

REQUEST FOR APPROVAL

To: Howard Levenson
Deputy Director, Materials Management and Local Assistance Division

From: Shirley Willd-Wagner
Branch Chief, Financial Resources Management Branch

Request Date: April 10, 2013

Decision Subject: Awards for the Tire-Derived Aggregate Grant Program (Tire Recycling Management Fund, FY 2012/13)

Action By: April 16, 2013

Summary of Request: Staff requests approval of grant awards for the Tire-Derived Aggregate (TDA) Grant Program, Fiscal Year (FY) 2012/13. CalRecycle received five applications for this competitive grant, requesting a total of \$718,955.

Staff has reviewed all eligible applications consistent with the approved process and has summarized those applications in the table below.

Recommendation: Staff recommends approval of five grant awards as listed in Table 1 below, for \$718,955.

Table 1. Tire-Derived Aggregate Grant Program Recommended Awards

Applicant	Total Award
Chiquita Canyon, LLC	\$95,688
Merced County Regional Waste Management Authority	\$109,193
Riverside County	\$150,748
Salinas Valley Solid Waste Authority	\$85,208
Waste Management of Alameda County, Inc.	\$278,118
Total	\$718,955

Funding: The *Five-Year Plan for Waste Tire Recycling Management Program – (6th Edition covering Fiscal Years 2011/12-2015/16) (Five-Year Plan)* initially allocated \$2,000,000 for the TDA Grant Program for FY 2012/13. However, CalRecycle’s spending authority for FY 2012/13 was subsequently reduced as a result of the Governor’s “Section 3.91 Reduction” Order, and an additional amount to cover increased staffing and administrative expenses. In October 2012, CalRecycle approved reductions totaling \$4,492,762 to align expenditures with spending authority. Therefore, the FY 2012/13 allocation for the TDA Grant Program was reduced to \$1,524,000.

Fund Source	Amount Available	Amount to Fund Item	Amount Remaining	Line Item
Tire Recycling Management Fund (FY 2012/13)	\$1,524,000	\$718,955	\$805,045	Local Assistance/Grants
Total	\$1,524,000	\$718,955	\$805,045	

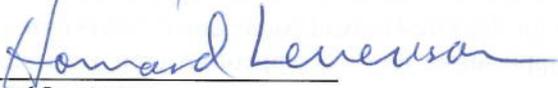
Deputy Director Action: On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby conditionally approve the grant awards for the Tire-Derived Aggregate Grant Program as listed in Table 1. Each proposed grantee's award is conditional upon:

1. The full payment by June 17, 2013, of all outstanding debt(s) or scheduled payment(s) owed by the proposed grantee to CalRecycle;
2. The return by the proposed grantee of a completed and executed Grant Agreement by June 17, 2013; and

Condition Subsequent

After the Grant Agreement has been executed by both parties, the Grant will be subject to the following condition subsequent: The Grantee may not file for protection under Chapter 9 of the U.S. Bankruptcy Code or declare a fiscal emergency any time within the Grant Performance Period.

Dated: 4/17/13



Howard Levenson
Deputy Director

Background and Findings:

Statutory Authority

Public Resources Code § 42872, 42872.5, and 42873 authorize CalRecycle to award grants for activities and applications that result in reduced landfill disposal or stockpiling of waste tires. The TDA Grant Program operates within that authority, using a portion of the annual appropriation from the California Tire Recycling Management Fund (Tire Fund).

Program Background

The TDA Grant Program is designed to promote the use of recycled waste tires as a cost-effective alternative to conventional aggregate for use in various civil engineering applications. The TDA Grant Program provides competitive grants for: retaining wall backfill, lightweight embankment fill, landslide stabilization, vibration mitigation, and various landfill applications.

Criteria and Process

Eligible applicants include: "Local Government" (cities, counties or cities and counties) as defined in Public Resources Code Section 30109; special districts (including transportation districts); state agencies (including offices, departments, bureaus and boards); qualifying Indian Tribes; and (new this solicitation) private, for-profit entities. The grant project must be located in California and use at least 500 tons of 100% California-generated waste tires. The maximum grant award is \$350,000, except for a "very large project" which may receive a maximum grant award of \$750,000.

The application process, applicant eligibility, project eligibility, and evaluation process were discussed at the September 18, 2012, CalRecycle meeting and subsequently approved by the Deputy Director. The key changes included: adding private, for-profit entities as an eligible applicant; providing that if the program has more requests than initially available funding (i.e., if it is oversubscribed) then funding for all private, for-profit entities shall not exceed 50 percent of initially available funding; specifying that landfill projects shall represent the lowest funding priority; and providing that very large projects with regional or statewide importance (and that use over 400,000 passenger tire equivalents) may receive a total grant award not to exceed \$750,000. The Notice of Funds Availability was posted on the CalRecycle web site on November 26, 2012, with an appropriate notice sent to stakeholders.

CalRecycle received five applications requesting a total of \$718,955. All applications were deemed eligible, were evaluated by staff, and are recommended for approval. All of the applications were for landfill-related projects (four were *Category 4: Landfill application* for gas collection and one was *Category 1: Lightweight Fill* to construct a visual berm at a landfill). The visual berm project is unique due to the landfill being constructed on reclaimed estuarine bay land (relatively weak, moderately to highly compressible soil) with shallow, brackish, groundwater. The project is necessary to provide a free-draining “cut-off” zone to prevent brackish water from impacting the landscaped berm. The applications are summarized below:

Applicant	Recommended Amount	Applicant Type	TDA Amount (PTE)	Project Description
Chiquita Canyon, LLC	\$95,688	Private, for-profit	127,500	Landfill gas collection
Merced County Regional Waste Management Authority	\$109,193	JPA	189,900	Landfill gas collection
Riverside County	\$150,748	County	262,200	Landfill gas collection
Salinas Valley Solid Waste Authority	\$85,208	JPA	210,200	Landfill gas collection
Waste Management of Alameda County, Inc.	\$278,118	Private, for-profit	1,336,500	Lightweight fill, visual berm at landfill
Total	\$718,955		2,126,300	

