Please note: These transcripts are not individually reviewed and approved for accuracy.

HEARING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE COMMITTEE

JOE SERNA JR., CALEPA BUILDING

1001 I STREET

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 12, 2006

10:10 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

Please note: These transcripts are not individually reviewed and approved for accuracy.

APPEARANCES

COMMITTEE MEMBERS

Ms. Margo Reid Brown, Chairperson

Ms. Rosalie Mul

Mr. Gary Petersen

BOARD MEMBERS

Ms. Cheryl Peace

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Mr. Elliot Block, Acting Chief Counsel

Mr. Jim Lee, Deputy Director

Mr. Mitch Delmage, Manager, Tire Management Branch

Mr. Nate Gauff

Ms. Robert Kunisaki

Ms. Michelle Martin

Ms. Victoria Rocha

ALSO PRESENT

Mr. Michael Blumenthal, Rubber Manufacturers Association

Ms. Terry Leveille, TL & Associates

Mr. Leonard Robinson, Chief Deputy Director, Department of Toxic Substances Control

Please note: These transcripts are not individually reviewed and approved for accuracy.

INDEX

	PAGE
Roll Call And Declaration Of Quorum	1
Public Comment	1
A. Deputy Director`s Report	1
B. Consideration Of Grant Awards For The Targeted Rubberized Asphalt Concrete Incentive Grant Program (Tire Recycling Management Fund, FY 2006/07) -- (July Board Item 14)	35
Motion	36
Vote	36
C. Consideration Of Applicant Eligibility, Project Eligibility, And Evaluation Process For The Tire-Derived Product Grant Program (Tire Recycling Management Fund, FY 2006/07) -- (July Board Item 15)	40
Motion	73
Vote	74
D. Consideration Of Reallocation Of Fiscal Year 2006/07 Funds And Scope Of Work For The Tire Retread Targeted Outreach Materials And Promotional Training Contract (Tire Recycling Management Fund, FY 2006/07) -- (July Board Item 16)	74
Motion	80
Vote	81
E. Consideration Of Approval Of Allocation, Scope Of Work, And Contractor For Development And Implementation Of Universal Waste Public Service Announcement Campaign (Integrated Waste Management Account, FY 2006/07) -- (July Board Item 17)	4
Motion	34
Vote	34
Adjournment	82
Vote	83

Please note: These transcripts are not individually reviewed and approved for accuracy.

PROCEEDINGS

CHAIRPERSON BROWN: Good morning. Thank you all for being here.

I'd like to remind you to turn your cell phones or pagers off. There are speakers slips in the back of the room.

Kristen, can you call the roll.

COMMITTEE SECRETARY GARNER: Members Mulé?

COMMITTEE MEMBER MULÉ: Here.

COMMITTEE SECRETARY GARNER: Petersen?

COMMITTEE MEMBER PETERSEN: Here.

COMMITTEE SECRETARY GARNER: Brown?

CHAIRPERSON BROWN: Here.

And I'd like to acknowledge and thank Member Peace for joining us this morning.

Do we have any public comment before we begin?

Without objection from the Committee, I would like to notice that we would like to take Committee Item E, Agenda Item 17, out of order, immediately following our Deputy Director's Report.

And then we will move directly to our Deputy Director's Report.

Jim Lee.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair. And good morning Board members. My name is Jim Lee,

Please note: These transcripts are not individually reviewed and approved for accuracy.

Deputy Director for the Special Waste Division.

I have a couple of items in my Deputy Director's report for you this morning. I want to take the time to update you on some items that I touch on in my weekly reports to the Board.

The first item is progress on the Universal Portfolio site cleanup. My staff advises me that we are receiving full cooperation from the Universal Portfolio site representatives and we are ahead of schedule with the cleanup. All of the tires have been removed to a staging area. The tires are being transported offsite to a permitted disposal area, a process which we expect to take the next several weeks. Universal Portfolio's engineering contractor is expected to commence the insulation of the erosion control measures within the next two weeks.

On two other Sonoma tire sites, the Infineon site and the Ahlgrim site, the Board has received a formal request to assume lead agency responsibility for these sites. At present this responsibility is currently vested with the Sonoma County Resource Conservation District. Program and Legal staff will review the letters and appropriate CEQA statutes and procedure to assure that it is appropriate for the Board to assume this responsibility for these sites. Staff will then brief or advise the Board as appropriate on potential issues regarding this

Please note: These transcripts are not individually reviewed and approved for accuracy.

action.

Preliminarily I want to note that the staff feels that the interests of the Board and all involved landowners would be best served by the Board assuming this responsibility. The Board has already performed this function to good effect on the BB Family Ranch property, which had many similar environmental concerns.

As lead agency, the Board will not prepare CEQA documents, but we will ensure they are appropriately processed and made available for review by the public and interested parties.

In consultation with responsible agencies such as the Corps of Engineers, the regional board and the Fish and Wildlife Service, the leading agency will make determinations on the type and adequacy of environmental documentation and appropriate mitigation.

On another matter, the Board has received an additional $5 million as part of a BCP approved with the passage of this year's budget. We will be coming forward to the Board in September with an agenda item requesting approval of an allocation of this $5 million among our various RAC and civil engineering efforts.

We are also discussing with Legislative Affairs the potential for passage of the Simitian legislation, which would continue the existing Kuehl bill program, and

Please note: These transcripts are not individually reviewed and approved for accuracy.

the timeframe for implementation if enacted so that we can decide if we need to account for this at our September discussion before the Board.

Madam Chair, that concludes my Deputy Director's report. And unless there's any comments or questions, I'm prepared to move into the rest of the day's agenda.

CHAIRPERSON BROWN: Thank you, Jim.

Any comments or questions for the Deputy Director's report?

No. But that's great news about Sonoma.

DEPUTY DIRECTOR LEE: Yes, ma'am.

CHAIRPERSON BROWN: I think everybody's pleased to hear that.

Okay. Then we will move to Committee Item E, Board Item 17.

Jim.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Committee Item E, Board Item 4, is consideration of allocation, scope of work, and contractor for the development and implementation of Universal Waste Public Service Announcement Campaign.

This proposed campaign is a component of our Universal Waste Action Plan. You will recall that there were three main areas of focus in the U-Waste Action Plan.

The first was in marshalling all available fund

Please note: These transcripts are not individually reviewed and approved for accuracy.

support to assist local jurisdictions with their U-waste collection and recycling efforts. Using the Board's annual Household Hazardous Waste Grant Program as the instrument for this initiative, the Board has allocated $4 1/2 million for planning and coordination efforts and infrastructure collection projects focused on U-waste. Staff expects to bring forward to the Board in August the proposed grant awards to local jurisdictions to jump-start their efforts in these areas.

A second area of focus was on outreach to the public, to fully acquaint and inform them on restrictions on disposal of these materials and to encourage support their collection and recycling efforts. The Board's initiatives in these areas have been ongoing for more than two years, working with our local jurisdictions through our bimonthly Household Hazardous Waste exchange programs and our annual conference.

Working with our sister agency, the Department of Toxic Substances Control, we have increased our efforts in this regard since the February 2006 ban on disposal of this material to landfills by households by utilizing selective media events and development of additional web content and outreach materials.

All the while, we've had to be conscious that our outreach efforts to stimulate the public's interest and

Please note: These transcripts are not individually reviewed and approved for accuracy.

involvement are timed and coordinated such that we don't overwhelm the nascent U-waste collection and recycling infrastructure. To this end, we are bringing forward today's item to provide additional tangible support for our Universal Waste Action Plan and our outreach efforts in particular.

I also want to emphasize that the funding for this effort, if approved by the Board, will only be utilized at a time deemed appropriate by Board staff in consultation with our contractor and our DTSC partner.

I'll now ask Roberta Kunisaki to provide the details of the proposed project and scope of work. At the conclusion of her remarks, I would like to discuss the third main area of focus of our U-waste action plan, the Take-It-Back Program, and to introduce Leonard Robinson, the Chief Deputy Director of the Department of Toxic Substances Control. Mr. Robinson would like to address the Committee in support of today's public service campaign, but also to take this opportunity to discuss the implementation strategy for the Take-It-Back Program.

With that, I'll now ask Roberta Kunisaki to make the next part of the staff presentation.

(Thereupon an overhead presentation was Presented as follows.)

MS. KUNISAKI: Good morning, Chair brown,

Please note: These transcripts are not individually reviewed and approved for accuracy.

Committee members, guests. Roberta Kunisaki, Office of Public Affairs.

On February 8th, 2006, the regulatory exemption that permitted universal waste to be disposed of legally in household trash expired. Since this date households and conditionally exempt small quantity generators have been required to bring their -- to begin taking their U-waste to a Household Hazardous Waste facility or to a collection event.

On February 14th, 2006, the Board approved scoring criteria and directed staff to support the Department of Toxic Substances Control outreach and educational efforts.

Today we are asking the Board to approve the proposed scope of work for the development and implementation of a universal waste public service announcement campaign in the amount of $50,000, approve the proposed contractor, California Broadcasters Association, and to give staff further direction on how to proceed with the Board's supporting role for outreach and education efforts with DTSC.

The California Broadcasters Association is the proposed contractor, and they are uniquely qualified to conduct this activity. The association provides a service that would benefit the State of California and the

Please note: These transcripts are not individually reviewed and approved for accuracy.

Universal Waste Program in that they will provide quality material as well as high placement in markets throughout California that no other organization can provide.

The association is the only one of its kind in California and it represents hundreds of radio and television stations in specific markets -- media markets. Working with this contractor will allow us to target specific radio stations. The association has the talent and the script writing ability to produce the radio spot, saving the state dollars in studio and production time.

The association also guarantees a 2-to-1 return on every dollar invested. They have also indicated to us that the return often exceeds 3 or 4 to 1.

The contractor will perform a variety of tasks designed to increase public understanding of the purpose and benefits of the California universal waste regulations through effective public service announcement, creation and implementation, to achieve more consistent consumer messaging in the local HHW level and to strengthen participation of California corporate retailers.

Work to be performed includes, but is not limited to, the drafting of various scripts aimed at California consumers with the intent to educate on proper recycling and disposal of those items listed under the universal waste regulations; creating, producing and editing two

Please note: These transcripts are not individually reviewed and approved for accuracy.

30-second public service announcements for statewide use; planning and implementing a distribution and run-time schedule utilizing California radio and television stations; and monitoring and reporting back to the Board with all times the PSAs were played.

Staff recommends that the Board approve Option 1 and approve item -- Agenda Item No. 17, proposed funding allocation, scope of work and the contractor for universal waste public service announcement campaign and adopt Resolution No. 2006-110.

This concludes my presentation. I'd be happy to answer any questions you may have.

CHAIRPERSON BROWN: Thank you, Roberta.

Shall we go directly to --

DEPUTY DIRECTOR LEE: If we could -- Madam Chair, if I could ask that we bring Mr. Robinson up to the podium to speak about the Take-It-Back Program. I think that would be informative for the Board to hear his support for this particular campaign and also again about the Take-It-Back Program in general.

CHAIRPERSON BROWN: Great. Thank you.

Welcome --

MR. ROBINSON: Thank you.

CHAIRPERSON BROWN: -- Mr. Robinson.

MR. ROBINSON: Madam Chair, members of the Board,

Please note: These transcripts are not individually reviewed and approved for accuracy.

staff and members of the public. Thanks for the invitation to come out and speak.

I just want to make -- what I'm going to talk about is what we've done, what we're doing and what we plan to do in regards to the Take-It-Back Partnership.

As everybody knows here, starting February 9th, we invited the public and small quantity generators to help us protect the environment by not putting universal waste in the trash any longer. What we wanted to do is have an outreach to do that. So thus the Take-It-Back Partnership -- I'm pretty sure the Board is familiar with it. I don't need to go to the stump speech. But I just wanted to give a detail of the activities that have taken place. And we also support the idea of having public service announcements with the CBA.

--o0o--

MR. ROBINSON: The activities started in March, various interviews on cable TV. We sent out letters to 30 corporate retail store executives inviting them to telling about the Take-It-Back Partnership, telling about universal waste, what's going on in California, and inviting them to be part of the partnership. Made a presentation at the Household Hazardous Waste Information Exchange in Anaheim, and also appeared on KOCE TV.

--o0o--

Please note: These transcripts are not individually reviewed and approved for accuracy.

MR. ROBINSON: In March there was actually a conference called -- guess what? -- Take-It-Back. So in Las Vegas I made a presentation there about the Take-It-Back and what we're doing in California.

Just to note, everywhere I've gone to talk it, it's gotten everybody's attention. Even the letters we sent out to the corporate executives -- normally you get a letter back from the environmental attorney telling you no. But now, we're actually hearing back from their public relations people, we're hearing back from their environmental managers and their facility managers saying, "How can we make this work?"

So these are the items that we accomplished in April as far as getting the word out in Take-It-Back, any venue, anybody that wanted to hear about universal waste, electronic waste or Take-It-Back, we accomp -- we took care of them.

--o0o--

MR. ROBINSON: In May, the Great Valley Conference, even back in Washington DC, the steel manufacturers, they were more interested in the voluntary effort -- or the voluntary nature of the of Take-It-Back partnership. I was able to talk about two initiatives that were voluntary that were very successful. One was the used oil filter recycling program back in 1991. It

Please note: These transcripts are not individually reviewed and approved for accuracy.

was a voluntary program. And the results of that are 2 million used oil filters are getting recycled every month and people are actually getting paid to bring the used oil filters in. And that was a strictly voluntary initiative working with industry.

The Imperial County Board of Education was interested. And the San Diego -- I made a presentation at the San Diego Regional Chamber of Commerce.

--o0o--

MR. ROBINSON: In June, there was a draft, a project agreement for Take-It-Back Partnership IT support. I got a copy of that from the Waste Board.

The Industry Advisory Board presentation in Whittier.

Made a presentation at the product stewardship forum in Chicago. Product Stewardship Forum in Chicago. Product stewardship ultimately is going to be the direction of electronic waste and universal waste where the producers get involved. But the neat thing about the Take-It-Back is the stop gap that kind of bridges the gap between the consumer and producer by engaging the retailers.

On June 28th, participated in a press conference with Keep California Beautiful and Assemblymember Fran Pavley on cell phone recycling.

Please note: These transcripts are not individually reviewed and approved for accuracy.

And June 29th, sent out letters to all 58 Boards of Supervisors advising them about the Take-It-Back Partnership, about universal waste, and to get the word out.

--o0o--

MR. ROBINSON: July and August, the Take-It-Back Partner tool kit was launched. Very significant. That answers the question to a lot of retailers, "What do I have to do to take it back? What are the compliance issues? What's this, this and this?" So now launched yesterday on the DTSC website is a Take-It-Back Partner tool kit. So when you get a chance, peruse that. We're open for recommendations to make it user friendly.

Future activities: Mono County Board of Supervisors are interested in a Take-It-Back presentation; imperial County Board of Supervisors; and an Imperial Farm Bureau radio program.

One of the things, in the more urban areas the universal waste and electronic waste, they're pretty organized. But in the rural areas, they're the ones that need the help and the support.

--o0o--

MR. ROBINSON: This is what the tool kit looks like. Real simple. Gives it the Take-It-Back Partnership logo, which is the State of California with the gold

Please note: These transcripts are not individually reviewed and approved for accuracy.

arrows, giving us a golden opportunity to protect the environment. And it talks about batteries, fluorescent lamps and electronic devices.

--o0o--

MR. ROBINSON: These are Take-It-Back partners. Now, we've identified 143 entities that are taking it back. Now, are all of them a member of the Take-It-Back Partnership directly? No. A lot of them are working with household hazardous waste and a lot of efforts. The Take-It-Back partner -- the Take-It-Back theme has been going on. There's been retail stores, there's been household hazardous waste, there's been all kind of partnerships going on at the local level. So what we're trying to do on the Take-It-Back is to herd everybody in, to get on a common database and support the efforts of our local partners.

--o0o--

MR. ROBINSON: Strategic partnerships:

Dell and Goodwill Industries. As you know, they've combined to take back computers. Not only the screens that are mandated, but they're also taking back printers, they're taking about the CPUs. And they welcome -- they've invited us to their partnership, so I invited them to our partnership.

The Consumer Electronic Retailers corporations.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Members include Radio Shack, Wall Mart, K-Mart, any of the retail stores that sell electronics. I can actually make one -- I can send one thing out, and they will send out the information to all their members.

Keep California Beautiful. We're working closely with them with the cell phones, and to see if they'd -- get them interested in talking to their partners on Take-It-Back batteries and fluorescent tubes.

The Rechargeable Battery Recycling Corporation probably gives the best format for voluntary Take-It-Back efforts.

SMUD, PG&E, Southern California Edison, Earth 9-1-1, Californians Against Waste, and Sierra Club are strategic partners. You know, it just -- it's dawned on me recently that I don't know everything, I don't think we know everything here. So the best way to find out, to get people involved is ask.

--o0o--

MR. ROBINSON: These are future activities. We need to launch the Take-It-Back on-line registration, the Take-It-Back location database. Let's identify and promote other Take-It-Back activities in the state. Recruit more big box and chain retail stores. We need the big box, we need the brick and mortar and the click and order stores. Any stores that sell, we need to get them

Please note: These transcripts are not individually reviewed and approved for accuracy.

involved in the Take-It-Back Partnership.

We need to answer the WIIFM question for retailers. You know what the number one question is: Who's going to pay for the management of the batteries? Well, the answer right now is real easy. We want the retail stores to pay for them. But there's a lot of other WIIFM questions. As you know, there was a study, and people that brought used oil back to auto parts stores spent an average of $60. Multiply that by the size of a Wall Mart or a Home Depot, people taking it back, and we want them to -- they're examining what is the advantage of having more foot traffic come in their stores. And now that we have the tool kit up, they can go on-line and kind of look around and see what the risk and the benefits are.

We need to create -- we need to identify more universal waste recycling vendors.

Create environmental protection metrics for universal waste. I like the one for the cell phone. They said one cell phone can pollute 40,000 gallons of groundwater, of drinking water. So we need to come up with more metrics. We're protecting the environment from mercury, cadmium, lead, chromium and all those things. So we need to come up with better metrics that the consumer -- so that consumer says, "What happens? How am I protecting the environment with that fluorescent tube

Please note: These transcripts are not individually reviewed and approved for accuracy.

that I take back or the battery that I take back, the electronic waste I take back?"

Need to create a Take-It-Back advisory group, partners and strategic partners, find out what it would take to recruit more people.

And then strategically launch public service announcements.

--o0o--

MR. ROBINSON: We agree that the California Broadcasters Association is a good choice. They're one of its kind in California. They represent radio stations. They can be targeted to media markets. They will produce a radio spot, saving time in production. And they guarantee a greater than 2-to-1 return on every dollar invested.

--o0o--

MR. ROBINSON: And just a suggestion for maybe the timing of the partnership. September 18th to the 24th, it's the National Pollution Prevention Week. Excellent time; everybody's focused on pollution prevention.

November 15th is America Recycles Day.

Or we just create a Take-It-Back or a universal theme based day, week or whatever to really focus the attentions.

Please note: These transcripts are not individually reviewed and approved for accuracy.

But these are recommendations on the timing for the public service announcements.

--o0o--

MR. ROBINSON: That's the end of my presentation. If anybody has any questions -- we're putting a lot of high energy into this. We really believe in it. I have yet to have anybody say -- well, they've always said I'm crazy. But they haven't said the program is crazy.

So I'll entertain any questions.

CHAIRPERSON BROWN: Thank you very much, Leonard.

Questions from Board members?

Mr. Petersen.

COMMITTEE MEMBER PETERSEN: Okay. Good morning.

You have enough enthusiasm. That's for sure.

The question here is is that -- okay, in my house I have certain kinds of electronics. And let's say I want to go back to Radio Shack and -- I'm just asking the scenario now -- but they don't sell that particular item.

MR. ROBINSON: Right.

COMMITTEE MEMBER PETERSEN: Will they still take the stuff?

MR. ROBINSON: No. What we like about the Take-It-Back poster, it will have the Take-It-Back logo and then it will have a sticker of what they take back specifically. And then, because it's a voluntary program,

Please note: These transcripts are not individually reviewed and approved for accuracy.

they can name the rules. Maybe they'll only take back stuff that they've sold you or you have to come back with the receipt or you have to buy something. We're not going to limit them on what they can and can't take back, because it's a voluntary program.

COMMITTEE MEMBER PETERSEN: Right.

MR. ROBINSON: So -- just like the lotto sticker, you'll see the Take-It-Back sticker -- the Take-It-Back poster, and you'll see the sticker of what they will take back.

COMMITTEE MEMBER PETERSEN: So basically what you're saying then, in the local jurisdictions where we're doing household hazardous waste, they'll take most everything there of the --

MR. ROBINSON: Yeah. For right now, yes.

COMMITTEE MEMBER PETERSEN: Okay. I have some other questions, if you don't mind.

CHAIRPERSON BROWN: Go right ahead.

COMMITTEE MEMBER PETERSEN: Okay. On the California Broadcasters Association, have they guaranteed to us these prime times for air time on the PSAs? Is that something that's --

MS. KUNISAKI: We have gotten a guarantee from them. But they did also tell us that the -- their peak audience is between 6 a.m. and 12 midnight. And so there

Please note: These transcripts are not individually reviewed and approved for accuracy.

is some timeframes there. They didn't give specific exact timeframes.

COMMITTEE MEMBER PETERSEN: But your prime times are you drive times, morning and --

MS. KUNISAKI: We have that -- yes, we have that guarantee.

COMMITTEE MEMBER PETERSEN: Oh.

MR. ROBINSON: Yeah. And there's a -- you should have a handout of what the CBA offers.

COMMITTEE MEMBER PETERSEN: Right. I know where they are.

Now, can we find dollars for this E-waste account from our -- I mean can we take the dollars out of the E-waste accounts and preserve what we've got in this limited IWMA contract money? Is that something we could take a look at?

MR. ROBINSON: I'm sorry, I just -- oh, I'll tell you what. If you want DTSC to answer yes, you can do anything you want to do.

(Laughter.)

COMMITTEE MEMBER PETERSEN: I like this guy.

MS. KUNISAKI: We can check -- I don't have the answer for that, but we can find out for you and get back with --

COMMITTEE MEMBER PETERSEN: Would you? Maybe

Please note: These transcripts are not individually reviewed and approved for accuracy.

we --

MS. KUNISAKI: I'm not prepared to answer that question. We can get an Admin person if -- oh, they're over there in counsel.

COMMITTEE MEMBER PETERSEN: Okay. Well, just a thought.

Okay. I'm done.

EXECUTIVE DIRECTOR LEARY: Madam Chair. Mark Leary, Executive Director.

Old habits die hard.

I don't know that we've done a full analysis on the question or not. I think we -- by the Board meeting next week we'll certainly have prepared that analysis as to whether this would be eligible for E-waste support. It has to get back to the statutory purpose of the E-waste funds and whether this fits that purpose. So we'll take a look at that.

COMMITTEE MEMBER PETERSEN: Okay. This is great. This is really great. Go, guys, go.

MR. ROBINSON: Thank you very much.

CHAIRPERSON BROWN: Rosalie.

COMMITTEE MEMBER MULÉ: Thank you, Madam Chair.

I have a few questions I saw that the PSAs will be done in English.

Is there any way that we can have these done in

Please note: These transcripts are not individually reviewed and approved for accuracy.

English and Spanish? I feel strongly that we should have them done English and Spanish.

MR. ROBINSON: I agree as well.

COMMITTEE MEMBER MULÉ: I mean I think if we're going to go through the effort of producing these, we should do them in English and in Spanish.

MS. KUNISAKI: We can make sure that that happens.

MR. ROBINSON: Yes.

COMMITTEE MEMBER MULÉ: Okay. Let's see. And so, Leonard, basically the corporations that have signed up are the ones that you showed up on the PowerPoint, correct?

MR. ROBINSON: Right.

COMMITTEE MEMBER MULÉ: And you're working on getting of the big box folks?

MR. ROBINSON: Right.

COMMITTEE MEMBER MULÉ: Okay. And you had mentioned that, you know, targeting the rurals is a little bit more difficult. So I have a recommendation. You may want to contact the Regional Council of Rural Counties. I mean they're a very effective organization. And we work with them or they -- they're one of our stakeholders. They do -- they're very vocal and they're very involved and they're a very good organization. And I'm sure that

Please note: These transcripts are not individually reviewed and approved for accuracy.

if you contacted them or you work with our staff, that they would help you with your outreach efforts.

And then one last question I have. On the strategic partnerships, SMUD, PG&E and SCE, what types of products do they take back, and where do they take them back?

MR. ROBINSON: Well, it's not necessarily take it back. But these are the three that are always saying, "Hey, use those fluorescent tubes because they last forever." Well, they're right. After the light has gone out, the mercury lasts forever in the environment. So we want them to be aware.

And also I'm talking with them. I've explained the program. If they want to subsidize the management of fluorescent tubes, you know -- or even getting the word out by putting the universal waste -- or putting the ban on disposing of universal waste in trash in the bills that they send out, they can help out with the outreach. But I'm hoping in my optimistic way that they'll write a check and subsidize it. Because I know that they are selling and promoting for fluorescent tubes and very energy efficient technology.

COMMITTEE MEMBER MULÉ: Right. So I like your idea of having them help with the outreach.

MR. ROBINSON: Yes.

Please note: These transcripts are not individually reviewed and approved for accuracy.

COMMITTEE MEMBER MULÉ: And I assume then that's what CAW and Sierra Club is doing as well?

MR. ROBINSON: Yeah. Well, I -- Californians Against Waste, they've been very complimentary about the program. The Sierra Club, as you know, at the press conference spoke out in support of it.

COMMITTEE MEMBER MULÉ: All right. Thank you.

MR. ROBINSON: Thank you.

CHAIRPERSON BROWN: Cheryl, did you --

BOARD MEMBER PEACE: I don't have any questions on the Take-It-Back Program. I just had some questions on this contract in general.

I just wanted -- after these PSAs are created, will the Board have a chance -- I would like to have the Board have a chance to see them or hear them.

MS. KUNISAKI: Absolutely.

BOARD MEMBER PEACE: And then also, how are we going to evaluate the effectiveness of these announcements?

CHAIRPERSON BROWN: We talked about at one point some sort of an evaluation tool being part of the CBA. Where did we go with that, Roberta? Remind me.

MS. KUNISAKI: We talked about having some sort of a measurement piece after we get the final reports back, kind of -- we would like to measure prior to the

Please note: These transcripts are not individually reviewed and approved for accuracy.

PSAs being actually aired; and then after the campaign's over, taking a look at the difference between prior to the airing of and playing and then afterwards and seeing the difference between the two timetables.

BOARD MEMBER PEACE: So that's not part of this contract; that's something staff is going to do after?

MS. KUNISAKI: Well, the contractor wouldn't be doing that part. We would look at it and evaluate it.

BOARD MEMBER PEACE: You'd be doing it --

MS. KUNISAKI: -- after the staff would.

BOARD MEMBER PEACE: Okay.

MS. KUNISAKI: If you so direct.

CHAIRPERSON BROWN: Well, we'd have to determine what the criteria was, what we're evaluating, whether it's increased recycling of these things at our HHW facilities or, you know, how you evaluate public awareness. But we as a staff thing had discussed it. But it is -- as Chris is whispering -- it's expensive to do surveys. And it's not part of the scope of work for this contract.

MS. KUNISAKI: That's correct.

BOARD MEMBER PEACE: Yeah, whether we do some sort of informal surveys at a Home Depot asking people if they come in, "Have you heard" -- I mean it seems like there should be something before we would ever want to put more money into doing this again.

Please note: These transcripts are not individually reviewed and approved for accuracy.

MR. ROBINSON: I agree.

One of the things of the on-line registration, we're going to ask at Take-It-Back Partners to let us know, you know, increased foot traffic and how much they're actually receiving. I mean we'll find out through the documents when they actually recycle them. But we're asking them to give us the information on a monthly or quarterly basis, you know, the retail partners or anybody who would sign up on-line.

CHAIRPERSON BROWN: And I'm not sure -- I think that's good. I don't think that addresses Member Peace's question about the effectiveness of this PSA. And maybe we can discuss with staff between now and Tuesday, our Board meeting, what kind of tools they would recommend. Maybe we just do an HHW facility questionnaire and find out if they're getting more people recycling and bringing things back to certified collection centers and HHW facilities as a result of our PSAs.

MS. KUNISAKI: And we could ask them to collect that data for us. That would probably --

BOARD MEMBER PEACE: Right, so that -- could do a survey there when people bring it back, "Well, how did you know to bring it back? Did you see it in something that came from your hauler? Did you hear it on the radio?"

CHAIRPERSON BROWN: Right.

Please note: These transcripts are not individually reviewed and approved for accuracy.

MS. KUNISAKI: That's a great suggestion. We can talk about that if you'd like.

CHAIRPERSON BROWN: Okay. Well, if you could, as a Public Affairs Department, sort of brainstorm with a couple of ideas for when we bring this up, during the fiscal -- well, during a Board meeting, wherever it ends up --

(Laughter.)

CHAIRPERSON BROWN: -- just share those with us.

MS. KUNISAKI: Be happy to.

COMMITTEE MEMBER PETERSEN: Madam Chair, I have one question?

CHAIRPERSON BROWN: Do you have a question?

COMMITTEE MEMBER PETERSEN: Yeah.

CHAIRPERSON BROWN: Go ahead.

COMMITTEE MEMBER PETERSEN: Just a question on the logo. How did we create that logo? Did that come out of the Department or -- I mean the Take-It-Back logo.

CHAIRPERSON BROWN: The Take-It-Back logo?

MR. ROBINSON: Well, that was --

CHAIRPERSON BROWN: Did DTSC do that?

MR. ROBINSON: Well, that was I believe a combination of DTSC and the Waste Board. I think that California symbol is from the Waste Board. And then just -- well, they played with different --

Please note: These transcripts are not individually reviewed and approved for accuracy.

COMMITTEE MEMBER PETERSEN: Is this in keeping with the direction John was going or looking towards on branding and what we're kind of trying to do in collectively -- is this -- we don't know. He's not here.

MS. KUNISAKI: Our graphics department did do the work for DTSC. And I believe that it was the beginning of our march to branding. I think there's still work to be done.

COMMITTEE MEMBER PETERSEN: Right.

Okay. Thank you.

CHAIRPERSON BROWN: Thank you.

I have a couple of questions, Leonard. And I think everybody probably recognizes that consumer education is the most important part of this U-waste program and that's why we're talking about this.

On your list of strategic partners or even Take-It-Back partners, I know you were trying to be as accommodating as possible for anybody who was willing to come into the program. But have we developed a list of criteria and obligations for Take-It-Back Partners? I mean if PG&E, SMUD, and SCE come in, they don't sell products, they don't recycle them. Have we made some sort of criteria that they provide public outreach? I mean they send bills out every month. They could provide information to the public in their monthly bills on what

Please note: These transcripts are not individually reviewed and approved for accuracy.

to do with your U-waste. Have we required these partners to provide public outreach as part of their commitment to this partnership?

MR. ROBINSON: Yes. That's one of the reasons they're a strategic partner. Anybody who's a -- a strategic partner is somebody who wants to get involved, who's not directly taking it back, but can get the public outreach. And, yes, that's the -- part of the dialogue. I've got a list of things. And I said, this would be my recommendation for SMUD, PG, and Edison. They're going to come back with it. So, yes, that would be the criteria for a partner, somebody who can do outreach and get into the areas, especially the consumers and retail stores.

CHAIRPERSON BROWN: Can we get a list of what those requirements are for partnerships?

MR. ROBINSON: Sure.

CHAIRPERSON BROWN: Because I think that -- I mean I think the program is a great concept and it's easy for people to understand. But we need to get something and we need to make sure that if we're giving these people the appearance of being a partner with the state, a partnership runs two ways, and we have to get something in return. And if they're not providing the public outreach support, then they're really not an equal leg of the stool.

Please note: These transcripts are not individually reviewed and approved for accuracy.

MR. ROBINSON: Exactly.

CHAIRPERSON BROWN: So I think that we need to have a list of the criteria and what it means to be a Take-It-Back Partner and not, in my opinion, accommodate everybody just to have a lot of names on the list, because then there's no "there" there.

MR. ROBINSON: Yeah. That's why we made the different partner and strategic partner. But, yes, we can do that. I think that's an excellent idea for everybody to know that.

CHAIRPERSON BROWN: And then my other question is: Have we developed a timeline or a work plan in getting these big box retailers to the table? Have we got corporate meetings agendized or set up so that we actually get at the corporate level? Because I think it's probably more effective to go at the corporate level rather than try an go locally. But I don't know if you have a time line for when we have those meetings set up with big box retailers, because that's probably a linchpin of this contract, is what we tell people.

MR. ROBINSON: Exactly. Well, in March we started the efforts. We sent the letters out to the corporate people. And there won't be a meeting with the corporate people because they've all referred us to either the person -- a California-located person or somebody

Please note: These transcripts are not individually reviewed and approved for accuracy.

who's in their environmental. So the meetings have -- right now I'm in active conversations with Wall Mart to take -- and I've asked my staff -- I said, "Each one of you take a big box. Let's court them, cajole them, whatever we need to do to get them in the partnership." As far as a timeline, those can be provided. But we're in active dialogue with the big box stores. And I agree, if we can get three or four big box stores, big chains, that makes the PSAs a lot better, you know, make it flow a lot better.

CHAIRPERSON BROWN: Well, I think if you've got a big box, I think only one will get the other dominoes to fall, because they will be publicized on a PSA to bring your batteries to Lowe's and all of a sudden everybody starts shopping at Lowe's and not Home Depot.

MR. ROBINSON: That's right. We're actively pursuing five, hoping to get one of them. So the first one that brings the box in wins.

CHAIRPERSON BROWN: Right. And that's hypothetical. Lowe's hasn't committed and Home Depot hasn't denied it. So just for public record, I just want to make sure everybody knows, we're not providing outreach or advertisement at this time.

MR. ROBINSON: Yeah, how about if I do this: Is we do activities -- you know, this is the first time I've

Please note: These transcripts are not individually reviewed and approved for accuracy.

really had a chance to talk to everybody -- I just give you a monthly update or a weekly update of what we're doing and then, more importantly, what we're thinking about doing.

One thing I want to say about the staff, your staff has been wonderful in working with us. Even when we've been unreasonable, your staff has been absolutely great. So I wanted to make sure that got on the record.

And, again, as we think about things, we -- you know, we want to get the dialogue up and then get it up to the appropriate level.

CHAIRPERSON BROWN: Okay. Thank you very much.

MR. ROBINSON: We want to make things transparent as possible.

CHAIRPERSON BROWN: I'm sure the staff appreciates your applaud, and so do we. And I've never heard that you're difficult.

COMMITTEE MEMBER PETERSEN: May I, Madam Chair, just one --

CHAIRPERSON BROWN: Sure.

COMMITTEE MEMBER PETERSEN: Have you contacted anybody at Southern California Edison or DWP in the --

MR. ROBINSON: In contact with Southern California Edison, the people that are --

COMMITTEE MEMBER PETERSEN: If you need some help

Please note: These transcripts are not individually reviewed and approved for accuracy.

with that, I can help you with that. I'd be happy to.

COMMITTEE MEMBER PETERSEN: Okay. I'll see you after the meeting.

COMMITTEE MEMBER PETERSEN: Okay.

CHAIRPERSON BROWN: Okay. I think we're -- we've exhausted all of our questions.

COMMITTEE MEMBER MULÉ: I just have one more question for -- I guess it's for our staff -- is: How long will these run, like what period of time?

MS. KUNISAKI: We haven't set up the timeline yet because we have to get this approved first. But --

COMMITTEE MEMBER MULÉ: But that $50,000, does that mean, you know, so many PSAs over a period of six months, a year, two months?

MS. KUNISAKI: I don't have that information. I don't have --

COMMITTEE MEMBER MULÉ: Okay. Could you get --

MS. KUNISAKI: -- how many. I just know it will be two 30-second spots.

COMMITTEE MEMBER MULÉ: All right. I would like to know how long the PSAs are going to run.

MS. KUNISAKI: The duration, you mean?

COMMITTEE MEMBER MULÉ: The duration, yes.

MS. KUNISAKI: Okay.

COMMITTEE MEMBER MULÉ: Thank you.

Please note: These transcripts are not individually reviewed and approved for accuracy.

CHAIRPERSON BROWN: Thank you, Leonard. I appreciate it. Appreciate your time. We're honored.

Can I have a motion?

COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to move Resolution -- approval of Resolution 2006-137.

COMMITTEE MEMBER PETERSEN: I'll second that.

CHAIRPERSON BROWN: It's been moved by Member Mulé and seconded by Member Petersen.

Kristen, can you call the roll.

COMMITTEE SECRETARY GARNER: Mulé?

COMMITTEE MEMBER MULÉ: Aye.

COMMITTEE SECRETARY GARNER: Petersen?

COMMITTEE MEMBER PETERSEN: Aye.

COMMITTEE SECRETARY GARNER: Brown?

CHAIRPERSON BROWN: Aye.

And, Mr. Block, since we have a couple of questions, can we put it on fiscal consent still since there is --

ACTING CHIEF COUNSEL BLOCK: Yes, you could still put it on fiscal consent since that would still involve a presentation at the Board meeting. But it's an indication that it's a more streamlined presentation.

CHAIRPERSON BROWN: Great. We'll put that on fiscal consent then.

Thank you.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Okay. Now, we'll go back to Committee Item B.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Committee Item B, Board Item 14, is consideration of grant awards for the Targeted Rubberized Asphalt Concrete Incentive Grant Program.

By this time you're all familiar with the monthly review and approval process for this grant program. I'm pleased to report that we have several additional projects to bring to your attention this morning.

I'm going to ask Nate Gauff to fill you in on specifics and make the remainder of the staff presentation.

MR. GAUFF: Good morning, Madam Chair and Committee members. I'm Nate Gauff with the Special Waste Division.

This is the first award -- proposed award for the Targeted RAC Program for 2006-7. We received four eligible applicants, for a total of 625,000. And the applicants are:

The City of San Joaquin, funding recommendation 175,000; City of Garden Grove, funding recommendation 150,000; City of Monrovia, recommended 150,000; and the Orange County Transportation Authority, also for 150,000.

Are there any questions?

CHAIRPERSON BROWN: Thank you, Nate.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Any questions?

COMMITTEE MEMBER MULÉ: No, Madam Chair?

CHAIRPERSON BROWN: No?

Can I have a motion from the resolution?

COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to move Resolution 2006-120 revised.

COMMITTEE MEMBER PETERSEN: I'll second that.

CHAIRPERSON BROWN: It's been moved by Member Mulé and seconded by Member Petersen.

Kristen, can you call the roll.

COMMITTEE SECRETARY GARNER: Mulé?

COMMITTEE MEMBER MULÉ: Aye.

COMMITTEE SECRETARY GARNER: Petersen?

COMMITTEE MEMBER PETERSEN: Aye.

COMMITTEE SECRETARY GARNER: Brown?

CHAIRPERSON BROWN: Aye.

And without consent, we'll move that to the fiscal consent calendar.

And move to Agenda Item C, Board Item 15.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Committee Item C --

CHAIRPERSON BROWN: Wait a minute.

Mike, it went so quickly. I apologize. We have a speaker on the last item.

Can we entertain that, Elliot?

Please note: These transcripts are not individually reviewed and approved for accuracy.

ACTING CHIEF COUNSEL BLOCK: Yes.

CHAIRPERSON BROWN: Thank you.

Mr. Blumenthal please.

CHAIRPERSON BROWN: I was thinking you were speaking on the next one. I apologize.

MR. BLUMENTHAL: I am speaking on the next one. But I had both of them.

(Laughter.)

MR. BLUMENTHAL: I didn't mean to shake --

CHAIRPERSON BROWN: You can just fill out one form and just put B, C, D if you want.

Go ahead.

MR. BLUMENTHAL: Next time I will do that. Thank you for the instructions.

Thank you, Madam Chair. My name is Michael Blumenthal. I represent the Rubber Manufacturers Association. We are the trade group that represents seven U.S.-based tire manufacturers, soon to be eight U.S.-based tire manufacturers. We're getting a new member pretty soon.

I am not opposed -- we are not opposed to the use of rubber asphalt concrete. We are indeed strong supporters of rubber-modified asphalt concrete.

The question becomes: What happens if tomorrow all grants went away, there were no more grants out there?

Please note: These transcripts are not individually reviewed and approved for accuracy.

Talking to the people in the state and in the industry and in the staff here, probably 80 percent of all the current RAC users would continue to use RAC. And there's no reason why they shouldn't. It's an excellent material. It adds a lot of good characteristics and properties to the asphalt. It does serve a good purpose.

The question that we have is: What happens if the grants do go away? What is this agency and, likewise, what is the industry getting back from all of these grants? And right now the answer is nothing.

What we are looking for are metrics. You're giving out these grants. That's fine. It's helping the market. Okay. But there's no sustainability. Our concern is what happens in the future? Will this be a self-sustaining viable market? And there is some question there.

I work the entire country. Things that I hear around the nation is like this: "Oh, yeah, RAC works. It works on the West Coast because they subsidize the use of it. It's not economically viable on its own." That's a hard argument for me to counter when you consider all of the grant programs that this state has for RAC. I have to go back and show them other examples of where it is not subsidized. But since California is the biggest user of RAC -- I believe that that's correct -- it's a hard

Please note: These transcripts are not individually reviewed and approved for accuracy.

argument to counter. And it's something that you may not be aware of, but we certainly have to deal with it just about every day that we are out there.

We believe that the RAC grant should be focused on first-time users, getting them over the hump, show them that it's not that much more expensive, that it can be done. There is ample experience. No state has more experience and more technical material written on RAC than the State of California, period. Even more than Arizona. But it's not out there, and we haven't seen it, and it's hard to find, and people tend to ignore this.

What we are suggesting is get some metrics out there. Find out -- get back from the people that use it certain things that can help the industry be more self-sustaining. How much road noise reduction is there when you use RAC? We know that RAC will reduce road noise. As a matter of fact, the Federal Highway Administration currently has a program on road noise abatement, and RAC is one of the tools in the tool kit that can reduce road noise. How much road noise reduction is there?

How much of an extended life does that road get? How long can you postpone any major reconstruction to the road by using a one-inch overlay or a two-inch overlay?

How much reduction in cracking does this material

Please note: These transcripts are not individually reviewed and approved for accuracy.

supply? We know that it does stop cracking in roads.

And how much of a reduction in rain splash does this achieve? The way that you can monitor this is: Do you see a reduction in accidents when it rains? It does rain in California. We are aware of this.

Get some metrics so that you can point this out. So that we can go back into the marketplace and to other states and say there are many, many benefits to this. Here's California, a state that uses it the most. Here is hard data. The only way to get it is from the end users. If you're going to be giving them money, get something back that the industry can use to make this a self-sustaining marketplace.

CHAIRPERSON BROWN: Thank you, Mike.

Nate or Jim, do you -- either one of you want to respond to what information we do get from our end users?

DEPUTY DIRECTOR LEE: I do have a couple comments. And then I'd maybe like to ask Nate to kind of discuss some of the more specifics.

But I think, you know, the Board staff is on record as supporting, you know, reduced subsidies, you know, for these programs. Indeed I think in Mr. Blumenthal's remarks he mentioned that he perhaps, you know, supported the idea of the targeted outreach which indeed is the -- the main purpose of this, to get at the

Please note: These transcripts are not individually reviewed and approved for accuracy.

first-time users.

You know, we're aware that other states, particularly Arizona, you know, are -- you know, have been much successful than California in implementing the program. But we would certainly like to move to their example. And we, as we have always done, encourage Mr. Blumenthal's active involvement in our five-year planning process, which will be commencing again in the next few months, so that we can, you know, better perhaps shape this program, you know, to his needs and desires.

But I think -- Nate I know has been working on this and looking at some of these metric issues and on the evaluation components.

Maybe, Nate you could speak to that a little bit.

MR. GAUFF: In relation to the grant projects, you know, these are all local government agencies. Typically they don't -- in my experience, they don't measure a lot of these parameters. It's more anecdotal, you know, it's more empirical. People drive over and they notice it's quieter. Now, there have been a few studies done -- I know Sacramento County did a study on noise reduction. They were one of the few local government agencies that has actually went out above and beyond. And that was not part of a grant program. That was just something they did on their own.

Please note: These transcripts are not individually reviewed and approved for accuracy.

As far as the increased life span, once again, a lot of these agencies don't even have good pavement management program or any pavement management program. I think what we've seen in a lot of the information that's out there, you know, a lot of it's been done by CalTrans. And unfortunately I can't speak to why people cannot find CalTrans specs or CalTrans reports, you know -- I don't -- can't speak to that.

But most of the work that's been done as far as the types of parameters that Michael mentioned, those have been done at the state level through CalTrans and through the state DOTs. Most local government agencies aren't really equipped to provide the funding and certainly don't have the staff or the expertise to do that. I mean they contract it out. But a lot of them don't have the funding to go above and beyond, or very few of them have the expertise and funding to go above and beyond to do these types of measures.

So I think what we see is most of the data, if you want to call it that, is empirical, you know, and in a sense passed down from generation to generation within a local government, and it says, "Yeah, we use RAC because we've seen improvement in our loads, we've seen the noise reduction, we've seen the reduction in cracking," and that type of thing. And so they've bought in and they've used

Please note: These transcripts are not individually reviewed and approved for accuracy.

it. I mean you don't have to tell Thousand Oaks or Sacramento County or agencies like that that you use it regularly. They know these things are there.

CHAIRPERSON BROWN: Well, then maybe you can speak to as part of your outreach with the Ogilvie contract what you're finding when you actually go -- I mean is that helping in some of the information that we do have available? Because there is some -- obviously we have it with CalTrans, there's other states who have information that we can provide. Is that being utilized as part of your outreach with the Ogilvie contract?

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Madam Chair, Mitch Delmage, Manager of the Tire Program.

We have several things that are going on that I think will address Mr. Blumenthal's concern. As you mentioned, the Ogilvie contract, we're making a lot of good relationships and contacts at the local levels so we can start gathering this information that they may have collected.

But beyond that and be -- to more directly gather data, we have a good opportunity in September when we bring forward criteria for distribution of these new grant funds that have become available during the budget. So that we can indeed earmark a portion of that fund for the local government to do the testing that we would like to

Please note: These transcripts are not individually reviewed and approved for accuracy.

see. And we can incorporate that into that particular grant program as we develop it.

CHAIRPERSON BROWN: Okay. That's a good idea. And maybe we go to an impartial source to do an independent study.

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: That's correct.

MR. GAUFF: Just to follow up on your question about the Ogilvie outreach. I've only been on one visit so far and that was with the City of Santee. And we have a couple scheduled actually for tomorrow. But we did share some of this information with the mayor and with the public works folks in Santee around the noise reduction, about the Sacramento County study, and about some of the CalTrans issues -- or CalTrans specifications and that type of thing. So we did share that with them, and we will continue to do so, because that's about the best information that's available at this point.

DEPUTY DIRECTOR LEE: And, Madam Chair, one other thing I think with regards to a metric for the particular program, you know, I think it's, you know, our feeling that the best thing that we can do is to get these RAC projects in as many communities in California as we can. We believe the product speaks for itself once people are exposed to it. I think there's -- you know, we can

Please note: These transcripts are not individually reviewed and approved for accuracy.

present them with all the facts and statistics and who else uses it, but they want to kind of see it for themselves. And that's why we're confident that once they have that exposure, which we think will help to be provided -- which we think this targeted RAC program in particular will help provide, we'll start building up again that word-of-mouth advertising that's a lot more desirable than any kind of statistics we're going to be able to throw at somebody.

CHAIRPERSON BROWN: Thank you.

Mr. Blumenthal.

MR. BLUMENTHAL: One of the things I would suggest is, since there have been so many different projects out here under so many different conditions, different road traffic, different materials, different geographic areas, I think it might be beneficial if there was some collection of all this data, and looking at the roads and the rehabilitation, put that into a report of some sort, make this available. Because I know that it will answer a lot of the questions that are out there. I know that RAC is used in the mountains and in where it snows. So it's not just a warm weather material. It's used in highway applications. It's used in a wide range of applications.

What we are looking for -- we, the industry, can

Please note: These transcripts are not individually reviewed and approved for accuracy.

go out there and say all these things. But, you know, we're industry and we represent it, so it's looked upon a little bit suspect because we're trying to sell the product that we're responsible for.

If a state comes out with that same kind of information, it's a lot more credible and it has a lot more meaning, and it's a lot more useful in the marketplace. So these are the kind of things that we are looking for. Certainly California has the resources and has the experience and this is what we would certainly ask for.

With that, I thank you for your time and attention.

CHAIRPERSON BROWN: Thank you. We actually have a question.

Do you have --

COMMITTEE MEMBER PETERSEN: Thank you, Madam Chair.

Michael, don't go away.

Mitch, I like that idea included in the grants. I think it's a great idea.

And I'm with you, Michael. Sales tools to the different -- now, where are we in recovery of tires in the state now? What, 75 percent, somewheres in there? We've got 25 percent to go.

Please note: These transcripts are not individually reviewed and approved for accuracy.

And I have a question.

In the old days when we did the SB 650 program for recycling they gave grants to all of us local recyclers to do our programs and expand them, expand them, expand -- and that kicked it off in the State of California. Do you think -- and I think that maybe that the grants -- there is a point where the grants -- you know, we got to -- this industry's got to stand on its own two feet like we did in the recycling world. That point is not yet, is that true, Michael? Because we've still got that 25 percent we got to go after. And to stimulate that, the grants are very helpful, correct?

MR. BLUMENTHAL: You know, I think grants can be used as to create more tools. And I was going to talk about that in the next set of comments when I talk about products. But, understand, things have changed over time. Today, there are a lot more products out there. There's a lot more competition in the marketplace. And what we're finding now is because rubber-derived products are so successful, that they're eating someone else's lunch and we're starting to get a lot of push-back from the other industries. Now, I can talk about it now, I can talk about it at the next item. But that's what I had planned on talking about.

We're starting to get a lot more of these

Please note: These transcripts are not individually reviewed and approved for accuracy.

innuendos about tire-derived products, about the property of the rubber itself and the products themselves. And certainly the marketplace could use some grants in certain places. But I have found the number one problem we're facing now are all these urban myths about all these rubber-derived products, whether it's asphalt or rubber sidewalk -- let me give you an example.

COMMITTEE MEMBER PETERSEN: Okay.

MR. BLUMENTHAL: Last week -- either -- last week a company here in California that makes rubber sidewalks installed rubber sidewalks in Washington DC. And it was covered by the press. And it was good press coverage, because it solved a lot of the problems in Washington DC. If you ever walked on some of the pavement in sidewalks in DC, it leaves a lot to be desired in certain places. It's a good product. It solved a number of problems. It got very good press coverage.

The next day our phone rang off the hook: "What about the environmental problems?" "What about the latex? My child is latex sensitive." And then we have to -- now we have to spend time getting this -- you know, we have information on latex. We did a large study on latex with this whole thing on latex allergies and the -- in the medical field. And gloves came up.

A lot of information out there. The latex in

Please note: These transcripts are not individually reviewed and approved for accuracy.

gloves and latex in rubber -- in tires are two really separate things. But these are the kind of things that come up. Because it's a new product, there's a lot more questions to --

COMMITTEE MEMBER PETERSEN: Well, and its recycle content. And it's a whole new marketplace with supply.

MR. BLUMENTHAL: And those that --

COMMITTEE MEMBER PETERSEN: So maybe this is what -- what we're talking about is the educational component or the support of the industry by our Board and what we're doing with our program as an education component. Because a push-back is going to come anyway. So we just have to push -- it's the same old story.

MR. BLUMENTHAL: What I was going to suggest in the next -- for the next Board item -- next agenda item was to coordinate the different programs that you have. Because you have something from OEHHA on some issues, you're doing the Business Assistance Program. And ultimately they're going to find out that everybody's problem is they need more markets and they all face the same obstacles in the marketplace. Answering the questions, reducing the obstacles, putting the information out there that people can look at.

I'll give you this week's problem. In the marketplace rubber and sand is used in synthetic -- in

Please note: These transcripts are not individually reviewed and approved for accuracy.

artificial turf. And it's a really fast growing market. It doesn't need any grants, any subsidies. The market is going great guns, not just here but around the world.

Okay. It's going so well that now there are questions about it. Well, do you know there are PAH's, polynuclear aromatic hydrocarbons in tires. So a professional football team in Italy wants to take out their artificial surface using sand and rubber because they're concerned about PAH exposure if a football player falls -- or what we call a soccer player falls down on the stuff and gets exposed to the rubber, will they get skin cancer from this?

Well, there's -- I didn't say it was real. I said this is what we have to deal with.

So, you know, who knows what a PAH is? I mean I know what a PAH is. There are some people that do. But people hear and they go, "Oh, my God." And it will -- it absolutely threatens a viable marketplace. And it threatens California industries as well. These are the kind of things I think that are necessary to come out from this kind of grant program that can be coordinated with all the different programs that you have here, as well as coordinated with the EPA RCC program on rubber products.

You have the tools. You certainly have all the programs. What I was going to suggest was coordinate

Please note: These transcripts are not individually reviewed and approved for accuracy.

these things, make sure that they're all focused on the bottom line -- on the prize, which is reducing the obstacles so that these markets can increase on their own. As the market demand increases, you'll find tires being pulled out of the landfill because the tip fees can go down because the back-end markets are so much stronger. That's the way to decrease the number of tires that go into landfills.

COMMITTEE MEMBER PETERSEN: Thank you, Michael.

CHAIRPERSON BROWN: Thank you.

Rosalie, you have a question for staff?

COMMITTEE MEMBER MULÉ: Just a quick one here, staff.

I know that there's information around the state about these metrics that Michael was alluding to. I mean, for example, L.A. County, Eric, I'm sure they have those metrics.

And what about the RAC tech centers? Didn't they ever compile that information for us?

MR. GAUFF: Like I said, some of it is available in different areas. One of the things that we're doing right now with MACTEC is that we are pulling a lot of this together --

COMMITTEE MEMBER MULÉ: Okay. So we are in the process of doing that?

Please note: These transcripts are not individually reviewed and approved for accuracy.

MR. GAUFF: Yes.

COMMITTEE MEMBER MULÉ: Okay. That's what we need to know.

MR. GAUFF: And we're also looking into establish a web-based training system.

COMMITTEE MEMBER MULÉ: Excellent. Good. Good work.

Thank you.

CHAIRPERSON BROWN: Thank you.

Okay. Now, we'll move to Committee Item C, Agenda Item 15.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Committee Item C, Board Item 15, is consideration of Applicant Eligibility, Project Eligibility and Evaluation Process for the Tire-Derived Product Grant.

This will be the second year for the Tire-derived Grant Program, the successor to the Playground and Track Grant Programs from previous years. It features a simplified application and review process. And by the specification of a cap on the maximum amount of grant subsidy per tire utilized in the product, it is by design very cost effective.

In years past in the now superseded tire and playground grant programs, we had instances of projects being funded at upwards of a hundred dollars per tire

Please note: These transcripts are not individually reviewed and approved for accuracy.

utilized. Last year's tire-derived grant program specified a cap of $10 per tire utilized. And the proposal you have before you today is for a $7 cap. There's been some discussion about specifying an even lower cap of $5.

My staff has addressed some of these questions, you know, involved with a lower cap in a memo which we've distributed to the Board and which we've made available at the back of the room. We are prepared to address any additional questions you may have this morning.

With that, I'll now ask Michelle Martin to make the remainder of the staff presentation.

MS. MARTIN: Thank you, Jim.

Good morning, Madam Chair and Committee members. I'm Michelle Martin with the Product Promotion and Assistance Section.

This presentation is for Committee Item C, consideration of applicant eligibility, project eligibility and evaluation process for the Fiscal Year 2006-2007 Tire-Derived Product Grant Program.

(Thereupon an overhead presentation was Presented as follows.)

MS. MARTIN: The purpose of this grant program is to promote markets for recycled content products derived from waste tires generated in California and to decrease

Please note: These transcripts are not individually reviewed and approved for accuracy.

the adverse environmental impacts created by unlawful disposal and stockpiling of waste tires.

The TDP Grant Program is included in the Board's approved document five-year plan for the Waste Tire Recycling Management Program, Third Edition, covering Fiscal Years 2005-2006 through 2009-2010.

--o0o--

Each year as part of the five-year plan performance measures we send out customer satisfaction surveys to our grantees. This year, however, we contacted all of our past grantees to find out if they are purchasing products on their own and how well the product is performing. And here are the results:

--o0o--

MS. MARTIN: We asked if they had purchased tire-derived products on their own not using Board funds. Forty-five percent said they have purchased products on their own. Of the 55 that didn't purchase products on their own, 70 percent said they would purchase tire-derived products in the near future.

In addition, 77 percent said they were very satisfied with the product, and 22 percent said they were satisfied.

And a couple comments from those that were surveyed said it's an outstanding program and are pleased

Please note: These transcripts are not individually reviewed and approved for accuracy.

with the Waste Board and the product overall.

And another comment was they are very happy with the product and it was a great opportunity for their organization.

Now, back to the grant program eligibility.

--o0o--

MS. MARTIN: The TDP Grant Program provides grants to local government entities for projects purchasing tire-derived products, for product such as sport surfacing, sidewalks, weed abatement covers, mulch, sound barriers and traffic safety products. Only one application per qualifying public entity will be accepted and an application may include multiple tire-derived products for projects.

Applicants must meet all of the eligibility requirements, have an eligible project, and divert a minimum of 2500 California waste tires.

The maximum dollar of grant reimbursement per tire-derived -- per tire diverted is currently proposed at $7, a change from $10 last fiscal year.

--o0o--

MS. MARTIN: Furthermore, tire backings are still excluded from eligible projects in this grant program.

--o0o--

MS. MARTIN: An applicant must certify compliance

Please note: These transcripts are not individually reviewed and approved for accuracy.

with principles of environmental justice, provide a current approved resolution, provide an acknowledgement under penalty of perjury that an applicant has a recycled content purchasing policy or directive, and also certify that 100 percent California waste tires will be used in the project. Product manufacturers and suppliers must complete the tire-derived product certification form CIWMB-227.

--o0o--

MS. MARTIN: The proposed evaluation process for the TDP Grant Program is as follows:

The Grants Administration Unit will perform an initial data entry and completeness review for each application during and after the close of the application period. After the close of the application period, staff will review the grant applications and determine whether an applicant or project are eligible. Consideration of grant funds will be based on the calculations provided on the TDP certification form and application cover sheet. And the calculation is as follows: Number of tires diverted times the cost per passenger tire equivalent equals the grant amount.

--o0o--

MS. MARTIN: If more grant funds are requested than available, a random selection process will be

Please note: These transcripts are not individually reviewed and approved for accuracy.

conducted. The process will be publicly noted and the public will be invited to attend. Each application will be assigned a number in the order which they were received by the Board, which will be used to represent the application during the random selection process.

Random numbers will be drawn for each application during the random selection process. This number will determine funding order.

Once each application is assigned a funding number, the list will be sorted by funding number and awards will be made on the funding numbers and geographic sort in descending order until funds are exhausted.

The Board will allocate grant funds by rank order, and funding will be geographically split as follows: Sixty-one percent to applicants located in southern California and 39 percent to applicants located in northern California.

--o0o--

MS. MARTIN: The five-year plan allocates 2.4 million to the Fiscal Year 2006-2007 TDP Grant Program. And staff proposes that the funding for the grant program not to exceed a hundred thousand for each eligible applicant.

Staff is proposing to present the award item at the Board's November 14th, 2006, Board meeting.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Staff recommends the Board approve the proposed applicant eligibility, project eligibility and evaluation process and adopt Resolution 2006-121 for the Fiscal year 2006-2007 Tire Derived Grant Program.

That concludes my presentation. Do you guys have any questions?

CHAIRPERSON BROWN: Thank you, Michelle.

We have one speaker on this item.

Did you have, Mr. Blumenthal?

MR. BLUMENTHAL: Thank you, Madam Chair. My name's Michael Blumenthal. I represent the Rubber Manufacturers Association.

My comments here are along the same lines as the earlier one. We're not opposed to the grant program per se. And we're very pleased to hear and see that the recipients are indeed purchasing the products on their own. That clearly is the idea behind the grants, get it out there.

A couple of ideas to tweak things. If they got grants in the past, perhaps they should -- you know, others should be looked upon first as potential recipients. I think there should be some posted -- a sign out there that says, you know, whatever it is they're -- made from a hundred percent recycled California tires, received for a grant from the CIWMB. Then credit should

Please note: These transcripts are not individually reviewed and approved for accuracy.

be where credit is due.

We also believe that this program needs to go to the next level. And that next level is making sure that once these products are out there and people begin to buy them, what are the push-back issues that arise, the questions about latex, about what volatile organics may or may not come off the tires, about the flammability of material, about the ingestibility of the material, all these things that will hopefully address some of the current questions and anticipate any future questions that may come out there. Because this is a new product, because it is recycled material, because it is the tire and it seems to engender all kinds of questions and concerns, these kinds of reports and this kind of information is the next step up, so that the public can buy the stuff and use the stuff with enough confidence that it's not going to turn their yard black or that it's not going to leach zinc and heavy metals in to the soil, so that you don't get these kind of concerns. So that you can remove the obstacles that are impeding these markets.

Because it is a new market, these questions are fairly reasonable. But the information to address them needs to come from an independent source.

Once again, we have a lot of this information on our website, and we've taken this information from

Please note: These transcripts are not individually reviewed and approved for accuracy.

different sources, a lot of the federal materials, stuff from different states. But we're industry. And, once again, we're looked upon as suspect, we're trying to push these products. Needs to come from an independent source. We'd be glad to share our material, leverage what we have in to what -- into the programs, sort of being done here. And also to remind the Board that you have a number of ongoing projects that are already doing all these things. I think coordinating these things and focusing it so you get the best results I think is in everybody's interest.

And those really are all my comments today. Thank you.

CHAIRPERSON BROWN: Thank you.

Any of you answer the question that Mr. Blumenthal raised about creating a ranking for projects that have not previously received grants? Has that been considered by staff, so we start to grow the marketplace?

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Yes. Mitch Delmage again, Manager of the Tire Program.

We have had those discussions. And we're prepared, if the Committee would like to instruct us, to include the language under "Applicant Eligibility," if an organization has received a grant for this program within the past two years, they're not eligible to apply.

CHAIRPERSON BROWN: Well, I wouldn't

Please note: These transcripts are not individually reviewed and approved for accuracy.

necessarily -- I mean personally I wouldn't say they're not eligible, just that as you look through how you rank them, and rather than a random selection process, maybe those people who haven't received grants go in the first selection process and any other expended funds go to anybody else. I mean I know it's a process to fill them out -- the applications out altogether. But I don't want to eliminate anybody. Just because we were way oversubscribed last year doesn't mean that this year we'll be way over subscribed. But I think it gives some sort of rank priority to somebody who has not applied before to be first in line.

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: We could set it up in a two-tiered system.

CHAIRPERSON BROWN: Okay. And then the other question I have is staff's feedback -- well, so we can start a dialogue here. If we were oversubscribed last year at $10, we've lowered the fee to 7, and the discussion is: Is 7 an appropriate place to stay this year, do we go to 5? Are we sinking a ship before the ship is seaworthy?

Go ahead, Gary.

COMMITTEE MEMBER PETERSEN: Yeah, I'm -- well, Jim, why don't you respond to that. Then I have some --

DEPUTY DIRECTOR LEE: Well, just to kind of

Please note: These transcripts are not individually reviewed and approved for accuracy.

highlight some of the points we raised in the memo. The cap last year was $10. However, the actual average cost, you know, for the -- you know, of grant subsidy per tire utilized was 7.50. So, you know, that's not a very big -- the average cost is not a very big departure from the cap we're talking about imposing, you know, this time. So, you know, that's one way of looking at it.

I would think -- you know, clearly this is going to continue to put downward pressure on the market with regards to, you know, forcing more -- it's going to force the market to become more cost effective. I think they're going to -- you know, the potential users are going to have to deal with their suppliers more critically. I think the suppliers are going to have to take a hard look at, you know, the cost for the program.

You know, I don't think that the $7 is going to result in that big a change from what we really experienced last year. If you're thinking about trying to push it further, I think the two-tiered approach provides the Board with some flexibility. You know, if -- you know, a number of projects, I think a million and a half dollars worth of projects actually came in $5 or lower last year.

COMMITTEE MEMBER PETERSEN: All right. Okay.

DEPUTY DIRECTOR LEE: Now, given that we got we

Please note: These transcripts are not individually reviewed and approved for accuracy.

got 2.4 that the Board has allocated for this program, you know, one argument would suggest, well, maybe that's going to leave us a little bit undersubscribed. Well, you can -- like I say, if you have that second tier, you know, for a consideration for projects between 5 and 8 --

COMMITTEE MEMBER PETERSEN: Good idea.

DEPUTY DIRECTOR LEE: -- or 5 and 7 in the event that we don't, you know, get it in the first threshold, we can kick up some additional ones in the second.

I think -- my overall impression is we're continuing to test what the market will bear. You know, I think we're very sensitivity to the issues that Mr. Blumenthal has raised, you know, about trying to make all of our programs cost effective. But I think this is just the most recent example. We certainly I think at some point want to wean the market off of any type of grant subsidy. And I think that is basically -- you know, if you look at the trend, from a hundred dollars down to 7, we're clearly on that path.

So, again, I think the two-tier approach would allow the Board some flexibility in this area.

COMMITTEE MEMBER PETERSEN: It's a great idea.

And, Michael, it reflects back where they're going with reducing the grants and starting to get -- let the industry take over and go.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Okay. Sounds like a good idea.

I just have one -- can I --

CHAIRPERSON BROWN: Go ahead.

COMMITTEE MEMBER PETERSEN: Okay. I'm back to the PIA on this one thing because of competition within the marketplace. And we're going to give these grants -- we're going to continue with these grants. But let's say that there's a run on the supply of rubber available to create products. And we are now in the point where some of this material has to come from out of state and we're subsidizing like the PIA on their program with -- they're in the program as well. Is there a problem or do you see anything --

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: First let me ask --

COMMITTEE MEMBER PETERSEN: Am I making sense here?

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: -- what you mean by subsidizing PIA.

COMMITTEE MEMBER PETERSEN: Oh, I'm sorry. Then I'm not making sense. Okay.

Let's try this. If the Prison Industry Authority moves forward with their proposal project, are there implications from the program? And would the PIA produce products would be fundable -- would they be fundable?

Please note: These transcripts are not individually reviewed and approved for accuracy.

MR. BLUMENTHAL: Well, I'm not going to address the PI issue. But I think I want to talk about your concern will there be enough California-generated ground rubber --

COMMITTEE MEMBER PETERSEN: Yes, that's it.

MR. BLUMENTHAL: -- if all of a sudden there's a run on products.

COMMITTEE MEMBER PETERSEN: Thank you, Michael.

MR. BLUMENTHAL: You should have such a headache, that you don't have enough rubber.

COMMITTEE MEMBER PETERSEN: Oh, I want this headache.

MR. BLUMENTHAL: You should. It's a wonderful headache to have.

(Laughter.)

MR. BLUMENTHAL: There are two possible ways to look at this. One is you could bring in some ground rubber from other markets. But right now what our market survey -- and we're almost done with the 2006 market study -- there is a nice equilibrium between supply and demand of rubber. And there isn't that much excess ground rubber on the West Coast. Most of the excess ground rubber is in Florida, Pennsylvania area. So I don't see a lot of ground rubber coming in to California from other states. Will there be some? That's a distinct

Please note: These transcripts are not individually reviewed and approved for accuracy.

possibility.

I think the more likely scenario would be that if there is a run on ground rubber and these ground rubber suppliers see that they're going to have demand six months out, a year out, chances are what the likely scenarios would look like is that they would start to drop their tip fees to attract more tires. They would go to the suppliers of whole -- of whole tires to tire-derived fuel and work out an arrangement with them. I think you may see an impact on the TDF supply, because the way the market works is if you are a cement kiln and take in a whole tire, you're getting 5, 10, 15 cents per tire; there's a better return on investment if I as a processor can get that whole tire, especially a truck tire, and make ground rubber out of it. So I might be interested -- I may be willing to work with some of the TDF -- or the whole tire suppliers and work out an arrangement where I get those tires.

So you may be drawing some tires from the whole tire marketplace. You may be pulling some tires from civil engineering. You may be pulling some tires from those that go into landfills. Not the ones coming from out of state, but the in-state tires, because it's all a question of economics. If I can drop my price low enough to attract the supply that I want, it's going to pull from

Please note: These transcripts are not individually reviewed and approved for accuracy.

TDF, civil engineering and landfill, pretty much in that order. So I -- will you get some from out of state? Distinctly possible. But I think because you have such a tight control on the marketplace here, I think that will be your first shift.

COMMITTEE MEMBER PETERSEN: Okay. Thank you, Michael.

That's all.

CHAIRPERSON BROWN: Thank you.

Cheryl.

BOARD MEMBER PEACE: That was a good point to make. Because I have -- there was a manufacturer of these rubber turf fields that I ran into a few weeks ago who was saying, "I can't get the material. We can't get it." And so I don't know if that means he just can't get it at the price he wants or if he just can't get it. And at some point do they start taking, you know, crumb rubber from other states if they can't get it here?

MR. BLUMENTHAL: Chances are -- well, that's -- the question that you raise is very good. What is their tip fee? I can't answer that. I don't -- A, I don't know. And even if I did, I couldn't answer it.

But what are their tip fees? What are the supplies of truck tires? Because most truck tires, I would say -- the supply of ground rubber typically comes

Please note: These transcripts are not individually reviewed and approved for accuracy.

from a truck tire, for two basic reasons: 1) It's all; 2) there's less fluff in there, less non-rubber material; 3) it's bigger, you get more rubber per unit.

Are there enough truck tires to go around? We may be importing -- you may find that the truck tires may be coming in and do the processing here. This is how the marketplace works. Once you ramp up the demand for the material, the marketplace will respond. And that to me is the key, because that makes the system work, it makes it work the most efficient manner possible with the least grant money going out from the state.

So certainly there could be shifts in the supply and demand of the raw material, and certainly there could be an impact on the tipping fees if and when the demand for the finished product goes up. And that's what we've been preaching for the last 17 years, is push the end markets, push the demand, the marketplace will respond and do as well as can be done.

CHAIRPERSON BROWN: Thank you.

I have a question for you.

Oh, I'm sorry.

BOARD MEMBER PEACE: I was going to say, is there any point that we should start considering banning tires from the landfills?

MR. BLUMENTHAL: That's --

Please note: These transcripts are not individually reviewed and approved for accuracy.

COMMITTEE MEMBER PETERSEN: Grand idea.

MR. BLUMENTHAL: That's a question that we've raised years ago. And there are two sides to the argument. One, if you do it before you have demand for those -- for that product, they wind up in one of two places. Either they wind up -- either they wind up in a pile someplace or they wind up in a processor's yard as inventory. These are lessons learned from, you know, 20 years out there.

The other argument would be that a lot of the processors are saying markets come and go. Right now the markets are flush. We can't -- we're sold out. We're doing great. But if something happened and there was a catastrophe and a market closed and we had no place to take the tires, we need though landfills as a backup.

That's not one of my personal favorites. But certainly it is something that the processing industry is concerned about.

The other side of the coin is landfills still need to be opened up for the byproducts from tire processing. Not all of the processors make a very clean product and you still have some of the residue from the processing system that needs to be landfilled. That a tire, no. But you just can't do a flat-out ban.

If you -- what we have been on record as saying

Please note: These transcripts are not individually reviewed and approved for accuracy.

is you should consider a phased-out -- an over time phasing out approach. That gives you best of both. One, that gives you time to increase the markets. You know what your timeline is. You can always extend that timeline.

Secondly, it works to the marketplace. And so that the landfills know that over time they're going to have a lesser number of tires coming in there. They may adjust their prices. The industry will have to respond with their pricing structure. So a more ordered phasing out. If you would go that way, it probably would be the more advantageous way. Just a ban would upset the marketplace and you probably have more short-term problems than you would really want.

CHAIRPERSON BROWN: Okay. My question, Gary, actually is not a question. But now that you brought PIA up -- and I'm not sure that anybody has this answer -- but has PIA contemplated a requirement that they use California-generated waste tires in the production of their rubber mats, do you think?

COMMITTEE MEMBER PETERSEN: Michael, help me.

MR. BLUMENTHAL: I don't know.

COMMITTEE MEMBER PETERSEN: Do you know?

Does anybody know?

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Yes.

Please note: These transcripts are not individually reviewed and approved for accuracy.

COMMITTEE MEMBER PETERSEN: Thank you, Mitch.

CHAIRPERSON BROWN: Is that part of a requirement, that they'll use California-generated waste tires, or do they just want to make mats for money?

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: What they indicated is that they would make it a requirement. I have not seen anything in writing that it will be made into a requirement, just that they -- you know, during the information that they sent out to everybody, they indicated that that would be a requirement.

CHAIRPERSON BROWN: That's good.

Terry.

MR. LEVEILLE: Hi. Terry Leveille, TL & Associates.

That is correct. They did make a verbal commitment.

However, it looks as if over the last week or two that we've seen a little bit different direction from PIA. And rather than taking on the role and responsibility of actually manufacturing products with crumb rubber and developing a whole system with equipment and the like, they may be looking more toward trying to attract current tire product manufacturers into joint venture activities.

That would mean they would provide space at a very minimal cost and they would provide the inmate

Please note: These transcripts are not individually reviewed and approved for accuracy.

workforce. The inmate workforce would be paid the same amount that workers are paid on the outside. The companies that decided to go in with the joint venture -- and they're very -- the PIA has been very active in trying to attract joint ventures -- the company would be in charge of the immediate supervision of the workplace, with of course the Corrections being in charge of the overall supervision.

But the companies would be given certain benefits and some certain tax advantages, some workers comp reduced costs and the like. And from what I understand is there's a couple of companies that have already contacted PIA about this.

COMMITTEE MEMBER PETERSEN: Okay. Where is the industry here on this? Where are you guys on this?

MR. LEVEILLE: Well, I think the industry is all over the -- there's no such thing as the industry.

COMMITTEE MEMBER PETERSEN: I'm sorry.

MR. LEVEILLE: There's individual companies --

COMMITTEE MEMBER PETERSEN: How about fair play?

MR. LEVEILLE: -- that are competing amongst each other, between each other. And some are interested in at least exploring working with a joint venture with PIA.

COMMITTEE MEMBER PETERSEN: Okay.

MR. LEVEILLE: There's no -- as I say, there's no

Please note: These transcripts are not individually reviewed and approved for accuracy.

one industry there. You know, it's dog eat dog.

COMMITTEE MEMBER PETERSEN: Yeah, it is.

CHAIRPERSON BROWN: Thank you, Terry.

Okay. Rosalie.

COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to move this item, but I think we have some --

CHAIRPERSON BROWN: Are you sure?

COMMITTEE MEMBER MULÉ: -- I think we -- yeah, am I sure about that?

But I think we have some revisions. So I'm going to defer to Legal on the -- I'd like to move Resolution 2006-121, but add revised to include the recommendation by Board Chair Brown that if the -- if we're oversubscribed, preference would be given to first-time users. And then the second revision would be the two-tier approach that you had presented in your memo, whereby we would favorably view the $5 per tire applicants. And then if there are funds left over, we would then look at the $7 per tire applicants.

CHAIRPERSON BROWN: Can we do that?

ACTING CHIEF COUNSEL BLOCK: Absolutely.

CHAIRPERSON BROWN: Can I have a second?

COMMITTEE MEMBER PETERSEN: I'll second it.

CHAIRPERSON BROWN: It's been moved by Member Mulé and seconded by Member Peterson.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Kristen, Can you call the roll.

COMMITTEE SECRETARY GARNER: Mulé?

COMMITTEE MEMBER MULÉ: Aye.

COMMITTEE SECRETARY GARNER: Petersen?

COMMITTEE MEMBER PETERSEN: Aye.

COMMITTEE SECRETARY GARNER: Brown?

CHAIRPERSON BROWN: Aye.

And can we still move that to the fiscal consent agenda, or do we need to --

ACTING CHIEF COUNSEL BLOCK: It's basically the pleasure of the Committee. If you believe that the direction is pretty straightforward, you -- staff is obviously going to have to revise the resolution in some other documents.

CHAIRPERSON BROWN: Distribute it.

ACTING CHIEF COUNSEL BLOCK: You could put it on consent. And if for some reason one of you thinks it --

CHAIRPERSON BROWN: -- it needs to be pulled for further discussion --

ACTING CHIEF COUNSEL BLOCK: -- one of the members that is not here, it could be pulled from consent?

CHAIRPERSON BROWN: Okay. Let's put it on fiscal consent.

Thank you.

And now we'll move to Agenda Item 16.

Please note: These transcripts are not individually reviewed and approved for accuracy.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Committee Item D, Board Item 16, is consideration of reallocation of Fiscal Year 2006-7 funds.

EXECUTIVE DIRECTOR LEARY: Excuse me, Jim, just for a second. Mark over here.

That wasn't a fiscal item. So we would put it on consent. So it wouldn't necessarily be discussed --

CHAIRPERSON BROWN: Because the scope of work -- it's a criteria, not -- okay.

EXECUTIVE DIRECTOR LEARY: Right. So it wasn't an award.

So I would encourage the members who are on this Committee to raise questions, take it off consent to make sure we have common understanding of this item given the revisions made by the Committee.

But if they're straight with it and we're straight with it, then full speed ahead.

CHAIRPERSON BROWN: Do you mean to say that members who are not here --

EXECUTIVE DIRECTOR LEARY: -- are not here.

CHAIRPERSON BROWN: -- if they have questions, should remove it?

EXECUTIVE DIRECTOR LEARY: Yes.

CHAIRPERSON BROWN: Okay.

EXECUTIVE DIRECTOR LEARY: But I think the

Please note: These transcripts are not individually reviewed and approved for accuracy.

direction was straightforward, and it's certainly eligible for consent. And I think we understand the direction.

CHAIRPERSON BROWN: Regular consent.

EXECUTIVE DIRECTOR LEARY: Great. Thank you.

CHAIRPERSON BROWN: Thank you.

Now, Jim, go ahead.

DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

Committee Item D, Board Item 16. It's consideration of reallocation of Fiscal Year 2006-7 funds and scope of work for the Tire Retread Targeted Outreach Materials and Promotional Training Contract.

This is a project which staff feels has merit, which was suggested to us by our stakeholders during last year's reallocation process. Pursuant to Board direction, we are bringing this back for funding consideration as part of an early reallocation.

The proposed project cost is $75,000, which staff recommends be taken from the $650,000 allocation for support of other market -- CIWMB market development activities.

This determination was made after consultation with our market development staff, who indicated that the loss of these funds would not adversely affect planned activities for this fiscal year.

The Board of course retains the prerogative to

Please note: These transcripts are not individually reviewed and approved for accuracy.

utilize funds from any other five-year plan -- should they desire.

I'll now ask Victoria Rocha to make the remainder of the staff presentation.

(Thereupon an overhead presentation was Presented as follows.)

MS. ROCHA: Thank you, Jim.

Good morning, Madam Chair and Committee members. I am Victoria Rocha from the Tire Management Branch of the Product Promotion Assistance Section.

--o0o--

MS. ROCHA: At the present time many public sector fleets in California are not taking advantage of the benefits of retreaded tires, unfortunately because of perception that retreaded tires are less safe than new tires, a perception that is not based on facts, making public sector fleets managers dismiss retreaded tires without educating themselves of the many technology advances in the retreading industry over the years.

The truth is retreaded tires produced in modern retreaded plants have similar or even lower failure rates rather than new tires.

--o0o--

MS. ROCHA: The objective of this scope of work is to educate local and state government agencies of the

Please note: These transcripts are not individually reviewed and approved for accuracy.

benefits of using retreaded tires and to increase the number of retreaded tires purchased, as well to reduce the cost of tires for state agencies including the public sector fleets.

--o0o--

MS. ROCHA: The contractor will conduct a survey with the Board to determine an estimated baseline for the purchase rate of retreaded tires by public sector fleets including cities, counties, and state agencies. They will prepare a list to target promotional outreach as identified in the survey. They will develop and provide technically-based scripts and story boards for two separate DVDs consisting of economic and environmental benefits and basic proper tire maintenance. They will write and produce master copies of the DVD, and the Board will reproduce the DVDs in-house.

--o0o--

MS. ROCHA: The contractor will also provide training using DVDs and other technical material. They will prepare an interim report regarding the outreach efforts. They will conduct a survey to determine the increase in purchase of retreaded tires by public sector fleets resulting from the outreach efforts. And, lastly, they will prepare a final report regarding outreach effort and survey.

Please note: These transcripts are not individually reviewed and approved for accuracy.

--o0o--

MS. ROCHA: The funding sources from the five-year plan for the Waste Tire Recycling Management Program, Third Edition, covering Fiscal Years 2005-06 through 2009-10 reallocates 75,000.

--o0o--

MS. ROCHA: Staff recommends that the Board approve 75,000 from the market development and new technology activities for waste and used tires support of other CIWMB market development activities, which is funded at 650,000.

Also staff recommends the Board approve the proposed scope of work for the retread target outreach materials and promotional training and adopt Resolution No. 2006-122.

This concludes my presentation. Thank you. And do you have any questions?

CHAIRPERSON BROWN: Thank you, Victoria.

Do we have any questions of staff?

We do have one speaker.

Terry Leveille.

MR. LEVEILLE: Madam Chair, Committee members and Board Member Peace. Terry Leveille of TL & Associates, representing the Tire Retread Information Bureau, which is -- we understand fully the program. We applaud the

Please note: These transcripts are not individually reviewed and approved for accuracy.

Board's effort to try and diversify its tire recycling and waste reduction program. And we fully support this contract, knowing full well that it is going out to bid. And thank staff for its effort in this regard.

CHAIRPERSON BROWN: Thank you.

Any questions?

Can I have a motion?

COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to move Resolution 2006 --

BOARD MEMBER PEACE: Can I just say one thing?

In the item here it says that 75,000 will come out of an existing line item and that line item will be determined by the Board.

Have we determined that already?

You already did?

DEPUTY DIRECTOR LEE: Staff made the recommendation that it come out of the 650,000 for the CIWMB --

BOARD MEMBER PEACE: Yeah, the other market development?

DEPUTY DIRECTOR LEE: Exactly.

BOARD MEMBER PEACE: That's perfect.

Yeah, thank you.

COMMITTEE MEMBER MULÉ: Okay. I'd like to move Resolution 2006-122.

Please note: These transcripts are not individually reviewed and approved for accuracy.

COMMITTEE MEMBER PETERSEN: I'll second that.

CHAIRPERSON BROWN: It's been moved by Member Mulé and seconded by Member Peterson.

Kristen, can you call the roll.

COMMITTEE SECRETARY GARNER: Mulé?

COMMITTEE MEMBER MULÉ: Aye.

COMMITTEE SECRETARY GARNER: Petersen?

COMMITTEE MEMBER PETERSEN: Aye.

COMMITTEE SECRETARY GARNER: Brown?

CHAIRPERSON BROWN: Aye.

I think that goes on fiscal consent, right?

MS. MARTIN: Excuse me. Can I just make some clarification about the previous item?

CHAIRPERSON BROWN: Sure.

MS. MARTIN: There was just some concerns about having not received a grant for the past two years. And then would you want the first priority go to the 5 and then to the 7?

COMMITTEE MEMBER MULÉ: Right.

MS. MARTIN: And then if they haven't received --

COMMITTEE MEMBER MULÉ: We were having some discussion on that. And I think that you all can work it out. I mean I believe that's -- Mitch, do you want to address that?

TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Yeah, if

Please note: These transcripts are not individually reviewed and approved for accuracy.

we can -- the way -- after the discussion, the way I envisioned it there would be four tiers. The top tier essentially would be, hasn't had a grant, $5. Second tier would be, hasn't had a grant, $7. Then it would be, has had a grant, $5; and has had a grant, $7.

CHAIRPERSON BROWN: I support that.

COMMITTEE MEMBER MULÉ: I concur. Thank you.

CHAIRPERSON BROWN: Is that okay with everybody?

COMMITTEE MEMBER PETERSEN: I'm fine.

MS. MARTIN: Thank you.

CHAIRPERSON BROWN: Great.

Previous item on fiscal consent.

And that exhausts our agenda for today -- and me.

So we'll adjourn the meeting.

(Thereupon the California Integrated Waste Management Board, Special Waste Committee adjourned at 11:45 a.m.)

Please note: These transcripts are not individually reviewed and approved for accuracy.

CERTIFICATE OF REPORTER

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of June, 2006.

JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
License No. 10063

Please note: These transcripts are not individually reviewed and approved for accuracy.