area. If they have to go to several
13 areas and they're spread out, it's more staff time, it's
14 more hauling distance. Also, if they're removed from a
15 river or something like that, the labor is more
16 intensive.
17 COMMITTEE MEMBER MARIN: Right. Okay. I'm not
18 going to second guess you, I just, what I'm wondering
19 for the next time, whether we should really be
20 considering a minimum, not a minimum rather, but a
21 maximum per tire.
22 So your criteria, you know, taking into
23 consideration that, where there's one location versus
24 ten locations, where there's a whole river versus one
25 particular site where they're all dumped, that at least

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there is a cost per tire that would be the maximum. I think that we might, and I don't know whether you do that here or not.

MS. NORDSTROM: We do in reviewing of the budget, but we should probably have it a set amount.

COMMITTEE MEMBER MARIN: So maybe for the next cycle -- and I don't know how to best do that, Mark.

COMMITTEE CHAIR PEACE: I guess it's something that we can take a look at. But you do have to remember that if there are tires thrown way down in a canyon somewhere, that's going to cost a lot more money to pick them up than --

COMMITTEE MEMBER MARIN: No, I appreciate that. What I'm saying is taking that into consideration, that there is a maximum per tire that we're willing to pay plus, you know, those extra extenuating circumstances where it would be far more expensive. And I don't know, maybe I'm not making sense.

COMMITTEE CHAIR PEACE: Can they give us how many hours they think it's going to take, and they charge us like an, they put an hourly rate with that?

MS. NORDSTROM: Yes.

COMMITTEE CHAIR PEACE: Well maybe that's what we can look at. And I think we probably do to some extent look at the hourly rate that they charge.

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1 MR. FUJII: Let me chime in here, Bob Fujii,
2 Special Waste Division.
3 You know, even when we do Board managed
4 cleanup, there's variability across the board in terms
5 of the costs associated per tire for removal.
6 And maybe what we can do in the next go-round
7 of the criterion that we would have to bring back before
8 the Board, we can certainly address that.
9 I hear what you're saying, Chair Marin, is that
10 maybe we can start with some threshold costs, and then
11 maybe have some kind of a justification if it varies
12 beyond that, you know, that threshold cost.
13 Let us look into that. I hate to be too
14 specific right now about what that might be.
15 COMMITTEE MEMBER MARIN: Right. No. And I
16 don't intend that. You see, I'm always looking for
17 cheaper, faster, better way.
18 MR. FUJII: Sure.
19 COMMITTEE MEMBER MARIN: And not just for the
20 state, but I'm just thinking that the more money that we
21 have available, the more jurisdictions, the more we're
22 going to be able to clean versus one.
23 And it's very enlightening to see how you apply
24 your criterion, I'm just trying to tweak it to make it
25 even better.

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1 MR. FUJII: Right. And Diane is basically
2 trying to be good stewards of the money and not, you
3 know, excessively spend what she doesn't have to.
4 COMMITTEE MEMBER MARIN: Okay. Thank you so
5 much.
6 COMMITTEE CHAIR PEACE: Do I hear a motion?
7 COMMITTEE MEMBER MARIN: With that you have my
8 motion for Resolution 2005-118.
9 COMMITTEE MEMBER MULE: Second.
10 COMMITTEE CHAIR PEACE: Okay. We have a motion
11 by Chair Marin, a second by member Mule.
12 We can, with no objection we'll substitute the
13 previous roll. And we'll also put that as a fiscal
14 item, also move that to the full Board with full
15 Committee support.
16 MR. LEE: Thank you, Madam Chair.
17 Board item seven, committee item D.
18 COMMITTEE CHAIR PEACE: Excuse me, we had a
19 speaker slip, I didn't realize he wanted to speak on
20 that last item. So Barry Takallou.
21 MR. TAKALLOU: Madam Chair, members of the
22 Board, good morning, I'm Barry Takallou from CRM
23 Company.
24 Just one quick comment, it's nothing to do with
25 the item, but some of the cities when they take this

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1 grant and they go to this cleanup, they don't use higher
2 end use of these tires, do not automatically, because
3 these tires been in these abandoned places, goes
4 directly, say make assumption it should go to landfill.
5 I think they should demonstrate they tried to
6 contact the local recycling centers and the tires did
7 not, was useful for recycling, and then, you know, as a
8 last option they have to take it to the landfill.
9 I've seen situations which the cities assume if
10 the tire is old it cannot be used in recycling. With
11 the new technologies, the recycling centers they have
12 now, having a tire, you know, old tire doesn't matter,
13 we can recycle it.
14 But I'd like the burden to be on the city to
15 justify, just rather than automatically make assumptions
16 send it to landfill, make that justification.
17 COMMITTEE CHAIR PEACE: Well I think we already
18 have something in our contracts, don't we, that says
19 that they will try to recycle the tires that they pick
20 up in these cleanups, to recycle them to the fullest
21 extent possible?
22 MR. LEE: Let me ask Bob Fujii or Diane to step
23 back up to the microphone on that.
24 MS. NORDSTROM: We do recommend that they do
25 recycling. Several of them do like use Golden

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By-Products as an end use. However, we're kind of stuck between a rock and a hard spot because recycling isn't necessarily the most cost effective.

So if we need to keep the cost down, they do try to do recycling, but it does drive the cost up. So depending on what the end use is and how far they need to take it to the center. And so it's on a case by case basis on what the most cost effective means of disposing of the tires. But they do, most of them do recycle 'em or reuse 'em.

MR. FUJII: And another point -- this is Bob Fujii, Special Waste Division again -- is that a lot of times, depending on the condition of the tires when they're cleaned up, that some lend themselves very well to end use type applications, and some do not. I mean if they're full of dirt and other debris, then the processors are not really that enthusiastic about receiving that kind of, those kinds of tires, they would prefer to have them relatively clean to process them i their various machinery to get them to the point where they can be end used for their product. So just another point.

COMMITTEE MEMBER MULE: Thank you, Madam Chair.

I would recommend also that the tire recyclers, once they know who the contractors are, the cities who

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1 received the grant funding, you might want to contact
2 them and find out if there is an opportunity for you to
3 recycle those tires.
4 COMMITTEE CHAIR PEACE: That's a good
5 suggestion.
6 COMMITTEE MEMBER MARIN: I guess the phone
7 rings both ways, huh? I think in addition to that, I am
8 sure that in our contract we specify that, you know,
9 that there are better uses and we should try to get the
10 higher and better use, whatever, of the tire.
11 I'm wondering whether, and I know even when we
12 do our own cleanup sometimes we have to send them to the
13 landfill. And I cringe when I find that out because we
14 even do it ourselves, and when we shouldn't. But I know
15 the cost becomes an issue.
16 And maybe that's also part of the criteria that
17 we need to undertake, because we need to lead by
18 example. And we need to, if we're going to send this
19 money out there and the jurisdictions know that there's
20 an expectation that they need to recycle as much as
21 possible within a reasonable cost, then that, we will
22 see that better use. And whether it's recycling or
23 cement kiln or whatever, but that they don't go to the
24 landfill. I mean we want them to be cleaned up, but we
25 don't want them in the landfill.

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1 And so, and I don't know whether that is fully
2 specified or as clearly. And then at the end of the
3 day, I know that they give us the results of their
4 cleanup, right? Once they clean it up, they tell us?
5 MS. NORDSTROM: Yes. Yeah, we have a final
6 report that tells us.
7 COMMITTEE MEMBER MARIN: They tell us how many
8 tires went to be recycled?
9 MS. NORDSTROM: Yes.
10 COMMITTEE MEMBER MARIN: We do. So we already
11 know. There's something that they fill out that they
12 clean up 10,000 tires, and of those 10,000, 2,000 were
13 recycled.
14 MS. NORDSTROM: Part of the final report is
15 they have to say how many tires they cleaned up and
16 what, where they took 'em, and the cost, and --
17 COMMITTEE MEMBER MARIN: Okay. All right.
18 Well maybe we just need to make it clear that what we
19 really want is for as many tires as possible to be
20 recycled. Okay. Thank you.
21 COMMITTEE CHAIR PEACE: Okay.
22 MR. TAKALLOU: If I could, I have a followup
23 comment.
24 COMMITTEE MEMBER MARIN: And also that they
25 call Barry.

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1 MR. TAKALLOU: Just one of the past
2 experiences, we participated with Ventura County, one of
3 the oldest cleanup, one of the tires been there and in
4 this canyon or whatever, it was this junk, junkyard.
5 And we managed to recycle every one of 'em.
6 So we have past experiences, we can do it, it's
7 been done. And what we've done as a partnership with
8 Ventura County, Ventura County they estimated wrong,
9 they had more tires than we found. At the end we
10 partnered with Ventura County and we donated, we
11 recycled for free the leftover of the tires in that
12 site.
13 COMMITTEE MEMBER MULE: Great, sounds like you
14 have a lot of opportunity there, really that is.
15 MR. TAKALLOU: That, I think, you're right,
16 madam. It's a two-way street, the recyclers and the
17 generators of the cities.
18 When Ventura County, they told us, hey, they
19 don't, they had this much money and they mis-estimated,
20 and we said okay, that's part of our community service,
21 we do it for free. And half these cities don't hesitate
22 to ask from recyclers to participate.
23 Thanks.
24 COMMITTEE MEMBER MARIN: Thank you.
25 COMMITTEE CHAIR PEACE: Maybe you can send a

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1 letter to that effect to Jenny Orpeza, because the
2 analysis of the bill on AB 338 says in the analysis of
3 the bill that you can't use recycled, you can't use old
4 tires for recycling.
5 MR. TAKALLOU: As a matter of fact, there was a
6 presentation of in, I attended a conference in
7 Louisville, Kentucky, there was a presentation from
8 Canadian site, Gray County in Canada. They went in and
9 dug it out, tires under the ground. They cleaned 'em,
10 they recycled 'em, they used it in rubberized asphalt.
11 This is an actual project and presentation by a county
12 in Canada when they recovered the tires from under the
13 ground.
14 It can be done. We've done it. And yeah, it's
15 easy way out to go and shred 'em, put 'em in landfill,
16 but give us a challenge. And I'm glad, I'm going to
17 start calling these cities.
18 COMMITTEE MEMBER MULE: That's what I'd do.
19 MR. TAKALLOU: But sometimes by the time they
20 get to the contract and they get the money get awarded,
21 the communication gap develops. I call now, by the time
22 they get the money and get ready to do it, usually
23 they're looking at about six to nine months gap, you
24 know, and we may not connect each other.
25 So if, I'm just saying as an insurance policy

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if the Board can, you know, make sure we know that's available to us, we like to participate.

And we would recycle every tires. And I'll be more than happy to show it to you. In the case of Ventura County they sent actually inspector, they stand and watch every tire going on in the process.

Thank you very much.

COMMITTEE CHAIR PEACE: Thank you, Barry. Okay, next item.

MR. LEE: Clarification, Madam Chair, was that item on, recommended for consent, fiscal consetn?

COMMITTEE CHAIR PEACE: Yes, fiscal item so we'll move it to the full Board.

MR. LEE: Thank you, Madam Chair. Board item seven, committee item D, consideration of the grant awards for the tire product commercialization grant program for fiscal year 2004-05.

New to this year's grant process was a Board requirement that all passing grant project sites be visited by staff prior to recommending grant awards to the Board, to verify information contained in the application.

As a result, or at least a followup to that investigation, staff will be recommending a change in the B list of recommended applicants reflecting our

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1 findings which we will share with you this morning.
2 With that overview, I will ask Linda Dickinson
3 to make the remainder of the staff presentation and to
4 present staff's recommendations for modifications to the
5 B list of the recommended applicants.
6 MS. DICKINSON: Good morning, Madam Chair and
7 Board members.
8 The tire product commercialization grant
9 program for products manufactured from California. It
10 helps develop markets, sorry, for products manufactured
11 from California, waste tires -- from waste tires. It
12 diverts waste tires from landfills disposal, and it
13 helps prevent illegal dumping.
14 This grant program requires diversion of a
15 minimum of 200 PTEs for each project. And each grant
16 has a maximum grant amount of $250,000 with a 50 percent
17 match requirement.
18 Each grant applicant did request the maximum
19 $250,000. The Board received fourteen grant
20 applications requesting, each passing grant requested
21 the 250,000. But the total requested amount was
22 $3,491,146 in funding.
23 Nine applicants received a passing score A
24 $2,250,000.
25 Five applicants did not receive a passing

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score.

During the, new during this cycle, as Jim mentioned, the Board required that all passing grant project sites be visited by staff during the, prior to the recommended grant awards to the Board.

During each site visit staff verified information contained in the application. And all applicants from the nine passing applications were helpful and were very eager to show their location and explain their project to the staff.

Of the nine applicants achieving a passing score, six applicants are recommended for full funding, and one is recommended for partial funding. Thus, based on descending order of score, we determined that six applicants could be recommended for full funding in the amount of $1,600,000. One is partially funded for the 100,000.

Yesterday one of the applicants on the reallocation list, United Sports Surfacing of America, withdrew their application. Therefore, if funds become available through the reallocation of fiscal year monies, 2004-2005, staff proposes that the Board fully fund the one partially funded grant application for 150,000, and one remaining passing applicant, and approve the ranking of the remaining for 400,000.

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1 Our recommendation is to approve the proposed
2 awards and direct staff to enter into grant agreements
3 with the revised resolution of fiscal year 2004-2005
4 with Resolution number 2005-119.
5 And we'll provide that revised number after the
6 Special Waste Committee meeting.
7 COMMITTEE CHAIR PEACE: So it's revised to
8 reflect the withdrawn application?
9 MS. DICKINSON: Yes, we'll cross out the USSA
10 on the B list.
11 COMMITTEE CHAIR PEACE: Any questions or
12 comments?
13 COMMITTEE MEMBER MARIN: More of the, I think I
14 visited a number of the applicants on list A, I don't
15 know that I have on list B, but these applicants, we
16 have given them money before, correct?
17 MS. DICKINSON: Many of them, yes.
18 COMMITTEE MEMBER MARIN: Which one is the one
19 that is a first one? Do you know? Or better yet --
20 MS. DICKINSON: Which one have we not given
21 any? I guess Turboscape is on list B, so we've not
22 given them. We haven't given money to U.S. Rubber in
23 quite a while.
24 COMMITTEE MEMBER MARIN: So we've actually
25 given money to all of them before?

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1 MS. DICKINSON: Yes.
2 COMMITTEE MEMBER MARIN: And we're very happy
3 with what they've done with our monies that --
4 MS. DICKINSON: BAS hasn't received money in
5 quite a while, a while. BAS hasn't received money in
6 several years.
7 COMMITTEE MEMBER MARIN: I believe I visited
8 them as well. Because when we visited them they were
9 very grateful, and I know that they've used our money
10 very, very well. And oftentimes we hear from them that
11 it's not enough money, that they want more money, and I
12 think they're doing a very good job.
13 What I'm wondering is, and it's very difficult
14 because it's a catch-22, we want to create new,
15 oftentimes some of the things that I've heard from some
16 of these people is, well there used to be so many people
17 and now there's only two, and now there's only three,
18 there used to be seven, but now there's only three and
19 so forth.
20 MS. DICKINSON: Right.
21 COMMITTEE MEMBER MARIN: And we want to protect
22 the companies that are here, but we also want to foster
23 the creation of new companies.
24 MS. DICKINSON: Right. Correct. Well I
25 believe that we've made allowances for that in the new

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five year plan with the new business assistance program that will be heard later this day.

COMMITTEE MEMBER MARIN: And these are not subsidies, right?

MS. DICKINSON: Most of these are for equipment.

COMMITTEE MEMBER MARIN: Good. Okay. This is not a subsidy Board, I just want to make sure that everybody understands that. Okay. Rosalie knows why we're saying this.

COMMITTEE MEMBER MULE: Yeah, I recall that visit.

COMMITTEE MEMBER MARIN: Okay.

MS. DICKINSON: But the BAS one, they got five points for not having a grant in the last three years.

COMMITTEE MEMBER MARIN: Okay. Well, we want to help. You know, we want to help them be successful, that's what we want to do, and this helps them. And the more successful they are, the more tires they recycle, the better and faster we're able to meet our mandate. So I understand that.

With that, do you need a motion or are you -- oh, I'm sorry.

COMMITTEE MEMBER MULE: Actually I just have a quick comment. I just want to commend those companies

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that we are funding on some of the innovative projects that they're working on. I was reading through these, we've got, is it Turboscape that's doing the weed control mats in Riverside County?

MS. DICKINSON: They're here, Turboscape is here.

COMMITTEE MEMBER MULE: Yeah, okay. And I'm just going to mention a few quickly. The civil engineering application at the landfill for the leach field. The additional traffic control products that 3-D Plastics is doing.

Again, I think this is exactly what we want to do is we want to have companies expand markets so that we can use more tires and divert them from the landfill.

So I was really pleased to see with some of the innovation that's happening out there, it is coming about. So I'm excited to see that we have some civil engineering applications as well as some products for traffic control and weed abatement.

Thank you.

COMMITTEE CHAIR PEACE: Do I have, do I hear a motion?

COMMITTEE MEMBER MULE: I will move Resolution 2005-119 Revised.

COMMITTEE MEMBER MARIN: Second.

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COMMITTEE CHAIR PEACE: Okay. We have a motion by member Mule, and a second by Chair Marin. And we'll substitute, without objection we'll substitute the previous roll. And that's also a fiscal item, we'll move that to the full Board and put that on fiscal consent.

MR. LEE: Thank you, Madam Chair.

COMMITTEE CHAIR PEACE: Okay.

MR. LEE: Board item eight, committee item E, it's consideration of approval and scope of work for the evaluation of green building products made from California waste tires, tire recycling management fund, fiscal year 2004-05.

Calvin Young will make the staff presentation.

MR. YOUNG: Good morning, Madam Chair and Board members. My name is Calvin Young with the Waste Tire Diversion Section.

This item for consideration of approval of scope of work and agreement for the evaluation of green building products made from California waste tires.

This $325,000 project with the California Conservation Corps will provide a showcase of various green building products that state agencies and local governments could use as part of environmentally preferable purchasing program.

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1 Staff from the Waste Tire Diversion and
2 Sustainable Building Sections will be working with the
3 California Conservation Corps to identify products that
4 may have broad appeal to other state agencies for future
5 purchase.
6 Staff will also be mindful of any pending
7 indoor air quality studies, and we'll take that into
8 consideration.
9 Products that may be considered may include
10 rubber sidewalks, tree wells, mulch, weed abatement
11 mats, truck bedliners, car stops, various other mats,
12 recreational surfacing, and other items.
13 The Conservation Corps will evaluate the
14 products for performance and fitness of purpose,
15 evaluation of fitness and purpose, and provide written
16 testimonials regarding the effectiveness of the
17 products.
18 Staff believes that the combination of the
19 recommended products and the testimonials should help
20 other state agencies and local governments to recognize
21 the benefits of these tire derived products, and lead to
22 future purchases.
23 The project will be funded with current year
24 monies, fiscal year 2004-05, contained in the state
25 agency purchases and development line item in the

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1 current five year plan.
2 This concludes my presentation. We also have
3 available the director of California Conservation Corps
4 Will Semmes, who would like to speak on the item as
5 well.
6 Are there any questions?
7 COMMITTEE MEMBER MARIN: I do. And, you know,
8 I have to apologize to Jim because I forgot to mention
9 this question.
10 The Conservation Corps does an incredible job,
11 and I think very, very highly of the work that they have
12 done and they continue to do. I don't know how we chose
13 the California Conservation Corps for this particular
14 effort.
15 I understand the new director and his
16 leadership in creating all of these opportunities, I
17 understand that, and I don't know whether we became
18 aware and we said, oh, let's hang onto this one, or we
19 checked out other agencies that could do something
20 similar and then we zero in on this one, I don't know,
21 how, what was the process? How did we select the
22 California Conservation Corps?
23 MR. YOUNG: Good question, thank you. And
24 actually let me apologize for, perhaps, choice of words.
25 It is, we have in our five year plan a line

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1 item that is used for state agencies to purchase tire
2 derived products. In the past that's been a case of
3 it's gone to Parks and it's gone to Caltrans, and it's
4 largely been a case of purchase, use, and thank you very
5 much.
6 What we're trying to accomplish this time is
7 it's not intended to be a scientific or a analytical
8 evaluation of these products, it's a real life thing.
9 It's intended to be putting the stuff down, how does it
10 work in a residential camp for Conservation Corps
11 members. Put it in a parking lot, how well did it work
12 to stop the cars, and how well does it hold up? Those
13 kind of real world applications the state agencies and
14 local governments are really concerned with.
15 So not being so much on the analytical
16 evaluation portion, but identifying those products that
17 would have broad appeal, that would appeal to other
18 state agencies as well as Conservation Corps, of course,
19 primarily.
20 And using them, instead of just purchase the
21 products and thank you very much, using them as kind of
22 a showcase, kind of a local place where state agencies
23 can go and take a look at it, and to use them as,
24 assuming the products perform as we expect,
25 testimonials.

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1 That's one of the things that have been sorely
2 missed in a lot of the things that we've done in the
3 past is making that nexus between, okay, fine, you
4 bought the products, we gave you the money, go be a
5 cheerleader, you know, go tell, you know, spread the
6 gospel, you know, spread the word that this stuff works
7 and it's good, and get the word out there. And that's
8 what this is really intended to do.
9 COMMITTEE MEMBER MARIN: And how did we choose
10 'em?
11 MR. YOUNG: Actually it was kind of a, you
12 know, falling from the stars type thing. We were, I was
13 meeting with staff from the green building program, and
14 they, and we were talking about various products and our
15 collaborating together on some things, and they had
16 mentioned a staff person that used to be with the Waste
17 Board that's now over at the Conservation Corps and
18 heading up a lot of their sustainable building
19 practices. So that kind of led to the conversation.
20 And a lot of the things they're doing at the
21 Conservation Corps, and I think the director will speak
22 to that, are very much in concert with what we're
23 looking to be doing here.
24 So it just, it made a natural marriage between
25 the two goals of the two entities, and that way.

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1 COMMITTEE MEMBER MARIN: Okay. Thank you,
2 Calvin. One more thing is I was reading the -- oh,
3 sorry -- on the -- my God -- okay, here.
4 I know that we're going through the strategic
5 plan, we're working this from the 2001 strategic plan,
6 at least that's what's on the report.
7 The question that I have, since we're going
8 from the 2001 strategic plan, the measurement of this
9 particular grant is not as clear for me as even the real
10 terms of testimonials. To me I'd much rather have
11 something far more concrete.
12 Okay, we're going to give them $325,000. As a
13 result of that, you see the problem that we have here
14 with the objectives is promote, assist, and encourage.
15 You cannot really measure any one of those in real
16 terms. So I was really looking for, at the end of the
17 day when we spent $325,000, what is it that we're going
18 to get?
19 MR. DELMAGE: Mitch Delmage with the Waste Tire
20 Program. Let me see if I can address that for you.
21 We already have in the Board a method to
22 determine what other state agencies are purchasing as
23 far as recycled content products. We can't draw a
24 direct line between this particular item and, you know,
25 the actual benefits. Many of the things that we'll be

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1 doing will be going farther down the road and measuring
2 is there an overall impact from these ten different
3 things that we're doing as a Board? But still it's
4 going to be very difficult to measure each one
5 individually. But more so as they work as a whole.
6 COMMITTEE MEMBER MARIN: I understand.
7 MR. DELMAGE: Furthermore, on many, on all of
8 these types of projects, we're going one step farther
9 and not only are we asking for testimonials and
10 follow-up on how things hold up, but for five years
11 after the grant we're, we will be getting reports from
12 these other state agencies telling us is it still
13 holding up? Have you bought more of the same? And
14 we'll be able to get much more information than we have
15 in the past.
16 COMMITTEE MEMBER MARIN: Okay.
17 COMMITTEE CHAIR PEACE: I was so happy to see
18 that in here. We should be requiring that in all of our
19 contracts wherever it's appropriate.
20 MR. DELMAGE: And we will be.
21 COMMITTEE MEMBER MARIN: So, okay. So how do I
22 put it? Can you, from now until the Board meeting, can
23 you come up with something that is far more measurable
24 than that? Can you restate that?
25 MR. LEE: We'll take another look at this one,

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1 madam.

2 COMMITTEE CHAIR PEACE: Would you look to hear

3 from Will Semmes from the California Conservation Corps?

4 Maybe he can answer the questions because he'd like to

5 speak.

6 COMMITTEE MEMBER MARIN: Thank you, Calvin.

7 MR. YOUNG: Thank you.

8 MR. SEMMES: Madam Chair, members of the Board,

9 thank you. My name is Will Semmes, the director of the

10 California Conservation Corps.

11 COMMITTEE MEMBER MARIN: I'm so glad you're

12 here.

13 MR. SEMMES: I'm very excited to be here.

14 COMMITTEE MEMBER MARIN: Thank you for being

15 here.

16 MR. SEMMES: Thank you very much. No, this is

17 an honor, and this is something that fits very well in

18 my vision for the --

19 COMMITTEE MEMBER MARIN: So I said great things

20 and I didn't even know you were here.

21 MR. SEMMES: I'm very thankful, I should bring

22 you to some other extended budget hearings if you don't

23 mind. Thank you.

24 Just in response to your question. There are a

25 number of different things that we're very specifically

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1 eager to get. For one, ADA compliance ramps at all of
2 our centers. We have twenty-four centers under the
3 state. Just under ten percent of our Corps members have
4 some sort of disability. About a third have learning
5 disabilities, and then under ten percent have some other
6 disability, whether it's a physical one or mental one or
7 what have you. And so having ADA compliance ramps that
8 are really good at all of our centers is something that
9 just makes sense for us.
10 Bedliners. We have over 500 vehicles in the
11 CCC. Many of them are sort of trucking Corps members
12 around for hours at a time, they're in uncomfortable
13 trucks, that if we had bedliners and some other sort of
14 products like that, it would make probably our workers'
15 comp costs go down a little bit, which we would very
16 much like. And it would also save wear and tear on the
17 vehicles which saves us money in the long run when we
18 want to go sell these vehicles.
19 We also are eager to put in resilient flooring.
20 Particularly where we have tools, we have a lot of these
21 heavy rock drills called punctuars which, when you put
22 them down on a cement floor, cracks the cement floor or
23 at least chips it. If we could have resilient flooring
24 in all of our tool sheds, we'd certainly save a lot of
25 wear and tear on our buildings.

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1 So there's a lot of cost savings that we
2 foresee from this equipment, and then we also are very
3 much eager to have it for the different things that it
4 does for us.
5 And I think as well we can be champions for
6 it. When I was in the Marine Corps we tested products
7 all the time, whether it was a North Face tent or a
8 certain kind of radio, and we certainly put them through
9 their paces. And they always said, you know, if it's
10 Marine proof then you can sell it to anybody.
11 And so we want to make sure that these products
12 are Corps member proof, because if they're Corps member
13 proof then they'll do well in the private sector and do
14 well in marketing. So I think it's something that the
15 private sector will get a lot out of this as well.
16 COMMITTEE MEMBER MARIN: Good. I really
17 appreciate you being here. And one of the things, you
18 know, for me it's all about measuring how successful we
19 are. If we can mathematically compute, you know, by
20 spending this money we were able to get X, Y, and Z.
21 MR. SEMMES: We'd love to do that.
22 COMMITTEE MEMBER MARIN: Then I think that it
23 speaks more to the mission of, the core mission of what,
24 of why we exist.
25 MR. SEMMES: Absolutely, and we'd like to

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1 support that. And we have the staff on board to do it.
2 We have certainly enough accountants to make sure that
3 it happens properly.
4 COMMITTEE MEMBER MARIN: Great.
5 MR. SEMMES: And we would very much like to
6 work with the Board to make sure that we have the
7 metrics that are appropriate for your use and match what
8 your vision and goals are, and then we'll support you
9 with the right data in the right format so that you
10 don't have to go through a whole somersault just to get
11 some information from us.
12 COMMITTEE MEMBER MARIN: Great.
13 MR. SEMMES: So we'd very much like to do that.
14 COMMITTEE MEMBER MARIN: Great.
15 MR. SEMMES: And it's great training for us as
16 well in the field too.
17 COMMITTEE MEMBER MARIN: So will you please
18 then just revise the item? I have no problems with it.
19 And I said, I said great things about you personally and
20 about the Corps without even knowing you were here.
21 MR. SEMMES: Thank you very much.
22 COMMITTEE MEMBER MARIN: But for the Board
23 meeting, just put some metrics in there?
24 MR. LEE: We'll work on this, especially with
25 commitment from the CCC, and we'll work up some more

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1 visions and look at this performance metric issue.
2 COMMITTEE MEMBER MARIN: Thank you.
3 COMMITTEE CHAIR PEACE: So we'll be able to do
4 that by the Board meeting?
5 MR. LEE: We will certainly endeavor to do so,
6 Madam Chair.
7 COMMITTEE MEMBER MARIN: Thank you. And thank
8 you so very much for being here.
9 MR. SEMMES: Thank you. Well this is great. I
10 mean we're really trying to push this organization into
11 the 21st century, and make sure when we're doing our
12 capital outlay we have about $40 million to spend over
13 the next few years on capital outlay, that we do it in a
14 green manner, that we have our Corps members, about
15 4,000 per year coming through the CCC, we have the
16 opportunity to teach them that they can actually have an
17 impact on their environment and their waste, and that
18 diverting products from landfills is something that
19 makes a great deal of sense for the California
20 Conservation Corps.
21 COMMITTEE MEMBER MARIN: Well I tell you, my
22 experience with the Corps has been really, really great.
23 And when I was the mayor of a city, we had a contract
24 with you guys for, actually for a number of years. And
25 the environment is something that you guys protect and

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1 help the cities protect, so --

2 Mr. SEMMES: Thank you. The contract's still

3 going, so thank you very much.

4 COMMITTEE MEMBER MARIN: Thank you.

5 MR. SEMMES: Any other questions from the Board

6 at all?

7 COMMITTEE MEMBER MULE: I just want to thank

8 you for your vision and your leadership on this effort,

9 because I think that as another, as a sister agency of

10 the state, I just think it's important that we all work

11 together in accomplishing our mission which is to divert

12 as much material as we can from the landfill.

13 MR. SEMMES: Absolutely.

14 COMMITTEE MEMBER MULE: And teach our young

15 people the value of that. So thank you very much.

16 MR. SEMMES: Thank you. Well we've brought in

17 the good people. I just wanted to introduce Panama

18 Bartholomey sitting right there. He was the person at

19 the State Architects who Calvin kindly mentioned who was

20 working on the green building for schools. and I

21 recruited Panama to come over and help us green the

22 Corps. So we've got some good people, and Calvin has

23 been a super help to us.

24 COMMITTEE MEMBER MARIN: You know, I just have

25 one more quick question. It says here that the

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1 California Concentration Corps -- I'm sorry,
2 concentration? Conservation Corps, conservation,
3 conservation.
4 MR. SEMMES: Some of our people talk quite a
5 bit so it could be a conversation corps.
6 COMMITTEE MEMBER MARIN: It's a concentration
7 camp. Oh, Lord. This is our contractor? Is it, we're
8 actually giving this to the California Conservation
9 Corps, right?
10 MR. YOUNG: Yes.
11 COMMITTEE MEMBER MARIN: Yes. Then let's just
12 remove that from the item in the scope of work. In the
13 very first sentence.
14 COMMITTEE CHAIR PEACE: Where it says
15 California Conservation Corps or contractor?
16 MR. YOUNG: Sure, we'd like to just strike that
17 contractor and use CCC throughout.
18 COMMITTEE MEMBER MARIN: Okay, thank you.
19 MR. LEE: We'll make that change.
20 COMMITTEE CHAIR PEACE: Thank you very much,
21 Mr. Semmes.
22 MR. SEMMES: Thank you.
23 COMMITTEE MEMBER MULE: Madam Chair, with that
24 I'd like to move resolution 2005-120.
25 COMMITTEE MEMBER MARIN: Second.

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1 COMMITTEE CHAIR PEACE: Okay. We have a motion
2 by member Mule and a second by Chair Marin. Do you want
3 to take the roll, Selma?
4 COMMITTEE SECRETARY LINDRUD: Marin?
5 COMMITTEE MEMBER MARIN: Aye.
6 COMMITTEE SECRETARY LINDRUD: Mule?
7 COMMITTEE MEMBER MULE: Aye.
8 COMMITTEE SECRETARY LINDRUD: Peace?
9 COMMITTEE CHAIR PEACE: Aye.
10 So this is a fiscal item, so you'll still
11 present it at the full Board with the changes that we've
12 suggested.
13 MR. LEE: Yes, Madam Chair.
14 COMMITTEE CHAIR PEACE: Okay. Thank you.
15 MR. LEE: Madam Chair, before we move onto the
16 next item there is a, we had a request from Mr. Gail
17 Filter, Deputy Executive Director of the CDAA, wanted to
18 speak about the five year plan, one of the line items we
19 had on there if the committee wishes to accommodate him.
20 COMMITTEE CHAIR PEACE: Yes, Mr. Filter.
21 MS. BRECKON: This is Wendy Breckon, staff
22 counsel with the Board. I just wanted to introduce Gail
23 Filter. I wanted to thank him very much for coming
24 today.
25 This is in response to the March 3rd five year

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1 plan workshop where a number of questions were asked
2 about the CDAA grant, and I promised to get back to you.
3 And I just wanted to say a couple of things
4 that were asked, one was that the, you guys wanted to
5 know the term of the grants, the amount awarded, the
6 number of cases, and the jurisdictions.
7 So on June 18th, 2002, $325,000 was awarded to
8 CDAA in a pilot project, and this was part of
9 reallocation monies. The CDAA concept hadn't been
10 specifically defined in the five year plan. And that
11 term of the grant lasted until 2004, May, 2004. And
12 then they actually incurred 110,000 approximately in
13 costs, so 214,000 was returned to the fund.
14 As a result of that, the following grant, again
15 using reallocation monies, was awarded for $100,000 in
16 May of 2004, and the term of that grant will expire in
17 April of 2006. So far around 17,000 has been incurred
18 to date.
19 I just wanted to say a couple of things that,
20 Gail will be speaking more specifically to task forces
21 and training. This just isn't about doing cases, they
22 do a number of trainings. In fact, I'm going to be
23 going with Jane Crew who is the CERCA prosecutor who I
24 mainly work with in waste tires down to this symposium
25 in May, which is a Cal EPA sponsored event, and we're

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1 going to be doing a presentation, a joint presentation
2 on solid waste and waste tires.
3 But specific cases that you -- in your handouts
4 I passed out to the Board and in the back of the room,
5 there's a status, a status report that Jane Crew put
6 together talking about the different cases and
7 trainings, etcetera.
8 But a couple of things that weren't mentioned
9 there as far as cases. One, she's assisted us with,
10 beside doing cases on her own, with referring cases to
11 other D.A.'s where they're not using the CDAA project.
12 For example, inFresno County we had a case called
13 Central Valley where she helped us prepare the referral
14 package, it was taken to the D.A., and then we ended up
15 doing a global settlement agreement with the D.A. in
16 Fresno County. So we basically, we split penalties, and
17 the place was eventually cleaned up. And this had been
18 a hauler who had been a problem for a number of years.
19 Also the Nicola case which is talked about in
20 your status, had been a problem case for us for many
21 years. We didn't have the ability to do surveillance
22 that CDAA did with a number of other state and local
23 entities, and actually caught this hauler who had been
24 dumping on forest lands as well as other state
25 property. And as a result there was a conviction.

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1 Also, they're going to be filing another case
2 in the north which has been another problem case for
3 years involving hazardous waste, as well as they filed a
4 case, an American Hill case, I think in Humboldt, one of
5 those counties up there, where again there was hazardous
6 waste, and the respondent was held, or defendant was
7 held to answer on all the charges. That was a felony
8 case.
9 The border tire case is not mentioned also in
10 the status report. That case I ended up prosecuting two
11 administrative actions on. And we had first, Jane was
12 helping us to try to refer it to the D.A., but she,
13 although she worked very hard, the D.A. sort of didn't,
14 refused to file the case. They did hold a prehearing
15 conference, so they were part of the push to move this
16 case forward, but I did have to file an administrative
17 complaint because the D.A. in Imperial County wasn't
18 willing to file on that case.
19 So I'll let Gail take it from here. Those are
20 just a few comments.
21 MR. FILTER: Good morning, Madam Chair, Board
22 members. Again, my name is Gail Filter, I'm the Deputy
23 Director at the California District Attorneys
24 Association. Probably one of the few people that ever
25 come here that says, "I haven't used all of your money,"

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1 and have actually returned some of it. So take it from
2 there.
3 I can assure you, looking through what has been
4 expended, the Waste Management Board has gotten a lot of
5 bang for their buck. And as a matter of fact, I would
6 go a step further, you can think of it as a different
7 way.
8 I too was in the military, I was in military
9 intelligence. And another way of putting it is that
10 you're getting a lot of rumble for your ruble.
11 Wendy mentioned the Nicola case. And let me
12 just tell you what the conditions of the probation were
13 in that case.
14 Nicola pled no contest and was placed on three
15 years probation. But the conditions of his probation,
16 interestingly enough, was that he was ordered by the
17 court to do cleanup and reimburse the county's cost.
18 What was the exact dollar amount of that? I don't know.
19 But the bottom line is that if he doesn't do the
20 cleanup, the provision is that it's considered to be
21 another violation, he will be automatically fined
22 $10,000.
23 What I'm telling you is is that that is going
24 to be cleaned up because Mr. Nicola doesn't want to pay
25 another $10,000.

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1 And another two things regarding these reports
2 that I just gave you. One of the things that the
3 District Attorneys Association in the annual report
4 created just last year was what is called the Radar.
5 And what Radar is is it's a database that has repeat and
6 delivered active registrar.
7 What that means is that anybody throughout the
8 State of California that is cited for violations and
9 prosecuted, they go into that database. And now Mr.
10 Nicola is part of our database, so we know that if he
11 goes to any other part of the state, that he's got a
12 prior city behind him, and he will be dealt with
13 accordingly.
14 The one case that I would like to refer you to,
15 and Wendy didn't mention this nor is it mentioned in the
16 status report that has been submitted to you, is that in
17 2004 we had a case that was referred to us from Nevada
18 County, and it involves a man by the name of Peterson
19 who, for a period of sixteen years, his, the property
20 that he owned was the subject of numerous complaints and
21 investigations by the California Department of Motor
22 Vehicles, the California Department of Toxic Substances
23 Control, the California Integrated Waste Management
24 Board, the Nevada County Code Compliance Department, and
25 the Nevada County Environmental Health Department.

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1 The reason is is that we did a search warrant
2 on his property, and besides hazardous waste we also
3 found 3,000 waste tires which was there no permit for.
4 Jane Crew, our CERCA prosecutor, filed a felony
5 complaint against Mr. Peterson. And this year she took
6 it to preliminary hearing, and Mr. Peterson is looking
7 at felony counts which he will go to trial on.
8 Well, what is the impact of this, and how do
9 you, as Ms. Marin raised this question, what are we
10 getting for this? And what I would suggest to you is
11 that you're getting newspaper articles that send the
12 message in the rural counties of California that waste
13 tires will no longer be looked at as minor violations,
14 that they will be prosecuted. And I think that that is
15 a powerful, powerful message. Why is it $100,000 a
16 year? Because we never know exactly where the next case
17 is going to come from.
18 Sometimes we have, I guess it's all in the eye
19 of the beholder, we have a good year and we get a lot of
20 cases, and you may think that that's a bad year, but
21 from a prosecutorial standpoint we think it's a good
22 year, and we like to resolve those cases.
23 We're in the business to assist the Integrated
24 Waste Management Board and other environmental agencies
25 to have a better system of compliance. And in my

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1 experience, having done this for almost fifteen years,
2 is that when you prosecute someone, trust me, your
3 compliance is going to become much, much better.
4 And for that given that I think that we've used
5 $125,000 over the last couple of years, the result has
6 been remarkable.
7 So if you have any questions, I'm here to
8 answer them.
9 COMMITTEE MEMBER MARIN: How much are you
10 returning to us now?
11 MR. FILTER: I think it was $200,000, am I
12 correct?
13 MS. BRECKON: From the original grant that
14 expired in 2004, 214,000 was returned to the tire fund.
15 And this current grant agreement should last through
16 April, 2006, and there's 100,000 in that grant.
17 COMMITTEE MEMBER MARIN: Now, on this report a
18 lot of the, some of the items here have to do with
19 wastewater treatment and -- not wastewater, what is it?
20 -- wastewater and motor oil, well that would be part of
21 us.
22 MR. FILTER: I think in answer to that, I mean
23 if we find somebody violating the waste tire laws,
24 you're going to find them in violation of other
25 environmental laws as well. For example, the Peterson

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1 case, 3,000 used tires sitting on his property, I think
2 it was something like several hundred batteries, auto
3 batteries that were in a pile going into a creek, so
4 there's water violations.
5 So we're, we'll, you know, we're an equal
6 opportunity prosecutor, we'll prosecute 'em right across
7 the board for all of the environmental violations.
8 COMMITTEE MEMBER MARIN: But we don't know if
9 our other sister agencies are picking up the tab on this
10 or not?
11 MR. FILTER: Well the way it works with this is
12 that EPA provides us with a certain amount of grant
13 money, which is $300,000 a year.
14 We have eight prosecutors that serve 34 rural
15 counties in California. Last year we did over 200
16 environmental cases.
17 In 2003 the American Bar Association honored us
18 for the outstanding work that we do on the environmental
19 front. We were the only recipients, the only
20 organization to receive that award in 2003.
21 So it's a remarkable program. Other people in
22 the United States want to know how we do it on such a
23 small budget, sometimes I wonder the same thing myself,
24 but we do it, you know, we do it.
25 COMMITTEE MEMBER MARIN: So EPA is funding

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stuff on that, that's great.

MR. FILTER: That's the essence of it.

COMMITTEE MEMBER MARIN: Good. Thank you so very kindly. We really appreciate the work that you're doing, we really do. Thank you.

So, if we give him, what's in the tire plan, a hundred thousand dollars every year?

COMMITTEE CHAIR PEACE: Uh-huh.

COMMITTEE MEMBER MARIN: We expect $300,000 back.

MR. FILTER: We'll do our best. I notice that if you say you're giving money back you don't ask as many questions so I'll keep that in mind.

COMMITTEE MEMBER MARIN: Thank you so very kindly.

COMMITTEE CHAIR PEACE: Thank you for being here. I think this is a very important program. We can have all the laws and regulations, you know, we can pass 'em all we want, but they're not going to be effective if they're not followed up with enforcement and prosecution. So thank you for all of the work that you do.

Okay. I guess that moves us to item nine?

MR. LEE: Yes, Madam Chair, thank you.

Board item 9, Committee item F is consideration

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of approval of contractor and award of contract for the national product stewardship dialogue, tire recycling management funds, fiscal year 2004-05, 2005-06, and 2006-07.

This item has been revised to reflect information on the contractor recommended for award.

Calvin Young will make the staff presentation.

MR. YOUNG: Good morning again. This is Calvin Young with the Waste Tire Diversion Section.

This item again is consideration of approval of a contractor and award of contract for the national product stewardship dialogue.

The federal government and many states have independent and, to a large degree, uncoordinated efforts for the management of waste tires. The coordination of these efforts under national product stewardship dialogue will help provide a unified voice with far greater influence and leveraging of stakeholder resources. This effort will complement, not compete with, the existing U.S. EPA tire working group, as well as the efforts from the state of Minnesota working with the automobile industry.

In conversations with U.S. EPA staff down at our recent tire conference, they expressed a desire to work with us on our effort and a willingness to work in

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a cooperative and collaborative fashion.

We are very pleased to recommend R.W. Beck as the successful proposer on the contract. Edward Boyson, Ed Boyson to many of us, who has worked on many projects for the Board and elsewhere throughout the nation, will serve as project manager along with Catherine Wilkes with the University of Tennessee's Center for Clean Products and Clean Technologies.

They've submitted a proposal that is realistic, builds on previous and existing efforts, and provides for near-term and long-term successes.

It is critical to the credibility of a national product stewardship effort that this contract covers a multi-year period. The item, as mentioned, will be funded from three fiscal years under items approved in the current five year plan and in the proposed five year plan that will be considered later in this meeting and by the Board later this month.

Staff has worked extensively with the legal office as well as the contracts office to make sure all contracting and legal requirements are met.

With that, that ends my presentation. Are there questions?

COMMITTEE MEMBER MARIN: Who's the contractor?

MR. YOUNG: R.W. Beck. R.W. Beck has like 16

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1 offices throughout the nation, and like almost 500
2 employees. They're considered one of the larger and
3 more, most reputable firms in the nation.
4 COMMITTEE MEMBER MARIN: Is this the one that
5 we submitted the RFP and no one answered?
6 MR. YOUNG: This is the one that we submitted
7 the RFP for, and we had one proposer that met the
8 qualifications and met the timelines.
9 COMMITTEE MEMBER MARIN: Only one?
10 MR. YOUNG: Only one.
11 COMMITTEE MEMBER MARIN: And how much time did
12 we allow for this?
13 MR. YOUNG: The RFP was let on March 30th, if
14 memory serves, with a deadline of April 20th. We had
15 approximately eighteen individuals --
16 COMMITTEE MEMBER MARIN: So twenty days.
17 MR. YOUNG: Three weeks. Three weeks.
18 COMMITTEE MEMBER MARIN: There were
19 approximately eighteen entities and individuals that
20 were interested in the information, many of which I
21 assume were just wanting to know what California was
22 doing, because a handful of them were from Canadian
23 operations and other state entities and what have yous.
24 There was one proposer that came in late, and
25 because they did not meet the terms of the notice that

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1 that bid was not, that proposal was not accepted. But
2 we went through and did, as required, the followup
3 scoring and all the evaluation of all the criteria and
4 the qualifications.
5 COMMITTEE MEMBER MARIN: But there was only
6 one, so --
7 MR. YOUNG: That is correct, but we still went
8 through the process because they could have been
9 disqualified on a variety of other issues.
10 COMMITTEE MEMBER MARIN: But let me ask you
11 this. The timing that we allowed, the three weeks, is
12 that typical?
13 MR. YOUNG: Typically we would allow anywhere
14 from three, four, five, six weeks, depending upon the
15 situation, depending upon our own internal processes.
16 And part of what we were realistically bouncing up
17 against was our internal requirements here for current
18 year funding's monies.
19 But the people that were out there were aware
20 of it, and those that, those that were aware of it were
21 able to prepare proposals. One just was not able to
22 meet the delivery timeframes, but they were able to
23 prepare a proposal.
24 COMMITTEE MEMBER MARIN: Hmmm, okay. Thank
25 you.

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1 COMMITTEE CHAIR PEACE: One thing in here says
2 that from '05-'06 through '06-'07 that you're asking for
3 $75,000, but in the five year plan we have 85,000.
4 MR. YOUNG: That is correct.
5 COMMITTEE CHAIR PEACE: Can you just explain
6 what that other $10,000 is used for?
7 MR. YOUNG: I'll actually defer to Mitch on
8 that one.
9 MR. DELMAGE: Yes, this was actually put into
10 the five year plan after this item was prepared, and it
11 was $10,000 that had been identified for the product
12 stewardship institute sponsorship. They had come, we
13 have sponsored them over the last several years, and
14 they had come to us this year again for sponsorship.
15 In the past other areas of the Board, other
16 funds have sponsored it. We were not able to sponsor it
17 out of the tire fund because it wasn't identified in the
18 five year plan.
19 So we placed it in the five year plan to take
20 care of that contingency if it comes up. It doesn't
21 necessarily have to come out of the tire fund each year,
22 but it has to be in the five year plan in order for us
23 to consider funding out of the five year plan.
24 COMMITTEE MEMBER MARIN: I have one more
25 question. How many other people are participating in

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1 this dialogue, and how much money are they putting on
2 the table?
3 MR. YOUNG: We are the ones -- well again, the
4 U.S. EPA has an effort that covers five broad areas.
5 The, Minnesota is focusing on the tire, pardon me, on
6 the automobile industry.
7 We're basically providing the leadership to
8 help kick it off here and work with the U.S. EPA. Part
9 of the scope of work is to develop an ongoing mechanism
10 to have this established as an ongoing effort. So part
11 of this we'll be looking at funding sources for an
12 ongoing effort. So we're providing seed money
13 basically.
14 COMMITTEE MEMBER MARIN: So we're carrying the
15 whole load?
16 MR. YOUNG: We are providing seed money to help
17 get this started and working in collaboration with the
18 U.S. EPA and other states that are currently
19 participating to help get this off the ground.
20 COMMITTEE CHAIR PEACE: But right now
21 California is kick-starting it is what we're doing. And
22 when I was at the tire conference I had a chance to talk
23 to a woman who was there to speak on behalf of the U.S.
24 EPA, and I took her aside during one of the breaks and I
25 said, "Well, if you're already working on this, why do

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you need California? Do you really need our money?"

And she says, "Yes, we need California to be a leader with us. We need, and we do need your money. Because the U.S. EPA, as much as we try to get all the other states together and try to develop a plan to deal with tires, we don't have any money."

So they are looking to California through our tire plan to get some money to get this project started and coordinated throughout the United States. And I guess there aren't too many other states that had the funds available that we do, so --

MR. YOUNG: In fact, I just spoke with the Ed Boyson this morning regarding some things, and there's already at least one and possibly another state that is excited about our efforts and looking to get together. And, you know, we'll basically be working together and monies will be coming. So that's part of the --

COMMITTEE CHAIR PEACE: Yeah, and that would be our hope is that this gets going and other states will put in their share.

COMMITTEE MEMBER MARIN: No, they will just continue to look up to California to continue to be the leader, and therefore the sponsor, and therefore the one that only one that pays.

Okay. Well, I will reserve my comments. I

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1 think that there are other people that need to speak.
2 COMMITTEE MEMBER MULE: I just want to make a
3 quick comment responding to Chair Marin. I mean I too
4 felt the same way. I said, "Wait a minute, why are we
5 putting up this money?"
6 And I think, as I recall, a few months ago we
7 were talking about us, the Board doing their own program
8 and not collaborating with U.S. EPA and the other
9 states. I recall that. And it seems like now at least
10 we're collaborating with EPA.
11 I too was at that presentation that Chair Peace
12 had discussed at the tire conference, and we looked at
13 each other and said, "Well why are we reinventing the
14 wheel if there's already a national tire product
15 stewardship dialogue already going on?"
16 But I think this is really to help kick start
17 it and help it to grow, and get the other states to put
18 in some money. And again, I think we can put in money
19 for now, but we can always, if we don't see it going the
20 way we feel it should be going, we can always opt out of
21 it. But I hear what you're saying.
22 COMMITTEE CHAIR PEACE: We do -- go ahead.
23 MR. YOUNG: I'm sorry. And staff very much
24 appreciates that and respects that. California, though,
25 has one out of every eight people in the entire nation,

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we are the leader de facto. And this is part of our leadership, part of what is set forth in our strategic plan that we be a leader, show leadership in environmental areas nationwide and worldwide.

So while we are taking a leadership role, we do, we will be working with others that are also in leadership roles, and working together towards the, towards our common goals.

In what we've found in a lot of these activities in the other states, California is well ahead of many other states, but there's many other states that are doing things different and perhaps better than California is doing.

But in any case, we would all benefit from working together. It's the old, "All ships rise with the tide," you know. We're all working together, and it would benefit the entire nation and further everyone's goals by working together.

COMMITTEE CHAIR PEACE: Okay. We do have two speakers, Jana Nairn from Golden By-Products.

MS. NAIRN: Thank you, Madam Chair and Committee members. Jana Nairn, Golden By-Products, major waste tire recycler here in Northern California.

We've been involved with ISRI, the Institute for Scrap Recycling Industries organization for the last

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1 few years. I'm actually serving as the tire processing
2 chapter secretary and treasurer for that organization,
3 and we're very active with RCC and the tire cluster.
4 There's many of our members, these are nationwide, other
5 large tire recyclers in the nation that are very active
6 in this process. And at the table and helping with
7 those five years of concerns that the RCC are working
8 on. And feel that it's a great effort.
9 I'm very pleased to hear the presentation this
10 morning and how this has evolved from last summer when I
11 attended one of the first workshops where I really also
12 felt like, "This is just another duplicated effort, and
13 on California's shoulders financially."
14 I really do hope that this is, as it's being
15 presented, that it will be a collaboration. I hope that
16 we are at the table as a state, California is at the
17 table. And I see actions almost being side by side with
18 financial support as far as us implementing, us as a
19 state, California, taking and implementing many of the
20 recommendations that are going to hopefully come down
21 through U.S. EPA through this RCC project. And
22 implementing them as an example for the rest of the
23 nation.
24 I can see that that being a big benefactor to
25 the overall picture, because unfortunately we're

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1 understanding that U.S. EPA has not a whole lot of
2 influence in the individual states. They can say a lot,
3 but maybe that doesn't get carried out.
4 So I can see us as a Waste Board bridging that
5 gap between that relationship of the U.S. EPA and Cal
6 EPA. And I just really hope that it is a collaboration
7 and that we are at the table, and that we use
8 stakeholder involvement in the process as well.
9 So I appreciate your interest in making sure
10 that this is a positive move for our state.
11 COMMITTEE CHAIR PEACE: Thank you. Next
12 speaker Michael Blumenthal from the RMA.
13 MR. BLUMENTHAL: Madam Chair, Board members,
14 good morning, my name is Michael Blumenthal. I'm with
15 nthe Rubber Manufacturers Association.
16 I have some comments on this effort. Many of
17 them are the same comments I've had in the past.
18 I think you should go into this process with
19 your eyes open. The State of California already had one
20 bite at the apple on product stewardship last year, last
21 summer. Here in this office building you had a very
22 large group of stakeholders invited here, and who
23 attended. And the decision of that group was that this
24 product stewardship effort should focus on the issues
25 here in California, because in the last four years the

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1 number of tires on the market have actually decreased
2 even though a lot of effort out there, the actual number
3 of tires going to higher end value markets has
4 decreased.
5 So the consensus of that group was to focus on
6 the issues here in California. There were talks about
7 having other meetings, and that whole process came to a
8 quick, rapid, and complete stop.
9 Now we understand that they're going to go back
10 and try and reinvent the same process going back to the
11 same stakeholders. I too was at this meeting in
12 Ontario, and I was talking to a lot of the other
13 stakeholders who were involved in the initial meeting.
14 And their opinion was they don't want to sit down with
15 another consultant and spend two hours on the phone and
16 give them the same information again. I'm not talking
17 about our members, I'm talking about other stakeholders
18 that were at this meeting. There's, there appears to be
19 not a large groundswell of people who are excited about
20 this here in California.
21 And I would suggest that you need to, like I
22 said, go into this with your eyes open, because if
23 you're going to try and sell the same thing again, this
24 is going to be brought up to the consultants which, by
25 the way, if you have to pick anybody, R.W. Beck happens

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1 to be a very good organization, and the two people in
2 charge know what they're doing. Both Ed and Ms. Wilkes
3 are top-notch professionals, and I have a lot of respect
4 for both of them. But you already have baggage on this
5 issue.
6 Second item is dealing with EPA and the RCC
7 process. And even though you have spoken with the folks
8 at the EPA, let me reiterate some things. EPA has no
9 funds. Other states have no funds.
10 The idea that Ms. Marin offered that California
11 is going to be paying the way is probably true, no other
12 state has the resources that California has.
13 And I probably know the state that Ed was
14 talking about that would have interest in speaking with
15 you, that's one state, there are 48 other states out
16 there, all having very varied programs.
17 We've been working on this issue for over
18 fifteen years now and I can tell you, even bringing
19 states into a small regional meeting, they won't agree
20 to anything. They will discuss items. But we've been
21 having these small regional conferences for twelve
22 years, and the differences are always highlighted. So
23 trying to have any type of unified program is going to
24 be very, very difficult.
25 I think that the answer still remains that if

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1 California wants to get involved and wants to be a
2 leader, have more of a presence at the RCC meetings and
3 the RCC process. Right now the Waste Board is sending
4 one individual down to Little Rock for this meeting.
5 Now, the person they're sending is highly qualified, but
6 there are going to be five subcommittee meetings.
7 They're sending one person, you can't have one person
8 going from subgroup to subgroup, because you get nothing
9 done that way. If you want to be a leader and you want
10 to show leadership, have a presence, send more than one
11 person down there. Find out what all the other groups
12 are doing.
13 As far as the national product stewardship
14 initiative is concerned, we're dealing with an industry
15 that has been in business for twenty years now, where 80
16 percent of all the tires that are produced on an
17 annualized basis go to an end use market.
18 You already have an existing infrastructure.
19 48 states have regulations, 35 states at least charge a
20 fee. This is not an industry that's comparable to paint
21 or carpet or to e-waste where they are just getting
22 started. This is an industry that has been working for
23 fifteen, for twenty years and has made great strides.
24 So I don't see any groundswell cry-out for a
25 national product stewardship effort. And like I said

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1 before, I think you'll find a lot of states have looked
2 at this, have their own issues, and I'm not sure you're
3 going to get the kind of support that you might be
4 thinking.
5 I just want to reiterate that if you want to
6 get involved in the game, the game is at the RCC, and I
7 would suggest having more of a presence there.
8 Thank you very much.
9 COMMITTEE CHAIR PEACE: Okay. Thank you,
10 Michael.
11 Do you want to address anything he said? And
12 do you want to talk about the fact that we're sending
13 one person to this conference, and do we need to send
14 more people?
15 MR. DELMAGE: Sure. Mitch Delmage with the
16 waste tire program.
17 First, Mr. Blumenthal is correct. Our last
18 effort in product stewardship didn't really end, but it
19 did transform. What we identified there is that the
20 issue in California was markets. And so part of the
21 five year plan has pointed us in that direction.
22 That being said, we realize from the vantage
23 point of California we would not really have much of an
24 impact nationally or in the industries that are involved
25 in tires, both tire manufacturers and auto

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1 manufacturers. So it broke apart, the California effort
2 went to markets, the remainder went back to a national
3 focus. And that's mainly what came out of last year's
4 discussions.
5 We feel that the RCC is a viable entity.
6 They're doing a good job. But with California involved
7 in a product stewardship initiative like this, we'll be
8 able to augment their efforts. We don't feel that just
9 joining in with them would be sufficient.
10 With regard to sending just one person, that's
11 primarily, one thing is it's on May 11th, so we have
12 other commitments May 11th down in Anaheim, and it's
13 difficult to get out of state travel. And so if we were
14 to recommend that we send four or five individuals, I'm
15 not sure if we would be able to get that through the
16 process.
17 COMMITTEE CHAIR PEACE: You know, I guess I can
18 see where the RMA doesn't really come out and say woo
19 hoo on the product stewardship thing, especially when
20 they talk about, you know, recycled content and rolling
21 resistance and tire longevity and smart tire technology,
22 that they're not really the ones that want to push those
23 things necessarily. But it also says in here that
24 they're going to target solutions for source reduction,
25 but also recycling of tires.

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1 And I would like to make sure that the product
2 stewardship effort is not just focusing on source
3 reduction solutions for the, you know, the growing tire
4 product, but also on market development solutions like
5 RAC and the civil engineering applications. Maybe
6 resurrect the quiet pavement thing that was going
7 through Congress, what, about ten years ago, to push the
8 RAC market, maybe we can resurrect that. But not just
9 only talking about source reduction solutions here.
10 COMMITTEE MEMBER MARIN: Madam Chair, I have
11 really bad allergies today, so forgive me if I am not
12 fully concentrated on this, and I'm probably not going
13 to make a lot of sense, I feel really, really sick right
14 now.
15 But I'm trying to be as enlightened as I can
16 possibly be. And it's difficult for me, there's a lot
17 of pieces here that somewhere somehow I don't seem to
18 have them all connected. And I feel somewhat
19 uncomfortable going forward with this particular
20 project.
21 And please forgive me, I know I'm probably not
22 making a lot of sense, and it's very painful right now,
23 I have a real bad sinus headache. But I am having
24 difficulty in my mind to agree to a $300,000 report that
25 will be due about two or three years from now. There's

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1 going to be a lot of, I think it's sixty one-hour phone
2 calls to people that are involved somewhere somehow with
3 our effort, with recycling, tires, and trying to get a
4 better product. It's difficult for me to see how that,
5 all of the sixty one-hour interviews, which is the meat
6 of where the, the basis for the eventual report, will
7 lead us to.
8 I, and I'm sure, and please forgive me because
9 I'm, it's not making a lot of sense to me, and maybe
10 it's just the medication for my sinus. But if I may,
11 can I ask that we postpone this? I need to understand a
12 lot more than what is making sense to me right now. And
13 I will chuck it all to my sinus.
14 COMMITTEE CHAIR PEACE: So you want to just
15 move this to the full Board, or did you -- because the
16 latest we could move this is June, right?
17 MR. DELMAGE: Well, we'll be, you know,
18 considering reallocation --
19 COMMITTEE CHAIR PEACE: Yeah, considering
20 reallocation.
21 MR. DELMAGE: -- plus the five year plan, so if
22 we deal with it in June it will be difficult to deal
23 with these other issues.
24 MR. LEE: Madam Chair, if I may just suggest we
25 bring it back to the Board meeting next week. Again,

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1 we'll try and take another look at the approach and to
2 see if there's some additional information we can put in
3 there to, you know, address some of the issue that Ms.
4 Marin has brought up.
5 And I think I do agree with Mitch, this is a
6 component of the overall five year plan and reallocation
7 effort, so we do need to deal with it.
8 If not, again the alternative, the monies will,
9 if the Board elects not to do it and not to reallocate,
10 it will just revert to the fire fund.
11 But just to, maybe just a prelude to the
12 discussion we'll bring back next week, again the past
13 Boards have been very supportive of the idea of the
14 product stewardship initiatives.
15 You know, we've heard from a couple of members
16 of industry. You know, Mr. Blumenthal is, you know,
17 certainly not a prime advocate of it, for reasons that
18 he, you know, very eloquently brought out.
19 You know, we've heard from at least one other
20 member of the industry that feels, you know, that there
21 there is some merit to the proposal.
22 I think you, Madam Chair, discussed again, you
23 know, your discussions with EPA and how they feel that
24 our efforts, you know, would be a useful adjunct to what
25 is already going on.

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1 So again, the staff has been, you know, is
2 trying to be responsive to what we've heard from the
3 Board, you know, what we believe to be an effort that
4 would be, that would have merit, you know, would be
5 desirable, and so we will attempt to present this case
6 perhaps a little more cogently at the Board meeting next
7 week.
8 COMMITTEE CHAIR PEACE: Okay. So we'll just
9 move this then to the full Board.
10 And with that we'll, we're going to take a ten
11 minute break.
12 (Thereupon there was a discussion off the
13 record.)
14 COMMITTEE CHAIR PEACE: I think what we're
15 going to decide to do is the next two items are probably
16 going to be lengthy, I'll think we'll break for lunch
17 now till 12:30, and then we'll tackle the reallocation
18 and the five year plan.
19 (Thereupon the luncheon recess was taken.)
20
21
22
23
24
25

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1 AFTERNOON SESSION

2 --oOo--

3 COMMITTEE CHAIR PEACE: Members, any

4 ex-partes?

5 COMMITTEE MEMBER MARIN: Does it count that

6 Terry Leveille said that he was going to talk on item G

7 and H, do I have to ex-parte that? I heard that.

8 COMMITTEE CHAIR PEACE: Might as well. I will

9 also ex-parte Terry Leveille.

10 COMMITTEE MEMBER MULE: Well I walked in when

11 he was saying it, so I guess I have to ex-parte Terry

12 Leveille as well.

13 COMMITTEE MEMBER MARIN: We have to report him

14 to the authorities.

15 COMMITTEE CHAIR PEACE: Also, someone wanted me

16 to mention when you're bringing handouts to the

17 committee meeting or to the Board meetings, there aren't

18 many people left here, but if you could bring about ten

19 copies. That way the executive staff can get a copy,

20 and all the Board members and advisors can also get

21 copies.

22 Okay. And that brings us to the reallocation

23 item.

24 MR. LEE: Thank you, Madam Chair. Good

25 afternoon, committee members.

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1 Board item ten, committee item G, this is
2 consideration of concepts to be funded from the
3 reallocation of unused 2004-05 waste tire recycling
4 management program funds.
5 This agenda item, often referred to as the May
6 reallocation, presents the Board with the opportunity to
7 redirect previously allocated but unencumbered funds to
8 new products or programs.
9 This year there's either approximately 4.3
10 million or $5.3 million available for redirection out of
11 the total $23 million allocation for fiscal year
12 2004-05.
13 The $1 million difference between option A and
14 option B as you see on the screen, on your screens, has
15 to do with the potential availability of the emergency
16 reserve funds that can be reallocated contingent upon no
17 emergency situations occurring by June 30th, 2005.
18 One other point that I want to emphasize is
19 that all the reallocated fiscal year '03-'04 funds must
20 be encumbered by June 30th this year. There won't be
21 any problem meeting this deadline for those recommended
22 proposals which involve supplementing existing programs
23 or grants.
24 However, because of the tight time schedules,
25 staff recommends that for any proposals that require

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1 development of new scopes of work or work plans or
2 interagency agreements, that the Board also delegate to
3 the Executive Director the authority to prepare and
4 execute such grants, contracts, scopes of work, and work
5 plans.
6 Finally, I would reiterate staff's intention to
7 include funds for waste, for the waste tire cleanup
8 project for the city of San Diego pursuant to staff's
9 recommendation and Board approval of the part of
10 committee item C.
11 With that introduction I'll ask Mitch Delmage
12 and staff to make the remainder of the staff
13 presentation.
14 MR. DELMAGE: Thank you, Jim. Madam Chair and
15 Board members, this is Mitch Delmage, Special Waste
16 Division, Waste Tire Branch.
17 The California Integrated Waste Management
18 Board receives an annual appropriation through the
19 Budget Act from the California Recycling Management Fund
20 or the tire fund to administer the various components of
21 this program. The five year plan stipulates how those
22 monies will be spent.
23 The Board was allocated $23 million from the
24 tire fund for consultant and professional services
25 activities. Funds have been encumbered through

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1 contracts, interagency agreements, grant agreements, but
2 currently there are unencumbered period funds. The
3 exact amount of the unencumbered funds will not actually
4 be known until after the Board meeting next week.
5 We have Sally French here to kind of keep a
6 running total as we go through this process because it
7 will affect both this May reallocation as well as
8 various activities in the five year plan. So just bear
9 with us as we try to make sure all the numbers flow
10 through the systems okay.
11 And also I'd like to mention that Sally is
12 having a bit of a voice problem, so I just wanted to
13 acknowledge that, so she may not be as vocal as she
14 normally is.
15 So with that said, what I'd like to do is kind
16 of take you down through the list that's on the screen,
17 and we'll take 'em, some of 'em in groups, some of 'em
18 individually, and if you have questions along the way
19 I'd like you to, you know, just jump right in wherever
20 you want.
21 The first items on the list are what has been
22 the B list from various grant programs. We have the
23 track and other recreational surfacing, playground cover
24 grants, local government amnesty day grants, product
25 commercialization grants, rubberized asphalt grants.

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1 What we're looking for is to fully fund those
2 on the B list in each of these grant programs. So if
3 you look at what would be column C, you'll see that for
4 track and other recreational surfaces we have 460,000;
5 for playground cover grants, 37,000; 204,793 for amnesty
6 day grants; and you'll see in red for commercialization
7 that we have 400,000, that changed from your original
8 item because of the withdrawal of one of the
9 applicants. And then 55,653 for rubberized asphalt
10 grants.
11 Are there any questions on these grant programs
12 and our recommendations on funding?
13 COMMITTEE MEMBER MARIN: The funds allocated
14 2004-2005 versus the funds requested; the allocated, has
15 that already been spent and this is on top of that?
16 MR. DELMAGE: Yes. That was what was allocated
17 in the five year plan, and as we approach this May
18 reallocation, we look for opportunities to encumber
19 funds for worthy projects.
20 COMMITTEE MEMBER MARIN: Okay. So all of the
21 funds that have been allocated in column B, they were
22 all utilized?
23 MR. DELMAGE: Yes. Or at least allocated,
24 maybe not spent.
25 EXECUTIVE DIRECTOR LEARY: Madam Chair, Mitch,

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1 I think you're misunderstanding the question. The money
2 was allocated in the five year plan for that purpose.
3 What in the funding requested is that which remains
4 which is unspent of the money that's been allocated,
5 right?
6 COMMITTEE CHAIR PEACE: No, the funds requested
7 is what is above and beyond what the grant -- so say in
8 the track, we set aside 800,000, but we had requests for
9 800,000 plus an additional 460,000 in the track and
10 recreation.
11 EXECUTIVE DIRECTOR LEARY: My fault.
12 COMMITTEE CHAIR PEACE: So they're asking for
13 an additional 460.
14 EXECUTIVE DIRECTOR LEARY: My fault, my
15 apologies.
16 MR. DELMAGE: That is correct, Madam Chair.
17 COMMITTEE MEMBER MARIN: Okay.
18 EXECUTIVE DIRECTOR LEARY: I apologize.
19 COMMITTEE MEMBER MARIN: So this is on top of
20 what has been allocated, because I know that there's
21 another list, and I think that that's where Mark was
22 coming in. Where we've allocated, but only so much has
23 been encumbered, so the rest of that money is what we're
24 reallocating, right?
25 MR. DELMAGE: Maybe if I can back up a piece.

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1 There was money allocated in the five year plan.
2 COMMITTEE MEMBER MARIN: Right.
3 MR. DELMAGE: In not all cases was that money
4 expended or even encumbered, okay?
5 COMMITTEE MEMBER MARIN: Okay.
6 MR. DELMAGE: So that becomes our pool of funds
7 which is in option A, 5.3 million, or option B 4.3
8 million. So that's what's available for this
9 reallocation item.
10 What you have in front of you are those items
11 that we feel that we can add money to. Now, in some
12 cases they weren't allocated in the five year plan, as
13 you see in nine, ten, and eleven and thirteen there were
14 zero dollars allocated, but we do feel that these are
15 important projects, and so we're requesting funds for
16 these projects.
17 COMMITTEE MEMBER MARIN: Okay. So for example,
18 on track and other recreational surfaces, the
19 $800,000 --
20 MR. DELMAGE: Yes.
21 COMMITTEE MEMBER MARIN: -- the original
22 request was for $800,000, and every penny has been
23 spent?
24 MR. DELMAGE: Yes, the original allocated
25 amount in the five year plan was 800,000, that was

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spent.

COMMITTEE MEMBER MARIN: Fully spent.

MR. DELMAGE: And then we had extra applicants that passed and have good projects but we didn't have money for them.

COMMITTEE MEMBER MARIN: So that's list B, so this is what it is. I just needed to -- that's what I thought, but I needed to make sure that that's what I, that that's what's the case, so --

MR. DELMAGE: Sure.

COMMITTEE MEMBER MARIN: Now, on the product commercialization grants, the 1.6, that's --

MR. DELMAGE: Yes.

COMMITTEE MEMBER MARIN: So we gave that money, that's been completely and totally allocated, encumbered, and spent?

MR. DELMAGE: Actually that's one that we just heard earlier, and so the committee did recommend it for fiscal consent, so that 1.6 million hasn't actually been encumbered until next week if the Board so chooses to.

COMMITTEE MEMBER MARIN: And on top of that is this $400,000, and that $400,000 is for?

MR. DELMAGE: Funding what we call the B list.

COMMITTEE MEMBER MARIN: The B list. That's the one that we just approved.

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1 MR. DELMAGE: Yes.
2 COMMITTEE MEMBER MARIN: The $400,000.
3 MR. DELMAGE: Well no, we approved the B list
4 for the opportunity to reallocate funds to it. So when
5 we did our reviews so many passed, so many didn't pass,
6 and so all those that passed we said, if we have funds
7 available we'd like to fund all of these, but we only
8 had the 800,000 available.
9 COMMITTEE MEMBER MARIN: Okay. What did you
10 say, Sally?
11 MS. FRENCH: Attachments one through five list
12 each grant program's B list, it's in the item.
13 COMMITTEE MEMBER MARIN: Okay. All right. Go
14 ahead.
15 MR. DELMAGE: All right. Any other questions
16 on any of the grants?
17 COMMITTEE CHAIR PEACE: So are you going to go
18 through these, kind of touch on all of them and then
19 we'll come back and decide yes or no?
20 MR. DELMAGE: Sure. On the augmentation of the
21 student contract.
22 MS. FRENCH: We've met with JoAnn Byrnes in our
23 admin division and with Phil Poon in our budgets, and
24 we've taken the amount of student hours left in the
25 contract, and we've analyzed that we need another 60,000

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to keep those students on board.

COMMITTEE CHAIR PEACE: Maybe you'd like to explain what we use those students for?

MS. FRENCH: We have the bulk of them in our manifest program right now. We have a few in our grants section, they're helping with our grants. We have a couple working on contracts. We have some throughout the Board that are helping, like with legal has a few to help with their tire issues.

COMMITTEE CHAIR PEACE: And these are important because we keep asking the Department of Finance for more people to help us with these things, they keep denying us help.

MS. FRENCH: Yes.

COMMITTEE CHAIR PEACE: So these are really important.

MS. FRENCH: So we'd like to keep the amount of students that we have, so this is just maintaining the level that we have now which is, I think, seventeen students.

COMMITTEE CHAIR PEACE: Okay. Thank you.

MR. DELMAGE: All right. On the augmentation of the Northern California Rubberized Asphalt Concrete Technical Center, Bob Fujii will discuss that item.

MR. FUJII: Actually I'm just going to have

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1 Nate Gauff just brief you on what that item is about.
2 MR. GUAFF: Good afternoon, Madam Chair,
3 Committee members.
4 The augmentation is, in a sense, a trade-off of
5 funds in that when we went before the Board in December
6 to lay out the new RAC program, we took what was then
7 the existing RAC center allocations for '04-'05, gave
8 some of the money to the southern center, and then
9 reallocated the money or redirected the money to the new
10 program options, namely the technical expert and the
11 marketing contract. And at that time our indications
12 were from the northern center that they were going to
13 opt out of the program, so we didn't include any funding
14 to augment them at that time.
15 Subsequent to that being heard by the
16 committee, the Northern California center did give us
17 the indication that they wanted to continue. We would
18 like them to continue, we feel that they are, you know,
19 they've given us some valuable service to our program.
20 And at the time we also had some existing dollars to the
21 civil engineering uses line item that we were going to
22 reallocate, I think we were originally going to bring
23 the item before the Board in March. You know, we were
24 given direction at that time that it was better to bring
25 it in with this larger issue with the reallocation.

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1 So what we're looking to do, once again, is to
2 augment that contract to provide, so that we can provide
3 uninterrupted service, so that the Northern California
4 center can provide us uninterrupted service as their
5 contract will be expiring May 15th of this year, and
6 then we, if we didn't have the augmentation we'd have to
7 wait until the '05-'06 budget was passed, in which case
8 we could have a gap in service, at least from the
9 Northern California center.
10 So what we're looking to do now is to augment
11 the contract with the existing '04-'05 dollars, and then
12 with the '05-'06 allocation possibly redirect those
13 funds at that time, or in the future to other uses so
14 that, once again, we provide, we have uninterrupted
15 service from the Northern California center.
16 MR. LEE: Nate -- this is Jim Lee speaking.
17 Nate, would you explain, the description we have for the
18 Northern California RAC center talk about them working
19 on unidentified special projects. Would you describe
20 again staff's intent now basically is, with this hundred
21 thousand dollars, is basically just to to provide for
22 the basic level of service that they have historically
23 provided. So again, you know, so the description in the
24 allocation item right now, you know, will be changed to
25 reflect that fact. Could you comment on that?

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1 And also our plan, again, to basically, if we
2 get funding in the reallocation for the Northern
3 California center as part of the reallocation, then we
4 would have a commensurate reduction in our request for
5 the Northern California center in the '05-'06 year in
6 the five year plan.
7 MR. GAUFF: I guess I should ask if you have
8 any questions. I think Jim pretty much explained what
9 he wants me to tell you.
10 MR. LEE? Well, just explain the kind of work
11 that the Northern California center does for us and what
12 we expect them to do, what we consider to be our base
13 level of service.
14 MR. GAUFF: Okay. They've operated slightly
15 differently than the Southern California center, but
16 they have provided the service, the outreach to the
17 local governments in the northern part of the state or
18 the northern half of the state basically. And what, the
19 real benefit that they provided to us is the fact that
20 they have been able to pick up on several special
21 projects, and several issues that have come up over the
22 course of their contract that we didn't foresee when we
23 entered into the contract four years ago.
24 And so what we've done is we've structured the
25 scope to pretty much carry on that same basic operation,

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where they're going to provide some followup, and some assistance to local governments, but also have a special projects component.

Right now some of those projects are unspecified, but certainly we, you know, we have the option to approve or deny those projects as they come up in the course of the contract.

MR. FUJII: Bob Fujii, Special Waste Division. Just to kind of add on to that a little bit. And the kind of projects we've done with Sac County, the Northern California tech center, one of them that was instrumental in helping us convince one of the local governments to use RAC was an air quality study that was done by Sac County in response to concerns raised by a local government on the north coast. And that was completed, I believe, maybe a year or so ago. And again, helped address an issue that became a barrier to one of the jurisdictions in maybe not using the material.

So it's issues like that that arise with the local governments that we would, on occasion, use these, use the tech centers to help us address those.

MR. GAUFF: Are there any questions?

COMMITTEE MEMBER MARIN: Hi, Nate. I don't have a question. I will make a statement, because I

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1 know I've talked with a couple of people, and I did it
2 over the last couple of months or whatever, however, how
3 many times we've gone through this.
4 Two things. I don't like this May 15 deadline,
5 because this puts us again in the same situation for
6 next year and the following year. There is no reason
7 why we should contract expire in the middle or right
8 before the fiscal year.
9 I don't like Novembers deadlines either, that's
10 just a statement throughout. Because then we get people
11 people that are expecting the money, "Oh, my God, the
12 money is going to run out, and you need to do it, and
13 you need to do it right away, and the Board needs to --"
14 wasn't that the situation with another RAC center,
15 something similar to that? And it has to go before
16 their Board and it has to come before our Board and, you
17 know, I like things with the fiscal year or --
18 So, we need to do something to stop this. Then
19 it puts us again in the same situation either a year
20 from now or two years from now where funding needs to be
21 somewhere, somehow, there need to be out of the
22 mainstream. So we need to change that, okay? And
23 I don't know whether we just extend this
24 allocation to cover through June the 30th of 2006?
25 MR. FUJII: Yeah, you know, and we would agree

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1 with you, it does create lots of issues for us. But one
2 of the constraints that we're faced with in a couple of
3 different ones, when we have the fiscal, you know, the
4 fiscal constraint on the money, so that will expire on
5 June 30th, and that was the case with Sac County.
6 COMMITTEE MEMBER MARIN: Yeah, but we shouldn't
7 have that period.
8 MR. FUJII: Well, yeah, I could be wrong, but
9 I'm not sure that's something that we could fix. I mean
10 the money is only good for a certain period of time, and
11 what we're trying to do is maximize our contract time
12 period so that they correspond to those time periods the
13 money is good for.
14 So in this case the money that we had in the
15 Sac County contract would expire, you know, June 30th,
16 and so we, May 15th is a date that we worked with our
17 admin division on because it's a date that allows them
18 to finalize all the invoicing and paperwork that they
19 need to do to close out those contracts when those
20 contract expires. And so that's why the date is
21 selected.
22 And so we can certainly talk to them about
23 maybe trying to revise that date.
24 COMMITTEE MEMBER MARIN: Yeah, we need to
25 revise it, because otherwise we just perpetuate the

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1 situation, and it's going to happen the same time, and
2 that's why we need to vote on this this year because
3 otherwise, da, da, da, da, da, da, da, da.
4 MR. FUJII: Sure.
5 COMMITTEE CHAIR PEACE: So why couldn't we make
6 the contracts end at the fiscal year? I know it sounds
7 like it might make more sense, but I think there are
8 legal issues that for some reason you can't do that.
9 CHIEF COUNSEL CARTER: We try to have the
10 contract coincide with when the money will expire and
11 when we're running up against the calendar.
12 But we can certainly look at admin and program
13 and see if there's some way that we can calendar back so
14 that --
15 COMMITTEE MEMBER MARIN: I would think that our
16 administration would rather have, I would think that --
17 where's Tom? Get Tom over here. He's going to come
18 down.
19 I'm positive, maybe I'm wrong, but it would
20 seem to me that if we just have all of the contracts
21 expire at the same time, it would be a lot easier.
22 No, it isn't? What kind of place are we
23 running around here then?
24 CHIEF COUNSEL CARTER: Well, one of the issues
25 is that we can't let the contract until the Board

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1 approves the scope of work and the contractor. And so
2 because of the workload and because of the timing of
3 agenda items coming before the Board, they're staggered
4 so you're letting, you're approving contractors at
5 various times during the year, so you're, to maximize
6 the amount of time available to expend the money we push
7 it back as far as we can to the end of the fiscal year.
8 COMMITTEE MEMBER MULE: Well, and the workload
9 is spread throughout the year on our staff, right?
10 CHIEF COUNSEL CARTER: That's right.
11 COMMITTEE MEMBER MULE: That's one of the
12 issues.
13 COMMITTEE MEMBER MARIN: Well, that situation
14 then rises that then we have to vote, and because
15 they're part of this five year plan and because they are
16 this and because of that, you know, then we have to do
17 certain things just because there is one particular
18 contract that needs to be done, because otherwise their
19 contract date is expired and they're not going to be
20 able to no longer provide the great service that they
21 have provided to us.
22 CHIEF COUNSEL CARTER: And you're right, the
23 problem that we have is that, as Mark described to you
24 earlier, we have situation where you can only, because
25 of the short window we have before this money is lost,

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1 we have to go through a non-competitive bid process
2 which limits the contractors.
3 However, you know, that pool of contractors
4 does include locals, the federal, state agencies. So it
5 usually captures some pretty good expertise there, but
6 it does foreclose usually the ability to go out for
7 competitive bid.
8 COMMITTEE MEMBER MARIN: Yep, you're only
9 agreeing with what I'm saying.
10 COMMITTEE CHAIR PEACE: I think this is an
11 important discussion, but I think we need to hold that
12 for another time outside of this reallocation item.
13 COMMITTEE MEMBER MARIN: Well we're not, we're
14 not going to hold that discussion for another time.
15 Because what's going to happen is we just continue to do
16 this. Unless we get an agreement that this will be
17 fixed, we're going to have this discussion at every
18 Board meeting, and I don't want to have that, I want to
19 fix that.
20 COMMITTEE CHAIR PEACE: I don't think we can
21 fix that right now at this moment, can we, Mark?
22 EXECUTIVE DIRECTOR LEARY: I don't think so. I
23 don't think we can fix it right at this moment, but we
24 can, I mean what would be the downside, and let me ask
25 staff, to simply committing to, can we extend this

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1 contract through June of 2006, the end of the fiscal
2 year? I mean that's simply, that's a simple solution
3 that I think Chair Marin is asking for, instead of May,
4 2006, we're talking about the end of June, 2006, so it
5 coincides with the fiscal year.
6 MR. GAUFF: I think the only problem is, once
7 again, is that admin processing is --
8 EXECUTIVE DIRECTOR LEARY: We'll work that out.
9 Assume we'll work that out.
10 MR. GAUFF: From staff's standpoint I would
11 assume that going through June 30th of any year is much
12 easier for staff.
13 COMMITTEE MEMBER MARIN: I can guarantee you
14 Tom would agree with that. Maybe I'm wrong, but I'm,
15 he's not here, but I'm sure he would agree with that.
16 EXECUTIVE DIRECTOR LEARY: It's simply a matter
17 of year-end closing process that we have to put these
18 contracts through. We try to make it easy on ourselves
19 by closing the contracts on May 15th, so we'll find an
20 easier, another way of making it easier on ourselves and
21 coincide with the fiscal year, at least for the purposes
22 of this one, and we'll take the rest of 'em item by
23 item.
24 COMMITTEE CHAIR PEACE: Okay. So we're going
25 to make this contract go through June 30th instead of

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May 15th.

COMMITTEE CHAIR PEACE: Okay. Next.

MR. DELMAGE: All right. Rubberized pathway for the Joe Serna, Junior, Cal EPA building. What we're proposing here is a pathway that leads out to the structures out in our courtyard. Right now they do have a bit of an access, but it's kind of gravelly, it's not easily accessible, it tracks dirt and gravel back onto the surface. We want an opportunity to showcase one of the tire derived products.

We have set aside 25,000 here, but as I understand it, the bids that we've received are, the low bid is --

MS. FRENCH: I think we're still working that out because we didn't have the right dimensions.

MR. DELMAGE: Oh, okay. So at least I believe it will be less than 25,000 when we get the final bid packages in.

COMMITTEE MEMBER MARIN: I'm so glad to hear that because I was going to say $25,000 is a lot of money for that. I appreciate that, and I like that so --

MS. FRENCH: It also includes signage.

MR. DELMAGE: Yeah, and it will also include signage so we get a little more bang for our buck that

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we're being green.

All right. Yolo County Central Landfill proposed used tire project. Bob Fujii, I believe, will introduce this.

MR. FUJII: Thank you. Bob Fujii, Special Waste Division again.

This project is proposed to be implemented in partnership with the Yolo County Solid Waste Department or Public Works Department, and it's going to be located at the Yolo County Central Landfill.

And it's a, it's really a continuation of a project that they have ongoing out there, they have expertise and have explored a multitude of different uses for using waste tires in both their leachate and their landfill gas collection systems at the landfill.

We're hoping that this will help stimulate similar uses at other landfills that might use a shredded tire material in very similar applications.

I have Ramin Yosdani, who is the Director of the Yolo County Public Works Department, here to go into a little bit more detail about the project, and I'd like him to brief you on what the project is about.

MR. YOSDANI: Good afternoon, Madam Chair and Board members. I'm glad to be here. If you like I can go through, kind of summarize what the projects are, and

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then I can answer any question you have.

The objective of our project is basically to build on the efforts that we've had in the past in developing markets for tires in the region, and also demonstrate some of the civil engineering applications directly related to landfill use and reduction of gravel, you know, using tire derived aggregates.

And in the past we've used one pass shredded tires for construction of gas collection system, and it has worked, however, because of the particle size and the material, compaction of the material, it hasn't been widely used for, like, installation of vertical gas collection system because you have to build it much larger and it requires more work.

So one of the projects that we've listed is using it for a vertical gas collection system, but use the three inch binders tire derived aggregate material. So you can basically drill the well, place the tires directly in the well, and not have to construct it vertically up as you fill your landfill.

The other project is, we actually have a few partners in the bioreactive project that we continuing to work on right now. We have a contract with California Energy Commission and Sacramento Municipal Utility District that are funding our bioreactive

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1 project, and they're interested in looking at how we can
2 increase the cost efficiency of bioreactors.
3 And one of those projects is to be able to use
4 the bioreactor landfill during peaking power times to
5 lower the cost of infrastructure so, therefore, you can
6 store gas in your landfill in an environmentally safe
7 manner, and then during the day you can actually pump
8 more gas out of your landfill. So use it as a storage.
9 So using shredded tires as a means of storage is one of
10 the projects that we're proposing here.
11 And then with that, there's also the bio cover
12 system that we're looking at evaluating. If you store
13 gas, if there's any kind of cover system that could be
14 utilized to reduce any kind of emissions that you
15 potentially could have during the times where you're
16 lowering the gas collection system in order to store
17 it. And with that we're also partnering with the
18 University of Delaware to do some modeling. This is
19 funded by the CEC, but the portion that you would be
20 funding would actually be more the construction and
21 monitoring.
22 And also the University of North Carolina,
23 state university, some of the people there, they're also
24 expertise in emissions monitoring, and we're going to
25 partner with them to do some laboratory tests, to build

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1 some typical cross-section of the landfill and use
2 compost mixed with chipped tires in order to develop a
3 pretty good material that could oxidize the methane, the
4 fugitive methanes that could potentially come off the
5 surface of the landfill.
6 So those are the basic projects that we are
7 partnering. There are two other projects. The one is
8 using leachate seep mitigation or prevention of leachate
9 seeps. And we know from the bioreactor and typical
10 landfills when, during the times where you get a lot of
11 rainfall, some water will get through a landfill that's
12 not capped. And if that water hits some of your
13 operations layers inside your landfill, you know,
14 sometimes you have lifts of dirt that they leave behind.
15 And if it hits that, the water will come out the side.
16 So we see that in a lot of landfills. We've
17 experienced that in our landfill. So what we'd like to
18 do is develop kind of a train system around the entire
19 site where you can utilize the shredded tires instead of
20 gravel, and demonstrate that that can be done.
21 And then part of the package would be to put
22 together a handbook that would summarize all the
23 findings in the field, but also bring up any kind of
24 technical issues that you should consider as part of the
25 final report, and how to handle. That would be

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1 distributed for the public to use.
2 So I think those are kind of the overall view
3 of the project. If you have a particular question, I'll
4 be happy to answer.
5 MR. LEE: Madam Chair, if I may, a couple of
6 questions I'd like to ask Ramin. Ramin, you spoke at
7 our recent tire conference, and in that conference you
8 included statistics with regards to the amount of tires
9 that could be potentially utilized if more landfills
10 were to adopt the use of a tire derived aggregate for
11 use, either in their operations layer, the various
12 drainage layers, other landfill related uses.
13 Could you please tell the committee with
14 regards to what some of those estimates are?
15 MR. YOSDANI: Okay.
16 MR. LEE: And then would you also please
17 distinguish again how these projects are different or
18 would be in addition to those tire use projects that you
19 already have at your landfill today?
20 MR. YOSDANI: Sure, I will do that. The
21 projects that I discussed at Ontario, I think one was
22 using it as an operations layer in the bottom of your
23 landfill, and we're not doing that in this project.
24 The other project, we have used shredded tires
25 as a horizontal gas collection system, and for leachate

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injection system, we're not going to be doing that.

However we've used one pass, the material is different, the application of the shredded tires are different as well as the material that we're using is different. I came up with some estimates based on the Waste Board. 190 landfills are in California, and I just used as an estimate, if we used ten percent of these landfills, which would be an estimate that they build a landfill every few years, twenty acres of salvage is constructed, and then in the process of using the shredded tires, assuming they're using either one pass, or if they use the one pass there will be less tires used, if they use the three inch binders there will be more tires used. So I used the conservative of using just one pass shred which would give you less number of tires.

And I believe -- well, just as a demonstration, in Yolo County we used over three million tires in one twenty-acre cell that we constructed. And that was more than, ten times more than what we produce in Yolo County. It actually came, a lot of the tires came from Sacramento County, we had a contract with a company in Sacramento who produces the shredded tires.

So as far as the application, if you took those dollars and extrapolated, there will be, I said that

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1 based on those assumptions there will be nine million
2 tires used per year for, if you're going to use it for a
3 gas collection system, if you were going to use it for
4 basically the bottom of your landfill, there would be 30
5 million tires generated, is generated in California, and
6 you would need about twice that amount. And that's
7 just, you know, it's just estimated ten percent of those
8 landfills.
9 I don't believe that everybody is going to run
10 out and do this immediately, but the ones that are close
11 to areas where there is a lot of tires, like even if you
12 had tires, the legacy tires, for example, if they're
13 clean enough they could be grinded up into small enough
14 pieces that they could be even transported and used in
15 areas where you constructing landfills.
16 I think, you know, using landfills for, what
17 you wind up basically doing is you divert aggregate from
18 your landfill. And Yolo County is important because
19 Cache Creek has issues with heavy metals and stuff, and
20 we're reducing the amount of gravel that we mine. So
21 overall environmentally I think it's beneficial.
22 And I think as we do more projects and put out
23 the word, more and more people are going to do it. I
24 know when we started doing this, before I even started
25 to do the project when we issued our report back in '94,

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1 L&D Landfill in Sacramento started using it and got
2 approval from the Water Board to use the shredded tires
3 at their landfill. And I know there's a lot of other
4 landfills that I don't know all the names because I
5 don't keep track of them, but I know -- I've had a hard
6 time getting shredded tires. In this past six months
7 I've been begging the contractor to bring more tires
8 because they have other markets they're taking them to.
9 And so I think overall we definitely have a
10 potential for using it in a beneficial way in landfills,
11 not just landfilling it, I'm against that.
12 COMMITTEE CHAIR PEACE: So we already know that
13 we can use tires in landfill construction, but for this
14 project you're going to be constructing and
15 demonstrating things, like you said, like a vertical
16 gas, things that haven't already been done before?
17 MR. YOSDANI: Exactly. I don't believe there's
18 anybody who's actually installed a typical drilling that
19 happens in landfills, putting in a well, no one has used
20 it for demonstrating that.
21 And also the bio cover that we're proposing as
22 a final cover system, they've used wood chips with
23 compost material, I know of some landfills that have
24 used that, we've used that also in a biofilter design.
25 But some of the problems with that is the material

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1 decomposes, and the wood material decomposes, the
2 compost decomposes, and then the efficiency of that
3 system reduces.
4 But if you can make it, put a light material
5 like tire chips that can bulk the compost, you can keep
6 the permeability uniform over long term and the
7 performance will be better.
8 So we want to look at that and not just go out
9 and build one, but actually do some laboratory tests so
10 we can have some backing of how the data looks like if
11 you were actually doing it in a controlled environment.
12 And that's why I wanted to work with universities who
13 have testing equipments to do that.
14 COMMITTEE CHAIR PEACE: So you will be putting
15 out a report so that other landfills that would like to
16 try some of these things will have that report?
17 MR. YOSDANI: Yeah. Any other questions?
18 COMMITTEE MEMBER MARIN: I do. These, the
19 stacking up of all of these chipped tires or ground
20 tires, you're not concerned about the potential
21 flammability of it or what would you do to --
22 MR. YOSDANI: You're talking about in the
23 landfill? Well first of all --
24 COMMITTEE MEMBER MARIN: Well on the -- isn't
25 it you're doing gas collection -- the vertical gas

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extraction?

MR. YOSDANI: Yeah, normally in the landfill you're monitoring your gas composition, and the amount of oxygen in landfill is less than, operating it properly is less than three percent oxygen, so there's not enough oxygen to have a kind of aerobic environment, it's anaerobic, so there's no oxygen in a landfill.

Also the thickness of the material is an issue. Like if you had a stack of, you know, a hundred feet of it, I would be more concerned about that. Even if there was a combustion, which is rare in a landfill, we've operated these type of gas, vertical gas collection systems since like 1993.

COMMITTEE MEMBER MARIN: With tires? With shredded tires?

MR. YOSDANI: Yes, we've used one pass shreds, the big pieces we've operated those two wells. We've had two wells that we've operated with shredded tires.

COMMITTEE MEMBER MARIN: So if you've already done it, what's new about this then?

MR. YOSDANI: Well the difference is that we build those as we were filling the landfill, and they were four foot in diameter, and they were large pieces.

These are different. We're going to go back in an area that's already landfilled, bring a drill rig,

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1 drill it, and then use the smaller pieces. That's how
2 everybody does it. One of the reasons no one is
3 building it like that is because it's more work. It's a
4 lot more work and you have to, you know, you have to
5 build the well up through the waste as you fill in the
6 garbage.
7 COMMITTEE MEMBER MARIN: Okay. Wait, wait,
8 wait, wait, wait. So you could start doing that, but
9 it's more expensive. So it's less expensive to go out
10 there and drill it?
11 MR. YOSDANI: No -- okay. It's more, it's more
12 labor intensive to do it that way, and it's not a
13 standard practice. The standard practice is to wait
14 till you finish filling your landfill and then come back
15 with a drill rig and drill it. And I'm not saying it's
16 cheaper, but I'm saying it's labor intensive and people
17 don't like to do it because you have to coordinate with
18 your, the guys that are filling have to coordinate with
19 the people that are installing. And those people are
20 not the same contractor, so it's a lot more work, and
21 it's much easier for a contractor who does drilling to
22 come in after the work and put in the wells.
23 That's one of the reasons we want to do it with
24 the standard techniques rather than the method that we
25 have kind of developed to make it work. Does that make

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sense?

COMMITTEE MEMBER MARIN: No.

MR. YOSDANI: Okay.

COMMITTEE MEMBER MARIN: Because you've already, that's why I've asked you the first question. So the demonstration project, this would be a demonstration project, right?

MR. YOSDANI: Right.

COMMITTEE MEMBER MARIN: So what is it that we're going to demonstrate that we don't already know?

MR. YOSDANI: Using the three inch binders tires instead of the one pass twelve inch pieces, and drilling the well after the filling is done as opposed to building it as you go up. That's what the difference is.

COMMITTEE MEMBER MARIN: So right now people don't do it when -- now, do you want to encourage doing what?

MR. YOSDANI: The drilling and putting it in.

COMMITTEE MEMBER MARIN: After it's been landfilled?

MR. YOSDANI: Yes, because then they won't be using gravel to do it, they'll be using chipped tires to do it.

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1 COMMITTEE MEMBER MARIN: Because nobody is
2 doing that right now?
3 MR. YOSDANI: Nobody is using chipped tires to
4 do it, that is correct.
5 COMMITTEE MEMBER MARIN: Okay. All right.
6 COMMITTEE CHAIR PEACE: Okay. Next one. The
7 Sukut Construction -- there we go. The Sukut
8 Construction for the long term remediation project,
9 Tracy's cleanup.
10 MR. FUJII: I'm going to have Todd Thalhammer
11 on his crutches brief you on the status of this project.
12 He's the project manager.
13 COMMITTEE MEMBER MARIN: Do you want the
14 sympathy vote here?
15 MR. LEE: Well yeah, we'll take anything we can
16 get, you know.
17 MR. THALHAMMER: We waited until the end for
18 this one so I'm going to --
19 MR. FUJII: Yeah, he's going to show his cast
20 here in a second, I think.
21 Anyway, Todd Thalhammer will brief you on this
22 particular line item.
23 MR. THALHAMMER: Good afternoon, Madam Chair,
24 Committee members. I come limping to you with this item
25 in front of us. I was asked to provide basically a

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status, kind of an update of where we're at with Tracy and why it's necessary for the additional funding.

So I'll take a little step back and talk about where we've been and what we've accomplished so far.

To date we have finished the class one removal which is all the hazardous waste at the facility. That was approximately 76,000 tons. That's 7,455 truck trips at a cost of $7.2 million.

Class two is continuing, but as of right now we have removed 43,000 tons at a cost of $852,000.

We also discovered some additional tires which came out to about 243 tons at $9,000.

Where we're at right now, this gives you a good overview, this map. We did some three-dimensional surveying. Originally back in 2001 we estimated the ash to be anywhere between one to three feet throughout the site.

What you're seeing there in the multitude of colors is that anything that's colored has exceeded our initial estimates.

You can see that the one particular area is bright pink. That's 16 feet below where we thought it would be. That has been due to the pyrolitic oil, some of the oil came back hazardous, and we're still chasing that oil. That was due to some of the shreds being

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anywhere from 30 to 40 feet, and tires being stacked up to 60 feet when it burned.

So we're currently, this is a current photo, in other words, all that material has been excavated and that's where we're at as far as kind of a visual and where we're going to go.

We'll produce another map to show the oil excavation as well.

Future costs. As of right now we're looking at about another 100,000 tons of contaminated soil with the pyrolitic oil. That's projected cost out of about $3 million. That doesn't include the excavation of the material, but it does include the transportation and disposal.

So what I want to do now is if there's some questions I can answer, issues that may come up, this is actually a large reallocation so I'd like to provide you with the information for that.

MR. FUJII: Let me just add a couple of things in terms of some numbers. I mean what you see before you up there -- well, what you did see before you on the chart, maybe Sally can pull that back up.

The dollar amount that we're asking for reallocation is 2,836,000 and some change. Originally the, or initially the Board had allocated about $11.5

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1 million to this effort. We're estimating that it will
2 take an additional $5 million to complete this project.
3 What we're proposing is if the Board were to go
4 ahead and grant this reallocation of 2.8 million, we
5 would adjust the five year plan funding accordingly so
6 that the total, including this 2.8 million would be five
7 million, so I just wanted to make you aware of that.
8 MR. THALHAMMER: Just as a note as well.
9 Sukut's contract was approved for 11,565,000 and some
10 change. To date we've spent 11,495,000. We have about
11 $60,000 left in this contract, and we're basically
12 awaiting additional funding.
13 COMMITTEE CHAIR PEACE: Did you say the 2.8
14 that you're suggesting we reallocate right now, plus the
15 2.4 that's in the five year plan?
16 MR. THALHAMMER: The 2.4 would be, you actually
17 will have an item next month which would actually be a
18 new contractor, a new contract for Tracy.
19 This money here is basically going to carry us
20 through the summer in case we don't get a budget in
21 time, which we may or may not, who knows.
22 This summer construction season is actually
23 very easy for us to identify the pyrolitic oil, it tends
24 to ooze out of the soils with the heat, so visually it's
25 much easier for us to identify and excavate.

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The other thing is we can take advantage of some much lower bids. As you know the fuel increases have gone up dramatically. The new contract that goes out we have to rebid the transportation and disposal. We've already, we're suspecting that will go up by 30 percent.

MR. FUJII: One other clarification that was just brought to my attention, the actual cost estimate for completing the project was actually 5.7 million, and this additional 700,000 would be to complete reports and/or documents required by our sister Cal EPA agency to certify the clean closure of the site, so I just wanted to bring that to your attention.

COMMITTEE MEMBER MARIN: Okay.

COMMITTEE CHAIR PEACE: And we see that the costs keep going up and up and up, and we have this photo here, how come we didn't know this when we made the original estimates?

MR. THALHAMMER: Well, the original estimates were made way back when the first time program came out, and I was actually asked to produce an estimate way back when with basically no field borings, no holes, no trenches, no anything. I mean they went to the legislator for the tire program and they asked me how much is it going to cost to clean up Tracy. I told them

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it was going to be $8, million and that was sight unseen.

During the EPA's evaluation and during my evaluation I said, you know, I need to get a handle on this. And so we went out and trenched it and bored it. And as you can tell, there's certain areas out there that some areas are really dark and some areas aren't.

When we went out there with excavators and with boring specifications, we've pretty much, I mean as far as why this has gone up and up, the total of fifteen million has pretty much been on the table for quite some time. I mean this isn't like a brand new we need an extra five million, we knew that this was coming in the allocation and in the five year plan.

So these funds that we saw are all within basically what I feel the estimates that we've been able to perform.

We are chasing oil in gravel lenses, and we have large amounts of clean soil on top of very dirty soil. And the gravel lenses tend to go wherever they want, it's an old gravel facility. So we're, unfortunately, if you recall, when you go out there we have a very little excavator on a very large site, and we're moving a lot of clean dirt in order to get to the contaminated soil, and it costs a little bit more money

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1 than we anticipated.
2 COMMITTEE CHAIR PEACE: Do we have any idea how
3 much we'll get from cost recovery on this project?
4 MR. FUJII: Let me speak to that. On this
5 particular one it's a little bit different. There are,
6 there was only one identified party, and it's Silas
7 Royster was the former owner, he's deceased, and so we
8 have an existing judgment on this site for, I believe --
9 MR. THALHAMMER: Four and a half million.
10 MR. FUJII: No, it's more than that, isn't it?
11 I believe it's nine million.
12 MR. THALHAMMER: The first judgment was four
13 and a half, and then they placed another five something
14 on it, so yeah.
15 MR. FUJII: And so at the completion of the
16 project we would, you know, legal staff through the
17 Attorney General's office would try to extract whatever
18 funds that the estate has left. But we're not holding
19 out for a substantial cost recovery from this landowner.
20 COMMITTEE CHAIR PEACE: So you say that you
21 need, you're going, you want five million more. So if
22 we have 2.8 here in the reallocation, and then 2.4 in
23 the five year plan, do you mean that we're going to be
24 adjusting the five year plan down?
25 MR. THALHAMMER: That's correct.

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1 MR. FUJII: Correct. We're not asking for in
2 addition to, it's in lieu of. So the total amount, as I
3 mentioned I wanted to correct, it was 5.7, that was my
4 error. So the difference between, you know, if the
5 Board were to go ahead and provide the reallocation we
6 would go ahead and only fund the difference of 5.7 minus
7 2.8 million that we're requesting in the reallocation.
8 So it wouldn't be in addition to, it would be subtracted
9 from. So we would adjust the five year plan '05-'06
10 allocation '06-'07 allocation to reflect that.
11 CHIEF COUNSEL CARTER: Madam Chair, if you
12 would like we can get the detailed information from the
13 Attorney General regarding the cost recovery effort.
14 COMMITTEE CHAIR PEACE: I think at some time in
15 the future we'll probably want to know that, I don't
16 know if we need it right away.
17 Okay. Any other questions?
18 COMMITTEE MEMBER MARIN: Okay. So the total,
19 give me the total. The original estimate was $8
20 million?
21 MR. THALHAMMER: That's correct.
22 COMMITTEE MEMBER MARIN: Our current up to now
23 expenditures, what has it been without this total?
24 MR. THALHAMMER: We have expended 11.495.
25 $11,495,000 and some change.

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1 COMMITTEE MEMBER MARIN: How much more can we
2 anticipate to spend?
3 MR. THALHAMMER: On top of that around 5.7
4 million, again depending on the regulatory agencies and
5 cleanup levels which we're negotiating adamantly, as I
6 may add, at this point.
7 COMMITTEE MEMBER MARIN: Okay. At one point in
8 time, you know, when you add a million here and a
9 million there, all of the sudden we're talking about
10 real money. This is, this is very troubling because we
11 would have spent $18 million or very close to it from an
12 original of $8 million.
13 MR. THALHAMMER: Right, and the Westley cleanup
14 was about $16 million. I mean it's not within --
15 COMMITTEE MEMBER MARIN: But it's, yeah, and
16 you know the next tire pile, whatever it is, because we
17 spend $18 million, now it's going to be another $18
18 million, you know.
19 At one point in time we need to, we need to
20 make sure that this is really -- this is a lot of
21 money. And just because we've spent it in one place
22 doesn't mean that it needs to be spent at another time.
23 And just because we had, even though we have the
24 authority and we have, you know, somebody can very well
25 say, well, there's the $30 million pocket there, we

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1 should be able to get that much.
2 I want to see -- you know, I'm not going to
3 approve this. I want to see far more than that. You
4 know, we're not going to be -- this is a lot of money.
5 And just because we spent -- that is a very poor excuse,
6 just because we spent $16 million on another one, we
7 can't go out there and say, Well, this is bigger so we
8 need to spend more money."
9 MR. LEE: Madam Chair.
10 COMMITTEE MEMBER MULE: Madam Chair, Chair
11 Marin. My understanding is that this fire and the --
12 MR. LEE: Westley fire.
13 COMMITTEE MEMBER MULE: -- Westley fire were
14 two of probably the largest tire fires in the United
15 States. Or top two, their, they were huge. And my
16 understanding also is that SB 876 was, in fact, passed
17 to address those, the cleanup of these huge illegal tire
18 piles.
19 And while I agree with you, this is a huge
20 amount of money, I also know that it's very difficult
21 when you go in, especially with a hazardous waste site,
22 to try to, you know, when you go and do an estimate,
23 inevitably there always seems to be some
24 unanticipated --
25 COMMITTEE MEMBER MARIN: There always some

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1 unforeseen contingencies.

2 COMMITTEE MEMBER MULE: -- pyrolitic oil or

3 some -- yeah. No, and I'm just trying to put all this

4 into context. It does seem rather, it is a lot of

5 money, it is.

6 But again, we, I, as I understand it, we as a

7 Board were directed by the legislature via 876 to clean

8 up these tire piles and get this cleaned up.

9 So while I think it's, I do, I think it's a lot

10 of money, it is a lot of money. But again, that's the

11 responsibility that was placed on us to do this in a

12 cost efficient manner, but to make sure that it is

13 cleaned up.

14 And so I would certainly hope that our staff is

15 looking at the fiscal, the financial aspect of this

16 cleanup and they're, they are spending our money

17 prudently. I would certainly hope that that's the case.

18 MR. THALHAMMER: Well just, let me just provide

19 some anecdotal evidence as far as how we're going about

20 our cleanup and what we've done, just so I can provide

21 some more information.

22 To let you know that typically hazardous waste

23 in California is hauled anywhere between 60 to $120 a

24 ton. Currently we pay $41 a ton to haul hazardous waste

25 at Tracy. We are currently hauling contaminated soil

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for $19 a ton. The tires alone cost me $40 a ton to haul. So the majority of what we're hauling is well below market rates. I can't even, literally my trash bin across the street, I have a transfer station that I pay $50 a ton to get rid of my waste at.

So as far as what we've been able to negotiate in the waste industry, we're far below market value as far as what we're hauling. We're doing due diligence in removing this waste.

And let me take a retrospect once again. The $8 million estimate that I was asked to prepare for SB 876 was one afternoon in my office with no data, not one trench, not one boring, not one sample. Now, as an engineer, to throw a dart on the wall and stand behind it, and I'm standing here in front of you, when I threw the dart I threw the dart.

But bottom line is, when we went out there and we cut the trenches and what we found is that visually what, and that's why I brought it forth to you, is that this particular environmental disaster was far more exceeding of any data that I had presented to me for an estimate.

We're on a time and materials contract. We're doing our due diligence. And basically, as far as the projects that I've worked throughout the state of

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1 California, I've not had costs this low ever.
2 The contamination is there. We are excavating
3 the contamination. It's highly potent, and it's highly
4 odorous. At this point if we were to shut down and not,
5 we would wait for the next contract in July, and we, and
6 until the budget is signed.
7 MR. LEE: Ms. Marin, I'd like to add a little
8 additional information to that and put this in proper
9 perspective.
10 In Todd's comment again about comparing this to
11 Westley and the $16 million that was expended on that
12 project, it was just to, the comparison that we were
13 trying to make there was that Westley was a smaller site
14 than Tracy, and also did not burn for anywhere near as
15 long. The Tracy site, I believe, burned for up to two
16 years before we could extinguish it. During that time,
17 again, the environmental problems, you know, with the
18 pyrolitic oils and other contaminations increased
19 significantly.
20 And so the comparison was just to say that we
21 spent 16 million on Westley, which had a lot fewer
22 environmental complications and problems, and so we are
23 certainly in that ballpark, you know, for the cleanup of
24 Tracy.
25 And I think the point that Ms. Mule brought up

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is very relevant.

COMMITTEE MEMBER MARIN: Yeah.

MR. LEE: Arguably the most important consideration in SB 876 is to clean up the tire piles and the results, you know, from the fires that come about, that came about in these two particular situations.

I believe the Westley situation, I believe, was one of the genesis for the 876 legislation in the first place. So clearly we are trying to do, and I think as Todd has mentioned, trying to do this cleanup as cost effectively as possible. Unfortunately those costs, you know, are significant.

COMMITTEE MEMBER MARIN: You know, I don't deny anything that you have said. The reality is that if we go back to the legislature, when the legislature was approved, and they approved it based on the fact that, maybe some very obscure estimate, when they approved it they said, go clean it up, it's going to be $8 million. Now we're gonna go back and say, "Well, gee, we didn't have any estimates, it's actually $18 million." And that we don't know whether in fact that's going to be the true figure, because who's to say, you know, this oil continues to seep away, and pretty soon it's going to be a lot more --

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1 COMMITTEE CHAIR PEACE: Do you feel like you
2 have a handle on it now? Do you think you know what's
3 there now to say this is getting towards the end of the
4 cleanup, we're only going to need $5 million more?
5 MR. THALHAMMER: I've put an excavator
6 basically for the past month and told him to trench
7 until the point where he can't trench anymore and he's
8 bored. I mean I know where the pockets of oil are.
9 We're chasing 'em out. I mean we're actually shut down
10 next week because we're out of funding for this
11 contract. But I have a really good idea what's left.
12 I mean I'm really comfortable standing and
13 point and saying $5.7 million is going to finish this
14 project. I mean I've had to come back to the Board and
15 said, you know, my $8 million is not enough. I'm going
16 to tell you right now, I know my 5.7 is enough.
17 COMMITTEE CHAIR PEACE: Well I agree, this is
18 an important project, we can't leave it half done, we
19 have to go forward and finish the cleanup. And I sure
20 don't want to not go forward with this and then have
21 them have to shut down all their operations and move
22 their equipment, and then come back with another
23 contract and bring everybody back, that's just going to
24 add more to the contract.
25 So I think this is really important. It has to

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be cleaned up. This is how much money you're telling us it's going to take, and I think it's important that we go forward with this.

Okay. We'll come back to that. Let's just keep going.

MR. DELMAGE: All right. The next item is a smart tire technology testing by the Department of General Services fleet.

This is a project that we're running in conjunction with an interagency agreement we have with UCD that is investigating smart tire technologies, things like either auto inflate for tires, or differend kinds of gauges that either can be placed on tires or be placed on an automobile to ensure that the tires are properly inflated. And even filling tires with nitrogen.

What this will do is it will allow general, the people at the General Services fleet operations to purchase some of these types of devices that are being identified through this other contract, and put 'em in real world situations, so that we can actually quantify and measure how effective these are in extending the length of tire life.

The thing that the fleet brings to the table are a couple of things. One is that we would like the

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1 state's fleet to be more green and be buying these
2 devices to make sure their tires last longer, as well as
3 buying things like retreaded tire, rerefined oil, and
4 other things.
5 The other thing the fleet brings to the table
6 is because we want to test these in real world
7 situations, they have many vehicles that are fairly
8 standard and do standard things, so it will be easier to
9 compare situations where we're using the smart tire
10 technology and not using it.
11 To give you an example is in prisoner
12 transport. They generally have the exact same type of
13 van, same type of tire, and they're constantly moving
14 back and forth over certain terrain. So we're able to,
15 you know, compare apples and apples so to speak.
16 Are there any questions on this particular
17 topic?
18 Okay. The next one is waste tire issues,
19 border between San Diego and Tijuana.
20 MR. FUJII: Bob Fujii with the Special Waste
21 Division again.
22 Under this particular line item we're proposing
23 a partnership with the City of San Diego for the amount
24 of $50,000. And what this is going to do is assist the
25 city, who has been working actively on issues along the

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1 border, as you might imagine one of the major problems
2 that occurs down in that area is tires are washed into
3 the Tijuana river from the Mexican side of the border
4 and creating problems for that area of the state.
5 The LEA has been actively working to remediate
6 this problem, and the city's office of financial affairs
7 has also been instrumental in working in solving the
8 tire problem along this border.
9 Staff again is proposing to partner with the
10 city LEA to expand outreach to both sides of the
11 border. The LEA office of financial affairs would
12 conduct outreach and training for the stakeholders on
13 both the Tijuana and the San Diego side. And this
14 outreach, the training outreach would occur in the City
15 of San Diego.
16 The goals that the LEA set are to offer
17 training sessions for both stakeholder groups such as
18 industry, academia, government, local governments.
19 And then the training would cover all elements
20 related to tire management such as enforcement,
21 remediation, fire and vector control, transport,
22 hauling, and then market development opportunities.
23 Bill Prince from the City of San Diego is also
24 here to answer any questions about this proposal should
25 you have any.

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1 Any questions?
2 COMMITTEE CHAIR PEACE: I guess the question I
3 had is in the five year plan we had money in there for
4 border outreach, and I just want to know how this will
5 not duplicate those efforts?
6 MR. FUJII: I don't believe so, and I don't
7 know, Mitch Delmage may want to speak to that in a
8 little more detail.
9 COMMITTEE CHAIR PEACE: How is this going to be
10 different than what we have in the five year plan?
11 MR. DELMAGE: I'm sorry, which part of the five
12 year plan were you referring?
13 COMMITTEE CHAIR PEACE: The border outreach, we
14 have money for border outreach in the five year plan.
15 MR. DELMAGE: What we're looking to do with
16 this particular one is work it in conjunction with that
17 effort. San Diego right there on the border, they
18 already have individuals that are involved in border
19 issues, so we want to conduct the trainings that Bob
20 spoke to.
21 In the other outreach effort we're looking at
22 things that are a little more statewide. This is more
23 San Diego oriented. The five year plan part of it would
24 be more to looking at how tires are flowing toward the
25 south, things of that nature.

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1 Does that answer your question, Madam Chair?
2 MR. LEE: Madam Chair, I think one of the main
3 distinctions too again is the money that we have in the
4 five year plan, again, is for Board staff and/or
5 contractors to provide, you know, technical assistance,
6 you know, training as necessary.
7 The distinction between this and San Diego is
8 that in this case indeed the City of San Diego, the LEA
9 is going to be taking a lead role basically in
10 supplementing, you know, the work that, you know, staff
11 would see themselves doing. And because they are
12 locally based, and I think the opportunity exists for
13 them to provide a useful service in this regard.
14 COMMITTEE CHAIR PEACE: Any questions? Okay.
15 Let's move on.
16 MR. DELMAGE: All right, get back on here.
17 Direct grant to the City of Sacramento for Independence
18 Field.
19 We actually have Tim Hayes here who would like
20 to speak on this topic, and also Alan Boyd from the City
21 of Sacramento who would be available to answer some
22 questions.
23 MR. HAYES: My name is Tim Hayes, I'm
24 representing Independence Field. Unfortunately Mr. Boyd
25 had to leave earlier, so I'll hopefully be able to

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answer any questions that come up.

What this is about is a group of community people that have gotten together to build a baseball field for children with disabilities. Primarily we have a group right now called Challenge of Little League that plays at various city parks and struggles very difficult trying to play on a traditional baseball field.

So what we've proposed to do is to take a baseball field, and cover it with a rubberized surface, similar to this made out of primarily recycled tires, that will allow children with disabilities to play, not only baseball, in fact, baseball was the primary goal of what we established, but working with the city of Sacramento and their access leisure department, we've identified quite a few other groups that could use this field; all the way from the adult softball association that plays in wheelchairs to soccer to blind baseball to all kinds of various things.

In fact, we approached the Shriners and they said they have 17,000 kids that could use a facility like this. We estimate that this field will be used about 250 days a year by children with disabilities. It is about 40,000 square feet of surface, uses about 10,000 recycled tires.

COMMITTEE CHAIR PEACE: Okay. Are there any

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1 questions? Sounds like a good project.
2 COMMITTEE MEMBER MARIN: So let me just -- it's
3 a great project. Now, is there any way that you can use
4 more tires or you can use less money? Because this is a
5 $15 per tire. I love this project, but we have, when we
6 have applicants for, what do we call them, the track and
7 so forth, the limit was about $10, was it $11?
8 MR. LEE: $15.
9 COMMITTEE MEMBER MARIN: How much was it?
10 MR. LEE: Fifteen.
11 COMMITTEE MEMBER MARIN: Oh, fifteen, I'm
12 already thinking of the next year.
13 COMMITTEE CHAIR PEACE: You're talking about
14 the next year.
15 COMMITTEE MEMBER MARIN: Okay. All right.
16 That's fine. $15 a tire, that's what they're getting.
17 Next year will be less.
18 MR. HAYES: And there is, we were approached by
19 other organizations wanting to have similar fields built
20 in their communities. And our reaction was, let's get
21 the first one built, let's prove that it works, and if
22 so then we're hoping to expand it and do it in other
23 cities.
24 COMMITTEE MEMBER MARIN: Now if you can get it
25 for $14 a tire, can you do that?

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1 MR. HAYES: And I think that's one of the
2 things we'll hopefully learn from this process and
3 hopefully get our costs down.
4 COMMITTEE MEMBER MARIN: You know, I have this
5 thing about money, I don't know --
6 MR. HAYES: Justified.
7 COMMITTEE MEMBER MARIN: I don't know why.
8 MR. HAYES: We understand fully. Thank you.
9 COMMITTEE MEMBER MARIN: All right. I know
10 what it takes to make a buck.
11 MR. DELMAGE: Any other questions on this one?
12 Okay. The International Asphalt Rubber Conference in
13 San Diego. We've identified that for $200,000 in
14 funding.
15 This is a project that came to our attention,
16 there was an internet -- there's been two other
17 international conferences, one in Portugal, I believe,
18 and the latest one in Brazil. That was done in 2003.
19 They planned on doing these every two years, the United
20 States was identified as one of the areas they wanted to
21 do the 2000 -- well, we're exactly three years, we're
22 having it 2006. And California was selected as a place
23 that they would see this as being an opportunity for
24 this particular international conference.
25 We identified the amount at 200,000. What

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1 we're looking at, right now the California Integrated
2 Waste Management Board would be the primary funder of
3 it, but we have other entities that are interested in
4 participating in one way or the other.
5 Caltrans has indicated that as far as funding
6 goes they have about 50,000 that they can contribute,
7 plus there would be a lot of in-kind services providing
8 expertise and background information.
9 We've spoken with -- yes. Oh, I'm sorry, I
10 thought you had a question.
11 The Rubber Manufacturers Association, while
12 they haven't committed any funds, they have indicated a
13 very strong interest in the proposal and that they
14 would, again, provide in-kind services and expertise.
15 So if I could, I think Mr. Blumenthal is still
16 here and he wanted to address this a little bit.
17 COMMITTEE MEMBER MARIN: As he comes in, Madam
18 Chair. It's nice that we have all of these people who
19 are so willing to give us in-kind, but we can also
20 provide a lot of in-kind. Can we provide in-kind
21 services of $200,000 but not cash?
22 MR. DELMAGE: Well, I don't know that we have
23 that much staff resources available to provide in-kind.
24 One of the things that we are looking to do is this
25 200,000 is a starting figure and, for instance --

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1 COMMITTEE MEMBER MARIN: Wait, no, please don't
2 tell me it's a starting figure. I'm going to have a
3 heart attack now.
4 MR. DELMAGE: We want that to come down. For
5 instance, as Caltrans identifies how much funds they can
6 put in, we're going to take that off of the 200,000.
7 As the attendees pay to participate, we would
8 work out in the contract that some of that funding would
9 go back to offset our costs.
10 So what we're looking to do is to guarantee
11 that will happen, say we've got the 200,000.
12 COMMITTEE MEMBER MARIN: But the problem with
13 that is that it will happen and, because it will be
14 guaranteed that it will happen, then nobody else will
15 come to the table and provide anything but in-kind
16 services.
17 I'd rather go the other way around. You know,
18 we're willing to come up with 50 percent of it, and we
19 guarantee 50 percent of it, but I am just, you know,
20 this, there is no question that this would be a very
21 good conference. And there is no question that
22 California can be a leader in this again.
23 But I'm really nervous of guaranteeing that it
24 would happen. If we guarantee that it will happen, then
25 nobody else will come in, everybody else will come in

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with their very enlightening in-kind services but no real cash.

And at one point in time I think that we need to see some real commitment from all of these people that are, that also wanted to see this happen. I want to see it happen as much as they do, but we shouldn't foot the entire bill, I don't think that is the right thing for us to do.

COMMITTEE MEMBER MULE: Who sponsored this conference in the past?

MR. DELMAGE: In the past, the last go-round -- let's see. And forgive me for not knowing, but DERDF, the Rubber Pavement Association, uh-oh, CONFEA, C-O-N-F-E-A. Some of these are in Spanish and that's why I'm looking at you, and I don't want to embarrass myself by trying to pronounce them. European Tire Recycling Association, ADP, Consult Pave, Estrada, the --

COMMITTEE MEMBER MARIN: So no other state? No other country?

MR. DELMAGE: This was the one done in Mexico, or I'm sorry, Brazil. And so there were sponsors from other countries, for instance, the European Tire Recycling Association.

And I think Mr. Blumenthal can --

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1 COMMITTEE MEMBER MARIN: He doesn't want to
2 speak anymore.
3 COMMITTEE CHAIR PEACE: Mike is going to come
4 and tell us how much the Rubber Manufacturers
5 Association is willing to put in.
6 MR. BLUMENTHAL: You might be surprised. Let
7 me try it this way. It's a very nice gesture to offer
8 up $200,000 as money to make sure that this conference
9 would, indeed, happen.
10 I think, and I'm not trying to undermine what
11 Mitch has said or what, or the idea of this conference,
12 I think it would be a good idea to have the conference
13 here in the U.S., certainly along the U.S. Mexico
14 border. It is something that I believe there's a lot of
15 interest in this.
16 I have already approached other international
17 organizations to fund this type of venue. I've been
18 turned down by other organizations surprisingly. I
19 think there is interest from the industry side on having
20 something like this.
21 Do you need $200,000 to make it happen?
22 Wouldn't hurt, you can probably do it for half that.
23 The expenses that you're looking at are
24 bringing in the speakers. And if you want to make this
25 an international venue, you do have to bring in speakers

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1 from around the world. And typically they would expect
2 to have their airfare and their expenses paid. That is
3 your biggest single cost.
4 And in light of the fact that you cannot
5 guarantee how many people are actually going to be
6 there -- I'm giving a conference in less than ten days
7 and people are just now signing up. You saw what
8 happened at the California Tire Conference. It's
9 virtually impossible to say how many people are going to
10 show up.
11 So if you can guarantee the speakers, you can
12 typically figure people are going to show up because of
13 who you have and what you have and, in fact, where you
14 have it.
15 As far as what the industry is willing to do,
16 we currently are working with two other organizations,
17 one is the Rubber Pavements Association, the other one
18 is the Rubber Division of the American Chemical Society.
19 And we have a rubber modified asphalt venue coming up in
20 two weeks, it's going to be in San Antonio. Right now
21 we have about 75 persons signed up, we're still two
22 weeks out, I expect we'll have 150 people there. This
23 is the second one that we are giving. We had the first
24 one one year ago up in Michigan, and we found out that
25 this was a very good topic, a lot of interest.

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We, in fact, had planned to do this on a biannual basis, and we had so much demand that we found ourselves doing it again this year.

Having one next year, what I was going to suggest was that why don't we partner all together, get RPA, ourselves, the Rubber Division, and California and the Waste Management Board to host the international conference.

We have members in Mexico, we have members in Canada, members in Europe; and we, what we could bring to the table is making the contacts, letting the word out about who's going to be there. The money that would be put up by the Waste Board, and it would not have to be $200,000, could be half of that, would basically be there to make sure that the speakers have their expenses paid. Beyond that we basically are doing our rubber modified asphalt workshop on a very small budget. And last year we even made a couple thousand dollars on it.

So do you need $200,000? Oh, we could put on a grand show for 200 grand, no doubt about it. But you can also put on a good show for half that and bring in the best speakers in the world.

And I think that California has a lot to offer. Number one, I would suggest we do it down on the border area.

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1 Number two, all the work that Caltrans has
2 done, all the programs that this organization has put
3 money and effort into should be highlighted.
4 You're right next to Arizona. There was an
5 article in the recent publication where the city of,
6 where the Arizona DOT is going to spend $34 million to
7 pave a hundred miles of road using asphalt to reduce
8 noise under the quiet road program watch. And this is
9 under the guises of federal highway.
10 If you leverage all of these different programs
11 together, I think California could get tremendous, it
12 could take the lead in this. And what we're willing to
13 put up is our expertise in bringing these type of
14 conferences together and bringing in the best speakers
15 and making sure it gets advertised worldwide.
16 And so I think it is a worthwhile venture. We
17 certainly would put up a great effort for this.
18 COMMITTEE MEMBER MARIN: How much? How much is
19 that great effort? Let me ask you this --
20 MR. BLUMENTHAL: You see, they have to go to
21 you to get an authorization, I have to go to my board to
22 get an authorization.
23 So what I can say is I have a meeting on June
24 8th with my board, and we can put this onto the agenda
25 and we can come back with an answer, you know, if this

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thing moves forward.

But since, but in light of the fact, whether you folks do something or not, I will tell you that the partnership between RPA, Rubber Division, and RMA will hold another RAC conference, whether in '06 or '07, we're going to do it. So it's not like nothing would happen, there are other entities out there who push this.

But I think, like I said, the State of California and certainly what Caltrans has done, you people could use this as a way to highlight all of your experience and the expertise that you have to offer.

COMMITTEE MEMBER MARIN: The conference that you guys put together, RMA and --

COMMITTEE MEMBER MARIN: MR. BLUMENTHAL: RPA and Rubber Division.

Right. This is the one that's taking place in San Antonio?

MR. BLUMENTHAL: In San Antonio.

COMMITTEE MEMBER MARIN: And this one takes place every year or every other year? Every year in different parts of the state, states?

MR. BLUMENTHAL: We had planned to do it on a biannual basis, we did one in '04 and we had planned to do one in '06, but we got such a large demand to have a

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1 second one that we went to an annual program.
2 COMMITTEE MEMBER MARIN: And how much is that
3 conference?
4 MR. BLUMENTHAL: How much does it cost to go
5 there?
6 COMMITTEE MEMBER MARIN: How much is the
7 conference itself? The total cost of that particular
8 conference.
9 MR. BLUMENTHAL: You know, I don't have that
10 information in front of me. You know, basically it's,
11 you got to pay for, you typically have it at a hotel,
12 you have to guarantee so many rooms, and then you pay
13 for, it depends on how many rooms you get whether
14 they're going to charge you for the meeting room. You
15 have your A/V cost.
16 The biggest single costs are meals and expenses
17 for the speakers. If you have a good turnout you can
18 make money. If you get less than a hundred people
19 there, it's going to cost you.
20 But I don't have, I mean I can certainly get
21 you what it cost us last year, that I can go back to the
22 people from Rubber Division and get a number.
23 So that's our piece.
24 MR. DELMAGE: If I might, Madam Chair. To give
25 you a little background on where the 200,000 came from.

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1 This particular conference that they did in Brazil was
2 $150,000. Mr. Sosa from the Rubber Pavement Association
3 and Mr. Way from the Recycled Tire Engineering and
4 Research Foundation were involved in this one, and they
5 estimated, based on the price of things in Brazil based
6 on the price of things in California, that it would be
7 about 200,000.
8 And to give you a little perspective. The tire
9 conference that we just had, the used oil conference,
10 those ranged about a hundred thousand.
11 So this being an international conference, with
12 the cost of bringing people, for instance, the technical
13 committee that's partially assembled, we have members
14 from all over the United States as well as France,
15 United Kingdoms, Portugal, China, Spain, Brazil, and
16 South Africa. So that's what the cost was based on.
17 COMMITTEE CHAIR PEACE: If we're going to go
18 through the trouble to have an international conference,
19 we want to have a first class international conference
20 not some rinky dink thing. So, you know, I feel like
21 the money is justified.
22 And I sure hope that the RMA can come up with
23 something. Because at the product stewardship
24 conference that we had, what, last year, they didn't
25 want us to talk about source reduction or longevity,

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they wanted us to push RAC and civil engineering, so put your money where your mouth is.

Next item.

MR. DELMAGE: This is the tire derived Brazilian flooring study for 100,000. I have Dana Papke from the Market Division who will speak to this issue.

MS. PAPKE: Good afternoon, Committee Chair Peace, Board Chair Marin, and Board member Mule.

About one and a half million waste tires are generated every year and being recycled for use as resilient flooring. Since these products are not promoted for wide use indoors, and are mainly only recommended for larger spaces over 2,000 square feet, the Board approved funding a study last year as part of the May reallocation item to evaluate the chemical emissions of those products, and develop indoor reference exposure levels, also known as IRELs, to ensure that they're safe for indoor use in all spaces.

This proposed tire derived resilient flooring study would complement the research that's currently being conducted.

The Department of Health Services would focus their efforts on further evaluating the products with the highest emissions as identified in the IREL study.

Any emissions issues that are raised as a part

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of the long term testing would allow DHS to identify solutions for manufacturers to reformulate their products.

The goal of this study is to proactively work with manufacturers to improve their products as a way to increase the amount of low emitting tire derived resilient flooring products available in the marketplace so that they can be promoted for wide use indoors, thus increasing continued diversion of over 1.5 million waste tires.

Any questions?

COMMITTEE CHAIR PEACE: So you'll be working with the resilient flooring people to find ways to make what they make from tires emit less emissions?

MS. PAPKE: Correct. We'd be working with manufacturers.

COMMITTEE CHAIR PEACE: And didn't we give them, wasn't it $400,000 that we gave them last year to do this?

MS. PAPKE: The $400,000 was, 300,000 went to OEHHA for actually developing the indoor reference exposure levels, which is basically the chemical emission level that the chemicals can't exceed for the products to protect health.

Another 100,000 is going to the Public Health

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1 Institute, which the Department of Health Services is
2 acting as the principal investigator for this study
3 through the department, or through the Public Health
4 Institute they're working together. The laboratory
5 testing is going to be done. So a hundred thousand of
6 the 400,000 last year is going to be used to conduct
7 longer term, over a three month period testing.
8 This study would look at which ones are
9 emitting the highest emissions from those, focus on
10 those products, and look at it over a year period rather
11 than just the three month period of the existing study,
12 and then identify ways that those higher emitting
13 products can be lower emitting so that they can be used
14 in all indoor environments and not just in auditoriums
15 and gymnasiums where they're only being promoted right
16 now.
17 COMMITTEE CHAIR PEACE: So how could they emit
18 lower emissions if they're all using tires? You're just
19 talking about the different polymers and different
20 things you mean that they use?
21 MS. PAPKE: They're going to evaluate ways to
22 potentially seal the products or reformulate them so
23 that the emissions don't escape.
24 I'm not a chemical engineer, I'm not exactly
25 sure on how they would do it, but the Department of

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1 Health Services would be able to identify those ways to
2 do that.
3 COMMITTEE MEMBER MARIN: You know, actually
4 this question is not for you, but when we have, it's for
5 the higher powers here in the front.
6 When we have money that we know we have a
7 reallocation, how do we determine what, I mean how do we
8 come up with these needs or ideas or desires to fund?
9 Because, how important is this? How, this study, this
10 spending a hundred thousand dollars to find this
11 whatever -- how important is that, you know?
12 MR. LEE: Well I think that's a two part
13 question, let me try and a tackle the first one.
14 Working in the tire program is like a 24 hour a
15 day job, in a lot of respects. You know, we're
16 continually working with our stakeholders, and we're
17 continuously evaluating the progress and the success of
18 the various contracts, grants, and other things that
19 are, we are involved with as we implement and roll out
20 the Board's, the desires as expressed through the five
21 year plan.
22 So over the course of the year, you know,
23 various things come to our attention. We see what the
24 progress is, you know, on, a lot of the money that's
25 being proposed as part of the reallocations are things

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1 that the Board has already blessed as part of B lists on
2 various grants and other programs.
3 Sometimes, again, the amount of money we don't
4 know what it's going to be until we get close to the end
5 of the year because, again, we're not sure, it takes
6 time for the contracts to get on the street, the grants
7 to get on the street. So it's not until the, you know,
8 in the spring of the year that we start seeing how much
9 money is potentially out there. And again, we start
10 giving serious consideration to the various ideas that
11 have come before us.
12 Some of the proposals come to us unsolicited,
13 you know, from other, from stakeholders. Again, the
14 process is one that's been well established, it's well
15 known in the tire community. But the question is, you
16 know, do we put out a solicitation, per se? No, we
17 don't do that. But again, in the past that's never been
18 necessary either to do that.
19 So I think there was a few, you know, I think
20 we've got a handful of projects here that are new, but I
21 think you can see there's some common themes among them,
22 they're supplements, they're adjuncts to things that
23 we're already doing. We're -- they're things that, you
24 know, we think would find favor with the Board because
25 of that consideration, and so we're bringing them

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forward for your consideration.

So on the second thing with regards to the tire derived resilient flooring study, again I just have to refer you to Dana on that. Again, clearly the previous studies that were shown show that again the tire derived products is going to have difficulty in utilizing them in areas where there's enclosed spaces, if you will. But clearly if we can overcome that through reformulations or different means of packing the product, then again that opens up another market development area for us to explore.

So it's been my experience the way the tire program is set up, you know, there's five different elements in it, and I think as Mitch alluded to earlier, it may be difficult to see the benefit that any particular one line item or one particular program does, it's kind of, the program is, you know, one whole piece, and we're exploring, you know, different avenues for, again, moving us forward in being able to divert and recycle more tires.

MS. PAPKE: If I might also add to that, why is this study important? First of all, it does fall under your 2001 Strategic Plan under goal two, objective two,

"To encourage the use of materials diverted from California landfills and

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the use of environmentally preferable practices, products, and technologies."

So I did want to emphasize that this supports your strategic plan.

As well as the fact that currently because, even though one and a half million waste tires are going to resilient flooring products, that number may decline if we don't fund this study, because currently designers are not willing to spec these products in smaller spaces and maybe, and oftentimes not even in the larger spaces where they're recommended because they're concerned about the emissions.

Well if we find that over a year the emissions are decreased, but we can also identify ways that manufacturers can tweak their formulation of their products, then we could potentially be using more waste tires for resilient flooring because we would be able to identify ways that these products could be low emitting and safe for indoor uses in all applications.

COMMITTEE CHAIR PEACE: Okay. I think we're to the last item.

MR. DELMAGE: Okay. The last item we spoke of earlier. This is the City of San Diego remediation contract to remove tires from the Tijuana River.

COMMITTEE CHAIR PEACE: I don't think anybody

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has any questions on that, do we?

You know, I just want to say one thing. Make it clear that the money that this Board does not allocate towards any of these things here that we've brought up, if they aren't allocated towards this, that the money, I mean it can't be used for anything else in the fire program, it can't be used for any programs at the Board. What happens to the money, it kind of just goes into the tire fund, which is kind of a big black hole, and we have no spending authority over it. So if we don't spend this money here that we have to reallocate, it goes away, and nobody can touch it, except the legislature.

COMMITTEE MEMBER MULE: That's not necessarily true. Mark, do you want to clarify that for us?

EXECUTIVE DIRECTOR LEARY: Well, I think it's real close. What Cheryl is saying is that if you don't spend it within the current expenditure authority, it continues to build our reserve, our fund reserve.

COMMITTEE CHAIR PEACE: Which we have no spending authority for.

EXECUTIVE DIRECTOR LEARY: Which we'll have new expenditure authority for next year in the Governor's budget but, and we can seek expansions in our expenditure authority via BCP.

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1 COMMITTEE CHAIR PEACE: But have we seeked
2 expansion in our expending authority before?
3 EXECUTIVE DIRECTOR LEARY: No.
4 COMMITTEE CHAIR PEACE: And they've usually
5 turned us down?
6 EXECUTIVE DIRECTOR LEARY: Not a need to
7 obviously, we've got money at the end of the year every
8 year for allocation to other purposes so.
9 You're right in the sense that the money is not
10 lost to us, I mean it still resides in the fund.
11 COMMITTEE CHAIR PEACE: In the tire fund, but
12 we can't, we really don't have any spending authority to
13 use it.
14 EXECUTIVE DIRECTOR LEARY: You're right.
15 You're right. So ultimately if the Board were not to
16 spend the 32 million or so expenditure authority every
17 year, the tire fund would build this huge reserve which
18 the legislature would see and say, you know, "That's not
19 being used for its purpose, let's try to put it to some
20 other purpose, or decrease the tire fund or whatever."
21 But --
22 COMMITTEE CHAIR PEACE: Do we know how much is
23 in the tire fund right now?
24 MR. LEE: Sally can give us the latest
25 estimate, I believe it's fifteen million, somewhere in

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that neighborhood.

MS. FRENCH: Yes.

MR. LEE: And Madam Chair, I'll have some points to make on this when we present the five year plan item, because again there may be a need to tap that reserve, again depending on the tire fee, the effect of the Firebaugh legislation, you know, the effect of the tire fee, and some of the outlying years. So I'll speak more to that when we present the five year plan.

COMMITTEE MEMBER MARIN: All right. Can I say something? Because I think that we have to be very cautious as to how we expend this money. Just because it's there we must not appear to be rushing, come up with dream projects to spend it, because otherwise it's going to go in the hole.

I think we need to be very, very cautious that that is not the image that we send out to everybody, most especially the Department of Finance and the Administration, and some stakeholders that would wait until the last minute because they know we have to spend our money. I think we send a very wrong message if we do that.

On the other hand, you know, I, I've been here less than a year, I wasn't even here during the Board meeting of last year when all of this reallocation took

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1 place; but I think that the most important thing, and in
2 having gone through this process, I know that I have
3 learned a lot going through this process right now. I
4 can guarantee you next year it will be a little bit
5 different because I think that there needs to be a much
6 bigger emphasis in spending monies in those items.
7 I mean if I had known, you know, even three
8 months ago that there was a potential of $4 million to
9 be reallocated in March, I can bet you we would have had
10 a very different process to reallocate that money to the
11 areas where we were actually seeing a very direct
12 reduction of tires.
13 If I had only known. If somebody would have
14 given me a clue that we were going to have $5 million or
15 $4 million to be reallocated, I can tell you we would
16 have had a very different scenario, different projects,
17 you know, a lot more direct money to cities for RAC
18 programs, a lot, you know.
19 So, I am only -- how can I say it? I have
20 learned a lot. This process has taught me a lot, and I
21 think that what we're going to do, we're going to have
22 to revisit how we reallocate this money way ahead of
23 time. We cannot wait till the last moment to come up
24 with all of this.
25 I'm sure desired programs, and we need to

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1 fulfill some of these needs, but this has given me a lot
2 of food for thought as to how we need to review this
3 program -- this process. I think that we could have
4 found a much better way to spend $4.3 million than this.
5 And to say that we need to spend it because otherwise
6 it's going to go into a black hole, I think is a very
7 poor excuse for this Board to use as its expenditure
8 authority. So I don't know --
9 COMMITTEE CHAIR PEACE: But some of these
10 projects, they're good and they're valid projects. And
11 we don't know how much money we are going to have to
12 spend until the end of the year, a lot of times we just
13 don't know how much money we'll have. And, like I said,
14 some of these projects are, they're good projects, and
15 if we don't fund them then they just don't get funded,
16 and if they're not in the five year plan they just --
17 it's, like I say, we don't have any money to fund them.
18 So with that I think -- did you want to make
19 a --
20 COMMITTEE MEMBER MULE: Yeah, I do. Thank you,
21 Madam Chair.
22 I just want to also agree with a lot of the
23 comments that Chairwoman Marin had just said. This is
24 my first time through this process, and I too have
25 learned a lot.

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1 And while I think many of these projects are
2 good projects, they deserve some level of funding, I
3 think that this can be a springboard for some review of
4 how we allocate our funding in the future. I just made
5 some notes here.
6 Again, you all know, I've talked to you many
7 times about the idea of prevention, using surveillance
8 and, you know, maybe we need to focus more of our
9 dollars there. Maybe we need to focus more of our
10 dollars with the local agencies.
11 You know, I noticed that a lot of the money
12 wasn't spent in the local enforcement grants, but maybe
13 that's because we need to go and conduct greater
14 outreach to those areas that are not receiving the
15 funding.
16 Also the, you know, the cleanup of illegal tire
17 piles. I can't stress enough how huge of a problem that
18 is in the Inland Empire. There is a dire need for this
19 money to be used there to clean up these piles, and
20 we're not doing that, and that really bothers me that
21 we're not doing that. We're not taking this money that
22 was, you know, and the responsibility that was given to
23 us by the legislature.
24 And, you know, and also focusing on market
25 development efforts. Again working with local

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1 jurisdictions to increase the use of not only RAC, but
2 other civil engineering uses.
3 And again, I just think that we probably need
4 to take a step back and look at how we're spending these
5 dollars, and maybe refocusing our efforts. And I also
6 agree with Chair Marin that we, let's start this process
7 in the beginning of the year. Let's start it in
8 January. We should have a pretty good idea in January
9 where we are in terms of our funding.
10 And again, you know, I just feel that we have a
11 responsibility to do that. And I feel also that staff
12 is, you know, unfortunately and unjustly put under
13 pressure to put projects together to use this money, and
14 just, it doesn't, it's not right, it's not fair to the
15 staff either.
16 So maybe we can work together and figure out
17 again a little bit more ahead of time of how we can
18 utilize some of these funding, some of this funding in
19 future years.
20 Thank you.
21 COMMITTEE CHAIR PEACE: You did make some good
22 points. Like I said, we need to redirect funds towards
23 more RAC projects, towards more cleanup projects. And
24 that is exactly what the five year plan is for, and I
25 think we've done that. I think we've done a good job of

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1 redirecting and re -- and the whole plan towards more of
2 a marketing approach and trying to, you know, get the
3 RAC grants and the civil engineering grants and stuff
4 out there.
5 So all those things that we've mentioned I
6 think will be addressed and have been addressed as we
7 develop the five year plan.
8 So that will be next.
9 COMMITTEE MEMBER MARIN: Well I do want to
10 correct myself, I was here last year in May for the
11 Board meeting, it was my first Board meeting and I
12 probably, just in deference to everything that had been
13 done I'm sure I voted aye on everything that was there.
14 But clearly I had not been part of the process, so --
15 COMMITTEE CHAIR PEACE: It takes a year to --
16 COMMITTEE MEMBER MARIN: Well it certainly took
17 a whole year to go through this entire process.
18 But I do want to say, and I have to acknowledge
19 staff, they probably feel the way that I was feeling at
20 my confirmation, you know, they were pulling my hair one
21 way and somebody else is pulling my hair the other way.
22 But I, I do appreciate all of your great, enormous
23 efforts that you've, the countless hours that you have
24 to spend to come up with something that you think will
25 be approved by the Board. And I don't want to discount

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that. I don't want to disregard the commitment, the effort that all of you put, your entire staff. I appreciate that.

I just think that maybe we just need to redirect that, and maybe we need to work a little bit earlier on, and maybe we need to get Tom, Mark, ahead of time, you know, to have a review of where we are with expenditures a little bit earlier in time. And maybe we anticipate. We could have anticipated there's going to be about $4 million or, you know, we may actually have $2 million, give or take a few hundreds of thousands of dollars.

But I think if we know that, then maybe we actually start out with a cleaner and more select project, number of projects. So it's the cost of learning.

COMMITTEE CHAIR PEACE: I think we can all work together to do that. Right now I would like to take a short break before we come back and start allocating the money, so we'll take a break until 2:30.

(Thereupon there was a brief recess.)

COMMITTEE CHAIR PEACE: Okay. That was a long ten minutes. Are we ready to get started here?

What we're going to do is I think we're just going to start down the list, and we're going to plug in

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1 the blanks where we think that, you know, there isn't
2 too much controversy, what we can agree on, and we'll
3 plug those in. And the ones that we can't agree on
4 we'll just leave blank and, of course, we'll be moving
5 the full item to, the item to the full Board at any
6 point, so no matter what we do.
7 So let's just start going down and see if we
8 can get some agreement on these things.
9 MR. DELMAGE: All right. On the track and
10 other recreational surfacing, we have 460,000 requested.
11 And under Board option A we have $5,372,795.26
12 available. And under option B we have $4,372,795.26
13 available.
14 Has there been any changes to those totals?
15 MS. FRENCH: No.
16 MR. DELMAGE: Because these are reflected --
17 oh, because they're in red they're showing the changes.
18 So would you like to identify these, what
19 you're approving for both option A and option B, and
20 determine whether we'll go with option A and option B at
21 the Board meeting?
22 COMMITTEE CHAIR PEACE: I would like to just
23 assume we're going to use the option B and go for the
24 five million.
25 MR. DELMAGE: Option A.

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1 COMMITTEE CHAIR PEACE: Option A, I'm sorry.
2 I'm sorry. I don't have it.
3 MR. DELMAGE: All right. That being said then,
4 we'll start filling in the blanks for option A. 460,000
5 for track and other recreational surfacing.
6 COMMITTEE MEMBER MULE: We have all this in our
7 agenda item?
8 MR. DELMAGE: Yes.
9 COMMITTEE MEMBER MULE: So we still have to go
10 through this exercise?
11 MR. LEE: Ms. Mule, you can just approve it, I
12 guess what Mitch is saying is do you have any different
13 funding request other than what staff is proposing here,
14 or any changes?
15 COMMITTEE MEMBER MULE: Hold on. I'm trying to
16 make this as quick as possible. I mean we've got
17 another item so --
18 COMMITTEE CHAIR PEACE: I don't think we have
19 too many questions on the first one, do we? Do we want
20 to fund all the tracks and other recreational surfaces?
21 MR. DELMAGE: Well, if you'd like to just
22 proceed just to the ones that we had questions about, we
23 can just go down the list that way.
24 COMMITTEE CHAIR PEACE: To me I'd like to fill
25 in the blanks where we really didn't have any questions

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where I thought it was pretty clear that that's what we wanted to do.

MR. DELMAGE: Okay. So then we'll transfer all the numbers over to option A, and then we'll blank out or zero out the ones that there is question about.

COMMITTEE CHAIR PEACE: Right. Just leave the ones blank we have a question about.

MR. DELMAGE: All right. So which one did we have questions on?

COMMITTEE CHAIR PEACE: Okay, the track. I don't think we had any questions on the track. That one is fine.

Playground covers, I don't think we had any questions on that one either.

COMMITTEE MEMBER MULE: It's fine. Amnesty day is fine.

COMMITTEE CHAIR PEACE: Fine. Product commercialization grants is fine.

COMMITTEE MEMBER MULE: Fine.

COMMITTEE CHAIR PEACE: Rubberized asphalt grants.

COMMITTEE MEMBER MULE: Fine.

COMMITTEE CHAIR PEACE: That's fine. Augment of the student contract.

COMMITTEE MEMBER MULE: Fine.

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COMMITTEE CHAIR PEACE: That was fine.

Augmentation of the Northern Rubberized Asphalt Concrete Technology Center with the fact that we're going to have the contract moved out to June 30th.

COMMITTEE MEMBER MULE: June 30th of '06.

MR. DELMAGE: Yeah, we we're going to --

COMMITTEE CHAIR PEACE: So it Would still go from now from May 15th of this year to June 30th of next year?

MR. DELMAGE: of 2006.

COMMITTEE CHAIR PEACE: That was your understanding of --

MR. DELMAGE: That was my understanding is that June --

COMMITTEE CHAIR PEACE: So it will still start in May so there wouldn't be that gap?

MR. FUJII: Right.

MR. DELMAGE: So we'll leave the dollar amount with that stipulation?

COMMITTEE CHAIR PEACE: Uh-huh. The rubberized pathway for the building.

COMMITTEE MEMBER MULE: That was fine.

COMMITTEE CHAIR PEACE: That was fine. Yolo County Central Landfill. Do you have a question about that or do you want to --

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1 COMMITTEE MEMBER MULE: No, that's fine.
2 COMMITTEE CHAIR PEACE: -- just move it over?
3 So that's fine.
4 Sukut, we're going to leave that one blank.
5 COMMITTEE MEMBER MULE: Uh-huh.
6 MR. DELMAGE: So we're zeroing out Sukut, is
7 that correct?
8 COMMITTEE CHAIR PEACE: Yes, cause we'll need
9 to do that anyway because any changes most likely will
10 be coming out of that pot of money anyway. Correct?
11 MR. DELMAGE: That's -- well --
12 COMMITTEE MEMBER MULE: The discussion that we
13 just had there was concerns with Sukut Construction,
14 that project.
15 MR. LEE: What number would you suggest, Ms.
16 Mule, for that?
17 COMMITTEE CHAIR PEACE: We just want to leave
18 it, we'll just leave it blank. This is all going to --
19 MR. LEE: For discussion at the Board?
20 COMMITTEE CHAIR PEACE: Yes.
21 MR. LEE: Fine, I understand.
22 COMMITTEE CHAIR PEACE: And the smart tire
23 technology.
24 COMMITTEE MEMBER MULE: That was fine.
25 COMMITTEE CHAIR PEACE: That's fine. Waste

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tire issues at the border.

COMMITTEE MEMBER MULE: That was fine.

COMMITTEE CHAIR PEACE: Fine. The Independence Field.

COMMITTEE MEMBER MULE: That was fine.

COMMITTEE CHAIR PEACE: That was fine. The International conference, I think we --

COMMITTEE MEMBER MULE: Blank.

COMMITTEE CHAIR PEACE: We'll either leave it blank or put it to a hundred thousand. We can just leave it blank for more discussion.

And then the resilient flooring, do we want to move that to the full Board too for discussion?

COMMITTEE MEMBER MULE: I believe, yeah, we want to move that forward, yeah, I think we should.

COMMITTEE CHAIR PEACE: We'll move that forward. And then that leaves us with the San Diego cleanup. And I don't think anybody had problems with that.

COMMITTEE MEMBER MULE: No.

COMMITTEE CHAIR PEACE: Okay. So we're going to --

COMMITTEE MEMBER MULE: Can we just leave that blank instead of putting a zero in there, because the zero indicates that we're not allocating any money.

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MS. FRENCH: it's an Excel spreadsheet so she had to or you won't have a total then.

COMMITTEE MEMBER MULE: Can we put a little asterisk or something that just says to be discussed? Again, I just don't want it to be interpreted that we're not funding that item.

MS. FRENCH: Yeah, I -- well I thought the San Diego, we're fine with that one.

COMMITTEE CHAIR PEACE: We're find with that one.

COMMITTEE MEMBER MULE: We are fine with that one.

COMMITTEE CHAIR PEACE: Uh-huh.

COMMITTEE MEMBER MULE: I'm talking about the items where we've asked to leave it blank. Thank you.

MS. FRENCH: How about if I yellow them and put a note.

MR. DELMAGE: And we can put a little note at the bottom of the Excel spreadsheet.

COMMITTEE MEMBER MULE: That will indicate that we, that it's blank, it's not that we're not allocating any funding for that, it's just that we're leaving it blank for further discussion at the full Board meeting.

Thank you.

COMMITTEE CHAIR PEACE: So we'll have those for

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further discussion, and I guess that does it then.

MR. DELMAGE: All right.

COMMITTEE CHAIR PEACE: Those things on the Sukut contract, the international conference, and the resilient flooring, we'll leave those for further discussion to the full Board.

With that, we'll move this item to the full Board.

MR. LEE: Thank you, Madam Chair.

Board item H, consideration of the adoption of the biennial update of the five year plan for the Waste Tire Recycling Management Program, third edition, covering fiscal years 2005-06 through 2009-10.

This revised five year plan is required by statute for submittal to the legislature by July 1, 2005.

Compared to earlier versions of the plan and pursuant to Board direction, this proposed plan concentrates on those activities which are legislatively authorized and will most cost effectively utilize and direct toward a productive end use the largest number of tires.

There are significantly more resources proposed to be devoted to RAC, civil engineering, and other market development activities.

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1 Research activities have been scaled back or
2 redirected to more directly support our market
3 development initiatives.
4 Proposed spending for long and short-term
5 remediation is commensurate with identified need, and
6 our acknowledged responsibility to reduce the threats to
7 public health and the environment presented by waste
8 tire piles and illegal waste tire disposal.
9 To this end, staff also proposes stable funding
10 for the local waste tire enforcement grant program,
11 consistent with legislative direction.
12 With regards to the final program element in
13 the five year plan, the hauler registration and waste
14 tire manifest program, staff has proposed reduced
15 funding for this effort in recognition of anticipated
16 cost savings from Board approved revisions to the
17 manifest program encouraging an expansion of electronic
18 data transfer and Web-based reporting by haulers.
19 On another matter, the five year plan proposes
20 allocations for several grant programs. In
21 administering these proposed grant programs, staff will
22 be responsive to Board direction to simplify the grant
23 application and administration process as much as
24 possible.
25 To this end, staff proposes to include a

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statement of intent in the executive summary of the five year plan acknowledging the Board's direction for Waste Board program staff to work with the grant's administration unit, the legal office, and the executive staff, to identify procedural activities for all grant programs which could be modified or eliminated without disrupting the Board's ability to properly administer grants in a fiscally responsible manner.

Among recommendations under consideration are combining split project, split funded projects into one grant agreement in the RAC program; consolidating multiple RAC projects into one grant agreement; considering combining the amnesty and cleanup grant programs into one application submittal, perhaps in conjunction with the local waste tire enforcement program.

The executive staff will be considering these and other proposals and will bring them back before the Board for consideration at a later date.

I want to take a minute to discuss recently passed legislation AB 923 which affects available revenues in some of the outlying years.

Prior to the passage of AB 923 last year, and pursuant to SB 876, the tire program is funded by a one dollar fee on new tires sold in the state. Under SB 876

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this one dollar fee was to drop to 75 cents on January 1, 2007.

However, AB 923 changed this fee structure. Beginning January, 2005, the fee was raised to $1.75. One dollar of the fee continues to fund Waste Board tire programs. The remaining 75 cents is used by the Air Resources Board to fund programs and projects that mitigate or remediate air pollution caused by tires.

Of particular note is that the fee is scheduled to change again on January 1, 2007, with the fee reduced to 150, but with the Waste Board continuing to receive one dollar as opposed to the fee dropping to 75 cents as it would have under provisions of SB 876.

In light of these developments, the budgets for the fiscal year '06-'07 and outlying years have been revised accordingly, and are notably higher than those projected in the last revision to the tire plan.

It should be noted, however, that we understand that the administration is considering trailer bill language to this year's budget act that would, on January 1, 2007, return the portion of the fee going to the Waste Board back to the 75 cents originally authorized in SB 876.

If that occurs, our revenues for fiscal year 2006-07 and for the outlying years would be less than

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1 our expenditure authority.
2 Staff proposes to deal with this contingency by
3 utilizing our reserves to cover any deficit in fiscal
4 year 2006-07, and to return to the Board in May, 2007,
5 as part of the normal biennial five year plan revision
6 process, to request direction on how to handle the out
7 years.
8 With that overview, I'll turn the program over
9 to Mitch Delmage to make the remainder of the staff
10 presentation.
11 MR. DELMAGE: Mitch Delmage with the Waste Tire
12 Branch.
13 Agenda item ten on approving the biennial five
14 year plan. As Jim said, SB 876 requires the Board to
15 review this plan and update it every two years.
16 This is our third go-round. We had the
17 original plan, we had the first biennial update that
18 we're working off of now, and this is our next revision.
19 As the Board members are well aware, we've been
20 doing this for quite a while. You know, we've had a lot
21 of workshops, specifically related to the five year
22 plan, but also on other issues like the manifest
23 program, like the commercialization grant program,
24 product stewardship, and whatnot.
25 All of the information that we've gathered over

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1 this last year, and our experiences that we've had as a
2 program, have affected how this particular five year
3 plan was written and how it's finally ended up.
4 What I feel particularly happy about with
5 regard to this version of the five year plan is that it
6 has everybody's fingerprints on it. You know, just
7 about anybody that's participated in any of the
8 workshops or stakeholders meetings, whatever we had, can
9 point to somewhere in this plan, you know, and say, you
10 know, that was my idea. So I'm very happy about that.
11 And I want to thank all the Board members for
12 their support, because whether it was presented at a
13 committee meeting or at the Board, everybody's been
14 here, you know. You've been very engaged, and we really
15 appreciate that.
16 The version that is currently out on the street
17 now is what people have been commenting on. We've
18 received some comments since it went public and from
19 now. So there's been a few smaller changes, let me see
20 if I can list those here.
21 On page thirteen under the direction provided
22 by SB 876, we've deleted this paragraph. This paragraph
23 talked about how we would be seeking legislative
24 permission to spend below the 6.5 million for long-term
25 remediation.

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1 What we've decided, since this was made public,
2 is that we would be going ahead and showing in the five
3 year plan 6.5 million, because that's what's provided by
4 statute. We can still, based on our experience and
5 whether or not we'll need the full 6.5 million, go back
6 to the legislature, ask for relief from this. And so we
7 don't have to spend the 6.5, but we did feel that it was
8 important to show it there since the legislation
9 requires us to have it there. So that's why that change
10 was made.
11 On page fourteen, a change to the long-term
12 remediation projects. In fiscal year 05-06 we show 2.2
13 million now, and in fiscal year 06-07 we show 715,000,
14 and that brings us up to the 6.5 million.
15 On the targeted RAC incentive programs --
16 COMMITTEE CHAIR PEACE: I'm sorry, Mitch, can
17 you just say that one more time?
18 MR. DELMAGE: I'm sorry?
19 COMMITTEE CHAIR PEACE: The long-term funding
20 is going to two million, 2.2?
21 MR. DELMAGE: 2.2 million for 05-06. And for
22 06-07, 715,000.
23 MR. DELMAGE: Now, there will be, we've also,
24 based on input from Board members with respect to the
25 tire conference, we're looking at, rather than having a

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1 single tire conference, we're looking at tire recycling
2 forums, so that we'll offer various forums or partner
3 with other organizations to provide for stakeholder
4 input, and gather up-to-date information on current
5 topics. So these forums will be provided for Board
6 members, staff, and stakeholders to meet and focus on
7 specific issues of common concern.
8 So I just wanted to highlight these few changes
9 that have just come to light between when this went
10 public and this committee meeting.
11 COMMITTEE MEMBER MULE: Okay. And we will be
12 getting updated copies of this?
13 MR. DELMAGE: Yes.
14 COMMITTEE MEMBER MULE: Thank you.
15 MR. DELMAGE: Now, that being said, due to the
16 late hour and the amount of information in the five year
17 plan I'd recommend that rather than go through and
18 discuss each activity within each element, that we just
19 go through the five different elements and talk about
20 those things that have changed since we last came before
21 this committee with this plan.
22 COMMITTEE MEMBER MULE: Good.
23 MR. DELMAGE: So, the first element of the plan
24 is enforcement.
25 COMMITTEE CHAIR PEACE: Let me just ask, cause

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we have a speaker slip from Terry Leville. Did you want to speak at a certain time or just --

MR. LEVILLE: I'll speak after Mitch is done.

MR. DELMAGE: All right.

COMMITTEE CHAIR PEACE: Okay.

MR. DELMAGE: Were there any changes that you wanted to identify in the enforcement area? Okay.

So are there any questions in the enforcement area for the activities identified?

COMMITTEE CHAIR PEACE: No, I didn't have any questions there.

MR. DELMAGE: All right. In the cleanup, abatement, and other remedial actions related to tire pile cleanups throughout the state, this plan that's part of the agenda item packet is currently being reviewed by our public affairs office, being edited and whatnot.

We've also identified some discrepancies that we need to correct. This area, for instance, we wanted to, we tried to keep the charts up to date, and in some cases the verbiage that was associated with the charts didn't match, so that was brought to our attention.

So those types of corrections may not be done in time for the Board, but I did want to make sure the Board members were aware of that. As we go through the

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1 editorial process, where they're non-substantive changes
2 we'll make sure everything is nice and cleaned up
3 according to what's been brought to our attention.
4 So we'll just today focus on just those
5 substantive changes. Were there any, anything else, any
6 cleanup that we wanted to highlight?
7 MR. LEE: Just wanted to note again for the
8 committee's understanding that, again, that the original
9 proposed allocations for long-term remediation have been
10 reduced to reflect, again, what staff's proposal was as
11 part of the reallocation item. And again, we will
12 discuss with you in just a minute where the funds that
13 have been freed up for this '05-'06 year where we
14 propose to utilize them in the plan.
15 COMMITTEE MEMBER MULE: Excuse me. I just, you
16 know, I know in our previous item we had extensive
17 discussion on the Tracy cleanup, and I think that it
18 would be helpful if staff could, not right now but maybe
19 at the Board, be prepared at the Board meeting to
20 discuss the benefits of the reallocation, you know, in
21 terms of getting that site cleaned up in a timely
22 manner, and especially in anticipation if this reduction
23 in funding does occur.
24 Do you get what I'm saying, Jim? What I'm
25 saying is, is if we reallocate the funding for the next

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1 couple fiscal years, as was indicated in the
2 reallocation item, then it's that much less monies
3 funding that we'll need in the future. Right?
4 MR. LEE: Exactly.
5 COMMITTEE MEMBER MULE: So therefore, if, in
6 fact, our funding does decrease, we're in a better
7 position budget-wise to fund those items that we have
8 because we cleaned up Tracy quicker than we originally
9 had anticipated.
10 MR. LEE: We can make that point more clear
11 than apparently than we did today.
12 COMMITTEE MEMBER MULE: Yeah.
13 MR. LEE: That was certainly the intent. All
14 we're basically trying to do is front load some of the
15 Tracy cleanup expenditures and in the process, you know,
16 free up additional funds that can be allocated, you
17 know, can be utilized, you know, at the Board's
18 direction as part of the five year plan.
19 COMMITTEE MEMBER MULE: Right.
20 MR. LEE: So again we will, like I said, we
21 will try to present a more cogent argument for that at
22 the Board meeting.
23 COMMITTEE MEMBER MULE: Thank you.
24 MR. DELMAGE: Were there any other questions on
25 cleanup, abatement, and remedial action? Any areas

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that --

COMMITTEE CHAIR PEACE: No, I think you touched on the fact, like on page eleven, the Tracy and the Wesley costs weren't in the chart.

MR. LEE: Correct.

COMMITTEE CHAIR PEACE: You know, we want to make sure we bring that up and, like I said, change the verbiage to have it match.

MR. LEE: Yes.

COMMITTEE CHAIR PEACE: And you're going to take out some redundancies.

MR. DELMAGE: Yes, all those things will be taken care of. They're non-substantive, so we'll take care of them as part of the editorial process.

COMMITTEE CHAIR PEACE: Right. Okay.

MR. DELMAGE: Okay. And the research directed at promoting and developing alternatives to landfill disposal of tires. From earlier versions, you know, the mosquito abatement was removed. We've changed one of the headings, it was expanding market demand for tire derived products, now it will be identifying market demand for tire derived products because that's more expressive of what it actually is doing.

The prison industry authority item that we had in a previous version that was a million dollars has

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been removed from this plan. And the 400 or the 300,000, I'm sorry, that's in the next one, I'm sorry. I got ahead of myself, market development.

Were there any other questions on research?

COMMITTEE MEMBER MULE: No.

MR. DELMAGE: Okay. Under market development we did remove the prison industry. That has, now shows up as 400,000 in that line item. We combined what, we had two different programs in an earlier version that, one was a modified grant program that was similar to the commercialization, plus we had a business assistance program. We've combined those two into a business assistance program that will hopefully be able to capture the input that we receive from stakeholders. It should be very flexible. So we'll be able to help new businesses as well as establish businesses, and be much better at identifying what their true need is, and make sure that the funds that the Board may provide are more directed at projects that they have that will give us the most bang for the buck.

COMMITTEE MEMBER MULE: Could you just move that up so I could see the totals at the bottom? At the bottom. The bottom. Thank you. Thank you.

MR. DELMAGE: All right. Are there any other questions on markets?

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1 MR. LEE: Again, I point out for the
2 committee's attention, again, the fact that we have
3 significantly increased the targeted RAC incentive
4 program. That's where, again, a lot of the money that
5 was taken out of the long-term remediation '05-'06, you
6 know, where most of that went.
7 COMMITTEE CHAIR PEACE: Well, we need to do
8 some adjusting in the 06-07 if, because of the 6.5
9 million in cleanup that we have to bump up, where are we
10 going to be getting that extra money?
11 MR. DELMAGE: That was the 715,000 --
12 MS. FRENCH: Targeted RAC incentive program.
13 MR. DELMAGE: Yeah, it came out of the targeted
14 RAC incentive program.
15 COMMITTEE CHAIR PEACE: Okay. And then also on
16 the RAC tech centers, I assume we'll be adjusting that
17 assuming that the $100,000 is approved, next week we'll
18 be adjusting that down.
19 MR. DELMAGE: That's correct. Right. It will
20 be adjusted down to 25,000. Oh, I'm sorry, the portion
21 for Northern California.
22 COMMITTEE CHAIR PEACE: It will be down to 250.
23 MR. DELMAGE: Yeah.
24 COMMITTEE CHAIR PEACE: Okay.
25 MS. FRENCH: Product stewardship was increased

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by 10,000.

MR. DELMAGE: That's right. And we discussed this a little bit earlier, I believe. The product stewardship item was increased 10,000 throughout the full five years. And that was so that we could have money available to sponsor the Product Stewardship Institute if the Board decides to sponsor it out of its tire fund money any given year.

And also I might add too that, as we discussed the tire product stewardship dialogue item earlier, and we were talking about getting other states involved in contributing, we anticipated that, and we're tapering the dollar amount available for that particular activity down in the outer years because we expect that we'll be getting more help from other states.

Any other things for markets?

COMMITTEE MEMBER MULE: Keep going.

MR. DELMAGE: Waste and used tire hauler program and manifest system. Can you highlight some of the changes on that if there were any?

MS. FRENCH: This has been decreased.

MR. DELMAGE: Yeah, we've reduced the funding. Could you go through it?

MS. FRENCH: The hauler program and manifest was at 1.1 million, then it went down to 700,000. We

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have reduced that significantly to 550,000 the first year, and then 450,000 across the board.

COMMITTEE CHAIR PEACE: Okay. Any other questions? Okay. The only other addition that I'd ask that I would like to see in here is to add an appendix which would have all the studies that have been funded to date by the Board so we have one place where we can go to see we've had a subsidy study, a steel and fiber content study, a devulcanization, pyrolysis, increase in tire life span. I think if we have one place where we can go to see all the studies, and then make reference to where they can get that study, whether it was on-line or if they, you know, can write to the Board and request a copy.

MR. DELMAGE: Yes.

COMMITTEE CHAIR PEACE: I think that would be helpful.

MR. DELMAGE: And as it turns out I just, you know, just before we started this session had one of our stakeholders ask for that very information. So it's a good suggestion.

COMMITTEE CHAIR PEACE: Okay. Should we have our speakers?

Terry Leville.

MR. LEVILLE: Madam Chair, I'm Terry Leville,

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1 TL & Associates representing a variety of the interests
2 today.
3 I did come earlier. Well, first of all, I want
4 to applaud staff once again. I've done this before,
5 staff's done a real good job of balancing the five year
6 plan so that there's no over emphasis on one area over
7 another, and I think that's good. Particularly in the
8 marketing area, I think we need to make sure that we
9 remain balanced as far as possible.
10 And I want to know and thank you committee
11 members, I notice that just about every time you've said
12 RAC you've said civil engineering too, and I appreciate
13 that, I think that's always a good direction to go.
14 I came here initially to talk during the
15 reallocation hearing because I have a really good
16 proposal. And it just dawned on me a couple of days
17 ago, and I mulled it over with the retreading, with the
18 retreaders, who I'm not necessarily representing the
19 retreaders, but I did talk it over with Harvey Brodsky
20 of the Tire Retread Information Bureau, and he thought
21 it was a great idea.
22 And I'm wondering if the committee would
23 consider throwing it in the market development mix
24 possibly. I'm looking at a $75,000 contract, and
25 possibly coming out, and I don't want to target one of

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the items right now, but I keep looking at that item for state agency partnerships to promote the use of tire derived products. I see that as sort of a, it was a $400,000 figure, and it was sort of grabbed out of the air.

But anyway, let me just make this proposal and see if it meets with committee interest and possible use. I could give you some more information between now and next Wednesday.

But basically it is the production of a DVD or a videotape that would describe the economic and environmental benefits of tire retreading for public sector trucks, light trucks, medium trucks, large trucks, that for, that they own that they're a part of their fleet.

That we have found that a number of local jurisdictions, cities, counties, and the like, are not retreading their truck tires. Almost all commercial vehicles, commercial truck tires owners retread their tires. It just makes economic sense.

It also, by throwing a truck tire away, it just increases significantly, we're talking 120 pounds, one hundred pounds, 120 pounds, we're talking significant impact on the landfills.

And what we're proposing was the production of

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1 a DVD and a tape, sending these out with an information
2 packet talking about retreading and the importance of
3 retreading. Developing a DVD on pre-trip inspection for
4 better tire maintenance for all your fleet vehicles,
5 which can be done very cheaply. And then following up
6 with a on-site, non-commercial maintenance workshop that
7 talks, that actually goes out, and this proposal, this
8 contractor would actually contact each of the cities and
9 counties throughout the state and set up workshops for
10 those General Service people of those cities and
11 counties, if they're interested. There wouldn't be any
12 cost to local governments.
13 It would do a tremendous job of educating the
14 local governments on the benefits of retreading their
15 trucks and the like.
16 And we suggest a $75,000 contract, it's not a
17 lot, it's not a little, but I think that it would go a
18 long way toward focusing on one area that has been
19 overlooked in many of the local government fleets.
20 So I'm just, you know, suggesting that as an
21 option. I've discussed it a little bit with some of
22 your staff, and if it looks like it might be worthwhile,
23 I'd certainly like to see you, you know, consider it at
24 the Board meeting next Wednesday.
25 COMMITTEE MEMBER MULE: Madam Chair, I think

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1 that's a great idea conceptually.
2 And Terry, if you could put together a concept
3 paper for us, for the staff.
4 And Madam Chair, I would love to have it heard
5 before the full Board as part of our reallocation item.
6 MR. LEVILLE: Thank you. And I'll take care of
7 that this week.
8 MR. DELMAGE: Just a point of clarification. I
9 don't believe we would be able to consider it as part of
10 reallocation, only because it would be an RFP, and
11 time-wise we wouldn't be able to get it done before the
12 end of the fiscal year.
13 But we can put it in the five year plan and
14 start to work on it right away come July 1.
15 COMMITTEE MEMBER MULE: Okay. Now I'm confused
16 because there are some items in our reallocation that I
17 would consider that would have to go out for RFP yet
18 they didn't, so I'm a little confused as to --
19 MR. LEVILLE: I never saw any of the -- well,
20 my assumption was that if an RFP like this would take
21 too long, and that's why I suggested that it be put in
22 the five year plan, you know. This isn't an interagency
23 agreement that can be done quickly, it's one that would
24 have to go out for bid.
25 So I think it's, you know, we wouldn't have any

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1 problem with it going out. I mean obviously it would be
2 really nice to be able, if staff could work miracles and
3 put out an RFP this late in the game, but I just don't
4 think they can, so I didn't expect that.
5 COMMITTEE MEMBER MULE: So you're saying this
6 would go into the five year plan?
7 MR. LEVILLE: Five year plan for '05-'06.
8 MR. DELMAGE: And just to help allay some of
9 your confusion. Most of these things in the
10 reallocation item were interagency agreements which is a
11 much more streamlined process.
12 MS. FRENCH: Or contract augmentations.
13 MR. LEVILLE: Or contract augmentations.
14 COMMITTEE MEMBER MULE: All right.
15 MR. LEVILLE: I did have one little sqwauk that
16 has come up in the past, and I've actually never brought
17 this up, but some have brought it up, and just something
18 to consider that in your deliberations, and it's over
19 the amount of money that is spent in the tire program
20 administration.
21 Technically by law it's supposed to be in the
22 five percent range for administration. And in the line
23 item it is around five percent, it's 1.5 million.
24 However, I've been informed that each of the program
25 elements, enforcement, cleanup, research, markets, and

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1 hauler manifest, etcetera, also have their own
2 administrative units. And I understand it, but that
3 brings the total to around eighteen percent. 1.5
4 million for the line item, and then if you go down each
5 of the program areas it comes out to about 4.2 percent
6 or 4.2 million.
7 COMMITTEE MEMBER MULE: Terry, I did the same
8 analysis.
9 COMMITTEE CHAIR PEACE: I think we all did.
10 COMMITTEE MEMBER MULE: We must think alike.
11 No, I did. I went through by program, looked at our
12 administrative costs and the number of staff associated
13 with each program.
14 So I am very, I also had, not a concern, but I
15 just was curious as to what percentage of funding we
16 were spending on administration.
17 MR. LEVILLE: Well as I say, a rough
18 calculation, it was around eighteen percent, something
19 like that.
20 COMMITTEE MEMBER MULE: Yep.
21 MR. LEVILLE: You know, I value every one of
22 the staff people in the entire program. They are
23 overworked, underloved, underpaid. They get a pretty
24 good pension. But, and I don't want to see anybody, I
25 don't want to see anybody going home.

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1 MS. FRENCH: Terry, of the 1.5 million, 800,000
2 goes to BOE to collect our fee and to do our audits,
3 just to point that out.
4 MR. LEVILLE: So we'll drop it from eighteen
5 percent to about fifteen percent.
6 COMMITTEE CHAIR PEACE: All of us had the same
7 question, and I think we all asked staff why is it so
8 high, and why, just like in markets, when you look at
9 the market page on 25, '05-'06, 06-07, 780,000, all the
10 sudden it jumps way up because you get one more person
11 or something, to 960. And I questioned that also. Why,
12 why is it like that? And apparently it's some secret
13 formula that the admin people use, because they say our
14 hands are tied, it's a formula they have to use, and
15 they have to, that seems to be all the information I
16 get. Maybe staff can explain it to me.
17 MR. LEE: I think at the next Board meeting I
18 think we'll ask Mr. Estes, I believe there's already
19 been some investigation in on this matter, but I
20 hesitate to kind of launch off into those waters.
21 You know, a lot of it has to do with the
22 support. Just the tire fund, you know, has proportional
23 expenditures, by proportional support for all the other,
24 you know, Board functions and administrative functions.
25 Again, we took the numbers as we were told, as

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1 what our legitimate costs were for an administrative
2 program, and beyond that, you know, we didn't have any
3 control over it.
4 COMMITTEE CHAIR PEACE: Okay. Thank you.
5 MR. LEVILLE: It's good to stir that up every
6 now and then. It comes to the fore every few years.
7 And actually for the new Board members, this might be a
8 good exercise.
9 COMMITTEE MEMBER MULE: It didn't escape me
10 just so you know. I went through that exercise myself
11 cause I was curious to see what we were spending.
12 MR. LEVILLE: You know, with the old Board back
13 in 1991, the issue didn't come up until about '94, so
14 you guys are much ahead of the game in this.
15 Finally, I wanted to appreciate finally
16 appendix C which is the market, waste tire generation
17 markets disposal staff report which has finally come to
18 the fore regarding 2003 figures.
19 I did have a few questions about, there's a few
20 typos in there, but those I know get cleaned up. But in
21 a summary on page 59 it says, "Primarily from industry
22 contracts, the waste tire disposal and stockpiling are
23 decreasing, while waste tire diversion is increasing."
24 Well, from my last year's figures, which had
25 fewer, you know, 8.5 million tires disposed, and now we

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have 10.5 million tires disposed, I couldn't, I think it would be hard to say that they're actually decreasing.

I know that the waste tire generation is increasing, and it may be proportionally decreasing, so that might be a better way to word it. But, you know, it just seemed like just a blanket statement. This gives sort of a false impression. And it is about the same recycling numbers, there doesn't seem to be, you know, much change in that regard.

It's significantly more tires are being, because of the change, in part because of the change in how you determine how many tires are generated.

And so I just wanted to make that little point.

I also had a question on the table on page 60.

COMMITTEE MEMBER MULE: Yeah.

MR. LEVILLE: And this is one that I didn't like the idea of separating RAC from rubber in the categories. And there may be some reason why they did that, but I assume that all of RAC is, comes out of crumb rubber, and if they had a crumb rubber thing they should have had maybe RAC and maybe molded rubber products or, you know, other types of things rather than just a, it looks as if -- I mean I think it sells crumb rubber short is what it does. If you add the two together you'd have six million pounds or six million

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1 PTE's of rubber. I think that makes it a little clearer
2 for anybody in the legislature or anybody that's on the
3 outside looking at this particular chart. And this is
4 one we go on a lot. You're going to make speeches using
5 this thing, so that would be something they might want
6 to --
7 COMMITTEE CHAIR PEACE: Maybe we could make
8 that change. I think Terry is right, it's a little
9 confusing.
10 MR. DELMAGE: All right. And just one thing
11 I'd like to add. This is transitional. We've been
12 tracking these numbers since '92. Over the years we've
13 looked at various calculations of how we come up with
14 these numbers. The surveys that went out on, that
15 brought back these numbers went out at the end of 2003.
16 So that's the reason it's broke out like that because
17 that's how we were asked to put out the questionnaires.
18 We've also made changes in how we calculated
19 it. So what was disposed of in the last report is
20 different, the calculation is different. We knew from
21 the last report that the eight million that we were
22 showing disposed, according to our calculations, was way
23 underestimating what we knew was actually going to
24 landfills. That's why we wanted to change how we were
25 calculating it.

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1 Terry's correct, we should change the language
2 in that summary statement to be more reflective of these
3 changes and how we calculate it.
4 And we are proposing that we do a study to look
5 at how all these numbers are generated and determined so
6 that, because we know this is an important report, and
7 we want it to be as accurate as possible, so we will
8 take all these things into consideration.
9 We're about to send out our surveys for the
10 2004 numbers, so we will take all this into
11 consideration so that the next one that comes through, I
12 think, will help us.
13 And I think one of the reasons RAC was
14 separated out is because there was so much interest in
15 RAC. But I think it's probably a good idea to have the
16 crumb rubber umbrella and then break it out underneath.
17 COMMITTEE MEMBER MULE: Because RAC is a subset
18 of crumb rubber.
19 MR. DELMAGE: Right. So we will make sure that
20 happens.
21 MR. LEVILLE: Thank you.
22 COMMITTEE CHAIR PEACE: Barry Takallou, do you
23 still want to speak?
24 MR. TAKALLOU: Good afternoon, Madam Chair and
25 members of the committee. I'm Barry Takallou with CRM

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1 Company.
2 I have three comments regarding the five year
3 plan. Number one is on page 26, RAC grants. This is
4 the targeted RAC incentive program. I would recommend
5 like the track program they put some sort of a maximum
6 cost per tire. That would protect us getting on the
7 project, which is the city wants to build an asphalt
8 plant for them to do rubberized asphalt.
9 We want to make sure this money directly goes
10 on diversion of the tires from landfill. We have seen
11 in the past in track programs that have projects which
12 was very, very expensive, and now you have established
13 $10 per tire maximum. I'd like some cap on this
14 project, on this program, if possible.
15 COMMITTEE CHAIR PEACE: I would assume we plan
16 to do that in all of our --
17 MR. DELMAGE: However, on these targeted --
18 MR FUJII: And, you know, I think there will be
19 some kind of limitation on the dollar amount we award to
20 each local jurisdiction.
21 The intent of the program is incentive, and so
22 it's intended to fund a differential cost of doing ACE
23 and RAC. And so there will be some limitation in all of
24 our grant programs when we bring the criteria back
25 before the Board. We'll have a chance to take a look

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and see what that proposed limitation is and make comments to the staff at that point.

MR. TAKALLOU: Number two comments on the same program talks about RAC technical expert to provide support to local governments.

You already have a technical centers, Southern California and Northern California, which already, that's already funded, and these cities can get technical support from RAC tech centers.

Or, as the chair of the RAC committee for Asphalt Pavement Association, our committee, which is, consists of the experts from cities, counties, industry, will be more than happy to provide, free of charge, to local agencies, that support as they have done in the past. Also there are associations like RPA available for this type of support.

I do not want, again, the money gets to consulting services, you know, get to these technical consulting services, and these cities actually try to use the money to provide engineering plants which is not a RAC related expenditure.

COMMITTEE CHAIR PEACE: Did you want to address that in how you envision that? I imagine the RAC technical expert can be someone from one of our RAC tech centers.

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1 MR. GAUFF: Well, as you know and as we laid
2 out in December to the committee, we're making a
3 fundamental change in how we offer our RAC services to
4 local governments. And that's based on the evaluation
5 report of the RAC centers that the Board required a
6 while ago. It was completed in April of '04.
7 So, like I said, we feel this is the best way
8 to go at this time. As far as using RPA, certainly they
9 have the option to bid on the contract to provide these
10 services as a RAC technical expert.
11 I'm trying to remember all the various comments
12 so I could respond to it.
13 MR. LEE: Let me pick it up from there, Nate.
14 Basically again, as Nate mentioned, we did a
15 third party evaluation, we're going away from the RAC
16 Technical Center concentration, you know. We do
17 envision a role for the tech centers, albeit a reduced
18 one consistent with that evaluation and staff's own
19 interpretations of that report and our own observations.
20 We've come before the Board, we've discussed
21 our overarching plan for outreach to the, you know, both
22 the public, the local decisionmakers, the public works
23 people. You know, a concentrated concerted effort
24 which, you know, does rely and which does utilize the
25 services of a RAC technical expert to help us deliver

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1 those services.
2 So, again, staff, as we've discussed with the
3 Board and the Board has approved, we believe that
4 approach has merit, and we would like to, you know, get
5 out and pursue that particular RAC technical expert.
6 COMMITTEE MEMBER MULE: And Jim, you did reduce
7 our funding for the technical centers already, so we
8 can --
9 MR. LEE: That's correct.
10 COMMITTEE MEMBER MULE: Yeah, because we are
11 basically transitioning to a new way of marketing the
12 outreach to the local jurisdictions to RAC.
13 MR. GUAFF: And I would just like to add, as
14 far as the tech centers are concerned, you know, the
15 existing contract with L.A. was just augmented for a
16 year. We're proposing to augment the Northern
17 California center for a year. And really that year is
18 going to be spent evaluating their role in the future,
19 and that could lead to further changes as far as
20 allocation and funding for those centers.
21 COMMITTEE MEMBER MULE: Right.
22 MR. TAKALLOU: My comment is I just want to
23 make sure that the money directly go to materials, don't
24 get too much into engineering and this stuff which is
25 not RAC related.

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1 COMMITTEE MEMBER MULE: Right.
2 MR. TAKALLOU: And that can get, you know, make
3 sure it doesn't get abused.
4 COMMITTEE MEMBER MULE: Right.
5 COMMITTEE CHAIR PEACE: State consultant
6 contracts can seem to skyrocket, and you don't want all
7 your money spent on consulting and not have any left for
8 material.
9 MR. GUAFF: Well, one of the main functions of
10 that contractor having the technical expert is to
11 provide technology transfer and education to those folks
12 at the local government level in a concerted fashion or
13 in a focused fashion. As we direct and identify these
14 folks, we can get these folks trained to continue in the
15 future on their own.
16 And while we have had some of that hit and miss
17 with the tech centers, this is going to be somebody
18 that's going to do our bidding in conjunction with
19 somebody that's going to identify those folks and do
20 that on our behalf for the Board.
21 MR. TAKALLOU: The last comment on this item is
22 we talk about the first time users. I would like to see
23 if you can change that to percentage of increase of
24 usage.
25 For instance, if a city is already using 20

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1 percent of the total consumption as rubberized asphalt,
2 I think we should reward them if they go to 80 percent.
3 Rather than first time users, of course, first time --
4 user, like City of Los Angeles, if they use it for first
5 time anything, that would be a hundred percent increase.
6 Instead of a first time user, go by percentage
7 of the increase of rubberized asphalt consumption, and
8 reward people getting into this program more and more.
9 COMMITTEE MEMBER MULE: Well I think, staff, if
10 you want to address this. But our intention, Mr.
11 Takallou, is to provide outreach to get to those
12 jurisdictions that aren't convinced that RAC is the
13 right thing to use.
14 And we don't need to sell the city of L.A.,
15 they're already sold on it, and they will use it
16 whenever and wherever they can.
17 But the idea was to actually utilize this in a
18 peer to peer marketing program so that they can go to
19 the other jurisdictions, and there's several that I know
20 of, you know, that are reluctant to use RAC. But if
21 they go to these other jurisdictions and see that RAC
22 can be used, it can be used successfully, and it can be
23 used cost effectively, then we've increased our use.
24 In the meantime, those cities and counties that
25 are already using RAC will continue to use it. And

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1 that's our goal is to get everybody to use RAC.
2 MR. GUAFF: I just want to clarify. As far as
3 the first time users program, that will be designed for
4 folks that have never used the material or have had a
5 significant time span of use, say that it was ten,
6 twelve years ago, this is kind of giving them a
7 reintroduction.
8 COMMITTEE MEMBER MULE: Right.
9 MR. GUAFF: For the ongoing users that, as you
10 mentioned, Barry, maybe they're going from 20 percent
11 use to 80 percent use, we also have the Kuehl bill grant
12 program for the '05-'06 that will be in force.
13 And then ongoing in the years succeeding that,
14 we are proposing an incentive type use program for those
15 people that have had historic use that they've
16 demonstrated that, once again, they will, in a sense, be
17 rewarded for their use of the material.
18 MR. FUJII: One thing to point out with the
19 Kuehl bill program and what we're anticipating with this
20 new incentive program is that the programs have been
21 well, you know, fairly well subscribed over the years.
22 And so what we're seeing is that the people
23 that are using it and understand it, as you pointed out,
24 Member Mule, that they understand the purpose of using
25 the material and they use use it without -- I mean the

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1 Kuehl bill is not much of a percentage, it does not fund
2 the differential cost, but yet they use it anyway, and
3 then they come in for what is essentially more of a
4 rebate than an incentive. So if you want to continue
5 that, kind of along the line Mr. Takallou was talking
6 about, to reward those jurisdictions for use of the
7 material.
8 Ultimately our goal I think is to not fund any
9 RAC projects ever. And that they would use this
10 material on its virtues because it's the right thing to
11 do.
12 So that's the goal of the program to ultimately
13 not put in any money, everybody will be using it some
14 day.
15 MR. TAKALLOU: One more comment. On page 28,
16 different item, on the markets. The second bullet from
17 the top talks about product testing and certification.
18 Under market development I found another item
19 on page twenty for tire derived testing which is
20 allocated $300,000 under research. I feel like this is
21 a duplication. If you already allocated $300,000 on
22 page 20, also you have it on page 28 under market
23 development. I think that's already monies there on
24 page 20 under research, and we can delete that item from
25 page 28.

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1 COMMITTEE CHAIR PEACE: Maybe Mitch would like
2 to address that.
3 MR. DELMAGE: Yes. What we're, on page 27,
4 item number seven, the tire business assistance program,
5 what we're trying to do is just list some of the
6 problems or obstacles that we identify in this
7 assistance program, and we would like to be able to
8 address that issue.
9 On the product testing and certification, what
10 I would suggest happens in a situation like that, where
11 we have somebody come in and identify that this
12 particular business, in order to get their product
13 going, needs testing and certification, we wouldn't
14 necessarily fund it out of this line item, we would
15 direct 'em to the line item on page 20.
16 So if you can think of it this way. We're just
17 listing some of the things that we might identify as,
18 where a business might need help, but we won't
19 necessarily provide that help in this line item. We may
20 direct them somewhere else, maybe even to the Small
21 Business Administration at the federal level.
22 So this is more informational than how we would
23 help directly.
24 MR. TAKALLOU: Thank you, Mitch
25 COMMITTEE CHAIR PEACE: Does that answer your

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1 question?
2 MR. TAKALLOU: Yes. The last item, the whole
3 objective of this five year plan, diversion of tires
4 away from the landfill. And I'd like to see we use the
5 language of whole tire recycling.
6 When we retread tires you're not recycling any
7 tires, you are just changing the weight of that tire,
8 perhaps from 18 pounds down to 16 pounds. And once that
9 tire gets retreaded still it goes to the landfill.
10 Because when you report, you report diversion from
11 landfill.
12 So I'd like to see if you can kind of identify
13 that language, what you mean by tire recycling, the
14 whole tire got recycled, not only part of it.
15 And the money which is going, for instance, on
16 the track project, you're using buffing, tire buffing.
17 That's not really recycling the whole tire. The buffing
18 right now is at the highest price ever, is not a waste
19 product. If you can find rubber buffings anywhere, it
20 has a very high value. So it's not going to go to
21 landfill at all.
22 So I just wanted to make sure in the grants,
23 some of the programs buffing is not qualified product
24 because buffing is already product, sellable product.
25 And the last item, we sell crumb rubber to RAC

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1 projects. One thing I think the legislature would be
2 interested to see, when you supply these numbers how
3 many tires went to RAC, would be good also to show how
4 many of these are from Canada. If we can show --
5 Because we know those numbers. In every ton of
6 the mix you put three tires, you recycle three tires.
7 If Caltrans, let's say they used two million tons, they
8 have recycled six million tires. But if only 2.6
9 million of that is from California, so the other 3.4
10 million are coming from somewhere else.
11 I think it would be good to show we, even on
12 this report, there is more RAC market, but these tires
13 are coming from outside of California, from L.A.,
14 subsidized governments like Canada.
15 I don't know if that's possible for the
16 staff -- I'd be more than happy to help with the staff
17 to provide those numbers.
18 COMMITTEE CHAIR PEACE: Do we know how many
19 tires are coming from Canada? Because when I talk to
20 different people in the industry some people say, "Oh, I
21 hear there's lots of tires coming from Canada." And you
22 talk to somebody else and, "I hear that really there's
23 hardly any tires coming from Canada."
24 MR. TAKALLOU: I can tell you just one project
25 in the Bay Area, Jeff Morales, the ex-Caltrans director

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was bragging about it, I said, "Jeff, don't brag about 800,000 tires you recycled, you just recycled 800,000 Canadian tires."

These big projects. These projects are big projects. Once you get committed, we know the source, where it's coming from. And when we, when we supply this certification, every load of rubber goes with a certification, we have to identify the source of the rubber. Caltrans know where the source are. Because it is, because it very much can be traced to them.

The projects are big enough, it's not like one load, two leads, these are, you're looking at multimillion pounds of crumb rubber moving, and still it's moving coming down from north to south.

One of my major customers yesterday called me he says, "Barry, sorry, after three years of a relationship," he said, "I got a bid from Canada."

It's happening as we speak. But it's good legislatures know how bad the system is. We are recycling other country's tires right now.

COMMITTEE CHAIR PEACE: Yeah, I hate to think that, but I don't know if there's anything we can do about that. We can't keep people from buying Canadian crumb rubber, can we, except our contracts?

MR. DELMAGE: Within our contracts and grants

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we do require that they be California only.

COMMITTEE CHAIR PEACE: Right. But like Caltrans right now, I don't think there's anything until AB 838 passes, they can get their tires from anywhere they want.

MR. DELMAGE: And while they're required to report to us the number of tires they use in their projects each year, there wasn't a stipulation that they had to determine the origin of the tires.

So that's something maybe we can discuss with Caltrans to see if that data is even available to get a better handle on it.

But as we go through this outreach project where we're working with the local governments and, for instance, the Northern California RAC center, we'll be putting together a database of existing RAC projects. Is that correct, Nate?

MR. GUAFF: Yeah, they've been working on it.

MR. DELMAGE: So we're, our goal is to get a better handle on this. Now whether or not we can stop the flow of Canadian tires here, I'm not sure.

This independent spiel, when we heard that right here in our own backyard it was looking like it was going to be Canadian tires, we were able to, you know, if all goes well in reallocation, to intervene and

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at least get that project to be California tires. And then now we've established this relationship and we can hopefully continue that on. But as I'm sure you're aware, there's been issues of NAFTA and whatnot that may limit our options.

You also mentioned about the recycled, definition of recycled in an earlier statement. We have a definition of recycled in our PRC code. And basically it says if you alter something in any way and then resell it or reuse it, that's recycled. That's been the basis of how we've determined what's recycled.

And regarding the fact that, for instance, on the retread and, you know, RMA also has an issue with considering retread a diversion, you know. And the argument is, as Barry stated, it ends up in the landfill eventually or possibly unless it's diverted for some other project, but the same is true of anything else. If we make it into a rubber mat, that may make it back; if it's RAC, when they tear it up that may make it back. So it's semantics, and it's at the Board's pleasure how they want to handle it.

COMMITTEE CHAIR PEACE: Semantics. Retreading to me is more of a source reduction than true recycling.

MR. DELMAGE: But we're still interested in source reduction.

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1 COMMITTEE CHAIR PEACE: Sure, sure we are.
2 MR. TAKALLOU: Thank you, Madam Chair, that's
3 my comments.
4 COMMITTEE CHAIR PEACE: Thank you.
5 Do you have a grasp on what you're going to
6 come back to the full Board with, the changes that
7 you're going to make? I think basically you already
8 said those at the beginning of the changes in the 6.5
9 million.
10 MR. DELMAGE: There's a few substantive changes
11 that we will make before the Board meeting, and we'll
12 bring copies back for everybody, we'll have copies
13 available for stakeholders.
14 And less substantive changes, editorial
15 changes, we'll incorporate whatever comes out of the
16 Board meeting, so at the end of the process we have
17 what's finally approved by the Board along with the
18 editorial changes that, you know, are a normal course of
19 our publishing any document.
20 COMMITTEE CHAIR PEACE: Okay. Any other
21 comments? Okay. I think we have a real, a real good
22 product here.
23 I'd like to thank our stakeholders for input,
24 and thank staff for their hard work, and for all of you
25 for working with us.

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1 I'm real excited about this and the way it's
2 taken a new direction into the marketing, and I think we
3 have good product here.
4 So I guess with that, we're going to move this
5 to the full Board, and this meeting is adjourned.
6 (Thereupon the foregoing was concluded
7 at 3:57 p.m.)
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10 I further certify that I am not of counsel or
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14 IN WITNESS WHEREOF, I have hereunto set my hand
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