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STATE OF CALIFORNIA  
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD  
SPECIAL WASTE AND WASTE PREVENTION AND  
MARKET DEVELOPMENT COMMITTEE MEETING

DISCUSSION OF THE FIVE-YEAR PLAN  
FOR THE WASTE TIRE PROGRAM

JOE SERNA JR., CAL EPA BUILDING  
COASTAL HEARING ROOM  
1001 I STREET, SECOND FLOOR  
SACRAMENTO, CALIFORNIA

FRIDAY, MARCH 7, 2003

9:39 A.M.

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

A P P E A R A N C E S

COMMITTEE MEMBERS PRESENT:

JOSE MEDINA, Chair

STEVEN R. JONES

MICHAEL PAPARIAN

CARL WASHINGTON

PRESENT:

JULIE NAUMAN, Chief Deputy Director

KATHRYN TOBIAS, Chief Legal Counsel

JENNINE HARRIS, Committee Secretary

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

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1  
2  
3 COMMITTEE CHAIR MEDINA: Good morning. This  
4 meeting is called to order. This is a special meeting  
5 of the Special Waste Committee to finalize the Five-Year  
6 Tire Plan.

7 If you would call the roll, please?

8 COMMITTEE SECRETARY HARRIS: Jones?

9 BOARD CHAIR JONES: Present.

10 COMMITTEE SECRETARY HARRIS: Papanian?

11 COMMITTEE MEMBER PAPANIAN: Here.

12 COMMITTEE SECRETARY HARRIS: Washington?

13 COMMITTEE MEMBER WASHINGTON: Here.

14 COMMITTEE SECRETARY HARRIS: Medina?

15 COMMITTEE CHAIR MEDINA: Here. Please turn off  
16 cell phones and pagers, put 'em on vibrating mode.

17 Ex-partes, members?

18 COMMITTEE MEMBER JONES: I said hi to Michael  
19 Blumenthal and Al, and I think that was it.

20 COMMITTEE CHAIR MEDINA: Board Member  
21 Washington.

22 COMMITTEE MEMBER WASHINGTON: Yeah, I said  
23 hello to Mr. Terry Laville, T.L. and Associates.

24 COMMITTEE CHAIR MEDINA: Board Member Papanian.

25 COMMITTEE MEMBER PAPANIAN: I also spoke with

1 Terry Laville. I said hi to Michael Blumenthal.

2 And I should, just to be up to date, I had a  
3 meeting yesterday with Joan Denton and Val Seibel from  
4 the Office of Environmental Health, Hazard and  
5 Assessment about some interest they have in our tire  
6 program.

7 COMMITTEE CHAIR MEDINA: Very good. I met with  
8 those same people, and otherwise I'm up to date on my  
9 ex-partes.

10 This morning the Special Waste and Market  
11 Development Committee will be conducting a public  
12 workshop on the development of a revised Five-Year Plan  
13 for the Waste Tire Management Program.

14 Senate Bill 876 extended and expanded  
15 California's regulatory program related to the  
16 management of waste and used tires.

17 Among its provisions was a requirement that the  
18 Integrated Waste Management Board adopt and submit to  
19 the legislature a five year plan. The plan was to  
20 include proposed budget allocations.

21 Senate Bill 876 also required the plan to be  
22 updated every two years.

23 The current plan was adopted in September,  
24 2001, and covers fiscal years 2001-2002 through fiscal  
25 year 2005-2006.

1           The revised plan will cover fiscal years  
2 2003-2004 through 2007-2008.

3           This workshop will continue the discussion from  
4 the January 30th workshop on this matter.

5           The committee will be addressing three specific  
6 issues today: The Kuehl bill, the Kuehl bill  
7 considerations, the budget allocations, and performance  
8 measures.

9           We did not take up the Kuehl bill at our last  
10 meeting given that we were missing one Board member, and  
11 also the fact that Board Member Washington and myself  
12 were new to this committee.

13           And as such, I would like to thank both Board  
14 Member Paparian and Board Member Jones for all of the  
15 work that you, along with Martha Gildart and staff, have  
16 both put in this five year plan together.

17           And so I think that as a result of your  
18 commitment, your own experience, and the amount of work  
19 that you've done on this, it's brought us up to this  
20 point.

21           At our last committee meeting, as you recall,  
22 we were over budget in regard to the amount of monies  
23 that we have available. Since then we have had  
24 approximately four million dollars in additional  
25 requests that have come in, and so we're going to have

1 to see how, if at all possible, we can accommodate some  
2 of those additional requests.

3           This committee -- in regard to the agenda, and  
4 you can pick up a copy of the agenda in the back, it is  
5 my intention that we go to, I hope to have the budget  
6 finalized as much as possible by 12:00 o'clock today.  
7 We'll break for lunch, come back at 1:15 and then we  
8 will get into the performance measures and revisions to  
9 the text of the five year plan itself.

10           Anything that we do not resolve at this meeting  
11 will be carried over to a meeting of the Special Waste  
12 Committee. And any major policy areas that we do not  
13 resolve today at the Special Waste Committee meeting  
14 will then be taken to the full Board at its next  
15 meeting.

16           First on the agenda today is a discussion of  
17 the Kuehl bill considerations. Since the January 30th  
18 workshop, the Board Chair has indicated in a letter to  
19 Senator Kuehl the Board's full support for Kuehl bill  
20 funding in fiscal year 2003 and '04.

21           Based on this commitment, I propose to defer  
22 additional discussion on this item, and include an  
23 allocation to meet the Kuehl bill commitment on our  
24 budget allocation proposal.

25           The main item of business will be for the

1 committee to deliberate on specific budget allocations  
2 for the various program elements.

3           To facilitate this discussion I propose and  
4 will request a second on a motion to consider, to  
5 consider three of the five program elements,  
6 enforcement, cleanup, and hauler manifest, together with  
7 administration and mandatory contract as core essential  
8 program elements.

9           The total expenditure of these programs for  
10 fiscal year 2003-2004 is \$20,455,000 are proposed that  
11 these core programs not be subject to additional cuts.

12           That does not mean that we cannot come back to  
13 those and make whatever necessary adjustments might be  
14 needed, but I think that for these essential program  
15 elements I would like to take these off the table first  
16 for '03-'04 and '04-'05 so that we can proceed on the  
17 other program elements.

18           So if I could have a motion in regard to fiscal  
19 year '03-'04 for the essential program elements as  
20 follows:

21           Administration, 1,500,000.

22           Mandatory contracts, 1,384,000.

23           Enforcement, 7,525,000.

24           Remediation, 8,092,000.

25           Hauler manifest, 1,954,000.

1           For a total of 20,455,000 that would be  
2 committed to these core program elements for fiscal  
3 years '03-'04.

4           If I can have a motion to that effect?

5           COMMITTEE MEMBER JONES: Mr. Chair.

6           COMMITTEE CHAIR MEDINA: Yes.

7           COMMITTEE MEMBER JONES: I'd like to move that  
8 we adopt those core programs as being accepted.

9           COMMITTEE MEMBER WASHINGTON: Second.

10          COMMITTEE CHAIR MEDINA: Okay. Board Member  
11 Jones has moved and Board Member Washington has seconded  
12 that we adopt these essential core program elements in  
13 these amounts for fiscal year '03-'04.

14          COMMITTEE MEMBER PAPARIAN: Mr. Chairman.

15          COMMITTEE CHAIR MEDINA: Yes, Board Member  
16 Paparian.

17          COMMITTEE MEMBER PAPARIAN: Just a couple of  
18 things. I haven't yet seen the details of these. I'm  
19 willing to go along with this now, but I think,  
20 especially in the enforcement area, I'd like to revisit  
21 at some point some of the details.

22          I think that there may be some opportunities,  
23 if we find that we can't meet what we want to meet with  
24 the 11 million, to make some adjustments to still have a  
25 full enforcement program but perhaps at a lower cost.

1           COMMITTEE CHAIR MEDINA: And certainly we can  
2 accommodate your request, Board Member Paparian, as  
3 we've had a similar request from another Board Member to  
4 do the same, and so we certainly will be able to  
5 accommodate that.

6           COMMITTEE MEMBER PAPARIAN: Okay. And then  
7 also just FYI. On the enforcement, when the detail  
8 comes out, I think when you have local enforcement  
9 grants, however that's going to be characterized, that  
10 that probably should be characterized as local  
11 enforcement grants slash CDAA enforcement, so that the  
12 opportunity is there, if we choose to continue the CDAA  
13 program, to have a category where that would come from.

14           That's not to say we've decided at this point  
15 to discontinue that, but it means that we haven't  
16 precluded that continuation if we decide to do so.

17           COMMITTEE MEMBER JONES: Mr. Chair.

18           COMMITTEE CHAIR MEDINA: Board Member Jones.

19           COMMITTEE MEMBER JONES: Just on that issue,  
20 when we negotiated this bill we made it clear to all of  
21 the members that we were going to really work with local  
22 enforcement and build up an enforcement system  
23 throughout the state using this grant program.

24           CDAA I think we funded through another piece of  
25 the tire program. And while we're still reviewing,

1 while we have big expectations for what that program is  
2 going to do, I think we need to leave that in a category  
3 of its own, because I don't want to show a commitment to  
4 them until they've shown performance to us.

5           Because our Board staff has really been doing  
6 the enforcement and the litigation. And you know, we're  
7 trying to expand that with CDAA, which I think makes a  
8 lot of sense, and that's why I supported it.

9           But you know, I'm going to be hard pressed to  
10 go back on my commitment to the legislature in the  
11 original construction of this five year plan to really  
12 diminish that effort at all.

13           COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I  
14 don't want to, I don't think you want us to open up the  
15 debate on enforcement issues. I think I can show that  
16 where I think we could go in enforcement is very  
17 consistent with what Mr. Jones is talking about, but I  
18 don't think you want to go there today at this hearing.

19           COMMITTEE CHAIR MEDINA: At this point we have  
20 the category of enforcement that is inclusive, and a  
21 reasonable amount of money to be dedicated towards  
22 enforcement.

23           And at this point what I would like to do again  
24 is to set aside these monies for these essential program  
25 elements, and the other issues within those we can

1 debate those later.

2 MR. LEE: Mr. Chairman, a point of  
3 clarification.

4 COMMITTEE CHAIR MEDINA: Yes.

5 MR. LEE: There is a response to Mr. Paparian  
6 on the remarks of the monies that are listed on the  
7 screen. The numbers did come from the January 30th  
8 deliberations of the committee at the tire workshop,  
9 straight from there.

10 With regards to the issue of, you know, whether  
11 or not CDAA can be accommodated in the mandatory, excuse  
12 me, in the--

13 COMMITTEE MEMBER WASHINGTON: Is your mike on?

14 MR. LEE: It's showing it's on.

15 (Thereupon there was a discussion off the  
16 record.)

17 MR. LEE: Yeah, I'll just speak up a little bit  
18 louder until we get the problem resolved.

19 There's money in the enforcement line item for  
20 the LEA contracts which included some provisions for CDA  
21 if, again, the Board elects to, you know, continue the  
22 contract in future years.

23 COMMITTEE MEMBER PAPARIAN: Thank you. And  
24 that was my point. This was not to make that decision  
25 today, but it's also not to preclude that decision from

1 being made.

2 COMMITTEE CHAIR MEDINA: What I want to capture  
3 is these amounts of money for these essential program  
4 elements so that they're taken care of. And we can come  
5 back on each one of these areas in regard to more  
6 detail.

7 But at this point, you know, I would like to be  
8 able to take that amount of money off of the table so  
9 that we can move on to some very specific requests that  
10 have been made by, you know, various Board members.

11 So we have a motion on the floor and a second,  
12 if you'd call the roll.

13 COMMITTEE SECRETARY HARRIS: Board Member  
14 Washington.

15 COMMITTEE MEMBER WASHINGTON: Aye.

16 COMMITTEE SECRETARY HARRIS: Board Member  
17 Jones.

18 COMMITTEE CHAIR JONES: Aye.

19 COMMITTEE SECRETARY HARRIS: Board Member  
20 Paparian.

21 COMMITTEE MEMBER PAPARIAN: Aye.

22 COMMITTEE SECRETARY HARRIS: Board Member  
23 Medina.

24 COMMITTEE MEMBER MEDINA: Aye.

25 And with that I'd like to do a similar motion

1 in regard to '04-'05.

2 COMMITTEE MEMBER JONES: Mr. Chair.

3 COMMITTEE CHAIR MEDINA: Yes.

4 COMMITTEE MEMBER JONES: I'll move adoption of  
5 administration, mandatory contracts, enforcement,  
6 remediation, hauler manifest, totalling \$20,055,000 for  
7 fiscal year 2004-2005 be put off, I mean to be set  
8 aside.

9 COMMITTEE MEMBER WASHINGTON: Second.

10 COMMITTEE CHAIR MEDINA: Okay. The motion has  
11 been made by Board Member Jones, seconded by Board  
12 Member Washington that we set aside for '04-'05 the  
13 essential program elements in the amount of \$20,055,000.  
14 And the breakdown on that would be as follows:

15 Administration, one million five.

16 Mandatory contracts \$1,384,000.

17 Enforcement, 7,725,000.

18 Remediation, 7,492,000.

19 Hauler manifest, \$1,954,000.

20 So we have a motion on the floor and a second.

21 Would you call the roll, please?

22 COMMITTEE SECRETARY HARRIS: Jones.

23 COMMITTEE MEMBER JONES: Aye.

24 COMMITTEE SECRETARY HARRIS: Papanian.

25 COMMITTEE CHAIR PAPANIAN: Again, with the

1 understanding that we can come back to these I'm voting  
2 aye.

3 COMMITTEE SECRETARY HARRIS: Washington.

4 COMMITTEE MEMBER WASHINGTON: Aye.

5 COMMITTEE SECRETARY HARRIS: Medina.

6 COMMITTEE CHAIR MEDINA: Aye. And with that,  
7 we will move on to the specific program areas.

8 MR. LEE: Thank you, Chairman Medina. Again,  
9 with the direction of the committee we'll proceed  
10 directly to the budget allocation spreadsheet for the  
11 market development.

12 Staff will be prepared to discuss, you know,  
13 each item as we go through it line by line. We'll be  
14 looking to the individual committee members to indicate  
15 their recommendation for that particular program  
16 element.

17 With that -- with that, I'll turn it over to  
18 Martha Gildart.

19 MS. GILDART: Good morning, Martha Gildart with  
20 the Special Waste Division.

21 As Jim said, at this point we're ready to work  
22 our way down the columns here allocating monies.

23 We have to, as you know, meet the budget limit  
24 now of the \$11 million. If it's the pleasure of the  
25 committee we could --

1           COMMITTEE MEMBER PAPARIAN: Just to clarify.  
2 We're trying to meet the budget limit of \$11 million,  
3 but if we don't what I heard was we can come back and  
4 visit some of those other items we just voted on. So  
5 just to make sure I'm in the same understanding as  
6 everybody, I just want to make sure that that's clear.  
7 Is that right?

8           COMMITTEE MEMBER JONES: Mr. Chair.

9           COMMITTEE CHAIR MEDINA: Board Member Jones.

10          COMMITTEE MEMBER JONES: I thought we were  
11 locking away that and we could go back and, you know,  
12 increase it if we had to, but I mean weren't we locking  
13 that money up?

14          COMMITTEE CHAIR MEDINA: We have locked that  
15 money up. And not at this meeting but at a following  
16 meeting we can certainly bring back just those core  
17 element programs and look at those core element  
18 programs.

19          COMMITTEE MEMBER PAPARIAN: So my  
20 understanding, because I've had misunderstandings before  
21 in the tire area so I just want to make sure I'm clear.

22                 If we come up with more than the 11 more or  
23 less million dollars that was just mentioned, that we  
24 would like to spend in research and markets and  
25 development, market development, we can come back and

1 look at those items we just voted on to see if there was  
2 a potential for cost savings as I believe there might  
3 be. We can come back and look at those areas for  
4 potential cost savings. That was my understanding of  
5 what I just voted on.

6 COMMITTEE CHAIR MEDINA: We may, in fact, do  
7 that, but we would not do it at this meeting.

8 COMMITTEE MEMBER PAPARIAN: Okay. But we could  
9 do that at say Tuesday or at a future meeting?

10 COMMITTEE CHAIR MEDINA: At a future meeting,  
11 yes.

12 COMMITTEE MEMBER PAPARIAN: Okay.

13 COMMITTEE CHAIR MEDINA: Today we will focus on  
14 the remaining \$11 million and try to take care of all of  
15 the requests that have come in in that regard.

16 COMMITTEE MEMBER PAPARIAN: Okay.

17 COMMITTEE CHAIR MEDINA: So with that we'll  
18 move on to the \$11 million that are remaining in those  
19 specific areas of markets and research.

20 MS. GILDART: The first item on the table there  
21 is the staff costs. These have been updated to include  
22 the 5.5 PY's that are indicated in the current budget  
23 for fiscal year 03-04, the BCP proposal that would  
24 increase the program. So that's part of the change in  
25 the staffing numbers.

1 I believe that meets -- a question?

2 COMMITTEE MEMBER WASHINGTON: No, I'm sorry.

3 Mr. Chair, I'm looking at the agenda, did we finish the  
4 Kuehl or are we going to come back to that one?

5 COMMITTEE CHAIR MEDINA: No, the Kuehl will be  
6 factored into this area.

7 COMMITTEE MEMBER WASHINGTON: Oh.

8 COMMITTEE CHAIR MEDINA: Because the Kuehl bill  
9 is predicated on a percentage of whatever we allocate  
10 for markets.

11 MS. GILDART: Okay.

12 COMMITTEE CHAIR MEDINA: It's in the vicinity  
13 of a million plus.

14 COMMITTEE MEMBER WASHINGTON: Uh-huh.

15 MS. GILDART: Correct. All right. So the  
16 staff shows that \$457,000.

17 The next item on the list is proposed to be  
18 dropped. It was a one time project in the first year of  
19 the plan, and I believe the committee at the last  
20 meeting agreed that that could be deleted from the list.

21 Next item is the funding for increased recycled  
22 content in new tires.

23 COMMITTEE MEMBER PAPARIAN: Mr. Chair, I'd like  
24 to continue that.

25 MS. GILDART: Do we want to do this one year at

1 a time or two years at a time?

2 COMMITTEE CHAIR MEDINA: Let's go ahead and  
3 work with two years.

4 MS. GILDART: Okay. So that shows up --

5 COMMITTEE MEMBER PAPARIAN: For two years,  
6 yeah.

7 MS. GILDART: So the recycled content new tires  
8 shows up as a hundred thousand dollars in 03-04 and  
9 04-05.

10 If that's acceptable, then we go to the next  
11 item, pyrolysis, gasification, and liquefaction program,  
12 \$800,000 in 03-04, with no additional funding in 04-05.

13 COMMITTEE MEMBER JONES: Can I ask a question  
14 on that?

15 COMMITTEE CHAIR MEDINA: Board Member Jones.

16 COMMITTEE MEMBER JONES: The current plan  
17 showed 500,000. Is the 800,000 as a result of interest  
18 in more projects, or just adding dollars to that line  
19 item?

20 MS. GILDART: At the last committee meeting  
21 staff had put forth a proposal to combine the pyrolysis  
22 line item and the energy recovery line item as a reduced  
23 total amount.

24 As you see, the current plan is 500,000 each,  
25 totalling a million.

1 MS. GILDART: The proposal originally went to  
2 800,000 sort of as a combined program.

3 COMMITTEE MEMBER JONES: To include 'em both?

4 MS. GILDART: Yeah.

5 COMMITTEE MEMBER JONES: Okay. Then that's  
6 fine.

7 MS. GILDART: And it shows up in the pyrolysis,  
8 gasification line item.

9 COMMITTEE MEMBER JONES: Okay.

10 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, May I  
11 make a suggestion?

12 COMMITTEE CHAIR MEDINA: Yeah.

13 COMMITTEE MEMBER PAPARIAN: I think when you  
14 start to add up all these numbers we're going to find we  
15 come up short pretty quick.

16 My suggestion would be that we keep a similar  
17 amount for pyrolysis but spread it out over the five  
18 fiscal years. So that we're not throwing 800,000 in the  
19 first fiscal year, but something like maybe, you know,  
20 300,000 the first year, and then 200,000 each for some  
21 following years.

22 Again, that's in an effort, that's sort of in  
23 anticipation of the fact that I think we're going to  
24 wind up short when we factor in --

25 COMMITTEE CHAIR MEDINA: You can certainly

1 recommend those amounts knowing that we're going to be  
2 going into the outer years.

3 COMMITTEE MEMBER PAPARIAN: Yes. So my  
4 suggestion would be, you know, maybe 300,000 the first  
5 year, and then 200,000 the next year. And we're not  
6 talking about the further years yet.

7 COMMITTEE MEMBER JONES: And I would take a, my  
8 comment would be that, you know, we're at the cusp of  
9 new technology and, you know, we're looking at market  
10 development, we're looking at research, and we've got a  
11 whole roomful of people that chase the same dollar.  
12 We've gotten crumbers looking at the molded products,  
13 and the rubberized asphalt is the only marketplace.

14 So I think that since the fire is hot right now  
15 on conversion technologies, we'd better concentrate our  
16 efforts, it would be my suggestion to concentrate our  
17 efforts as much as we can in the first two years,  
18 because that's when people are looking to really start  
19 showing their research and getting it into some kind of  
20 a viable end manufacturing use or something.

21 I think to string it out isn't going to help,  
22 isn't going to help that potential market at all.

23 COMMITTEE CHAIR MEDINA: So what would you  
24 recommend in that area, Board Member Jones?

25 COMMITTEE MEMBER JONES: I mean I'd recommend

1 that, the fact that you combine the two makes sense. So  
2 I'd stay with the eight hundred and then I'd say let's  
3 look to 300,000 the 03-04 -- or 04-05. Because that's  
4 what it's going to take to develop that market.

5 COMMITTEE CHAIR MEDINA: You're recommending  
6 800,000.

7 And Board Member Papanian, how much are you  
8 recommending?

9 COMMITTEE MEMBER PAPANIAN: I was suggesting  
10 just spreading it out over a couple years would be fine  
11 with me. But I think I hear Mr. Jones saying he wants  
12 more than the 800,000 over time.

13 COMMITTEE CHAIR MEDINA: Is that correct, you  
14 want more than 800,000?

15 COMMITTEE MEMBER JONES: I want the 800,000  
16 now, I don't care if we put, you know, in 05-06 put some  
17 dollars in there.

18 But the whole, you know, the whole idea of us  
19 being involved in technology was to support our  
20 commitment to conversion technologies. And right now  
21 there's technology coming to a point where it's going to  
22 start potentially getting into the marketplace which is  
23 going to give another outlet for these tires. And I  
24 think to delay that by underfunding is really going to  
25 cripple that initiative.

1 COMMITTEE CHAIR MEDINA: As we go through these  
2 columns and all of the figures that are recommended  
3 here, we are going to go over the 11 million, so we're  
4 going to have to come back and make those adjustments  
5 anyway.

6 MS. GILDART: Could I ask a question on this  
7 item?

8 COMMITTEE CHAIR MEDINA: Yeah, sure.

9 MS. GILDART: As member Jones has pointed out,  
10 at the 800,000 level the Board could participate with  
11 one or two large-scale research efforts or development  
12 efforts. If it were smaller amounts over three or over  
13 four years, what kind of a project is envisioned by  
14 member Paparian? What would we be doing with those  
15 dollars?

16 COMMITTEE MEMBER PAPARIAN: Where I think we  
17 came into this is I think that the staff came in with a  
18 \$500,000 proposal initially on this.

19 MS. GILDART: Not exactly. We'd proposed  
20 combining the two to the eight hundred. At the January  
21 30th workshop, that was where the proposal --

22 COMMITTEE MEMBER PAPARIAN: You had, at the end  
23 of, by the end of December, if you looked at the  
24 information that was out there, the anticipation at the  
25 end of December was \$500,000 in this area, right?

1 MS. GILDART: Back then, yes.

2 COMMITTEE MEMBER PAPARIAN: So let me then put  
3 it back to you, what would that original \$500,000 be  
4 spent on?

5 MS. GILDART: All right. In the original five  
6 year plan with the two separate fundings, we had been  
7 envisioning something more of a grant program that would  
8 support individual projects, partly because of the  
9 budget decrease --

10 COMMITTEE CHAIR MEDINA: Excuse me, for the  
11 record if you would introduce yourself, please?

12 MS. GILDART: I'm Martha Gildart with the  
13 Special Waste Division.

14 COMMITTEE CHAIR MEDINA: Thank you.

15 MS. GILDART: In the January 30th workshop,  
16 because we knew we already had a two million dollar  
17 deficit between what the five year plan had originally  
18 allocated. If you remember the document as currently  
19 published has over \$33 million indicated for the 03-04  
20 year, and our revenues and expenditures authority are  
21 only at the 31 million.

22 We had gone through and exercised to try and  
23 meet that \$2 million shortfall. And one of the  
24 proposals for the January 30th workshop had been this  
25 idea of \$800,000 as a combined program for energy

1 recovery through pyrolysis, or as member Jones has said,  
2 a conversion technology effort.

3 COMMITTEE MEMBER PAPARIAN: Yeah. So it could  
4 work with half a million from what you're saying, it  
5 could work with some other amount, or it could work over  
6 a couple of years if we need it to.

7 MS. GILDART: As I understand it, the couple of  
8 projects that have come to the Board asking if there's  
9 any support are looking for a fairly high level of  
10 funding.

11 COMMITTEE MEMBER PAPARIAN: I have not seen  
12 these projects, has any other Board member seen these  
13 projects?

14 COMMITTEE MEMBER JONES: I rely on staff to get  
15 those. Can I ask a question, please?

16 COMMITTEE CHAIR MEDINA: Certainly.

17 COMMITTEE MEMBER JONES: In the five year plan  
18 under 03-04 we show 500,000 for pyrolysis, gasification,  
19 and liquefaction; and then we show 500,000 for energy  
20 recovery for tires.

21 So is it the sense of Mr. Paparian that we want  
22 to leave 500,000 in for gasification from conversion,  
23 and then put the \$500,000 in for energy recovery from  
24 combustion? Because I'll support that.

25 COMMITTEE MEMBER PAPARIAN: Mr. Jones, what I'm

1 trying to do is get the numbers to balance. And I think  
2 we're going to find that when we go through the Kuehl  
3 bill and the other proposals that are out there, you're  
4 going to find that it's going to be very difficult to do  
5 that. I think we can do what needs to be done.

6 This is the first I've heard that staff has  
7 some large pyrolysis proposals. I'd like to know a  
8 little bit more about those, but this is not the time  
9 probably to do that because we have a lot to go through.

10 From what I have heard so far, from the  
11 testimony we have on the record, I don't see why we  
12 can't, over a couple of fiscal years, and possibly three  
13 fiscal years, accomplish what is being talked about.

14 COMMITTEE MEMBER JONES: At a level of 500,000  
15 for that item? Is that what you're saying?

16 COMMITTEE MEMBER PAPARIAN: You know, at this  
17 point, you know, if you want to throw in 500,000 this  
18 fiscal year and 300,000 the next fiscal year to make the  
19 800,000, I think we'll probably have to come back and  
20 revisit it again.

21 COMMITTEE MEMBER JONES: What my problem is is  
22 that the five year plan that the Board adopted two years  
23 ago showed \$500,000 for pyrolysis and \$500,000 for  
24 energy recovery from tires.

25 COMMITTEE MEMBER PAPARIAN: Uh-huh.

1           COMMITTEE MEMBER JONES: I think staff, I don't  
2 know if it was at the direction of the committee or  
3 what, combined those two items and took \$200,000 out, it  
4 went from a million dollars down to \$800,000. And, but  
5 combined it into one line item. I think both are  
6 critically important.

7           So my question is, do you want it to be 500,000  
8 for pyrolysis and then some other number for energy in  
9 03-04 from combustion? Or you know, because I'm looking  
10 at the eight hundred as a \$200,000 savings from what was  
11 in the original five year plan.

12           COMMITTEE MEMBER PAPARIAN: And I'm looking at  
13 the probable need to see even more savings through this  
14 process. We have several million dollars in new  
15 proposals that have come forward.

16           COMMITTEE MEMBER JONES: Right.

17           COMMITTEE CHAIR MEDINA: And I'm looking for a  
18 number that we can put in there because as we go through  
19 all of these columns and all of these other requests  
20 we're going to have to come back and adjust all of those  
21 numbers anyway.

22           COMMITTEE MEMBER JONES: Mr. Medina, I'd like  
23 to put in a number of \$600,000 this year to include  
24 pyrolysis, gasification, liquefaction, and energy  
25 recovery from tires, because that was a combination of

1 those two line items. So take that down as 600.000.

2 And then in 04-05 put \$200,000.

3 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, the  
4 change in description, I'm not sure what the research  
5 need is going to be in the energy recovery from tires  
6 area.

7 MS. GILDART: Could I make a suggestion? We  
8 had at the last workshop a gentleman named Michael  
9 Thoreaux speak as to the Mesquite Lake power facility  
10 that they are trying to get into operation. That is one  
11 of the two projects that staff has had discussions about  
12 that would be an energy recovery, electrical generating  
13 facility pyrolysizing tires.

14 So our thought was that might be new technology  
15 that the Board might be interested in funding or  
16 supporting or pursuing in some way.

17 COMMITTEE MEMBER PAPARIAN: So that would be a  
18 new pyrolysis type of program instead of the traditional  
19 energy recovery, and so that would fit under the  
20 description of pyrolysis, gasification, and  
21 liquefaction.

22 MS. GILDART: And it generates electricity.

23 COMMITTEE MEMBER PAPARIAN: Rather than open up  
24 the debate on what else that might mean, I would suggest  
25 we leave the description as it is in there.

1           COMMITTEE MEMBER JONES: The debate has been  
2 going on since Willie Brown put the idea of this, of  
3 tire recycling to, the original bill actually called to  
4 look at the feasibility of using waste tires for the  
5 generation of energy. So I don't think we're opening up  
6 the debate.

7           What I see is an effort to exclude energy  
8 recovery from tires as part of your proposals, and I'm  
9 not prepared to go there. Neither was the Board that  
10 was in place when this was originally crafted because we  
11 heard the same debate and we heard the same stakeholder  
12 inputs.

13           So I guess what I'm trying to do, and I'm being  
14 very open about it, is that the number can be whatever  
15 you want it to be. Conversion technology is a more  
16 palatable emerging technology that would make sense to  
17 me. But it's not going to be all or nothing in my mind,  
18 it's, we've got to leave all of our options open to  
19 manage 34 million waste tires.

20           So I think there is a need to put some dollars  
21 into energy recovery. And if this was a combination of  
22 both, then it seems to me it was a descriptive need,  
23 needed to be combined at the same point, at the same  
24 time so --

25           MS. GILDART: What's being handed out to you

1 has literally just come in. If you look at the date on  
2 the fax it says 9:35 a.m. this morning, but it is  
3 germane to the subject. It's a request for the Board to  
4 consider TDF as a viable end use.

5 I just thought you might like to have this as  
6 part of your discussion.

7 COMMITTEE MEMBER PAPARIAN: Mr. Chairman.

8 COMMITTEE CHAIR MEDINA: Excuse me, just give  
9 me one second. Because energy recovery from tires is  
10 one of those policy issues that the whole Board will be  
11 taking up, at this point I'm not prepared to combine  
12 pyrolysis, gasification, liquefaction with energy  
13 recovery from tires.

14 We can allot an amount to pyrolysis. We can  
15 allot or not allot an amount for energy recovery from  
16 tires.

17 At any rate, we're going to have to come back  
18 with all the requests that we have and make adjustments  
19 in all of those columns.

20 But at this point I'm not prepared to combine  
21 those two or to remove either of those two from  
22 consideration, because that's one of those areas where  
23 the Board will have to do some policy discussions.

24 COMMITTEE MEMBER JONES: Okay. Do you want to  
25 stick a number in, Mr. Chair? I mean I have no problem

1 even on the pyrolysis just saying \$350,000 or \$400,000  
2 on that line, and then \$200,000 on the energy line, and  
3 we can debate it later, just so we have an accounting of  
4 the numbers.

5 COMMITTEE MEMBER PAPARIAN: No, I'd stick with  
6 what we did in the last committee meeting at the energy  
7 recovery and keep it at zero.

8 COMMITTEE MEMBER JONES: Well, you know what,  
9 this is another committee meeting.

10 COMMITTEE CHAIR MEDINA: Yeah, that's -- let me  
11 take care of one at a time. Pyrolysis at what amount  
12 are you comfortable with in that regard?

13 COMMITTEE MEMBER PAPARIAN: Well apparently --

14 COMMITTEE CHAIR MEDINA: I want a number  
15 between, you know, one that Board Member Jones can agree  
16 on and I want to stick a number in there.

17 COMMITTEE MEMBER PAPARIAN: I'd say three  
18 hundred this year.

19 COMMITTEE CHAIR MEDINA: And Mr. Jones?

20 COMMITTEE MEMBER JONES: I'll go with three  
21 hundred.

22 COMMITTEE CHAIR MEDINA: Okay, three hundred.

23 Now for the energy recovery from tires, let's  
24 hear a number on there.

25 COMMITTEE MEMBER JONES: Three hundred.

1 COMMITTEE MEMBER PAPARIAN: Zero. You know,  
2 there's not, the staff has pointed out in the plan that  
3 we're going to discuss this afternoon that there isn't  
4 much of a research need left in this area.

5 COMMITTEE CHAIR MEDINA: Okay. We're going to  
6 plug an amount of money in there.

7 COMMITTEE MEMBER PAPARIAN: Zero.

8 COMMITTEE MEMBER JONES: Okay.

9 COMMITTEE CHAIR MEDINA: Not zero, but we will,  
10 is there a recommended amount in that column?

11 COMMITTEE MEMBER JONES: 300,000.

12 COMMITTEE CHAIR MEDINA: Okay, 300,000.

13 COMMITTEE MEMBER PAPARIAN: How are you going  
14 to reconcile this, Mr. Chairman?

15 COMMITTEE CHAIR MEDINA: We're going to have to  
16 reconcile the whole column.

17 Now, as we go through and vote on the final  
18 figures, if there is no agreement in regard to a  
19 particular figure because of the policy area that it  
20 touches, then we will set that aside for our next  
21 Special Waste Meeting, or we will set that aside for  
22 discussion by the full Board.

23 COMMITTEE MEMBER PAPARIAN: Can I ask what that  
24 300,000, what research need is there for that \$300,000?  
25 What's the research need?

1 COMMITTEE MEMBER JONES: There's -- Mr. Chair.

2 COMMITTEE CHAIR MEDINA: Board Member Jones.

3 COMMITTEE MEMBER JONES: As part of the five  
4 year plan when we debated this and we talked about what  
5 those research needs were then, that has not changed. I  
6 mean we're still looking at delivery of product, we're  
7 looking at issues around ash generation, we're looking  
8 at issues about better combustion.

9 There's a whole list of things that can be  
10 developed that are going to further enhance that system  
11 or could enhance that system, and it's ridiculous to  
12 pull it off the table. It's been debated forever and I  
13 think it's important to stay in there. So there's  
14 plenty of research that needs to be done.

15 COMMITTEE MEMBER PAPARIAN: It looks to me like  
16 a gift of public funds is what it looks like, and that's  
17 what I'm afraid of here.

18 COMMITTEE MEMBER JONES: Everytime there's a  
19 difference of opinion between you and what everybody  
20 else seems to think it seems to be a gift of public  
21 funds.

22 We did the same thing when we looked at  
23 research to get an expert in here to deal with civil  
24 engineering projects where the guy's the number one  
25 person in the nation, and that looked like a gift of

1 public funds.

2 COMMITTEE CHAIR MEDINA: Well Board Member  
3 Jones and Paparian, when this Board was set up, in their  
4 wisdom the legislature appointed a representative from  
5 industry and a representative from the environment, and  
6 four other members, two from the legislature, two  
7 representing the public interest so that we could work  
8 out the various interests on behalf of the public.

9 And so you both have clearly stated your  
10 position. And so, again, this is one of those policy  
11 debates that will go before the full Board in  
12 determining whether any monies, and if any monies, how  
13 much monies will be allocated towards this.

14 So Board Member Washington, any comments in  
15 regard to this particular subject?

16 COMMITTEE MEMBER WASHINGTON: No, not at all.

17 COMMITTEE CHAIR MEDINA: With that, we'll move  
18 on to the next item.

19 COMMITTEE SECRETARY HARRIS: Did we have  
20 numbers for 04-05 on those?

21 COMMITTEE CHAIR MEDINA: You can basically plug  
22 in the same numbers.

23 COMMITTEE SECRETARY HARRIS: 300,000 For both?

24 COMMITTEE CHAIR MEDINA: Yeah.

25 COMMITTEE SECRETARY HARRIS: Okay.

1 MS. GILDART: Okay. The next item was the  
2 devulcanization technology. And as you remember, we  
3 just put the RFP out on the streets, and this is not  
4 recommended for any further funding. In fact, the staff  
5 is proposing to drop it from the report. And I believe  
6 it had the support of the committee at the last meeting.

7 The item after that is the civil engineering  
8 uses for tires. The original plan had it at 1.5 million  
9 because of budgetary constraints and because the staff  
10 would like to see this slowly move out of a research  
11 phase and into the market development phase. The  
12 proposal was made for funding that in 03-04 for a  
13 million, and in the next year it was dropped to 500,000.

14 Any changes, suggestions, questions?

15 COMMITTEE CHAIR MEDINA: Board members?

16 COMMITTEE MEMBER JONES: Just one question, Mr.  
17 Chair.

18 The research that you're looking at on the  
19 civil engineering, would that include the funding of  
20 pilot projects? Is that what this money is for?

21 MS. GILDART: I believe in the past the Board  
22 has interpreted research and demonstration to include  
23 pilot projects, yes.

24 COMMITTEE MEMBER JONES: Okay. And you're  
25 suggesting what number?

1 MS. GILDART: Well the committee number put it  
2 at a million.

3 COMMITTEE MEMBER JONES: Okay. And you're --

4 MS. GILDART: That might have to drop slightly  
5 as you work your way through that whole column.

6 COMMITTEE MEMBER JONES: Just one other quick  
7 question, Mr. Chair.

8 The RFP is out to, for our civil engineering  
9 person, right?

10 MS. GILDART: Correct.

11 COMMITTEE MEMBER JONES: Is there a component  
12 of this research that could be, or could it be  
13 interpreted that, I know that the current person we have  
14 doing civil engineering stuff teaches, right? He  
15 provides, he provides some kind of education. I know he  
16 worked with Caltrans, has he worked with others?

17 MS. GILDART: He's participated in some  
18 workshops that had some local government attendees, but  
19 I believe the majority of the effort was Caltrans.

20 COMMITTEE MEMBER JONES: Was Caltrans. Is  
21 there the ability under this line item to expand that  
22 role?

23 MS. GILDART: We could.

24 COMMITTEE MEMBER JONES: So this could take  
25 care of part of the issues we had with trying to deliver

1 more of this information that's valuable, because it's  
2 not only part of research, part of market development,  
3 but we could use this, these dollars, if the Board  
4 chose, to allocate, I mean to fund some of that  
5 teaching?

6 MS. GILDART: Correct.

7 COMMITTEE MEMBER JONES: Which would be the  
8 transfer of what they've learned in this research.  
9 Okay, then I'm cool with this.

10 COMMITTEE CHAIR MEDINA: Board members? Any  
11 comments on this item?

12 COMMITTEE MEMBER JONES: Mr. Chair, the  
13 committee -- and I do apologize for not making that last  
14 committee meeting, I know that this one is a result of  
15 me not being there probably. But one of the leaders of  
16 the waste industry who was one of my mentors for thirty  
17 years, who ran all the recycling activities in San  
18 Francisco for the better part of fifty years passed away  
19 just before this meeting and there was no way I was  
20 going to miss that. So I apologize to my fellow members  
21 for not being at that meeting.

22 It looks like it was the judgment of the  
23 committee at that last meeting to put in a million  
24 dollars, and I'm, I think that makes a lot of sense if  
25 the members are still comfortable with that.

1           So I'd support that in a heartbeat, as well as  
2 the half a million in 04-05.

3           COMMITTEE CHAIR MEDINA: Very good. Move on to  
4 the next one.

5           MS. GILDART: The next item is a study of  
6 increasing the tire life span. The original five year  
7 plan had funded this effort in the fiscal year  
8 2002-2003, and that project is underway with a final  
9 report anticipated in May.

10          COMMITTEE MEMBER PAPARIAN: Mr. Chairman, we  
11 have a request from Assemblyman Joe Nation, I think that  
12 we all got, to increase this amount to \$700,000. And I  
13 think there's a representative from Natural Resources  
14 Defense Council also.

15          And that \$700,000 would be used to participate  
16 with the California Energy Commission in a study that  
17 they have on increased fuel efficiency.

18          And I think what that could help us do is  
19 participate in that research, identify those tires that  
20 have the better fuel efficiency; but at the same time,  
21 and just as importantly, identify those tires that have  
22 the fuel efficiency and the increased life span so that  
23 we could meld those two efforts.

24          So I'd suggest upping this to 700,000 the first  
25 year and then \$200,000 as has been requested by

1 Assemblyman Nation and by the Natural Resources Defense  
2 Council.

3 COMMITTEE MEMBER WASHINGTON: Mr. Chair, I have  
4 a question.

5 COMMITTEE CHAIR MEDINA: Board Member  
6 Washington.

7 COMMITTEE MEMBER WASHINGTON: Why can't the  
8 manufacturers pay for this program? Why can't Cadillac,  
9 Ford, and all these guys who make these cars and sell  
10 them on the streets to consumers, why can't they pay for  
11 this program to see how well their tires live or how  
12 long their tires live? Mr. Papanian or anyone can  
13 answer it.

14 COMMITTEE MEMBER PAPANIAN: I mean you can get  
15 some of that information, but some of it's hard to get.  
16 And let me throw in another thing.

17 Probably a quarter or more of the people in  
18 this room who drove here today drove on tires that have  
19 recycled content. If you wanted to go and buy a  
20 recycled content tire, you would, it would be impossible  
21 for you to identify which tire had recycled content and  
22 which tire didn't.

23 The manufacturers -- and Mr. Blumenthal I think  
24 was still here. The manufacturers I think do need to  
25 step up to the plate in some of these areas in light of

1 our product stewardship efforts.

2 COMMITTEE MEMBER WASHINGTON: Well I think  
3 Goodyear, Firestone, all those guys, you know, we can  
4 tell them if you going to do business in California, you  
5 have to service these type of tires. They have  
6 companies right here that I visit and everywhere else.

7 COMMITTEE MEMBER PAPARIAN: That's exactly  
8 right. And that's, I think, where I would like to go  
9 with the policy direction in the five year plan.

10 COMMITTEE MEMBER JONES: Mr. Chair.

11 COMMITTEE MEMBER WASHINGTON: The I don't see  
12 why we're spending \$700,000 to doing a study. I'm  
13 missing something here. Ya'll forgive me.

14 COMMITTEE MEMBER PAPARIAN: Maybe we could have  
15 the representative from the Natural Resources Defense  
16 Council help explain that.

17 COMMITTEE CHAIR MEDINA: Before they come up,  
18 Board Member Jones is next. And certainly we would give  
19 serious consideration to the request that Assemblyman  
20 Nation has made, the issue of the dollar amount is  
21 another matter.

22 Board Member Jones.

23 COMMITTEE MEMBER JONES: I'm just trying to, I  
24 have no problem with the request by the Assemblyman, but  
25 I'm wondering, we just entered into a contract trying to

1 identify not only the recycled content that's already  
2 being put into tires, which we don't know about, but  
3 we're also looking at long-lasting tires.

4           Wouldn't it be more advantage to get the  
5 results of that study to help both the Energy Commission  
6 and member Nation, to give 'em the fruits of what we've  
7 already commissioned?

8           A lot of recycled content in any kind of  
9 product, at the discretion of the manufacturer sometimes  
10 it's not advertised. I'm not sure that it, you know,  
11 branding something as having so much recycled content in  
12 it is always viewed by the manufacturer as something  
13 they want to do.

14           I don't always agree with that, but that's the  
15 fact of life. And I'm sure if the blowouts on those  
16 Firestone tires as they're trying to assess, as they're  
17 trying to assess who's responsible, Ford or Firestone,  
18 if there was a bandaid by us to include X amount of  
19 recycled content, doesn't that blow up in our face?

20           So I mean that aside, I think that the study is  
21 going to show us where there's already recycled content  
22 being used in tires, and we need to really understand  
23 that.

24           I mean we keep spending money on studies, this  
25 is a perfect example that when we get the results from a

1 study somebody can actually use it. They may just have  
2 to wait a little bit to use it, but why throw the money  
3 away? You know, why not put it in a further year out so  
4 that they get the benefit of the study?

5           And that's all I would say. I mean I got no  
6 problem with trying to come up with something but, you  
7 know, when you're in the middle of something that hasn't  
8 even come close to being finished, and they're going to  
9 go spend another 700,000 to duplicate the effort, it  
10 doesn't make a lot of sense to me.

11           COMMITTEE CHAIR MEDINA: Okay. Let me get the  
12 sense of the Board in regards to allotting any money at  
13 this particular time to increased tire life span.

14           Mr. Paparian is a yes.

15           Board Member Jones?

16           COMMITTEE MEMBER JONES: I'd really like to see  
17 it in year 04-05 and give 'em, you know, you can put  
18 four hundred grand, five hundred grand, seven hundred  
19 grand there.

20           COMMITTEE CHAIR MEDINA: For 03-04 and --

21           COMMITTEE MEMBER JONES: 03-04 I say none.

22           COMMITTEE CHAIR MEDINA: Okay.

23           COMMITTEE MEMBER JONES: But I do in 04-05  
24 because we'll have the results of the test.

25           COMMITTEE CHAIR MEDINA: Okay. Let's take care

1 of '03-'04, and yes, no, Board Member Washington?

2 COMMITTEE MEMBER WASHINGTON: I guess my  
3 question never was answered in terms of the  
4 manufacturing being able to pay for this, and I think  
5 that someone is going to come up and explain why the  
6 manufacturer don't have to pay --

7 COMMITTEE MEMBER PAPARIAN: What the money  
8 would be used for.

9 MS. GILDART: There is a representative from  
10 the Rubber Manufacturers Association here if you'd like  
11 to --

12 COMMITTEE MEMBER PAPARIAN: I'd like to hear  
13 from the Natural Defenses Resource Council.

14 COMMITTEE CHAIR MEDINA: Let's hear them in  
15 order, the council and then the manufacturer  
16 representative.

17 MS. LIU: Good morning, Chairman Medina,  
18 members of the Board. My name is Donna Liu, I'm with  
19 the Natural Resources Defense Council.

20 In response to Board Member Washington's  
21 question, the California Energy Commission and NRDC has  
22 been trying over the last seven months, in working with  
23 the Rubber Manufacturers Association which is the trade  
24 group of the tire makers, in trying to get the data on  
25 rolling resistance for their vehicle tires. And they

1 are telling us that they do not have that kind of data.

2           Now, your question was why don't the tire  
3 makers actually provide the information to us? Why  
4 don't, why are they not mandated? That would require a  
5 separate act of legislation to do so, and part of that  
6 would require standards as to what exactly would be the  
7 minimum, minimum tire characteristics necessary to  
8 achieve the running resistance of replacement tires that  
9 we currently see accompanying new car purchases.

10           And again, the tire makers are telling us that  
11 they did not keep that data.

12           COMMITTEE MEMBER WASHINGTON: And I guess I  
13 just find that, to say the least, as a legislator and --  
14 a former member of the legislator, I find that offensive  
15 that they can sell millions of cars each year to the  
16 State of California and they can't sit down to do a  
17 \$200,000, \$300,000 study. Something is wrong with this  
18 picture, and that's my point.

19           COMMITTEE MEMBER JONES: Yeah.

20           COMMITTEE MEMBER WASHINGTON: We need to take a  
21 stand at some point. That's exactly the point. I mean  
22 they tell us well, we can't give you that information.  
23 So does that mean that it's right? I don't think so.

24           I think if our consumers are still purchasing  
25 cars every year, and we're talking about a million cars

1 in this, in the industry that these folks sell across  
2 the board, Toyota, everybody, you know, and they're  
3 putting on Ford, Goodyear, and Firestone tires on all  
4 their cars, at some point we need to say, hey guys, pay  
5 for some of this stuff yourself. Give us the research  
6 as to how long is the life of a tire on your vehicle  
7 that you're selling to our consumers each year.

8           And so I just have a concern as to why we  
9 aren't really aggressively, why hasn't someone  
10 introduced legislation to make this happen?

11           MS. LIU: I think when it comes to implementing  
12 legislation outlining the standards, but not having that  
13 data in hand on the state side, I think it's more  
14 difficult to make that case, which is why the Energy  
15 Commission is seeking to do this initial effort of  
16 testing and creating a database for specific tire  
17 models.

18           COMMITTEE MEMBER WASHINGTON: Yeah, but I've  
19 seen some of the greatest minds come together when folks  
20 have said if you go down this road the sky is going to  
21 fall, and when the Governor and those folks get involved  
22 they sit down with these guys and they creatively, in a  
23 very short period of time, come up with a solution to  
24 the problem. Okay, we'll pay for the life expansion of  
25 a tire, the research for the life expansion of a tire.

1 It can be done.

2 I mean I come from the era where it wasn't so  
3 much as why can't you do it, we need you guys to do this  
4 and get back to us.

5 So I just think that whoever, whether it's your  
6 council or whoever, someone should have been pushing the  
7 legislature to say look, you guys need to make these  
8 guys do this research. The Integrated Waste Board don't  
9 just have dollars falling out the sky.

10 Now if you'd asked me this six months ago, a  
11 year ago I would've said, "Oh, they got plenty of money,  
12 go and get it." But I'm here now and I understand how  
13 it works, it's a different ballgame.

14 MS. LIU: I totally agree. And you know,  
15 unfortunately we do not feel that we have the kind of  
16 legislative support needed to require the tire makers to  
17 do, to essentially provide the data which they say they  
18 do not keep.

19 COMMITTEE CHAIR MEDINA: And that goes for the  
20 tire manufacturers as well as the auto manufacturers.

21 Thank you, and we can hear from the other  
22 representative.

23 COMMITTEE MEMBER JONES: I don't think he's  
24 here, he might've stepped out.

25 COMMITTEE CHAIR MEDINA: Okay. With that, what

1 I'm inclined to do at this point --

2 MR. LEE: Mr. Chairman, I'd like to interject a  
3 little bit, if I could, into this discussion.

4 We viewed Assemblyman Nation's proposal, and  
5 again he's recommending the creation and testing of a  
6 database program on tire fuel efficiency. And we've  
7 been working with the Energy Commission on their study,  
8 but we would, you know, point out that the tires that  
9 aren't necessarily the most fuel efficient -- there we  
10 go, are not necessarily the ones that contain the  
11 highest recycled content or the longest life tires,  
12 which we would think would be more in the Board's  
13 perspective and purview.

14 Furthermore, we have some concerns with regards  
15 to spending money for testing tires when it's our  
16 understanding that the characteristics of these tires,  
17 you know, changes and is adjusted, you know, seasonally,  
18 making the adequacy of the data for any extended period,  
19 you know, very questionable. And that would probably  
20 call into question having to do with additional testing,  
21 again to keep any database that was established up to  
22 date.

23 So I would know note that again, in the  
24 revised, the committee's proposal of January 30th there  
25 was some limited amount of money for increased tire life

1 span work, and perhaps that might be earmarked, you  
2 know, for some limited work in this area. But  
3 otherwise, you know, staff does have some reservations  
4 about the proposal.

5 COMMITTEE CHAIR MEDINA: Based on our last  
6 committee meeting I'm going to take the prerogative to  
7 allot for fiscal year '04-'05, 200,000. Zero for 03-04.  
8 And that way we maintain that particular line item open  
9 for consideration.

10 COMMITTEE MEMBER PAPARIAN: Why didn't we do  
11 that with energy recovery? Why did we -- what's the  
12 process here? Why not zero energy recovery for 03-04  
13 since that was controversial?

14 COMMITTEE CHAIR MEDINA: The energy recovery is  
15 still, again it's a line item. It will be listed as a  
16 category that we're going to come back on and discuss  
17 because that's a major policy area.

18 COMMITTEE MEMBER PAPARIAN: Okay. So could we  
19 have 200,000 then for '03-'04 in the increased tire life  
20 span?

21 COMMITTEE MEMBER JONES: For what purpose, Mr.  
22 Paparian?

23 COMMITTEE MEMBER PAPARIAN: For working with  
24 the California Energy Commission on their studies on  
25 lower rolling resistance for tires, with our purpose

1 being to assure that what comes out of their studies  
2 includes information on tire longevity.

3           This is much like the work we did on portable  
4 classrooms where there were others involved in studies  
5 on health effects in portable classrooms. We jumped in  
6 on those studies to assure that our concerns and our  
7 needs were dealt with in those studies, a very similar  
8 thing.

9           COMMITTEE MEMBER JONES: Right, but one  
10 question. I think I agree with the Chair. And another  
11 issue that's not being talked about here, you can do a  
12 rolling resistance study on a tire. When it's not  
13 inflated properly to what the recommended tire pressure  
14 is, something as basic as that, you're going to wear the  
15 tire out in excess of 25 percent to 50 percent sooner,  
16 and you've increased the resistance of the tire,  
17 therefore burning up more fuel.

18           Now I know in our market side we have a  
19 brochure that we are going to talk about on how to make  
20 the public more aware of proper inflation, proper tire  
21 care.

22           If we're halfway successful in there, you've  
23 ended up actually addressing a solution instead of just  
24 the data. I mean the data is predicated on how much air  
25 is in the tire. It also is predicated on what economic

1 group is going to buy the tire.

2           You got a car and you can only afford a hundred  
3 dollars for four tires, that's not going to be the same  
4 as a car that you go out and spend \$500 on.

5           I mean all of those things are variables in the  
6 efficiency of a tire. But there's a social issue with  
7 do you eliminate all the lower priced tires to gain  
8 efficiency, therefore precluding those people that can't  
9 afford the more expensive tires? Any reasonable way of  
10 travel?

11           There's a lot to this just, other than some  
12 tests that an engineer says.

13           COMMITTEE MEMBER PAPARIAN: You're absolutely  
14 right, Mr. Jones, that there's a lot to this.

15           COMMITTEE MEMBER JONES: Thank you.

16           COMMITTEE MEMBER PAPARIAN: However, the Energy  
17 Commission is working on a study to determine which  
18 tires are more fuel efficient. They're trying to  
19 squeeze an extra three percent, more or less, out of  
20 fuel economy in tires. They aren't considering as one  
21 of their primary objectives also looking at longer lived  
22 tires. Some better fuel efficient tires are longer  
23 lived, some aren't.

24           If we don't inject ourselves into those  
25 studies, you could have the State of California

1 promoting very fuel efficient tires that last less long,  
2 therefore resulting in more waste tires for us to deal  
3 with.

4 COMMITTEE MEMBER JONES: Right. And if we do  
5 our job letting people know how to inflate a tire, we've  
6 probably added not three percent cost efficiency, but 20  
7 percent cost efficiency.

8 COMMITTEE MEMBER PAPARIAN: If we find a lower  
9 rolling --

10 COMMITTEE CHAIR MEDINA: Excuse me, let me --  
11 excuse me, as the Chair, I think we have been doing some  
12 of the educational programs in regard to tire inflation  
13 and all of that.

14 I think Board Member Washington, you know, hit  
15 it on the nail when he said that there's no reason why  
16 the tire manufacturers and the auto manufacturers  
17 shouldn't be able to do this. The fact is, they're not  
18 doing it, and I applaud the Energy Commission  
19 interjecting themselves into this, and certainly we  
20 should have some input into this.

21 Respecting the Assemblyman's request for  
22 funding in this area, again, and I would like to at this  
23 point, just to maintain the line item because I think  
24 again this is going to make for a good Board discussion  
25 on this particular policy matter, I'd like to proceed

1 with zero for '03-'04, and 200,000 for '04-'05.

2 COMMITTEE MEMBER PAPARIAN: Mr. Chairman,  
3 again, how are we going to handle the objections? I  
4 objected to the energy recovery item being in there in  
5 '03-'04, and because a member wanted it in there it went  
6 in there. Yet we have a member objecting to the  
7 increased tire life span, I want it in there, and you're  
8 going to zero it.

9 How, tell me the process we're operating under.

10 COMMITTEE CHAIR MEDINA: If you look at the  
11 energy recovery from tires, we have zero for '03-'04 and  
12 300,000 for the --

13 COMMITTEE MEMBER PAPARIAN: Then staff better  
14 correct that up there because I see 300,000 in the  
15 revised plan '03-'04.

16 COMMITTEE CHAIR MEDINA: Yeah, that needs to be  
17 corrected.

18 COMMITTEE SECRETARY HARRIS: Which one?

19 COMMITTEE CHAIR MEDINA: Under energy recovery  
20 from tires it was zero for '03-'04, and 300,000 for  
21 '04-'05.

22 COMMITTEE SECRETARY HARRIS: That was the  
23 numbers that were given to me, would you like a change?

24 COMMITTEE CHAIR MEDINA: Okay. What were the  
25 numbers?

1 COMMITTEE MEMBER JONES: The three and the  
2 three.

3 But I think one of the, you know, we're going  
4 through this thing, we're a committee of four. I didn't  
5 hear anybody else object other than one member and, you  
6 know --

7 COMMITTEE MEMBER WASHINGTON: Don't the  
8 committees operate on the majority vote?

9 COMMITTEE CHAIR MEDINA: We do, yeah.

10 COMMITTEE MEMBER WASHINGTON: So I guess that's  
11 how -- and I don't --

12 COMMITTEE MEMBER JONES: To each line?

13 COMMITTEE MEMBER PAPARIAN: Well we didn't have  
14 a vote on the energy recovery, it went in there because  
15 one member wanted 300,000.

16 COMMITTEE CHAIR MEDINA: Well then, let me  
17 follow in Board Member Washington's recommendation. Do  
18 we have a motion or a recommendation in regard to the  
19 300,000?

20 COMMITTEE MEMBER JONES: Mr. Chair.

21 COMMITTEE CHAIR MEDINA: Board Member Jones.

22 COMMITTEE MEMBER JONES: On, I'm going to try  
23 to take care of three of these at one time.

24 Increase recycled content in tires for a  
25 hundred grand for 03-04, and 100,000 for 04-05. I think

1 we ought to move that.

2 I think we ought to move gasification for  
3 300,000 for 03-04, and 300,000 for 04-05.

4 Energy recovery from tires, 300,000 in 03-04,  
5 and 300,000 in 04-05.

6 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I  
7 think you need to split the energy recovery thing, this  
8 is going to come back to bite us.

9 COMMITTEE MEMBER JONES: Do 'em one line at a  
10 time?

11 COMMITTEE CHAIR MEDINA: I'd rather we do 'em  
12 one line at a time, Mr. Jones.

13 COMMITTEE MEMBER JONES: Okay then. A hundred  
14 grand and a hundred grand on the recycled content in new  
15 tires.

16 COMMITTEE CHAIR MEDINA: Is there a second on  
17 that?

18 COMMITTEE MEMBER WASHINGTON: Second.

19 COMMITTEE CHAIR MEDINA: Okay. That's been  
20 moved and seconded.

21 COMMITTEE MEMBER PAPARIAN: We did that  
22 already. Mr. Chairman, I'm very confused, can we slow  
23 down here for a second? I don't where we're at or what  
24 we're doing at this point.

25 COMMITTEE CHAIR MEDINA: We did not vote on

1 that particular one.

2 COMMITTEE MEMBER PAPARIAN: So we're going to  
3 go back and vote on every one? I'm slow here.

4 COMMITTEE MEMBER WASHINGTON: That's what  
5 you're asking.

6 COMMITTEE MEMBER JONES: This is what you  
7 asked for.

8 COMMITTEE MEMBER PAPARIAN: I asked for it on  
9 energy because there was controversy about that, there  
10 wasn't controversy about those other ones. But just go  
11 ahead and let me know where we're at and I'll follow.

12 COMMITTEE CHAIR MEDINA: Well, since you  
13 requested a vote on one item, another member requested a  
14 vote on another item.

15 My preference would have been to go through all  
16 of the items without a vote so that we could get a  
17 number at the bottom because we're going to be over, and  
18 we still have requests above and beyond.

19 COMMITTEE MEMBER JONES: Yeah.

20 COMMITTEE MEMBER PAPARIAN: That would be fine  
21 with me if you put the number in for increased tire life  
22 span in '03-'04 and then come back. That's where I was  
23 trying to get to. And I suggested 700,000.

24 COMMITTEE MEMBER JONES: Okay. Are there any  
25 other members on this committee that feel the same way?

1 COMMITTEE CHAIR MEDINA: Not to the amount of  
2 700,000.

3 COMMITTEE MEMBER JONES: Neither do I, Mr.  
4 Chair.

5 COMMITTEE MEMBER PAPARIAN: Okay. Then again  
6 on energy, I only heard one member supporting the energy  
7 item.

8 COMMITTEE CHAIR MEDINA: Well I would go ahead  
9 and support that.

10 COMMITTEE MEMBER PAPARIAN: Support what, the  
11 energy item?

12 COMMITTEE CHAIR MEDINA: Yes. Because again,  
13 to take that off the books with no money, I think that,  
14 again that's going to involve a policy discussion on  
15 that particular item.

16 And in fact, the increased life span of tires,  
17 again we need to have an amount on that particular one  
18 as well to be consistent, and come back when we do the  
19 adjustment to all of these columns.

20 COMMITTEE MEMBER JONES: So do you want to put,  
21 are you suggesting we put that hundred grand in there  
22 for 03-04 or what?

23 COMMITTEE CHAIR MEDINA: At this point I would.

24 COMMITTEE MEMBER JONES: Okay.

25 COMMITTEE CHAIR MEDINA: Because we're going to

1 have to come back and adjust all of these columns  
2 anyway, so whether it's a zero or 700,000 we're going to  
3 have to come back and adjust all of these columns. And  
4 at that one point we will be voting on each and every  
5 column.

6 COMMITTEE MEMBER PAPARIAN: Could we make it, I  
7 mean the 100,000 as the starting point is problematic.  
8 Can we make it a higher amount in '03-'04?

9 COMMITTEE CHAIR MEDINA: You can make it any  
10 amount you wish because we're going to come back and  
11 vote on each and every one of these and set an amount on  
12 each and every one such that at the end of this session  
13 it balances.

14 We cannot spend more than the \$11 million that  
15 we have, so as we go through the balancing of this is  
16 going to determine on the vote of the members.

17 COMMITTEE MEMBER PAPARIAN: So I'd suggest  
18 700,000 for now, and come back and talk about what's  
19 left over.

20 MS. GILDART: 700,000 in 03-04. And do we want  
21 to show an amount in 04-05?

22 COMMITTEE MEMBER PAPARIAN: 200,000.

23 COMMITTEE CHAIR MEDINA: Okay. Let's move on  
24 to the next item.

25 MS. GILDART: Fiber and steel, there is a

1 contract currently being implemented. The report is  
2 due, I believe in May. We do have some preliminary  
3 findings.

4 Staff feels that this effort is important to  
5 the crumb rubber producers. It represents, you know,  
6 almost half of the weight of a tire that is going to  
7 landfill when they produce crumb.

8 But the proposal is to fund it in an out year  
9 to see whether or not we can stimulate those markets.  
10 And we would like to see it eventually shift into the  
11 market development arena.

12 So at the moment it shows still under research,  
13 but there is still the possibility of shifting it in an  
14 out year to the market effort.

15 If anyone has a preference?

16 COMMITTEE CHAIR MEDINA: To speed things up and  
17 because, you know, we still have to do markets and we  
18 have to balance before the lunch hour, I would suggest  
19 Board members throw an amount on there and just go  
20 through the exercise of filling in all the blanks, and  
21 then we're going to come back and do a vote on each and  
22 every one of those. That's what's going to determine  
23 the amount.

24 COMMITTEE MEMBER PAPARIAN: You just want to  
25 leave the amounts that came out of the committee, then,

1 where there are amounts?

2 COMMITTEE MEMBER JONES: No, there's a couple  
3 that need discussion.

4 COMMITTEE CHAIR MEDINA: Yes.

5 COMMITTEE MEMBER JONES: Okay. But I think on  
6 fiber and steel the committee said zero for this year.  
7 I got no problem with zero because we're waiting for a  
8 study.

9 COMMITTEE CHAIR MEDINA: Wonderful.

10 COMMITTEE MEMBER JONES: Okay.

11 MS. GILDART: Recycled RAC, which was one that  
12 had been proposed in an earlier version of the five year  
13 plan, staff and I believe the committee had proposed  
14 dropping it from the listing.

15 I do believe, as you will see at the bottom of  
16 this chart, there's a new proposal coming in from  
17 Caltrans and we'll get to that, they may be discussing a  
18 possible study on the recycling of rubberized asphalt  
19 concrete, and I think it would be covered there.

20 COMMITTEE MEMBER JONES: Okay. The RAC study,  
21 this was in an out year, 05-06. It was to be a followup  
22 to the existing effort under way with Trans Lab, they're  
23 doing a \$600,000 study of the three different recipes of  
24 rubberized asphalt.

25 And the staff's idea, and I believe it had

1 committee support, was that somewhere in the 2006 year  
2 we would go back and look at those sites and see how  
3 they're performing as a followup study.

4 MS. GILDART: Okay. If there are no changes,  
5 the blue font appearing on the paper represents projects  
6 added, they do not show up in the original five year  
7 plan.

8 The first one was a proposal to update the 1992  
9 staff report, "Tires as a Fuel Supplement" through a  
10 contract effort. I believe coming out of the committee  
11 it had been put back to the 04-05 year.

12 Is there a discussion on that? Are those  
13 amounts acceptable, zero in 03-04, and a hundred  
14 thousand in 04-05?

15 COMMITTEE CHAIR MEDINA: Any comment on those?

16 MS. GILDART: Okay. Next proposal had been a  
17 study on the number of tires generated. As you recall,  
18 the staff every year does an annual report on the  
19 movement of waste tires through the state. We survey  
20 all the recyclers and landfills and try and figure out  
21 where those are going.

22 And to calculate the percent recycled we have  
23 to have a number of how many had been generated in the  
24 first place. We had done extensive study back in the  
25 91-92 fiscal year to develop a method, and we think this

1 needs to be revisited.

2 COMMITTEE MEMBER JONES: Mr. Chair.

3 COMMITTEE CHAIR MEDINA: Board Member Jones.

4 COMMITTEE MEMBER JONES: I think that one of  
5 the highlights of the tire waste manifest system is that  
6 we're, for the first time, going to actually know where  
7 tires have not come from, but where they're going, what  
8 the total numbers are.

9 I think we ought to zero this one out and let's  
10 see what the tire manifest system -- one of the whole  
11 keys to that system is knowing where tires are, where  
12 they're flowing, and then helping us in market  
13 development activities in years out.

14 So I don't know, you know, why we would want to  
15 keep it. I don't know. Right?

16 MS. GILDART: That's quite possible that the  
17 manifest will answer it. We had hoped actually that  
18 some of the BOE data from the new tire fee would help  
19 us, and it hasn't really shed anymore light. So perhaps  
20 the combination of the two could help there.

21 COMMITTEE MEMBER JONES: Okay. So I'd propose  
22 zero there, Mr. Chair.

23 MS. GILDART: Okay. The next item is in  
24 burgandy.

25 COMMITTEE MEMBER JONES: Are you okay with

1 that?

2 COMMITTEE CHAIR MEDINA: Zero.

3 MS. GILDART: Yeah, zero for that.

4 This is a little unusual. We highlighted it in  
5 a different color because even though it shows up in the  
6 committee column, it was not actually considered by the  
7 committee, but we need to figure a way to put this in on  
8 the table.

9 This is a proposal that is being explored with  
10 the Office of Environmental Health, Hazard Assessment to  
11 look at what the health effects are to individuals  
12 responding to tire pile fires.

13 It's at the moment indicated at funding for two  
14 fiscal years. It would be one study but funded out for  
15 two years for a total of \$450,000.

16 Is there questions or discussion on that? We  
17 have individuals from the office available if you would  
18 like to hear from them.

19 COMMITTEE MEMBER PAPARIAN: Sounds good.

20 COMMITTEE CHAIR MEDINA: Okay. Let's move  
21 forward with those figures.

22 MS. GILDART: Okay. The next one was  
23 investigation, and once again this is an out year,  
24 05-06, into water quality and tire chips. This is a  
25 civil engineering issue.

1           We get questions coming up periodically about  
2 whether or not anything leaches from the tires when  
3 they're placed in the ground as a civil engineering  
4 project. And so the thought was that in one of the out  
5 years we could look at that.

6           COMMITTEE MEMBER PAPARIAN: When we were doing  
7 the waste tire monofill regs, we had 'em up, oh, a month  
8 or two ago, and I asked a question, I think it was of  
9 Mr. Humphrey if I recall right, whether there's any  
10 evidence of any water quality problems associated with,  
11 you know, tire chips in any form or shredded tires, and  
12 the answer at that time seemed to be no.

13          COMMITTEE MEMBER JONES: Right.

14          COMMITTEE MEMBER PAPARIAN: Is there any  
15 evidence of this, or are we just trying to respond to  
16 concerns that we've heard?

17          MS. GILDART: It's a little of both. The  
18 studies that we've seen done, and these were mostly done  
19 back east where they have used more of these tires in  
20 civil engineering and in leach fields.

21          In the first of placement the chips to leach a  
22 small amount of zinc that's above background levels, but  
23 after that first six to twelve months it sort of  
24 disappears into the background level. And the feeling  
25 has been in those communities that it's an acceptable

1 occurrence.

2           This was partly to maybe reassure individuals  
3 here in California that we think the same thing would  
4 happen here and it would be an acceptable level, if  
5 any. It is more of a way to allay fears than to really  
6 explore what seems to be a critical issue.

7           COMMITTEE MEMBER PAPARIAN: Right. The fears  
8 that we heard in the tire monofill reg hearing about  
9 this was from the people of Copperopolis.

10           I just, when we do this, when we do this study  
11 ultimately, assuming that we do it, will it include, you  
12 know, what might happen to a tire in a tire monofill?

13           MS. GILDART: I suppose it could. We hadn't  
14 really envisioned that. But the tires used in a  
15 lightweight fill application are cut into a fairly small  
16 chip so you have a greater surface area to volume ratio  
17 and, therefore, a greater probability of leaching than  
18 you would in the kind of tires that go into a monofill  
19 where they're typically baled or just rough shred.

20           Typically that monofill is in a very arid  
21 region of the state. So if there were any data that  
22 showed some leaching from the lightweight fill chips, it  
23 would be far less in a monofill. But I suppose we could  
24 design the study to include that.

25           COMMITTEE MEMBER PAPARIAN: Yeah. We can talk

1 about this separately but, yeah, I think that would be  
2 good. Again, it wouldn't be a primary focus of the  
3 study, but just to perhaps determine if there are, would  
4 be any differences in expected results in a waste tire  
5 monofill versus some of the other things we've talked  
6 about.

7 COMMITTEE CHAIR MEDINA: So is there a  
8 recommendation?

9 MS. GILDART: Just stay in that 05-06 year?

10 COMMITTEE MEMBER JONES: Stay at zero and leave  
11 it in the years out, right?

12 MS. GILDART: Yeah.

13 COMMITTEE CHAIR MEDINA: Okay. Next item.

14 MS. GILDART: Okay. That was, this is a  
15 proposal that has come from the California State  
16 University at Chico, a two year study of the costs of  
17 various diversion techniques for tires. To look at both  
18 materials, energy, dollars, on how these tires are  
19 handled.

20 It was, as I said, a proposal that came to the  
21 staff and Board from Chico. The committee appeared to  
22 have no issues with it.

23 COMMITTEE MEMBER PAPARIAN: How does the staff  
24 feel about this study? I'm not sure I understand what  
25 the results would be, but what does the staff think of

1 this study?

2 MS. GILDART: I think if it were comprehensive  
3 enough it could be useful to show how the markets are  
4 influenced by the costs of the processing of the tire.

5 You know, if you look at the whole setup from  
6 the collection, the processing, the cleanup, or whatever  
7 that needs to be done to make the tire recycled product  
8 sellable on the market, it would give the Board another  
9 tool to compare what uses perhaps are easier to  
10 implement, are preferable.

11 Once maybe the market could support and we  
12 would not have to continue to subsidize and we can  
13 direct our monies to those that might need that. It's  
14 not a burning issue, if you will, but of interest.

15 COMMITTEE MEMBER JONES: Yeah, I'd say zero,  
16 Mr. Chair, because every different recycling technology  
17 is dependent on the equipment it has, and just that  
18 equipment is going to make a difference in the cost of  
19 the operation. I think it would be a waste of money.

20 COMMITTEE MEMBER PAPARIAN: I'm okay with zero.

21 COMMITTEE CHAIR MEDINA: Zero it is.

22 MS. GILDART: All right. The next one, we had  
23 received requests, we'd some meetings with the  
24 Department of Health Services and the Mosquito Vector  
25 Control Association of California. They put together a

1 fairly comprehensive proposal, and this is actually  
2 cutting that one down quite a bit. But it is to create  
3 a partnership between the Board and the individuals who  
4 are responsible for controlling the spread of mosquitoes  
5 and mosquito borne diseases such as West Nile Virus.

6           They have, if you will, a network out there  
7 that tracks some of this stuff. And we could link with  
8 them both in identifying small tire piles, in treating  
9 the tire piles, spraying them for mosquitoes, and  
10 perhaps even a research project to looke at the most  
11 effective method of controlling mosquitoes that breed in  
12 tire piles.

13           So this was the staff's attempt to pull out of  
14 that larger proposal elements that we thought might be  
15 useful to the Board.

16           COMMITTEE CHAIR MEDINA: Okay. Board members,  
17 any recommendation on this particular item?

18           COMMITTEE MEMBER JONES: I think there is, you  
19 know, there's going to be a need to spray, obviously.  
20 But the stuff that I saw that came across our desks that  
21 we got CC'd on, it looks more like dollars going to an  
22 association to, you know, develop stuff. I don't know  
23 how much of this money is actually going to go to the  
24 material and the activity of spraying.

25           It was, did I miss something, Martha? Was it

1 going to go to spraying or just --

2 MS. GILDART: A combination of spraying, but  
3 also looking at what the most effective type of  
4 spraying, where you can do what they call larvicides or  
5 adulticides of different stages in the life cycle of the  
6 mosquito. And I thought it would help to learn more  
7 specifically how they breed in tires.

8 You know, in envisioning the shape of a tire,  
9 it's hard to make sure the spray penetrates throughout,  
10 especially in a large pile such as we find in Sonoma.  
11 And if they were to have to spray those, you know, what  
12 would be the effect, when is the best appropriate time  
13 to spray, maybe even effect on other --

14 COMMITTEE CHAIR MEDINA: Unless I hear a dollar  
15 amount from any Board members, it's going to be zero in  
16 this column.

17 MS. GILDART: Okay. For both years?

18 COMMITTEE CHAIR MEDINA: Yes.

19 MS. GILDART: Okay. The next one is a proposal  
20 to create a research center in one of the universities  
21 here in California at a hundred thousand for 03-04, and  
22 500,000 for out years.

23 COMMITTEE MEMBER PAPARIAN: I think you could  
24 change the title of that to "Create a Research  
25 Relationship." I think the term "center" has caused

1 some anxiety, and I think the concept of a research  
2 relationship perhaps better captures what might be  
3 possible.

4 COMMITTEE CHAIR MEDINA: But aren't all  
5 universities research centers, and don't we already work  
6 with a lot of universities? So how would this differ  
7 from any current working relationships that we have with  
8 the university?

9 COMMITTEE MEMBER PAPARIAN: We actually had a  
10 very productive meeting with one university last week  
11 where they have relationships like this with the Air  
12 Resources Board, the Water Board, and Caltrans where  
13 they're able to meet a variety of research needs of  
14 those organizations on very short notice by having an  
15 established relationship like this.

16 COMMITTEE CHAIR MEDINA: Well as I recall from  
17 my experience at Caltrans, the relationship that we had  
18 with these universities is we gave them a lot of money  
19 that kept their programs going in that area. Primarily  
20 that was the relationship.

21 COMMITTEE MEMBER WASHINGTON: And I guess  
22 during the budgetary times in the six budgets that I  
23 voted on in the legislature, I recall the same thing  
24 happening with these universities across the State of  
25 California. The legislature threw resources into those

1 schools for particular researches like this, and I just,  
2 I guess I'm just wondering why we want to give from this  
3 agency a particular amount for a relationship.

4 COMMITTEE MEMBER PAPARIAN: Well we would  
5 actually get work for this. The idea is --

6 COMMITTEE MEMBER WASHINGTON: Don't they  
7 already do some of this stuff?

8 COMMITTEE MEMBER PAPARIAN: Yeah, some of  
9 this -- some --

10 COMMITTEE MEMBER WASHINGTON: Let me ask a  
11 question. I read somewhere where staff was supposed to  
12 come back with a recommendation on a, as relates to some  
13 research center that was asked for about a year ago or  
14 something.

15 MS. GILDART: There is a contract -- I'm sorry.

16 MR. LEE: Excuse me, member Washington. Yeah,  
17 there is an existing contract out that OEHHA is doing to  
18 kind of investigate the feasibility of working with some  
19 of the universities or others again to establish a  
20 center, or a relationship as Mr. Paparian has  
21 characterized it. And those results are supposed to be  
22 back in, I think in May of this year. But, yeah, the  
23 results aren't in yet.

24 COMMITTEE MEMBER WASHINGTON: So why are we  
25 trying to fund something that we haven't even gotten

1 back to the staff?

2 COMMITTEE MEMBER PAPARIAN: Essentially this  
3 becomes a placeholder for that. A hundred thousand in  
4 '03-'04, a fairly low amount. Then 04-05, 500,000,  
5 which we can revisit if we need to based on the results  
6 of this study.

7 What the money would be used for is we would  
8 direct them to meet certain research needs that come up,  
9 like some of the ones that we've dealt with so far. And  
10 they would be ones that might be appropriate for a  
11 university.

12 We've had similar things happen --

13 COMMITTEE MEMBER WASHINGTON: Don't we have a  
14 doctor or someone on contract who does some of that  
15 stuff for us?

16 COMMITTEE MEMBER PAPARIAN: Yeah, there's Dr.  
17 Humphrey from the University of Maine.

18 COMMITTEE MEMBER WASHINGTON: Does he do that  
19 now for us?

20 COMMITTEE MEMBER PAPARIAN: He does some of  
21 that now for us. But we also have research  
22 relationships in other areas with the University of  
23 California at Riverside to help us with conversion  
24 technologies and some other areas as well.

25 This was actually part of, this actually

1 carries forward a very specific recommendation from our  
2 strategic plan which called for establishment of these  
3 types of relationships in solid waste and in the tire  
4 areas.

5 MS. GILDART: If I could answer member  
6 Washington's question. What we've done to date is  
7 entered into relationships with these universities on a  
8 project by project basis.

9 So if there was a specific issue that we had  
10 questions on, the Board wanted researched or studied,  
11 then we would enter into such a study. We've done it on  
12 seismic properties, tire shreds used for bridge  
13 abutments. We've done it with the subsidy study that  
14 was so greatly debated a few months ago. And we can  
15 continue to do so on specific projects.

16 COMMITTEE MEMBER WASHINGTON: And I guess, I  
17 think that's the route we should take on these issues  
18 like this with this relationship. I think we do it  
19 based on the need, not just to have it sitting out there  
20 flowing around.

21 COMMITTEE MEMBER JONES: I agree.

22 COMMITTEE MEMBER PAPARIAN: I think it's being  
23 misunderstood. We wouldn't give a hundred thousand, we  
24 wouldn't give \$500,000 unless we attached a project with  
25 that money.

1           So this is reserving essentially a research  
2 project in 04-05, or many projects. What it would get  
3 us potentially is a university up and ready to go to  
4 very quickly react to research needs that we would have.

5           COMMITTEE MEMBER WASHINGTON: We are not  
6 getting that right now with the amount of money we're  
7 putting out for research?

8           COMMITTEE MEMBER PAPARIAN: The turnaround time  
9 to get some of this stuff done is a long time. We had  
10 stuff we did two years ago in the tire plan where it  
11 just took us a long time by the time we got the NOFA's  
12 out and everything else to get it down. This could cut  
13 down that process and --

14          COMMITTEE MEMBER WASHINGTON: So if we have two  
15 or \$300,000 floating around, the university will act  
16 immediately based on that?

17          COMMITTEE MEMBER PAPARIAN: You could, that's  
18 the structure of the relationship, as I understand it,  
19 that the Air Board has and that the Water Board has.

20          COMMITTEE MEMBER JONES: But Mr. Paparian, can  
21 I ask a question? The Air Board, is their relationship  
22 on a specific type of research they'd be doing? Like  
23 maybe they had a, maybe there's a, one of these schools  
24 that has expertise in particulates, and another school  
25 may have something in efficiencies.

1 COMMITTEE MEMBER PAPARIAN: Uh-huh.

2 COMMITTEE MEMBER JONES: Wouldn't they have  
3 relationships with both of 'em to take advantage of the  
4 expertise of both?

5 COMMITTEE MEMBER PAPARIAN: My understanding is  
6 they have a relationship with one that can then reach  
7 into the other. So they have a relationship where they  
8 say, if we need to quickly get some research done, we  
9 can do it. If you need to then reach into another  
10 university, or even an outside consulting firm to get it  
11 done, you can do that too.

12 Again, we'll be hearing more about this when  
13 our report from OEHHA comes back. But I think that this  
14 is a very, very important opportunity for us to be able  
15 to deal with future research needs.

16 COMMITTEE CHAIR MEDINA: Let me interject  
17 myself now, the reporter had a scheduled break at 11:00  
18 o'clock and we want to go ahead and allow our reporter  
19 to take a break at 11:00 o'clock. And then we will  
20 return back to these items.

21 And then hopefully we'll go and plug in numbers  
22 for each one of these, and then move on to markets as  
23 quickly as we can and run through that, and then come  
24 back and vote on each and every item that's therein.

25 Okay. We'll be back at 11:15.

1 (Thereupon there was a brief recess.)

2 COMMITTEE CHAIR MEDINA: The meeting is called  
3 back to order.

4 If we could have the spreadsheet back up on the  
5 screen. And again Board members, to move this process  
6 along what I would like to do with the remainder of the  
7 day is finish up with research as quickly as we can,  
8 move on to markets, and we will put the, any recommended  
9 amount of dollars on the screen.

10 We'll take a total to see how far we are off  
11 the budgeted amount, and then we'll take it item by item  
12 and vote to the amount of money we will allocate to that  
13 particular line item.

14 We have had some additional requests that, as  
15 we move down the items that I will bring, I will raise  
16 those, and then to see how much the Board members may  
17 wish to allot to that particular request.

18 So where are we at this point?

19 MS. GILDART: Okay. We were discussing the  
20 creation of a research relationship, it shows up in  
21 03-04 at a hundred thousand, and 04-05 at 500,000.

22 Does anyone wish to carry those numbers over or  
23 suggest a change?

24 COMMITTEE MEMBER PAPARIAN: I'd carry them.  
25 And Mr. Chairman, let me, if I could just very briefly,

1 add one more thing about the research relationship.

2           This would be like a master interagency  
3 agreement where up front we could negotiate a couple  
4 things that have been very troublesome in a lot of our  
5 other research contracts. We could negotiate up front  
6 an overhead amount and deal with the copyright issues,  
7 both of which have been real troublesome in a lot of our  
8 past contracts.

9           So by establishing this master relationship, we  
10 can have those things done up front in addition to what  
11 I talked about before about having an ability to, in a  
12 much more speedy way, deal with the research needs that  
13 we have.

14           COMMITTEE MEMBER WASHINGTON: And I guess, Mr.  
15 Chair, I would just add to that that, you know, I'm just  
16 hard pressed to pay for a relationship. And let me tell  
17 you why. This Board is appointed by the Governor and  
18 the legislature. And if we can't use the type of juice  
19 that we have, then I think we are going down the wrong  
20 road and sending the wrong message in terms of -- and  
21 Mr. Paparian, I understand what you want to do, I  
22 understand you want to build this relationship, but I  
23 think there's another way we have to do it rather than  
24 paying for the relationship.

25           COMMITTEE MEMBER PAPARIAN: And let me make

1 clear, the money here would not be to pay for the  
2 relationship, the money here would be to do research.  
3 And we would come back and specify what that research  
4 is.

5 COMMITTEE MEMBER WASHINGTON: But as you know,  
6 in the State of California we have a lot of resources to  
7 do research and things of that nature. I guarantee you  
8 if the Governor, you as an appointee of the Governor's  
9 called the Governor's office and said, "We need research  
10 on this particular issue because this is an issue that  
11 concerns the health and welfare of the people of  
12 California," the Governor makes a call and says, "Make  
13 this happen," it happens, Mike.

14 I'm just not so sure we should be paying for  
15 this type of stuff, that's all I'm saying.

16 COMMITTEE MEMBER PAPARIAN: Again, what we'd be  
17 paying for is not --

18 COMMITTEE CHAIR MEDINA: Excuse me, let me  
19 take the prerogative of the chair. Mr. Paparian, if you  
20 have a number put it in there, and as we come back to  
21 this column we will either vote on that amount of money  
22 that you are recommending, or we will vote on zero  
23 amount of money.

24 COMMITTEE MEMBER PAPARIAN: Okay. 100,000 and  
25 500,000 as it was out of the committee.

1 MS. GILDART: Okay. Environmental and health  
2 issues of combustion.

3 This was a proposal that came out of the  
4 committee to study specifically the emissions issue of  
5 energy recovery from tires. It's indicated at 250,000  
6 for the 03-04 fiscal year.

7 COMMITTEE MEMBER PAPARIAN: And I think this  
8 could be one of the added things that the Office of  
9 Environmental Health, Hazard Assistance could assist  
10 with.

11 MS. GILDART: May I ask a question then on  
12 that? Would you envision actual acquisition of data,  
13 sampling testing, and analysis; or merely the review of  
14 existing data, which is what I understand the Office of  
15 Environmental Health, Hazard Assessment normally  
16 performs.

17 COMMITTEE MEMBER PAPARIAN: Martha, this is the  
18 second or third time you've been trying to get more  
19 detail on this. And just so the committee members know,  
20 I did offer to staff a couple of days ago to sit down  
21 and explain this stuff with staff if they had any  
22 questions about this. So I'm sorry that we're taking up  
23 committee time to deal with this.

24 COMMITTEE CHAIR MEDINA: Do you have a  
25 recommended amount on this one, Mr. Paparian?

1 COMMITTEE MEMBER PAPARIAN: 250.

2 COMMITTEE CHAIR MEDINA: Okay. 250 it is.

3 Move on to the next one.

4 MS. GILDART: Third party peer review, 75,000 a  
5 year for each of the five years.

6 COMMITTEE MEMBER PAPARIAN: I'd go for the 75.

7 COMMITTEE MEMBER JONES: One question on that,  
8 Mr. Chair.

9 COMMITTEE CHAIR MEDINA: Mr. Jones.

10 COMMITTEE MEMBER JONES: The, I know later in  
11 the afternoon we're going to be looking at some policy  
12 documents. It seems to me we've thought we had a  
13 relationship with, and I want to say ARB but it may be  
14 somebody else that's been designated for certain stuff  
15 as for peer review, and then I think it was OEHHA or  
16 somebody for other types of, that seemed to me like it  
17 was something that we have an existing relationship  
18 with. I know they did peer review on a bunch of  
19 combustion issues five to six years ago, is that --

20 COMMITTEE MEMBER PAPARIAN: And this would help  
21 pay --

22 COMMITTEE MEMBER JONES: Is that still the  
23 case, Martha?

24 MS. GILDART: Yes. We've worked with the Air  
25 Resources Board on a series of issues dealing with the

1 energy recovery from tires. OEHHA it's been a little  
2 more recently that we've worked with them.

3 COMMITTEE MEMBER PAPARIAN: I think OEHHA could  
4 certainly, you know, jump in on some of this, but I  
5 think this would help pay for those as needed, or pay  
6 for any additional third party peer review that we would  
7 need.

8 COMMITTEE MEMBER JONES: Okay. I wouldn't have  
9 a problem with that, but I know your recommendation was  
10 to use academia, and we've dealt with that before.

11 COMMITTEE MEMBER PAPARIAN: It could be  
12 academia, it could be in-house. I think that the third  
13 party peer review, that many of the scientific studies  
14 that are done within Cal EPA, the third party peer  
15 review is done through a relationship with the  
16 University of California. And I think this Board may  
17 have actually utilized that relationship at times.

18 COMMITTEE MEMBER WASHINGTON: Mr. Chair, can I  
19 ask a question?

20 COMMITTEE MEMBER PAPARIAN: I don't think we're  
21 deciding -- let me just quickly finish.

22 We're not deciding here who would get to do the  
23 third party peer review, we're deciding to allocate some  
24 money for that purpose.

25 COMMITTEE CHAIR MEDINA: Board Member

1 Washington.

2 COMMITTEE MEMBER WASHINGTON: Mr. Paparian or  
3 Mr. Jones can answer this one. The purpose of this  
4 third party peer review is to do what? What are you  
5 trying to do or what are you trying not to do?

6 COMMITTEE MEMBER PAPARIAN: It provides, it's a  
7 standard process in scientific research to have a third  
8 party review your research to make sure you're  
9 delivering on what you're saying you're delivering.

10 COMMITTEE MEMBER JONES: And then, as I  
11 understand it, Mr. Chair, if this was a line item that  
12 was accepted and we ended up having a year where we  
13 didn't need to use it, we could reallocate it at some  
14 point?

15 COMMITTEE MEMBER PAPARIAN: Just like any of  
16 these items, I wouldn't single out this item, any item  
17 that could happen with.

18 COMMITTEE MEMBER JONES: Yeah.

19 COMMITTEE CHAIR MEDINA: Okay. 75 it is for  
20 the moment? 75, okay. Very good.

21 COMMITTEE SECRETARY HARRIS: For both fiscal  
22 years?

23 COMMITTEE CHAIR MEDINA: Yes, we have two  
24 yeses, so we'll go with that.

25 MS. GILDART: Okay. The last item, and this is

1 also in the burgandy color to indicate something that is  
2 new since the committee met on January 30th. And it's a  
3 proposal from Caltrans for us to enter into a  
4 relationship with them.

5 They have a program that they are funding at  
6 about the seven million dollar level, and they've  
7 requested support and a partnership from the Board.

8 There are individuals here from Caltrans ready  
9 to give you a, you know, more detailed description or  
10 answer questions if you wish.

11 As I understand it, there's a series of  
12 projects that they want to conduct.

13 COMMITTEE CHAIR MEDINA: Let me just say this  
14 in response to this request. First of all, last year  
15 Chair Moulton-Patterson and I met with Caltrans director  
16 Jeff Morales in regard to increased RAC usage. I have  
17 received a letter from Director Morales indicating that  
18 Caltrans is increasing their goal for RAC. In his  
19 letter he mentioned a fifteen percent increase as a  
20 goal.

21 I know that as we go through our five year plan  
22 we also have a goal stated in there for our purposes,  
23 and that certainly this is an item that I very much  
24 support.

25 And if we could have a couple of brief comments

1 from the Caltrans representatives that are here?

2 MR. GILDART: I believe Mr. Phil Stilarsky is  
3 here.

4 MR. STILARSKY: Good morning. My name is Phil  
5 Stilarsky. Good morning Board members, thank you for  
6 this opportunity.

7 I work for Caltrans, I'm the chief of the Trans  
8 Lab for the materials department. What we're proposing  
9 is an additional funding to our current contract.

10 We have an existing consultant contract with a  
11 firm that is renowned in the areas of rubber AC. And  
12 some of the items we'd like to propose to be funded in  
13 addition to the current ones we're working on,  
14 specifically for RAC, is the areas of training, working  
15 with locals.

16 We have a new RAC users guideline that the  
17 consultant itself has produced, it's on-line right now.  
18 We'd like to go out and roll that out to our districts  
19 to develop further strategies for the use of RAC.

20 We also would like to update our design  
21 strategy allowing for more use of RAC as a potential  
22 design strategy for maintenance and rehab.

23 COMMITTEE MEMBER JONES: Mr. Chair.

24 COMMITTEE CHAIR MEDINA: Board Member Jones.

25 COMMITTEE MEMBER JONES: Just a quick

1 question. I support the Chair in his putting this on  
2 the committee, and I'm going to go along with it, I  
3 think it makes a lot of sense.

4 But since we got the head of the, you know,  
5 you're one of the top guys at Caltrans. So we've got  
6 issues with rice straw, we've got issues with mulch,  
7 we've got issues with civil engineering, and I know  
8 we've been working with you on those.

9 The rice straw is a little bit new. We've been  
10 mandated to start coming up with end uses. Would you  
11 guys just enter into conversations with us about  
12 potentially using that treated rice straw in the center  
13 of sound walls?

14 It's not only going to take up some space, but  
15 it should end up hopefully with some, not only sound  
16 absorption issues, but may cut some of those costs down  
17 and give us a viable end use for that rice straw once  
18 it's been treated so that it doesn't start breaking  
19 down.

20 I just throw it out there as a -- there's a lot  
21 of issues we need to work with Caltrans on, mulch, civil  
22 engineering, rubberized asphalt. But that's another one  
23 that may end up saving you money down the road if we can  
24 develop that technology and take care of a huge need,  
25 especially in Northern California on the straw.

1           So I throw it out there. Since I'm going to  
2 endorse this, I need you to be thinking about that a  
3 little bit.

4           MR. STILARSKY: I understand and I'll take that  
5 back with me.

6           COMMITTEE MEMBER JONES: I appreciate it.

7           Thanks, Mr. Chair.

8           COMMITTEE CHAIR MEDINA: Very good. Before I  
9 proceed further on this matter, I neglected to call for  
10 ex-parte as we came back from the break.

11          Board Member Jones.

12          COMMITTEE MEMBER JONES: I actually just said  
13 hi to Bob Houston and some folks, we didn't talk  
14 business, or we didn't talk this business.

15          COMMITTEE CHAIR MEDINA: Board Member  
16 Washington.

17          COMMITTEE MEMBER WASHINGTON: Yeah. I spoke to  
18 Mr. Michael Blumenthal with the Rubber Manufacturers  
19 Association.

20          COMMITTEE CHAIR MEDINA: Board Member Papanian.

21          COMMITTEE MEMBER PAPANIAN: Yeah, I spoke with  
22 Randy Ward.

23          COMMITTEE CHAIR MEDINA: And I have none to  
24 report.

25          So what I would recommend in regard to the

1 Caltrans item, I would recommend 1.1 million in '03-'04,  
2 and 600,000 in '04-'05.

3           We have an additional request from the State  
4 and Consumer Services Agency, and I wonder if staff or a  
5 representative could speak to this in terms of where  
6 this request would be included?

7           The total amount of the request is in the area  
8 of 300,000. Could we have staff first respond as to  
9 where this would be? Is this research? Is this  
10 markets? Where would this fit, this particular request?

11           MS. GILDART: If this is the one that came out  
12 of the driving green task force, I believe Mr. Soul is  
13 here in the audience and could describe the project  
14 first.

15           COMMITTEE CHAIR MEDINA: And could you tell us  
16 would this fit into research or markets?

17           MS. GILDART: I'm not familiar enough with all  
18 the details to make that call right now, so if we could  
19 actually hear from him it would help us.

20           COMMITTEE CHAIR MEDINA: If you would come up,  
21 please?

22           MR. SOWELL: My name is Arnie Sowell with the  
23 State Consumer Services Agency.

24           First of all, thank you very much for  
25 entertaining this proposal. Having sat up there with

1 you before in your deliberations over not only this fund  
2 but other funds, I don't envy you today.

3 I am not exactly sure where this fits in in  
4 terms of if you want to characterize it neatly into one  
5 specific category. This is a proposal that has four  
6 distinct pieces to it, some of them are involved in the  
7 education arena, others are involved in the market  
8 development arena, and others are involved in, I guess  
9 maybe what you could call the research arena. So I  
10 don't know if it fits neatly into any specific category  
11 as it relates to the tire fund.

12 Let me go through very quickly some of the  
13 elements of the proposal. As Martha mentioned, and as  
14 our letter speaks, and this is a letter that is jointly  
15 signed by myself as well as by the interim director of  
16 the Department of General Services Chloe Hewlett.

17 As you know, the Waste Board, the State  
18 Consumer Services Agency, and the Department of General  
19 Services are involved in a number of collaborative  
20 efforts in the areas of environmental preferable  
21 purchasing, sustainable building, environmental  
22 education, and most recently we have formed a, at the  
23 agency a driving green task force of which the Waste  
24 Board is also a member.

25 This proposal essentially comes out of that

1 driving green task force as well as has elements of  
2 things that are going on in the environmental preference  
3 purchasing arena as well as the sustainable building  
4 arena.

5           In the driving green arena, specifically there  
6 is a need, we believe, for more of an active role of the  
7 Board, the tire fund, and the Department of General  
8 Services as it relates to fleet and the Office of Fleet  
9 Administration.

10           And the first proposal is for somewhere in the  
11 neighborhood of about \$40,000, to do a better job in the  
12 education and outreach area as it relates to the state  
13 fleet to state fleet managers, state employees that  
14 drive state vehicles, as well as entertain opportunities  
15 to try and increase the amount of data collection that  
16 is coming out of the state fleet as it relates  
17 specifically to tires.

18           I think this is an area that has probably been  
19 neglected in the past. I think there is a significant  
20 number of vehicles that are in the state fleet, and I  
21 think it is some data that needs to be captured and  
22 factored into the deliberations of not only this  
23 committee but also the Board.

24           I see that there has been some discussions  
25 already of tire specifications. This driving green task

1 force has spent an awful lot of time talking about the  
2 need for our procurement division at the Department of  
3 General Services to incorporate new specifications as it  
4 relates to tire derived products, as well as new tire  
5 technologies, and the need for additional research that  
6 needs to occur in the development of these  
7 specifications. There is \$35,000 that has been set  
8 aside for that.

9 I do understand that there have been other  
10 proposals that are in this arena. We'd be happy to  
11 marry this proposal up with that. But I think the real  
12 driver and the real need here is for additional tire  
13 specification and research work to be done, and include  
14 the Department of General Services procurement division  
15 in those deliberations and in those discussions.

16 The next area is in the area of tire technology  
17 and demonstrations. You have a vehicle fleet that's  
18 light duty, it's heavy duty, it's medium duty, it's  
19 diesel, it's gasoline, etcetera.

20 And you have, in my opinion, a fleet that is a  
21 readymade opportunity for demonstration projects in the  
22 tire technology arena. It is an area that I do not  
23 believe that the Board in the past has tapped, and I  
24 believe an area that, from a state to state standpoint  
25 will be a necessity for us to try to tap into.

1           Essentially, using vehicles that are in the  
2 state fleet to demonstrate tire technologies. And to  
3 analyze those technologies and to report on those  
4 technologies back here to the Board. And then hopefully  
5 subsequently bring those technologies either to market,  
6 or to incorporate them in a more whole scale fashion  
7 throughout the state fleet.

8           And then finally, this is in the green building  
9 area. As you well know, the Governor has been very  
10 vocal about his need and about the desire of the state  
11 to create jobs. Part of that jobs program is the "Build  
12 California Program," an effort to try to expedite and to  
13 fast track a number of the infrastructure projects that  
14 are coming down the pike.

15           This proposal marries with the proposals and  
16 with activities that the Board has conducted in the past  
17 around tire derived products that can be used in  
18 infrastructure and in new buildings. And it would just  
19 be an effort to try to ensure the fact that as these  
20 projects are expedited that we have funding available  
21 that would allow for tire derived products to be used in  
22 those facilities.

23           And it's just an effort to try to increase  
24 their application there.

25           COMMITTEE CHAIR MEDINA: Thank you, Mr. Sowell.

1           Rather than to put each category as a line item  
2 on there, if we could just put the request from the  
3 State Consumer Services Agency for tire related  
4 programs, and we certainly cannot fund up to the  
5 \$300,000 amount, but certainly we can put some amount in  
6 there and let your agency decide as to how we'd use that  
7 money.

8           And so for the time being if you can just put  
9 the State of Consumer Affairs request up there, and you  
10 can put the \$300,000 in there. That does not mean we  
11 are going to fund to that amount, as we can certainly  
12 come back as we vote on each of these items and set an  
13 amount.

14           MR. SOWELL: Thank you very much for your time.

15           COMMITTEE SECRETARY HARRIS: Is that one fiscal  
16 year?

17           COMMITTEE CHAIR MEDINA: For, at this point,  
18 one fiscal year.

19           COMMITTEE SECRETARY HARRIS: Okay. Thank you.

20           COMMITTEE MEMBER PAPARIAN: Just an FYI, Mr.  
21 Chairman.

22           I think that some of what Mr. Sowell described  
23 could have appropriately come out of some of the market  
24 green building and state agency purchasing line items.  
25 So when we get to that maybe we can somehow figure out

1 how we need to meld the two.

2 COMMITTEE CHAIR MEDINA: We may do a similar  
3 category under markets. If we find it more appropriate  
4 under markets than this category, we'll delete this  
5 category and fund it out of markets. For the time being  
6 we will carry it here.

7 And if you could give us, are there any  
8 additional items that we need to add in here?

9 MS. GILDART: Just to make sure that the  
10 committee is in agreement, when we put in the fire  
11 responder health effects item, we substituted that for  
12 the study of the playground mat effect.

13 The reason that is being proposed to do so is  
14 we felt we could still consider the health effect of the  
15 mat issue during the Board's reallocation item in May if  
16 that's, meets with the committee pleasure, just to  
17 clarify.

18 COMMITTEE CHAIR MEDINA: Yeah, Board Member  
19 Jones.

20 COMMITTEE MEMBER JONES: Yeah, Mr. Chair.

21 COMMITTEE CHAIR MEDINA: And then Board Member  
22 Papanian.

23 COMMITTEE MEMBER JONES: It was actually, when  
24 I saw the proposal I was kind of glad to see the  
25 proposal. Because when we first started doing the pour

1 in place grants and the mats we had a whole group that  
2 said, "Don't do it," you know. So no matter what we do  
3 we get a group that doesn't want us to do it.

4 So we ought to think about, whether you want to  
5 deal with it as a reallocation item or if we want to at  
6 least list it and maybe put minimal money, I think it's  
7 important to get those types, get those kinds of issues,  
8 have 'em start looking at it.

9 But I have no problem if it's years out, you  
10 know, but I think we need to acknowledge if we think  
11 it's important. And I, for one, think there's value in  
12 it, maybe we don't do it for another year, but I leave  
13 that up to the rest of the members.

14 COMMITTEE CHAIR MEDINA: Board Member Paparian.

15 COMMITTEE MEMBER PAPARIAN: I'm fine with it  
16 being amongst the items we would consider in  
17 reallocation. But just to be absolutely clear, you're  
18 not asking for a decision to move it anywhere in terms  
19 of priority. We might decide to fund it, we might not  
20 decide to fund it if we have reallocation money  
21 available. We might decide to, you know, fund other  
22 things.

23 We're not making the decision whether to fund  
24 it today or where it might be in the priority of  
25 reallocation, you're just informing us that that's

1 something you'd like to do, and we're telling you that,  
2 fine, put it in the list of reallocation items. Am I  
3 clear?

4 MR. LEE: That's correct.

5 COMMITTEE MEMBER PAPARIAN: Okay. Good.

6 COMMITTEE CHAIR MEDINA: Martha or whoever is  
7 running the totals. If you could give us a total for  
8 research.

9 MS. GILDART: At the bottom it looks like  
10 you've added a hundred thousand dollars to the  
11 \$4,882,000 for the fiscal year 03-04.

12 And for the fiscal year 04-05 that's  
13 \$3,382,000.

14 Those numbers will show up on the cover sheet  
15 for all the program elements. Once we've gone through  
16 the markets columns, we can then look at the total -- or  
17 do you want to see what it stands at now?

18 COMMITTEE CHAIR MEDINA: I want to see it just  
19 for, just for this area that we just finished.

20 MS. GILDART: Okay. Well, it's there then.  
21 That number at the bottom.

22 COMMITTEE CHAIR MEDINA: That's what all those  
23 numbers add up to?

24 MS. GILDART: Yeah, 4.8 million right now.

25 COMMITTEE CHAIR MEDINA: Okay. With that let's

1 move into market development.

2 MS. GILDART: Okay.

3 COMMITTEE CHAIR MEDINA: We have a few minutes  
4 before we are going to take a 12:00 o'clock break. So  
5 for the purposes of market, let's go through these  
6 items.

7 And Board members, if you would feel strongly  
8 about any of these items, put a number on there. We'll  
9 fill in all the columns and then we'll come back after  
10 lunch and vote on 'em one by one.

11 MS. GILDART: So should we work down adding  
12 those numbers until someone says something?

13 COMMITTEE CHAIR MEDINA: I'm going to want a  
14 total for markets as a category, and then a total for  
15 both markets and research together, and then that will  
16 tell us how far we are over the 11 million. And then we  
17 can come back and as we vote on each and every item  
18 make --

19 COMMITTEE MEMBER WASHINGTON: Mr. Chair, I  
20 think she's talking about in this particular column, do  
21 you want her to just go through and go over numbers, and  
22 if someone have objections they can raise 'em. But  
23 she'll just go through it for the sake of time that  
24 you've been mentioning.

25 COMMITTEE CHAIR MEDINA: Yes.

1 MS. GILDART: At the moment I believe the total  
2 of markets and research together comes to \$13,764,000,  
3 which is quite a bit over the \$11 million available.  
4 But if we work down through the markets column we might  
5 have some savings there.

6 COMMITTEE MEMBER JONES: Okay. Mr. Chair, can  
7 I ask a question?

8 COMMITTEE CHAIR MEDINA: Board Member Jones.

9 COMMITTEE MEMBER JONES: On the 524,000 for  
10 market development staff, is that a number staff came up  
11 with for the committee meeting?

12 MS. GILDART: It's a combination of work with  
13 admin staff and ours. The administration division, as I  
14 understand it, has folded into these numbers.

15 COMMITTEE MEMBER JONES: I'm fine with that.  
16 What I want to know is if the 524 came from staff and  
17 then the committee adopted it?

18 MS. GILDART: Yes. Yes.

19 COMMITTEE MEMBER JONES: That's all I wanted to  
20 know. So I'm fine with that.

21 MS. GILDART: Tire recycling conferences,  
22 \$100,000 every other year to continue our biannual  
23 conference cycle.

24 COMMITTEE MEMBER PAPARIAN: We've been  
25 postponing some of our conferences, so I'd suggest

1 moving it over a year, so have it '04-'05. And then  
2 maybe cut the participant subsidy from, I think my  
3 calculation is about \$400 per participant we're  
4 subsidizing, maybe cut it down to about three hundred,  
5 and that would make it a \$75,000 item instead of a  
6 hundred thousand dollar item.

7 So I'd say 75,000 in '04-'05.

8 COMMITTEE MEMBER JONES: And when was our last  
9 one?

10 MS. GILDART: March of last year, and the next  
11 one is scheduled for this September, and that's the  
12 first conference where we've provided a subsidy to try  
13 to bring in local government participants. It's a  
14 travel subsidy to help them attend the conference which  
15 is here in Sacramento.

16 COMMITTEE MEMBER JONES: Right.

17 MS. GILDART: So by funding 100,000 out of the  
18 03-04 year, the plan was that the meeting would be held  
19 in '05.

20 COMMITTEE CHAIR MEDINA: So your  
21 recommendation, Board Member Papanian?

22 COMMITTEE MEMBER PAPANIAN: Is to fund it in  
23 '04-'05, again because of the state budget situation  
24 we've been postponing a lot of our conferences.

25 COMMITTEE CHAIR MEDINA: And the amount?

1 COMMITTEE MEMBER PAPARIAN: 75,000.

2 COMMITTEE MEMBER JONES: Yeah, I don't have any  
3 problem with leaving it in 04-05 because of the budget  
4 issues, but I'll end up when the time comes putting it  
5 back up to a hundred thousand.

6 COMMITTEE CHAIR MEDINA: Okay. Tire care  
7 brochure survey. We have an existing contract whose  
8 results are due in in April. It's a survey of public  
9 attitudes and understanding of tire maintenance.

10 COMMITTEE CHAIR MEDINA: Recommendation on that  
11 item?

12 COMMITTEE MEMBER PAPARIAN: I'd just  
13 recharacterize it as "Longer Lived Tires: Tire Care  
14 Brochure Survey" so that we're clear on what the purpose  
15 is there.

16 COMMITTEE CHAIR MEDINA: And what's your  
17 recommendation?

18 COMMITTEE MEMBER PAPARIAN: Keep it at that  
19 amount, the amount that's in there.

20 COMMITTEE CHAIR MEDINA: Put that number in  
21 there then.

22 COMMITTEE CHAIR MEDINA: Next item, public  
23 service announcements.

24 MS. GILDART: Public services announcements,  
25 250,000.

1 COMMITTEE MEMBER PAPARIAN: I'd say keep that  
2 in there and call that "Recycled Content Tires slash  
3 Longer Lived Tires" marketing campaign.

4 COMMITTEE MEMBER JONES: Okay. We're going to  
5 have the discussion later, Mr. Chair, on the priorities?

6 COMMITTEE CHAIR MEDINA: We are, yes.

7 COMMITTEE MEMBER JONES: Thank you. I'll  
8 second it.

9 COMMITTEE CHAIR MEDINA: Civil engineering  
10 uses.

11 MS. GILDART: The five year plan had originally  
12 envisioned a concurrent development in research and  
13 markets. What we have proposed is to sort of wind down  
14 the research effort and then ramp up the markets. So  
15 the proposal had been zero in the 03-04 year, going up  
16 to 500,000 in the 04-05 year, and a million dollars in  
17 out years with the idea the research would be dropping  
18 off with that.

19 COMMITTEE CHAIR MEDINA: Recommendations?

20 COMMITTEE MEMBER JONES: If staff's  
21 recommending the zero for this year that's fine, but I  
22 think that that 04-05 needs to be bumped up to at least  
23 a million.

24 MS. GILDART: Okay.

25 COMMITTEE CHAIR MEDINA: Any objections? We'll

1 go with that.

2 MS. GILDART: Playground cover. This is a  
3 grant program that we've been doing now for several  
4 years. The five year plan had put it at 800,000 a year.  
5 The committee had requested to increase it to a million  
6 dollars a year based on shortfalls in school budgets.

7 If the committee is to make cuts to meet the  
8 overall budget though, this may need to be considered  
9 for reduction.

10 COMMITTEE MEMBER WASHINGTON: And that's the  
11 one that I had raised. I don't have any problem with  
12 reduction, just to try to get to a clear budget on this.  
13 So that's fine, the staff recommendation.

14 MS. GILDART: 800,000?

15 COMMITTEE MEMBER WASHINGTON: Yeah.

16 MS. GILDART: Track and other recreational  
17 services. This was funded in the five year plan at a  
18 million. Staff at one time had also recommended  
19 slightly reducing this to meet budget considerations.  
20 The committee though had moved it at a million.

21 COMMITTEE CHAIR MEDINA: Any recommendation on  
22 this, Board members?

23 COMMITTEE MEMBER WASHINGTON: What was staff  
24 recommendation?

25 MS. GILDART: 800,000.

1 COMMITTEE MEMBER JONES: 800,000 is fine.

2 COMMITTEE MEMBER WASHINGTON: I don't have a  
3 problem with 800,000.

4 MS. GILDART: Product commercialization  
5 grants. This is something, once again, the Board has  
6 been doing in one form or another for several years. It  
7 has been both popular and controversial.

8 The \$2 million level was indicated in the five  
9 year plan. It is the only real funding available for  
10 industry, most of our other grants go to local  
11 governments in one way or another. There's also a loan  
12 program.

13 Once again, because of budget constraints staff  
14 had considered reducing those amounts somewhat, but to  
15 continue the programs. Staff had, I think, proposed at  
16 one point 1.6 million for the --

17 COMMITTEE MEMBER JONES: I think we ought to be  
18 at two million, Mr. Chair.

19 MS. GILDART: Two million.

20 COMMITTEE CHAIR MEDINA: Two million it is.

21 MS. GILDART: Okay. Green building. This is  
22 somewhat related to the proposal that came out of  
23 General Services for the purpose of tire derived  
24 products in building applications. It's a program run  
25 by the Market Development Division. The five year plan

1 had put 500,000, we were recommending a bit of a  
2 reduction, and the committee had supported that at the  
3 400,000 level for 03-04 and then back to the 500 in  
4 04-05.

5 COMMITTEE CHAIR MEDINA: If there's no  
6 objections to that we'll go ahead with that  
7 recommendation.

8 MS. GILDART: RACTC, these were the northern  
9 and southern rubberized asphalt concrete technology  
10 centers. The Board has been funding the L.A. center,  
11 since I, since about '96. Sac County has been just for  
12 a couple of years.

13 One of the things we were envisioning that  
14 could be folded into their activities in the future is  
15 to assist the Board staff in the review of the Kuehl  
16 program RAC grants, so we think some continuing funding  
17 of these centers would be very helpful.

18 Staff had at one point recommended a slightly  
19 lower level just to meet budgetary constraints. The  
20 committee had approved 500,000 for the first year, and  
21 six hundred for the next year.

22 COMMITTEE MEMBER JONES: Mr. Chair.

23 COMMITTEE CHAIR MEDINA: Board Member Jones.

24 COMMITTEE MEMBER JONES: I think we ought to  
25 leave it at five and six hundred. But I think that we

1 had had a discussion five or, three or four months ago  
2 where we were talking about maybe requiring full-time  
3 participation instead of a joint thing, and that's  
4 probably a discussion we ought to have later, you know.  
5 If this thing ends up going through, where we can look  
6 at developing this to the next stage.

7           So that would be the reason that I would say we  
8 should keep the funding at the same level, but we may  
9 change.

10           COMMITTEE CHAIR MEDINA: Yeah.

11           COMMITTEE MEMBER JONES: You know, the  
12 activity. Because we're clearly going to need them with  
13 the Kuehl bill. They're going to be our only outlet  
14 too, I think, or not our only, but a viable messenger.

15           COMMITTEE CHAIR MEDINA: Next item.

16           MS. GILDART: This is an item that staff and I  
17 believe the committee had agreed to drop the signs for  
18 Caltrans RAC projects.

19           Perhaps it's something we could discuss with  
20 this new partnership with Caltrans funded under the  
21 research element.

22           The problem with this is there are so many  
23 requirements from Caltrans on how they design their  
24 signs that we were thinking there might be other ways  
25 that we could would think there may be other ways we can

1 achieve the same goal. So that was proposed by the  
2 committee at zero.

3 COMMITTEE MEMBER PAPARIAN: Okay. There's a  
4 broader need in this area which is more public  
5 information about RAC usage, which is actually, I  
6 believe, now called out in statute. And I'm wondering  
7 if we need to allocate money to get that to happen or if  
8 we can do it through existing resources.

9 If we need to allocate money to meet the  
10 statute, then this might be the item if we were to call  
11 it, "Public Information About RAC Usage."

12 COMMITTEE CHAIR MEDINA: Well let's hold that.

13 COMMITTEE MEMBER PAPARIAN: Can I get an answer  
14 there?

15 COMMITTEE CHAIR MEDINA: Knowing the situation  
16 at Caltrans very well, what I would like to suggest is  
17 that the Chair Moulton-Patterson and I meet with  
18 director Morales and see what we can work out between us  
19 in regard to seeing to it that we have proper signage in  
20 regard to these RAC projects.

21 COMMITTEE MEMBER PAPARIAN: Mr. Chairman,  
22 that's one aspect of public information, but I think we  
23 have a statute now that calls on us to do web-based  
24 information about RAC usage, and I'm wondering if we  
25 need to allocate money for that public information or do

1 we, can we absorb it with our existing staff?

2 COMMITTEE MEMBER WASHINGTON: I think statute  
3 says that you just have to provide the resources for it,  
4 I don't know if you have to necessarily allocate it. So  
5 if they have an existing project and money and they can  
6 use it I don't think it would be a problem.

7 MS. GILDART: We do have an existing website,  
8 and I know Caltrans has too. And adding that  
9 information that's developed through a variety of  
10 different efforts I think would be a fairly  
11 straightforward project. I don't think we would really  
12 need outside funding.

13 The dollars in these columns are largely grant  
14 and contract type arrangements. I think that could be  
15 done in-house.

16 COMMITTEE MEMBER PAPARIAN: Okay.

17 MS. GILDART: So is that zero then for the  
18 signs?

19 COMMITTEE CHAIR MEDINA: Zero at this time,  
20 yes.

21 MS. GILDART: At this time, okay.

22 RMDZ loan program, this is the other funding  
23 that's available to industry. It's been set at \$2  
24 million. There are additional funds available through  
25 the IWMA in the zone program.

1           At one point staff had said that this might be  
2 an area that the committee could consider reducing to  
3 meet budgetary constraints.

4           COMMITTEE CHAIR MEDINA: Do you have a  
5 recommendation in that area?

6           MS. GILDART: We talked to the RMDZ staff and  
7 had come up with the \$1.5 million as a feasible number  
8 for them.

9           COMMITTEE CHAIR MEDINA: Yes, Board Member  
10 Paparian.

11          COMMITTEE MEMBER PAPARIAN: You know, Mr.  
12 Chairman, several times where staff has recommended  
13 numbers, do we have those recommended numbers?

14          MS. GILDART: They had been distributed  
15 earlier, but for this exercise we'd been told to not  
16 display them.

17          COMMITTEE MEMBER PAPARIAN: Did any Board  
18 Member have those recommended numbers?

19          MS. GILDART: They were submitted to the chair  
20 of the committee.

21          COMMITTEE MEMBER PAPARIAN: So none of the  
22 other Board members other than the Chair has those  
23 numbers?

24          MS. GILDART: I believe the Chair was going to  
25 discuss them.

1 COMMITTEE MEMBER PAPARIAN: Okay. But I just  
2 want to make sure I'm not -- the numbers that have been  
3 coming out I hadn't had a sheet of paper that had those  
4 numbers on it. So other than the Chair, no other member  
5 Board member has privy to this written information?

6 MS. GILDART: Again, the --

7 COMMITTEE MEMBER WASHINGTON: They're proposed  
8 staff recommendations, right, proposed staff  
9 recommendations?

10 MS. GILDART: Right.

11 COMMITTEE CHAIR MEDINA: If you have an amount  
12 in regard to the RMDZ that you are recommending, Board  
13 Member Paparian, then you can certainly make that  
14 recommendation at this point.

15 COMMITTEE MEMBER PAPARIAN: I'm just trying to  
16 clarify. I know, you know, Mr. Jones seems to have some  
17 information at his seat, he's not here right now I  
18 guess. But I just want to make sure I don't have  
19 information that other members --

20 COMMITTEE MEMBER WASHINGTON: I don't either,  
21 Mike.

22 COMMITTEE MEMBER PAPARIAN: Okay.

23 COMMITTEE MEMBER WASHINGTON: You're not by  
24 yourself.

25 MS. GILDART: Excuse me?

1 COMMITTEE MEMBER WASHINGTON: I just want to  
2 move forward.

3 MS. GILDART: So 1.6 million would be  
4 acceptable?

5 COMMITTEE MEMBER WASHINGTON: Yeah.

6 COMMITTEE CHAIR MEDINA: Any objections to  
7 that, 1.6 million?

8 COMMITTEE MEMBER WASHINGTON: Yeah.

9 COMMITTEE CHAIR MEDINA: We'll go with 1.6  
10 million.

11 MS. GILDART: Okay, state agency purchasing and  
12 development. As you remember, at the January 30th  
13 meeting we tried to describe this. The original five  
14 year plan had it as a funding for the State Parks  
15 Department, specifically they were going to be  
16 implementing rubberized asphalt in some of the parks.  
17 This was proposed as an expansion to other agencies for  
18 them to purchase a variety of products or indeed even to  
19 develop something new.

20 We were aware of a proposal from the Prison  
21 Industries Authority to look into producing weed  
22 suppression matting that then Caltrans could use along  
23 the highways, and it looked like there might be some  
24 partnerships that could be developed through that  
25 effort.

1           The committee had supported the funding at  
2 600,000.

3           COMMITTEE CHAIR MEDINA: Okay. 600,000.

4           MS. GILDART: Okay. The buy recycled  
5 conference as you know how been held now for several  
6 years. The funding level had been 50,000 in the plan,  
7 and the markets division has requested an increase to  
8 75.

9           COMMITTEE CHAIR MEDINA: 75 Is fine.

10          MS. GILDART: The next item is the combined  
11 funding for the California Materials Exchange Program  
12 and the waste reduction award program.

13          The five year plan had originally 20,000, and  
14 the markets division has asked for 33,000.

15          COMMITTEE CHAIR MEDINA: That's fine.

16          MS. GILDART: Rebate study was a one time  
17 effort and it's proposed to be dropped off of the tables  
18 in the plan if no further study is proposed.

19          Okay. The blue ones now are some new  
20 proposals. One of the things that has come from a staff  
21 discussion, and this was brought up at the January 30th  
22 meeting, was the need to develop a database that is more  
23 appropriate for the permitting and enforcement issues in  
24 the tire program.

25          At the moment we use the solid waste

1 information system which was designed for landfill  
2 disposal, while most tire facilities are actually  
3 recycling facilities.

4           And we would like to have a separate database  
5 that could then link to all the recycling program's  
6 efforts, board's grants programs, etcetera. And this  
7 was a proposal to work with the information management  
8 branch and their consultants to develop such a database  
9 that would be available then to the public through the  
10 website also.

11           COMMITTEE MEMBER JONES: I think we're going to  
12 need that, Mr. Chair.

13           COMMITTEE CHAIR MEDINA: So you're recommending  
14 a hundred thousand on that one?

15           COMMITTEE MEMBER JONES: Yes, sir.

16           COMMITTEE CHAIR MEDINA: Okay.

17           MS. GILDART: And so then 150 in the 04-05  
18 year?

19           COMMITTEE MEMBER JONES: Yeah.

20           COMMITTEE CHAIR MEDINA: Okay.

21           COMMITTEE MEMBER JONES: A quick question so we  
22 can connect the dots. This would be, this is also going  
23 to be important in our tire manifest system, correct?

24           MS. GILDART: Yes.

25           COMMITTEE MEMBER JONES: This will link to

1 where those tires are going as opposed to, this will be  
2 a database that can be a source for that?

3 MS. GILDART: A link.

4 COMMITTEE MEMBER JONES: A link to it, yes.

5 MS. GILDART: Yes.

6 COMMITTEE MEMBER JONES: Then I think that's  
7 important, okay. Thanks.

8 MS. GILDART: Buy recycled certification  
9 audits. This is another request from the Markets  
10 Development Division in implementing its buy recycled  
11 program.

12 The grant and contract recipients from the  
13 Board are required to report, and state agencies are  
14 supposed to report their use of recycled content  
15 equipment, and they would like funding from the tire  
16 program to help audit those reports.

17 COMMITTEE MEMBER JONES: Mr. Chair.

18 COMMITTEE CHAIR MEDINA: Yes, Board Member  
19 Jones.

20 COMMITTEE MEMBER JONES: If we go along with  
21 Arnie Sowell's recommendation to deal with the whole  
22 fleet -- I understand their buy recycled audits, but is  
23 this just another funding source to make it a little  
24 easier, or wouldn't they get this information anyway?  
25 I mean it's part of SABRAC is they have to identify this

1 stuff.

2           Because I think between Arnie's thing dealing  
3 with DGS, and the SABRAC requirements that they identify  
4 this stuff, I don't know what the need is.

5           MS. JASCHKE: Hi, I'm JoAnn Jaschke with the  
6 state agency buy recycled campaign.

7           A lot of the numbers are not accurate. We do  
8 not feel that a lot of state agencies are reporting  
9 everything. We feel we're only getting about ten  
10 percent of the dollars that should be reported to us.

11           So we'd like to go out and do audits and assess  
12 why they are and what the obstacles are in reporting all  
13 the numbers.

14           COMMITTEE MEMBER JONES: So what's the fifty  
15 grand pay for?

16           MS. JASCHKE: Actual audits. I believe we have  
17 a contract with the State Controller's Office to perform  
18 those audits for us.

19           COMMITTEE MEMBER JONES: Oh, okay.

20           COMMITTEE MEMBER PAPARIAN: I think it's a good  
21 thing.

22           COMMITTEE CHAIR MEDINA: Okay. Let's include  
23 that. The last item actually is the Kuehl bill RAC  
24 grants.

25           COMMITTEE SECRETARY HARRIS: Fiber and steel.

1 MS. GILDART: Oh, I'm sorry, this is slightly  
2 different.

3 The fiber and steel, this is the entry we put  
4 on the columns in case the committee wanted to support  
5 switching that effort from a research to a market  
6 development effort. And we've put some funding in the  
7 third year out under research. So is there a wish to  
8 switch or to keep it as is under research?

9 COMMITTEE MEMBER JONES: Keep it research --  
10 Mr. Chair.

11 COMMITTEE CHAIR MEDINA: Board Member Jones.

12 COMMITTEE MEMBER JONES: Keep it under research  
13 because this is another case similar to the issue about  
14 the rolling tires, where we've got a study being  
15 conducted. So it doesn't make any sense to deal with  
16 this until we get that study back, really look at what  
17 those opportunities might be. And if you've got it two  
18 or three years out, then that would allow us the time, I  
19 think, think to figure out what we needed to put into  
20 place. That would make sense to me, Mr. Chair, to be  
21 consistent.

22 COMMITTEE CHAIR MEDINA: Very good.

23 MS. GILDART: Okay. I believe that should  
24 total seven thousand --

25 COMMITTEE CHAIR MEDINA: Seven million.

1 MS. GILDART: I'm sorry -- 7,982,000. If you  
2 combine that with the research budget, it comes to  
3 12,864,000 which is about 1.5 million over the  
4 11,345,000 set aside for these efforts, and we've yet to  
5 address the Kuehl bill RAC grants.

6 COMMITTEE CHAIR MEDINA: In regard to the Kuehl  
7 bill, if you can total just what we have for markets and  
8 do a percentage of that, and then we'll use that as the  
9 number for the --

10 MS. GILDART: It would be 1,277,000.

11 COMMITTEE CHAIR MEDINA: So if you'd put that  
12 number down and then total for markets? And what I  
13 would like to do, we're going to take our lunch break  
14 now, but what I would like to do is the exercise that  
15 we've gone through and the totals that we have, if we  
16 could have that printed out for the benefit of the Board  
17 members so the Board members have an opportunity to work  
18 those numbers.

19 Then we'll come back after lunch and then we'll  
20 be voting line item by line item.

21 COMMITTEE MEMBER JONES: Works for me.

22 COMMITTEE CHAIR MEDINA: Furthermore, in regard  
23 to the recommendations that I have from staff, as I  
24 recall from the summary of direction given at the  
25 11/6/02 committee meeting, is that staff was asked to

1 come in with a blank spreadsheet which staff has done  
2 today.

3 For my own purposes I'd like to see, I'd like  
4 to have the benefit of staff recommendations, so I had  
5 asked for my purposes to see staff recommendations just  
6 to see where we are in regards to the items on the  
7 columns.

8 So it's not, I specifically asked for that just  
9 so that, I like to have the benefit of staff thinking.

10 COMMITTEE MEMBER PAPARIAN: Mr. Chairman.

11 COMMITTEE CHAIR MEDINA: I also informed staff  
12 that just because they had recommendations did not mean  
13 that this Board was going to adhere to those.

14 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I  
15 didn't mean to criticize you having that information, I  
16 just wanted to be sure if other members of the committee  
17 had any information from staff, that we all, all the  
18 other members of the committee all had that information  
19 from staff. Because I didn't have anything from staff,  
20 yet staff was reading from something.

21 I just wanted to make sure that other committee  
22 members other than the Chair had nothing from staff on  
23 the budget that, at least nothing that I didn't have.

24 COMMITTEE CHAIR MEDINA: I also had the benefit  
25 of having Mr. Paparian's spreadsheet, so that helped me

1 in trying to reach a halfway point between various staff  
2 and Board member's recommendations on all of these  
3 areas.

4           And with that, we will take a lunch break, and  
5 then we will reconvene at this point at 1:30.

6           (Thereupon the luncheon recess was taken.)

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1                                   AFTERNOON SESSION

2                                   --oOo--

3                   COMMITTEE CHAIR MEDINA: This meeting is  
4 called to order.

5                   And before we get back to the spreadsheets and  
6 finalize the numbers under research and marketing, I  
7 have a number of speaker requests. So these persons are  
8 going to be speaking on the items that we've gone  
9 through on the budget.

10                  This afternoon we're going to go through the  
11 performance measures and revisions to the text of the  
12 five year plan, and there will be an opportunity for  
13 public comment at that time as well.

14                  And having said that, again I want to repeat  
15 that we will be out of here by 3:00 o'clock. We will  
16 finalize the budget figures on the performance measures  
17 and the revision of the text.

18                  Anything that we do not conclude today will be  
19 taken up at our special waste meeting on Monday.

20                  And anything that does not get finalized at  
21 that meeting will get carried up to the Board.

22                  MR. LEE: Clarification, Chairman Medina. I  
23 guess the Special Waste Committee will be on Tuesday.

24                  COMMITTEE CHAIR MEDINA: On Tuesday, yes.

25                  COMMITTEE MEMBER PAPARIAN: If you wanted to

1 settle it at the P&E Committee on Monday I'd be very  
2 happy.

3 (LAUGHTER.)

4 COMMITTEE CHAIR MEDINA: The first person  
5 is --

6 COMMITTEE MEMBER WASHINGTON: Can I ex-parte?

7 COMMITTEE CHAIR MEDINA: Certainly. Ex-partes,  
8 please.

9 COMMITTEE MEMBER WASHINGTON: Bill Magavern  
10 with the Sierra Club. Donna Liu with the NRDC. And Mark  
11 Murray, just talked to him a little bit about the agenda  
12 items.

13 COMMITTEE CHAIR MEDINA: Very good.

14 Board member Papanian.

15 COMMITTEE MEMBER PAPARIAN: I also had Mark  
16 Murray from Californians Against Waste, and Bill  
17 Magavern from the Sierra Club.

18 COMMITTEE CHAIR MEDINA: Mr. Jones.

19 COMMITTEE MEMBER JONES: Mark Murray and our  
20 friends from Caltrans. George Larson, Val Siebel,  
21 OEHHA. I think that's it.

22 COMMITTEE CHAIR MEDINA: Very good. I have  
23 none to report.

24 With that we'll move on to Mr. Cliff Ashcroft.

25 And if you could keep your comments to approximately two

1 to three minutes, I'd appreciate it.

2 MR. ASHCROFT: Certainly, my pleasure.

3 Chairman Medina, Board members, it's a pleasure  
4 to be here. I represent both the Asphalt Pavement  
5 Association and the Rubber Pavements Association.

6 I just want to talk briefly on a couple of  
7 subjects, mainly with respect to RAC, rubberized asphalt  
8 concrete.

9 There's few products out there that when  
10 utilized are actually more cost effective than virgin  
11 materials and recycle. And rubberized asphalt and  
12 concrete is one of them.

13 That being the case, it's a very powerful tool,  
14 not only for engineers to put down more pavements and  
15 better pavements and safer pavements, but to stretch  
16 budgets as far as they can and recycle.

17 There's a lot of demands being placed upon the  
18 Board in the funding at this point. What I would  
19 suggest, based on industry and due to economics and  
20 situations with respect to budgets, there have been  
21 substantial cuts in paving programs, and our industry is  
22 floundering at probably 50 percent of the level of usage  
23 that we saw just two to three years ago.

24 And what that means for companies such as the  
25 one I represent and the industries I represent is that

1 you had huge capital investments that took place in the  
2 last decade, largely as a result of the successful  
3 efforts of this Board, and other funding mechanisms, and  
4 now you have an industry that's really floundering.

5 I think there's a consideration for, with  
6 respect to SB 1346 specifically to implement funding in  
7 03-04. And as an industry representative I would say  
8 that from our perspective we feel that's fairly  
9 critical, and we would like to see the Board move  
10 forward with that program as quickly as possible.

11 And as industry we would make ourselves  
12 available to sit on any task force or any committee to  
13 make the grant program as easily attainable as possible  
14 for cities and counties.

15 We're going to use that as a marketing tool.  
16 We're going to go out and use that as a marketing tool  
17 to help generate the interest and the usage across the  
18 state for cities and counties, and we are really excited  
19 about it.

20 I'd like to say that with respect to the  
21 considerations that we have for research, I'd like to  
22 illustrate it in this way. The asphalt rubber industry  
23 has been around for now over forty years, and it started  
24 in the mid-sixties because it was a superior product.  
25 Today it has a large degree of concern because it

1 recycles.

2           And we are so pleased to say that not only does  
3 it recycle and it's a superior product, but there's been  
4 a lot of research done over the years, a lot of  
5 research. And if you're going to start a fire, we have  
6 all the kindling and the logs ready to go, and we need  
7 the match to start it. And in our opinion the match is  
8 1346 and a grant program that we can sell to the public.  
9 And we'd love to see at that take place.

10           Just in balancing the budget and in looking at  
11 things, we have a proposal from Caltrans which has done  
12 a lot of work in the past, and we're very happy to see  
13 them stepping up to the plate and wanting to do more  
14 research.

15           I would ask that that be balanced also with the  
16 incentive program to help match fire and start up the  
17 industry and give us something to run with.

18           Along with that I'd just like to compliment the  
19 Board on their efforts currently and in the past.  
20 You've done a great job and I think our industry has  
21 benefited greatly, We look forward to seeing you further  
22 in the future.

23           COMMITTEE CHAIR MEDINA: Thank you very much,  
24 Mr. Ashcroft.

25           And the next speaker is Murray Quance followed

1 by Johnnie Carlson.

2 MR. QUANCE: My name is Murray Quance,  
3 President of BAS Recycling, San Bernardino, California.

4 Chairman Medina, fellow Board members, I'd just  
5 like to take a couple of minutes here and express my  
6 thoughts from the point of view of industry relative to  
7 the tough decisions that you have to make in these  
8 difficult financial times.

9 We strongly support the efforts that are taking  
10 place at the Board to move up the heirarchy of waste  
11 tires. All, I think every part of the waste tire  
12 recycling has value, but we really, from our point of  
13 view we think this push up the heirarchy is of value.

14 A couple of business reasons why. California,  
15 if it does not have the lowest it has one of the lowest  
16 tipping fees in the nation. So our company, as well as  
17 my fellow competitors are faced with one of the most  
18 difficult economic situations because tipping, which in  
19 some businesses is the difference between staying alive  
20 or not, is very, is under tremendous pressure in this  
21 state.

22 The other thing is that the higher value  
23 products enable us to add value. We get better value  
24 for our products and they tend to take more jobs. So I  
25 think it's complementary in the environment we are today

1 that reusing tires to make value added product adding  
2 jobs makes sense.

3 I also would like to pass along the past  
4 efforts that have been spent in your budget for  
5 playground grants and track grants. I can tell you our  
6 company indirectly through our customers has seen the  
7 benefit of those.

8 In conclusion, over the last couple of years  
9 our company has benefitted from the RMDZ program and  
10 received a grant. Our investments are now 99 percent  
11 complete. I'd like to extend this opportunity for each  
12 one of you at your leisure or on your convenience,  
13 please come down and see what we've done with the  
14 money. I think you'll feel as good about it as we do.

15 Thank you very much.

16 COMMITTEE CHAIR MEDINA: Thank you.

17 Next speaker is Johnnie Carlson.

18 MR. CARLSON: Mr. Chair, members, thank you  
19 very much.

20 COMMITTEE CHAIR MEDINA: Followed by Randall  
21 Ward.

22 MR. CARLSON: CAW would like to say thank you  
23 for allowing us to participate in this process and for  
24 providing our comments on the five year plan. And  
25 generally we're very supportive of the Board's efforts.

1 However, we are still very concerned that waste to  
2 energy is being placed too high on the hierarchy.  
3 Source reduction, recycling, waste to energy comes after  
4 that.

5 Continued money for research in this area is  
6 not really necessary. Like member Washington pointed  
7 out, if the industry needs to do this research, then  
8 possibly, the waste to energy industry is the one who  
9 needs to come up with the funding for these kinds of  
10 things.

11 What we're looking at is value added to the  
12 economy and diverting waste tires. The best way to do  
13 that is RAC. The best way to do that is crumb rubber  
14 products. They add value, they add jobs, they keep the  
15 material in the materials stream. Waste to energy  
16 destroys value.

17 So again, we'd like to say with waste to energy  
18 it needs to be put further down, taken out of research.  
19 If possibly marked development, that's one area.

20 Thank you.

21 COMMITTEE CHAIR MEDINA: Thank you.

22 Randall Ward followed by Donna Liu.

23 MR. WARD: Good afternoon, Mr. Chairman and  
24 members. I represent the Cogeneration Ash Council with  
25 six co-generation facilities, primarily in the San

1 Joaquin Valley. These facilities burn coal, petroleum,  
2 and coke, and are in the initial stages with one  
3 currently burning tire derived fuel.

4 I think it's very important to point out that,  
5 and it's very troubling when I hear the debate on  
6 burning and the issues relating to hierarchy that these  
7 are very clean projects. And the scale of balance on  
8 analyzing the economics of going forward to utilize TDF  
9 as a mix, in the fuel mix is a very close call. And the  
10 difference is made by the grants.

11 And this program that my members have become  
12 involved in was at the encouragement of this Board. And  
13 every time this Board wavers, it raises the specter of  
14 risk in their economic decision-making. And so it's a  
15 very, very tough call for them to make.

16 They could go about doing business the way they  
17 are, or they can have an impact on the community and  
18 relieve the flow of tires into the landfills, and into  
19 tire piles that cause all the problems that I don't need  
20 to speak about today.

21 But these co-generation projects are  
22 particularly clean. If you can get a permit in the  
23 Joint San Joaquin Unified Air Quality District, you know  
24 they're clean.

25 They're causing a major reduction in the

1 accumulation of waste tires with the potential to  
2 increase significantly over the next couple of years.

3           They produce low cost electricity for both  
4 industrial and residential ratepayers, as well as those  
5 that utilize the co-generation process.

6           And they also serve as a catalyst for the  
7 processors. My, the speaker before me talked about  
8 crumb runner.

9           Golden By-Products, which has received a grant  
10 and has been in front of this Board many times, has  
11 indicated to Board members and to our association that  
12 the stimulus for them to be able to capitalize and to  
13 expand the type of products that they're engaging in  
14 making has been because of their relationship with the  
15 co-gen plants in producing TDF. So it's really a domino  
16 effect. But for that they would not be able to  
17 inaugurate many of these other ventures that they're  
18 expanding on.

19           I frankly have a serious concern about even  
20 categorizing energy transformation as necessarily  
21 research. I know that the committee tinkered with the  
22 grant to emphasize the research component associated  
23 with these co-generation projects, but at least from our  
24 perspective the goal is to reduce waste tires, and we're  
25 doing that in a big way.

1           And clearly the projects that you have before  
2 you in the five year plan are not going to be able to  
3 talk advantage of all the tires that are in that  
4 stream. Once the supply, the demand for those tires  
5 exceeds the demand, that's another issue, but it won't  
6 for some time.

7           So at least from our perspective we think we're  
8 providing a valuable community service. Further, the  
9 ash that is generated from the combustion process is all  
10 beneficially used. And it's an economic feedstock used  
11 in agriculture that many of you are familiar with that  
12 is very, very low cost, so it also has a significant  
13 benefit on the agricultural industry.

14           So within the context of discussing the  
15 economics and jobs, I think that we can make a very fair  
16 case for doing that.

17           Thank you.

18           COMMITTEE CHAIR MEDINA: Okay. Thank you.

19           Donna Liu followed by Michael Blumenthal.

20           MS. LIU: Chairman Medina, members of the  
21 Board, hello again.

22           In the state's desire to develop more petroleum  
23 reduction strategies and thus protect the air quality  
24 and public health of all Californians, SB 1170,  
25 sponsored by Byron Sher, directed the CDC to explore and

1 produce recommendations on ways to improve the fuel  
2 efficiency of vehicle tires.

3           And among the findings adopted by the  
4 commission two months ago, low rolling resistance tires,  
5 if used as replacement tires, can lead to fuel economy  
6 and prevent up to three percent, which is huge.

7           In a best case scenario, Californians could  
8 save three hundred million gallons of gasoline a year.  
9 And if low rolling resistance tires achieve simply a 25  
10 to 30 percent market share, we could see gas consumption  
11 reduced by about a hundred million gallons.

12           The year savings to consumers from reduced fuel  
13 costs would be between 118,000 and \$165 million.

14           Currently the tires that accompany new car  
15 purchases are more efficient than most after market  
16 tires. And the auto companies count on the low rolling  
17 resistance tires to help meet their fuel economy  
18 standards.

19           Yet there is no baseline efficiency for the  
20 tires that are bought to replace those tires for the new  
21 cars, and as a result fuel efficiency declines on a  
22 large scale given the approximately 28 million  
23 replacement tires sold every year.

24           Now, the Energy Commission has been trying to  
25 work with the tire makers and their trade association,

1 the Rubber Manufacturers Association, in trying to get  
2 the baseline data for fuel efficiency on their tires.  
3 But the tire makers continue to contend that they do not  
4 collect that data.

5 That leaves the onus on the state,  
6 unfortunately, to come up with this baseline efficiency  
7 criteria.

8 And if there was any question as to why the  
9 state, once again has to front this kind of money to  
10 sponsor a program like this, I ask that we look back to  
11 appliance standards and how people thought we were crazy  
12 for executing that effort, but which later turned into  
13 the national Energy Star campaign by EPA.

14 So California has been a model for energy  
15 efficiency on a large scale, and I ask that California  
16 consider being a model on the tire efficiency once  
17 again.

18 Thank you.

19 COMMITTEE CHAIR MEDINA: Thank you.

20 Michael Blumenthal.

21 MR. BLUMENTHAL: Thank you, Mr. Chairman,  
22 gentleman of the Board. Thank you for the opportunity.  
23 My name is Michael Blumenthal. I represent the rubber  
24 manufacturers, the trade association that represents the  
25 seven U.S. based tire manufacturers.

1           We have been working with the California Energy  
2 Commission on this issue. There needs to be known that  
3 there is a difference between tires that come on new  
4 cars and replacement tires. And I won't go into all the  
5 details now, but I think that was explained to the CEC  
6 before.

7           There is no standard for, for the rolling  
8 capacity of a tire right now, and there are other issues  
9 at play.

10           One thing that needs to be kept in mind is that  
11 when you look at increasing or decreasing rolling  
12 resistance, you also may have an impact on how long that  
13 tire can wear. There is a direct trade-off.

14           And if you're looking for the highest value  
15 added application, which is the reduction of waste  
16 tires, as you call them, then perhaps you may want to  
17 look at this in a different light.

18           There, you are -- in the five year plan there  
19 were a number of issues out there on tires. Retreaded  
20 tires, rolling resistance, longer life tires, and  
21 recycled content in tires.

22           Three of these are inconsistent with each  
23 other, they are mutually exclusive.

24           As far as retreaded tires are concerned, that's  
25 mostly for the trucking industry. And in California

1 every truck tire that can be retreaded is retreaded. So  
2 I think on that basis things are as good as they're  
3 going to get.

4           Something that Mr. Jones pointed out before,  
5 even the best made tire needs to be properly maintained  
6 and proper air inflation.

7           In October we were here, we spoke to the folks  
8 at the Cal State at Chico about the information we have  
9 on tire care maintenance and told 'em we'd be happy to  
10 give 'em that information. They have yet to contact us.  
11 We still would be willing to share that information with  
12 you.

13           One thing we can offer though is, perhaps to  
14 save you a little bit of money on the devulcanizing  
15 project. A scientist at the Goodyear Tire and Rubber  
16 Company just completed a major paper on devulcanization,  
17 ninety plus references. He'd be willing to share that  
18 information with the Board. You can invite him out, he  
19 will share his information with you, tell you everything  
20 you need to know about devulcanization. Since that  
21 project has already been done by Goodyear, perhaps you  
22 may want to reconsider that one bid.

23           Six years ago you did a project on pyrolysis.  
24 I'm not sure that paper has ever been published, I  
25 haven't seen a copy. But I think it was pretty clear

1 that that was not a viable market back then, nothing in  
2 the marketplace has changed today to think that that  
3 market will be viable today or in the near future.

4 As far as product stewardship is concerned, I  
5 think that that one question needs to be a little bit  
6 better defined in the five year plan what that means.  
7 We are always happy to talk with the Board on that issue  
8 to find out what the thoughts are and how we can work  
9 together to improve the markets here in California.

10 The last point I'm going to raise is, if the  
11 goal of the Board is to reduce the number of tires going  
12 to landfills, why then is there a new program or the  
13 technical specifications for tires in monofills? Are  
14 monofills the same thing as a landfill?

15 You're trying to take, as Mr. Quance pointed  
16 out, the tip fees in this state are relatively low,  
17 that's part of the problem that you're having here. If  
18 you continue to allow monofills or do allow monofills to  
19 take tires in, you're only going to make the tipping  
20 issue worse, and that has a large impact on what can be  
21 done with the tires.

22 Thank you.

23 COMMITTEE MEMBER JONES: Mr. Medina, a quick  
24 question.

25 COMMITTEE CHAIR MEDINA: Thank you. Board

1 Member Jones.

2 COMMITTEE MEMBER JONES: Mr. Blumenthal, Chico  
3 State talked to you about some of the tire care issues  
4 and you told 'em to get back with you and they haven't?

5 MR. BLUMENTHAL: When I was here in October at  
6 the meeting the gentleman, the professor was here, I  
7 gave him my card, I told him we have everything on our  
8 website, we have it ready for the camera, we have  
9 information, we have backup, we have pictures. You name  
10 it we have it on tire care and maintenance. I gave him  
11 my business card said, "Call us, we'll send you  
12 everything." I'm unaware if he has called. He  
13 certainly hasn't called me and I don't think he's called  
14 my office and, you know, we haven't been able to ship  
15 the material out. But we can do it at the drop of a  
16 hat.

17 COMMITTEE MEMBER JONES: All right. Our staff  
18 heard that. Okay, thanks.

19 COMMITTEE CHAIR MEDINA: Thank you very much.

20 Next speaker is Bill Magavern followed by  
21 Kenneth Koyama.

22 MR. MAGAVERN: Good afternoon, Mr. Chairman.  
23 My name is Bill Magavern, I'm with the Sierra Club.

24 And I'm very concerned that some of the budget  
25 decisions made this morning, if not reversed, will

1 actually go in the wrong direction for what we want with  
2 a five year tire plan. And I encourage the Board to  
3 look at some of the broad policy goals of the state as a  
4 whole, this agency, and this Board.

5           The legislature, Governor Davis, Secretary  
6 Hickox have made it a very high priority to reduce  
7 emissions of greenhouse gases, particularly for motor  
8 vehicles. One of the best ways we can do that is  
9 through low rolling resistance tires.

10           As an organization that works on a range of  
11 environmental issues, Sierra Club is concerned both with  
12 long life of tires and low rolling resistance. So we'd  
13 like to see the Board and the Energy Commission work  
14 together so that we will have tires that optimize both  
15 efficiency and long life.

16           So if there's a trade-off, we want to make sure  
17 that we're working together on those goals and not at  
18 odds to try to meet the state's global warming goal.

19           Similarly, we want to protect public health.  
20 Tire burning produces emissions that are hazardous for  
21 public health. Dioxins, heavy metals, criteria  
22 pollutants. The industry speaker said that if a  
23 facility was permitted by the San Joaquin Air District  
24 then it had to be clean. Actually, this is the air  
25 district that has presided over the valley's rising to

1 recognition as having the worst air pollution in the  
2 United States of America. The legislature right now is  
3 looking at restructuring that air district because it's  
4 done such a poor job of safeguarding the air in the  
5 valley.

6           So we should not look away from the serious  
7 public health damage done by tire burning. I urge the  
8 Board not to subsidize any more tire burning. It's  
9 classified in this proposal as research, this is not a  
10 new technology, there's not new research that needs to  
11 be done, I think what you would actually be doing is  
12 spending money on subsidizing development of tire  
13 burning projects which would be contrary to the  
14 hierarchy that this Board acts under.

15           Incineration is not recycling. That money  
16 could be much better used for your pollution prevention  
17 and recycling goals.

18           The legislature is looking for budget  
19 reductions and it is not exempting special funds.  
20 They're looking for reductions everywhere, and they're  
21 looking at Cal EPA, and they're looking at the Waste  
22 Board.

23           I'm concerned that if the Board goes in the  
24 opposite direction from where the legislature wants on  
25 global warming, on tire burning, on RAC, you will be

1 inviting the legislature to come and cut your budget.

2 Thank you.

3 COMMITTEE CHAIR MEDINA: Thank you, Mr.  
4 Magavern.

5 COMMITTEE MEMBER WASHINGTON: They can't cut  
6 anymore than they've already done. I don't know if you  
7 noticed, they took \$20 million from us already.

8 MR. MAGAVERN: Well from what I hear, it's  
9 going to get a lot worse before it gets better.

10 COMMITTEE MEMBER WASHINGTON: Yeah, I've been  
11 saying the same thing.

12 COMMITTEE CHAIR MEDINA: Thank you, Mr.  
13 Magavern.

14 The next speaker is Ken Koyama followed by  
15 Frank Sheets.

16 MR. KOYAMA: Good afternoon, Mr. Chair and  
17 members of the Board. I'm Ken Koyama, I'm with the  
18 California Energy Commission.

19 As you just heard, we just completed this  
20 report on low rolling resistance tires and made a  
21 recommendation to the Governor and legislature on  
22 improving fuel efficiency through the use of low rolling  
23 resistance tires.

24 Our basic estimate is that we can save about a  
25 hundred million gallons per year of gasoline with the

1 use of low rolling resistance tires. However, there are  
2 claimed to be trade-offs to low rolling resistance  
3 tires, one of which is lower tire life. But we have not  
4 been able to get enough data to make that kind of  
5 conclusion.

6 Our concern is that if we pursue a course of  
7 low rolling resistance tires, what do we do in terms of  
8 tire life?

9 And in addition, and just as important is the  
10 impact to safety. We are very concerned about the  
11 safety issue with low rolling resistance tires, but we  
12 need to get the data.

13 For that reason, our recommendation in our  
14 report is to do a number of tire tests, up to 1,400  
15 tires, which represents about a third of the tires that  
16 are available on the retail market, and includes both  
17 sport utility vehicles and light duty pickup truck  
18 tires.

19 We estimate that the cost of the tires testing  
20 would be about \$700,000. We do believe that there would  
21 be some mutual benefits for your agency and mine, one of  
22 which is we don't want to pursue a policy that's  
23 inconsistent with other state agency policies. We would  
24 hope that that would be the same with your agency.

25 We would not want to see policies that would

1 promote the use of greater fuel in transportation,  
2 especially given the two dollars per gallon of gasoline  
3 that we're facing today.

4           Getting this test data is going to help us  
5 formulate these policies, and we hope it's going to give  
6 us mutual benefits.

7           And this is really coming to a head with the  
8 introduction of AB 844 by Assemblyman Nation. This bill  
9 requires the Energy Commission to set efficiency  
10 standards and mandatory labeling for tires. The goal for  
11 this legislation is to have all tires be at least as  
12 fuel efficient as tires on brand new cars.

13           And just anecdotally, some tires on brand new  
14 cars have about two-thirds of the life of tires, of  
15 after market tires.

16           So our ability to meet this legislation will  
17 certainly greatly be enhanced with the tire testing.

18           We'd like you to consider this item, and thank  
19 you very much.

20           COMMITTEE CHAIR MEDINA: Thank you very much,  
21 Mr. Koyama.

22           And Mr. Frank Sheets is, next and the last  
23 speaker is Douglas Shumway.

24           MR. SHEETS: Frank Sheets, TXI Riverside  
25 Cement, one of two cement manufacturers represented here

1 today.

2           Just a couple of points. I find it interesting  
3 you're talking about rolling resistance in tires. I  
4 think that's 50 percent of the equation in that I  
5 believe there's data from the cement association which  
6 shows a differential in the paving as far as the  
7 efficiency goes. So it may be something interesting to  
8 look at because, and I guess I'm promoting Portland  
9 Cement at the moment, but nevertheless there is a  
10 difference, could be a difference between asphaltic  
11 paving and Portland cement paving.

12           Riverside cement historically has used tires as  
13 fuel at our facility in Oro Grande although we ceased  
14 that operation about three years ago. It was for  
15 economic reasons only that we ceased that operation.

16           We believe the markets have to support  
17 themselves. And we are again looking at the possibility  
18 of increasing or starting our use at Riverside Cement  
19 again to consume some one million tires per year.

20           There's another Southern California plant that  
21 is also seriously, is permitted as well as Riverside  
22 Cement, and I know that they are again looking at using  
23 TDF.

24           And the combination of these two plants, these  
25 two permitted plans could represent an additional four

1 million tires per year not being disposed of or not  
2 having to go to landfill.

3           But nevertheless, we invite the Board to look  
4 at the facts as far as the use of tire derived fuel,  
5 and not base your decision on perceptions. And invite  
6 you to talk to our air districts who, I'm sure, will be  
7 more than happy to talk to you. And visit these  
8 facilities so you can see firsthand how tire derived  
9 fuel is used in the process of manufacturing Portland  
10 Cement.

11           Thank you.

12           COMMITTEE CHAIR MEDINA: Thank you, Mr. Sheets.

13           And Mr. Douglas Shumway.

14           MR. SHUMWAY: Hi, I'm Doug Shumway with  
15 Mitsubishi Cement Corporation.

16           Mitsubishi has been recycling waste tires since  
17 1994. Mitsubishi uses coal for our primary source of  
18 fuel. Mitsubishi found that a pound of rubber in a  
19 waste tire has more fuel value than a pound of coal.  
20 The steel belts in the tires are very suitable for our,  
21 the iron raw material in our cement mix.

22           Mitsubishi has been using five to 6,000 tires,  
23 five to 6,000 waste tires per day. That's over one and  
24 a half million tires per year. And we feel that this is  
25 a real win-win-win proposition.

1           There are, our testing has shown that there is  
2 no increase in toxic emissions. As a matter of fact,  
3 there's a decrease, significant decrease in nitrous  
4 oxide emissions.

5           We feel this is a win-win-win deal where we're  
6 solving a solid waste problem. We're basically  
7 recycling the energy in the tires and the steel belts,  
8 we basically get an air pollution reduction.

9           We'd love to have you, have the staff and the  
10 Board come out to pay our plant a visit.

11           And again, thanks for your time.

12           COMMITTEE CHAIR MEDINA: Thank you.

13           That was our final speaker, and before we move  
14 on I just want to ex-parte a letter that we received  
15 from the West Valley Citizens Air Watch in Cupertino,  
16 California.

17           And basically it addresses a two year revision  
18 of the five year California waste tire programs. It  
19 says:

20                   "Dear Board Members: West Valley  
21 Citizens Air Watch is a citizens group  
22 organized to monitor air quality issues  
23 and promote true recycling of used tires."

24           It says, "We're unable to attend the  
25 workshop today; however, we're hopeful

1           that Board members, and particularly members  
2           of the Special Waste Committee take a fresh  
3           look at this issue."

4                    And, "To wit," they say, "that any  
5           proceedings of direct or indirect subsidy of  
6           or acceptance of burning tires for fuel by  
7           the Waste Board is taking a step backwards.  
8           The State of California and the Waste Board  
9           should be leading the nation in promoting  
10          and supporting source separation and true  
11          recycling of used tires."

12          So that's their correspondence to us.

13          With that, Board members, we'll take just a  
14 five minute break so that we can gather ourselves for  
15 proceeding forward with finalizing the budget.

16                    (Thereupon there was a brief recess.)

17          COMMITTEE CHAIR MEDINA: Okay. We are  
18 reconvening.

19                    Board member Papanian brought to my attention  
20 that program evaluation was not included among the core  
21 elements. So the first issue before us is do we wish  
22 that included in the core elements? If yes, in what  
23 amount? And if not, is it, can we place it in another  
24 category? And if so, in what amount?

25          So let's take up the issue first of the program

1 evaluation.

2 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, that  
3 is what came out of the committee last time at a figure  
4 of 250,000. And it didn't cleanly fit in any category  
5 since it cut across categories or could be drawn upon  
6 for program work, program evaluation work in each of the  
7 categories.

8 The total amount, \$250,000, is less than one  
9 percent of the overall budget, and I think that's  
10 consistent with the, you know, levels of money you would  
11 want in a program this size to do program evaluation  
12 work.

13 When this came up with regards to a specific  
14 program a year or so ago with the RAC centers, we  
15 struggled with that and had some, you know, difficulty  
16 identifying the funds because there weren't specific  
17 funds set aside for program evaluation.

18 So what this would do is set aside funds for  
19 program evaluation that could be used to help us in our  
20 evaluations of the programs within the tire programs.

21 So I'd suggest the \$250,000 a year.

22 COMMITTEE MEMBER JONES: Mr. Chair.

23 COMMITTEE CHAIR MEDINA: Board member Jones.

24 COMMITTEE MEMBER JONES: I would probably be  
25 able to deal with part of that.

1 I think the performance measures that, the  
2 functions that our staff do on a lot of the grants and  
3 things like that need to be done at the staff level  
4 rather than having a third party look over their  
5 shoulders.

6 I know that Mr. Papanian was, rightfully wanted  
7 to see how the RAC centers were doing, and I didn't have  
8 a problem with that, and we did have a problem with  
9 looking at where the funding would be. And I think  
10 there's some times that, you know, we could use some  
11 money to go out and look at specific programs.

12 But I think performance measures need to be  
13 performed by our staff, and let the Board evaluate if  
14 it's performing or not as opposed to just having a  
15 quarter of a million dollars set aside for some  
16 consultant to go out and look at what we do, and spend  
17 most of it trying to learn what it is we do as opposed  
18 to, you know, what the actual performance was.

19 So if I supported it, it would be at a greatly  
20 reduced level.

21 COMMITTEE CHAIR MEDINA: I guess my thinking on  
22 it is that while I see a need for program evaluation, I  
23 don't see a need for program evaluation each and every  
24 year.

25 I can see program evaluation considered in the

1 outer years so that we can take a look back at the years  
2 that we have performed, but I really don't see it in the  
3 first two years.

4 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I  
5 think that it would be useful as we develop the two year  
6 budgets and as we, you know, continually look at the  
7 tire programs.

8 I think if we waited two years to do any sort  
9 of program evaluation we would miss the next biennial  
10 cycle.

11 I agree with Mr. Jones that, you know, a lot of  
12 this program criteria stuff, you know, it is a matter of  
13 the numbers, it's a matter of the detail, and that is  
14 best left up to the staff.

15 But I think this is kind of a bigger picture  
16 look at program delivery, and I think that it's  
17 something that can be very constructive for the whole  
18 program.

19 And again, it's less than one percent, and  
20 that's really not inconsistent with what I think we  
21 would want in terms of being able to analyze our  
22 programs.

23 COMMITTEE CHAIR MEDINA: Until we go to the  
24 performance measures I frankly am hesitant to fund this  
25 yearly program evaluation given the limited amount of

1 funds that we have.

2 COMMITTEE MEMBER JONES: Mr. Chair, I think I'd  
3 agree with you, but I'd love to continue the dialogue  
4 with Mr. Paparian on this thing since we're going to  
5 have a little bit of time between now and final  
6 adoption. But you know, with that, with just the  
7 expectation that I see it as a reduced role.

8 I mean I don't have a, I don't have a week that  
9 doesn't go by that somebody doesn't call about some of  
10 the programs that we're doing, either how great they are  
11 or how bad they are.

12 I mean I think we have a pretty good sense as  
13 to the program efficiency. So I think in looking at a  
14 third party, I'd like to know more about what it is  
15 they're going to evaluate, what tools, and then maybe  
16 there's merit in that.

17 But I'm not, I am not prepared to spend a  
18 quarter of a million dollars to have yet another set of  
19 eyes looking over our staff's shoulders and questioning  
20 everything they do. That's not going to happen.

21 COMMITTEE MEMBER PAPARIAN: Mr. Jones, you  
22 know, this is not a blank check as you might seem to  
23 imply there. I think that we would have to, we would  
24 draw on this as needed. We would have, you know, items  
25 come before the Board, we'd have scopes of work come

1 before the board, you know, before the money would be  
2 expended.

3           But again, if you remember on the RAC center  
4 evaluation, we didn't have a pot of money to draw from  
5 to do the RAC center evaluation, so we had to reduce the  
6 amount that the RAC centers themselves were going to  
7 get, that was a painful exercise.

8           If we had a pot of money like this available  
9 and we saw the need for doing a program evaluation,  
10 either specific to some aspect of this or even more  
11 generally to, you know, the research program or the  
12 enforcement program or whatever it might be, we would  
13 have that pot of money to draw from.

14           If we didn't draw from this pot of money, it  
15 could then go into reallocation at the end of the year.

16           So Mr. Chairman, again, I think this is  
17 something that the legislature called for in 876, they  
18 were very concerned about, you know, continual  
19 evaluation of our programs, and I think this allows us  
20 to deliver it at a cost of less than one percent of the  
21 overall program budget.

22           COMMITTEE MEMBER JONES: Yeah, but the  
23 legislature didn't ask for an outside party to do that,  
24 they asked us to continually evaluate our programs,  
25 right --

1 COMMITTEE MEMBER PAPARIAN: And sometimes --

2 COMMITTEE MEMBER JONES: -- as I remember it.

3 COMMITTEE MEMBER PAPARIAN: And sometimes it  
4 may be appropriate to do it internally, and sometimes it  
5 may be appropriate to do it externally.

6 If it's appropriate to do it externally, we can  
7 have a scope of work and then we can talk about what  
8 that would actually be. We wouldn't have to go through  
9 the process like we went through with the RAC centers of  
10 having the --

11 COMMITTEE MEMBER JONES: But truthfully that  
12 was one where you and I disagreed because one was brand  
13 new and they were getting projects out, and we still  
14 hadn't figured out how to do a measurement standard to  
15 even evaluate.

16 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, we  
17 already discussed this quite thoroughly at the last  
18 committee meeting, and we allocated \$250,000 to it, so  
19 I'd like to see this \$250,000 continue.

20 COMMITTEE CHAIR MEDINA: Well, as you know, we  
21 have made a lot of changes since the last committee  
22 meeting.

23 I am not opposed to program evaluation, but on  
24 the issue itself of whether to include it as a core  
25 element to the tune of 250,000 for every year, I'm not

1 supportive of that.

2 I would not be opposed to a program evaluation  
3 in the outer years. But at this point, given the amount  
4 of monies that we have available, I'm not inclined to  
5 either include it as a core element at this time nor to  
6 allocate 500,000 for it in 03-04.

7 Board member Washington, do you have any  
8 thoughts on this?

9 COMMITTEE MEMBER WASHINGTON: I guess, Mr.  
10 Chairman, I'm just sitting here thinking. Program  
11 evaluations. I'm listening to Mr. Paparian's argument  
12 for it, and in one sense it makes sense, and in another,  
13 you know, it's almost like a half a dozen in one hand  
14 and a half in the other hand.

15 Do we micromanage staff in terms of the  
16 evaluations, or do we create internally a mechanism  
17 where if Mr. Paparian wanted to see how the staff is  
18 coming up with these scopes of works and how they're  
19 coming up with these projects, then I think that's  
20 another avenue to go down.

21 But to provide a quarter of a million dollars  
22 for a program evaluation within our agency, that's a bit  
23 much for me too. I just think that, I mean, I don't see  
24 how we could do that in a sense of constantly running  
25 behind staff trying to evaluate how they come up to

1 where they get.

2 I mean I just don't know how efficient that  
3 would be. I don't know what it does to the staff morale  
4 in terms of the people who work for this agency and the  
5 job that they do.

6 I'm just not so sure if I'm comfortable with  
7 putting them in a position or running behind them all  
8 the time, you know, or even bringing someone from  
9 outside to do it.

10 I think you call for audits and things of that  
11 nature when things get out of control, and I don't think  
12 we're at a point where, I don't believe as a Board  
13 member that we're at a point where things are out of  
14 control and we need to have somebody come in and see if  
15 staff is doing what they're supposed to be doing, or if  
16 they're doing it appropriately or quarterly.

17 I think if you put, if the Board sees fit to do  
18 it that, you know, you know, you have to reduce that,  
19 you know, 75,000 or something that, that makes sense to,  
20 you know, do it based on the need to do it, not just to  
21 have it sitting there, you know. I don't know.

22 COMMITTEE CHAIR MEDINA: On the first issue,  
23 just to resolve the first issue, is this something to be  
24 included as a core element? And let's settle that  
25 first.

1 Mr. Paparian feels strongly inclined to include  
2 it as a core element.

3 I myself am not inclined in that direction.

4 And Mr. Jones?

5 COMMITTEE MEMBER JONES: No.

6 COMMITTEE CHAIR MEDINA: Mr. Washington?

7 COMMITTEE MEMBER WASHINGTON: No.

8 COMMITTEE CHAIR MEDINA: Well Mr. Paparian, the  
9 support is not there to include it as a core element.

10 There is some support for program evaluation in  
11 some amount yet to be determined, and so we need to work  
12 that out.

13 COMMITTEE MEMBER PAPARIAN: So when and where  
14 does that come up? In what, do we put 50,000 in each  
15 program for unspecified? There's no administration type  
16 item that we're going to review where there's a general  
17 category like this.

18 Again, we talked about this at the last  
19 committee meeting. And the reason why it came up on the  
20 top sheet was because it didn't fit neatly in other  
21 areas.

22 So Mr. Chairman, you're telling me I can come  
23 back and talk about this sometime, but I'm confused,  
24 it's not market development, it's not research, at what  
25 point would I come back? What would I be looking at?

1 COMMITTEE CHAIR MEDINA: That I could not tell  
2 you, Board member Paparian. Again, the program  
3 evaluation is something that you put in there that was  
4 not one of the essential elements or core elements as I  
5 saw listed here in the appendix of the five year plan.

6 And so, as I mentioned last time, we were way  
7 over budget last time, and so I entertained any  
8 recommendations that the committee members that were  
9 present at that time wished to make, even though we were  
10 over budget and there were some things that had not  
11 originally been included in some previous discussions.

12 But today was the meeting scheduled to work out  
13 a number of these issues, and following that, the  
14 meeting on Tuesday of March 11th will also serve to  
15 finalize some unresolved issues.

16 COMMITTEE CHAIR MEDINA: Okay. So I can come  
17 back on Tuesday and talk about program evaluation as  
18 well as some of my creative ideas on enforcement and  
19 other areas?

20 COMMITTEE CHAIR MEDINA: Certainly.

21 COMMITTEE MEMBER WASHINGTON: I think the  
22 reason why you can't find a place to put this, because I  
23 think this belongs within the administrative part. It  
24 shouldn't be in this tire five year plan.

25 Evaluations, if you want evaluations it should

1 be across the board and not just under one program.

2 And I think that's why you can't find a place where this  
3 really fits.

4 I think this belongs in administrative policy  
5 where, Mike, we probably should do it at the Board level  
6 directing staff, and figuring out how we can set up a  
7 mechanism to address program evaluations across the  
8 board and not just in one program.

9 I think that's why it's difficult to try to  
10 figure out where it fits.

11 COMMITTEE CHAIR MEDINA: Thank you. With that  
12 we'll move on to finalizing the budget for research and  
13 markets.

14 And what I would like to do on this, Board  
15 members, is that I took the time to review the numbers  
16 that we had come up, and so what I have done is come up  
17 with numbers of my own which I wish to propose, which  
18 result in a budget that balances to the \$11,376,000  
19 remaining to us, and that includes also the Kuehl bill.

20 So I'd like to go down each item beginning with  
21 research for fiscal year 03-04 and fiscal years 04-05,  
22 and the remaining, and the outer years we will take up  
23 on Tuesday at the meeting of March the 11th.

24 So running down the list of the items that we  
25 went before, under research, research staff for 03-04,

1 I'm proposing 457,000. And for 04-05 also that same  
2 amount.

3 COMMITTEE MEMBER JONES: Are we -- I'm sorry,  
4 Mr. Chair.

5 COMMITTEE CHAIR MEDINA: Yes.

6 COMMITTEE MEMBER JONES: So each line item  
7 we'll just vote?

8 COMMITTEE CHAIR MEDINA: Yes, we'll vote on  
9 each line item.

10 COMMITTEE MEMBER JONES: Okay. I move that we  
11 accept it.

12 COMMITTEE CHAIR MEDINA: Is there a second?

13 COMMITTEE MEMBER WASHINGTON: Second.

14 COMMITTEE CHAIR MEDINA: Okay, there's a first  
15 and second.

16 Call the roll.

17 COMMITTEE SECRETARY HARRIS: Jones.

18 COMMITTEE CHAIR JONES: Aye.

19 COMMITTEE SECRETARY HARRIS: Paparian.

20 COMMITTEE MEMBER PAPARIAN: Aye.

21 COMMITTEE SECRETARY HARRIS: Washington.

22 COMMITTEE MEMBER WASHINGTON: Aye.

23 COMMITTEE SECRETARY HARRIS: Medina?

24 COMMITTEE MEMBER MEDINA: Aye.

25 COMMITTEE MEMBER PAPARIAN: Mr. Chairman,

1 just, maybe if there's some way to get all the numbers  
2 out there. Because it's going to be hard to vote item  
3 by item unless we know what the big picture is.

4 COMMITTEE CHAIR MEDINA: Well let me just list  
5 all my numbers and then you can look at 'em for both of  
6 those years in both of the categories.

7 For increased recycled content in new tires for  
8 03-04 I have zero. For 04-05 I have 100,000.

9 For pyrolysis, gasification, liquefaction for  
10 03-04 I have 300,000, for 04-05 I have 300,000.

11 For energy recovery from tires I have, in 03-04  
12 and 04-05 I have 300,000.

13 Devulcanization technology for 03-04 and 04-05,  
14 I have zero for those.

15 Civil engineering uses for tires I have 500,000  
16 for 03-04 and 500,000 for 04-05.

17 For increased tire life span, for 03-04 and  
18 04-05 I have 200,000.

19 For fiber and steel uses I have zero for 03-04,  
20 and zero for 03-05.

21 The same for the RAC study.

22 For the updated report, "Tires as Fuel  
23 Supplement," I have zero for 03-04, 100,000 for 04-05.

24 For a study on the number of tires generated,  
25 for 03-04 I have zero, and zero for 04-05.

1 For fire responder health effects, basically  
2 the OEHHA request. That's 200,000 for 03-04, and 250  
3 for 04-05.

4 For water quality and tire chips into projects,  
5 zero for 04-05, and zero for 03-04.

6 For cost comparison of diversion techniques I  
7 have zero for 03-04, and zero for 04-05.

8 For DHS MVCAC mosquito control, I have zero for  
9 03-04, and zero for 04-05.

10 For creation of a research center I have zero  
11 for 03-04, and zero for 04-05.

12 For environmental and health issues of  
13 combustion I have zero for 03-04, and zero for 04-05.

14 For third party peer review I have 75 for  
15 03-04, and 75 for 04-05.

16 For Caltrans support I have 1,100,000 for  
17 03-04, and 600,000 for 04-05.

18 For DGS fleet I have 150,000 for 03-04.

19 Now let me run through the figures for market  
20 development and new technology.

21 For market development staff for 03-04 I have  
22 524,000, zero for 04-05.

23 For tire recycling conferences, I have zero --

24 COMMITTEE MEMBER JONES: Zero staff for 04-05?

25 COMMITTEE CHAIR MEDINA: For market development

1 staff for 03-04 I have 524,000.

2 COMMITTEE MEMBER JONES: Oh, okay.

3 COMMITTEE CHAIR MEDINA: And for 04-05 I have  
4 524,000.

5 COMMITTEE MEMBER JONES: Thank you. I heard a  
6 zero and I got nervous. I thought you knew something  
7 none of us did.

8 (LAUGHTER)

9 COMMITTEE CHAIR MEDINA: I don't have a ruler  
10 to run across the column.

11 For tire recycling conferences, for 03-04 I  
12 have zero, and for 04-05 I have zero.

13 For tire care brochure survey, 03-04 I have  
14 zero -- thank you -- and for 04-05 I have 250,000.

15 For public service announcements, for 03-04 I  
16 have 250,000, for 04-05 I have 250,000.

17 For civil engineering uses for 03-04 I have  
18 zero, and for 04-05 I have 500,000.

19 For playground cover grants, for 03-04 I have  
20 800,000, and for 04-05 I have one million.

21 For track, other recreational surfaces, I have  
22 800,000 in 03-04, and one million for 04-05.

23 For product commercialization grants, for 03-04  
24 I have 1,600,000. And for 04-05 I have two million.

25 For green building, 03-04 I have 300,000;

1 04-05, 500,000.

2 For RACTC I have 03-04, 500,000; 04-05,  
3 600,000.

4 For signs for Caltrans RAC projects, zero,  
5 03-04; zero, 04-05.

6 RMDZ loan, for 03-04 I have 1,600,000, two  
7 million for 04-05.

8 For state agency purchases and development I  
9 have 300,000 for 03-04, and 600,000 for 04-05.

10 For buy recycled conference, I have 50,000 for  
11 03-04, and 75,000 for 04-05.

12 For Cal MAX and WRAP I have 20,000 for 03-04,  
13 33,000 for 04-05.

14 For rebate study I have zero for 03-04, zero  
15 for 04-05.

16 For tire database I have 100,000 for 03-04,  
17 150,000 for 04-05.

18 For buy recycled certification audits I have  
19 50,000 for 03-04, I have 50,000 for 04-05.

20 For fiber and steel uses, I have zero for  
21 03-04, zero for 04-05.

22 And for the RAC grants I have 1,100,000 and --  
23 1,100,000 for 03-04, and one million for 04-05.

24 My totals for all of those items are as  
25 follows:

1 Research adds up to \$3,282,000 for research.

2 For markets, 6,994,000.

3 And for the Kuehl bill, 1,100,000 with \$11,345  
4 available for whatever else we wish to spend there.

5 And so do we have, can we get the totals posted  
6 for 04-05 and for 04-03?

7 And what I would like to do, Board members. If  
8 those figures seem reasonable to you, I'd like to have a  
9 motion and a second on that, and then we will go into  
10 the matter of the 11,345 that's available.

11 COMMITTEE MEMBER JONES: Mr. Chair.

12 COMMITTEE CHAIR MEDINA: Board member Jones.

13 COMMITTEE MEMBER JONES: I am impressed that  
14 there was \$11,000 left over.

15 But I'll move that we adopt the proposed  
16 budget.

17 COMMITTEE MEMBER WASHINGTON: Second.

18 COMMITTEE CHAIR MEDINA: Okay. It's been  
19 moved and seconded that we adopt the proposed budget.  
20 Call the roll, please.

21 COMMITTEE SECRETARY FRENCH: Jones.

22 COMMITTEE CHAIR JONES: Aye.

23 COMMITTEE SECRETARY FRENCH: Paparian.

24 COMMITTEE MEMBER PAPARIAN: (No response.)

25 COMMITTEE SECRETARY FRENCH: Washington.

1 COMMITTEE MEMBER WASHINGTON: Aye.

2 COMMITTEE SECRETARY FRENCH: Medina?

3 COMMITTEE MEMBER MEDINA: Aye.

4 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I'm  
5 not ready to vote for it until I have a chance to look  
6 at it. It seems to me that some of the things I care  
7 about got a disproportionate hit in that proposal. I  
8 want to take a, study it more and maybe come back and  
9 talk about it some more.

10 COMMITTEE CHAIR MEDINA: Very good. So this  
11 will move on to the meeting of March 11th of the Special  
12 Waste Committee with a three member recommendation.

13 COMMITTEE MEMBER JONES: Mr. Chair.

14 COMMITTEE CHAIR MEDINA: Board member Jones, I  
15 think that \$11,000, we ought to direct that towards  
16 Tracy, because the quicker we get the Tracy ground  
17 cleaned up, the quicker this fee can go down from a  
18 dollar a tire to 75 cents a tire. And I'm real serious  
19 about that, folks.

20 MR. LEE: Chairman Medina, one question again  
21 if I could ask Sally to show the overall total again, I  
22 want to doublecheck the total for 04-05 relative to our  
23 expenditure authority, there seems to be some  
24 discrepancy on that.

25 MR. LEE: Mr. Medina, I would like a little

1 time to kind of take a look at --

2 COMMITTEE CHAIR MEDINA: Which category? In  
3 which category?

4 MR. LEE: I'm looking at the total.

5 COMMITTEE CHAIR MEDINA: Are you looking at  
6 markets?

7 MR. LEE: I'm looking at the entire budget,  
8 it's 33,469, and our expenditure authority is 31,8 so I  
9 think there's some discrepancy that we need to probably  
10 take a little bit of time so I can try and discern --

11 COMMITTEE CHAIR MEDINA: Okay. Let's take  
12 another five minute break.

13 MR. LEE: Thank you.

14 (Thereupon there was a discussion off the  
15 record.)

16 COMMITTEE CHAIR JONES: This meeting is called  
17 back to order.

18 And going back to the market development and  
19 technology activities to read the amounts.

20 For playground cover grants for 04-05, that's  
21 800,000.

22 MS. FRENCH: Which one was that?

23 COMMITTEE MEMBER WASHINGTON: Eleven.

24 COMMITTEE CHAIR MEDINA: For track and other  
25 recreational surfaces for 04-05, 800,000.

1 For product commercialization grants,  
2 1,600,000.

3 For green building, 300,000.

4 For RMDZ loan, 1,600,000.

5 For state agency purchases and development,  
6 300,000.

7 And that brings the total up to 31,869,000, is  
8 that correct? 79?

9 MS. FRENCH: 31,769,000.

10 COMMITTEE CHAIR MEDINA: Okay. So is that the  
11 correct figure on the screen?

12 MR. LEE: Yes, it is.

13 COMMITTEE CHAIR MEDINA: Okay, so 04-05 is  
14 31,769,000, and that's the correct amount.

15 Is there, are we over or under in terms of the  
16 final total for?

17 MR. LEE: It looks like we're just about  
18 21,000 -- excuse me about, yeah, about \$31,000 just  
19 short of expenditure authority, the spending authority.  
20 So, looks good.

21 COMMITTEE MEMBER JONES: Mr. Chair.

22 COMMITTEE CHAIR MEDINA: Board member Jones.

23 COMMITTEE MEMBER JONES: Just one -- oh, that's  
24 for 04-05. Okay. I'm just worried about the recycled  
25 trade show cutting. I didn't realize it at the time but

1 we may have a problem with that with our recycling trade  
2 show. So maybe between now and Tuesday we can look at  
3 maybe dinging DGS a couple of bucks and making sure we  
4 can put our recycling trade show on.

5 COMMITTEE CHAIR MEDINA: Very good. Because we  
6 had announced that we were going to adjourn at  
7 approximately 3:00 o'clock, we're now past 3:00 o'clock,  
8 I have asked for any public testimony. I have asked for  
9 any speaker slips to be handed up, none have been.

10 Because we still have the issue of the  
11 performance measures as well as revision of the text of  
12 the five year plan, and we want to do justice to that  
13 and give it sufficient time, we will not take that up  
14 today.

15 We will, and because there won't be sufficient  
16 time to do that on Tuesday at the Special Waste  
17 Committee which already has a full agenda, we will  
18 schedule another special meeting of the five year tire  
19 plan to take up the performance measures, the, editing  
20 the text of the five year plan, and any other unresolved  
21 issues that we need to carry over from here to that  
22 meeting.

23 COMMITTEE MEMBER PAPARIAN: Mr. Chairman.

24 COMMITTEE CHAIR MEDINA: Yes.

25 COMMITTEE MEMBER PAPARIAN: At that time, the

1 staff had asked that if any Board members had proposed  
2 changes to the five year plan to get them there, to  
3 staff last week. I think I was the only one who  
4 provided suggested changes to the plan.

5           And to help expedite the meeting you're calling  
6 for, I had offered this to staff a couple of days ago, I  
7 suggest that perhaps staff and I get together to see if  
8 we can narrow the areas of disagreement that we have to  
9 help move your meeting along.

10           So I would suggest that perhaps the executive  
11 staff convene whoever with me, because I have quite a  
12 few changes, if you'll notice. And again, I was the  
13 only one who proposed changes, I had quite a few  
14 changes. And I think it might expedite the meeting that  
15 you're talking about if we can narrow the areas of  
16 disagreement, you know.

17           Maybe I'm being optimistic that that can  
18 happen, but I think in a lot of the cases it probably  
19 can, and it may help move the meeting along.

20           COMMITTEE CHAIR MEDINA: And I think that's a  
21 good suggestion, Mr. Papanian.

22           I would also say that, Board members, if you  
23 have any changes to the proposed text, if you would  
24 share that with other Board members prior to the meeting  
25 as well.

1 COMMITTEE MEMBER JONES: Mr. Chair.

2 COMMITTEE CHAIR MEDINA: Board member Jones.

3 COMMITTEE MEMBER JONES: Thanks, Mr. Chair. I  
4 read a lot of the proposed text and, you know, while  
5 you're meeting with exec staff you may want to have a  
6 conversation with me because some of the proposed text  
7 looks like exactly what we had done in the five year  
8 plan with the adding of a few adjectives and some, you  
9 know, just some wordsmithing that I don't know how  
10 necessary that is.

11 And then all of the references to deleting  
12 anything about tire combustion I don't, you know, staff  
13 may, you know, you may narrow a gap with staff, but I  
14 think I wasn't prepared to, you know, endorse any of  
15 those so --

16 COMMITTEE MEMBER PAPARIAN: Mr. Jones, I'd be  
17 happy to have that conversation with you, and I'm happy  
18 to have it right now, I'm free this afternoon if you  
19 want.

20 MR. LEE: Chairman Medina.

21 COMMITTEE CHAIR MEDINA: Yes.

22 MR. LEE: Just to respond to Mr. Paparian, we'd  
23 be pleased to meet to discuss the matters with him. But  
24 again, staff's direction was to only make non-policy  
25 non-controversial changes to the five year plan revision

1 and basically leave the discussion of the policy matters  
2 to Board members.

3 I think some of the changes that you are  
4 proposing I think raise, you know, policy, have policy  
5 implications that really cannot be resolved at the staff  
6 level. But nonetheless, we'd be pleased to discuss, as  
7 you said, to receive clarification on your points of  
8 view and positions.

9 COMMITTEE MEMBER PAPARIAN: I think that, again  
10 maybe I'm being overly optimistic, but I think that  
11 there are quite a few of them, though they may border on  
12 policy related changes, where we would be able to reach  
13 agreement that that's an okay thing to do and,  
14 therefore, reduce the number of issues we really have to  
15 take up before this committee.

16 But you know, again I'd look to the executive  
17 staff to convene us, and maybe --

18 CHIEF DEPUTY DIRECTOR NAUMAN: Mr. Paparian, I  
19 think we can convene just such a meeting and have the  
20 discussion and hear those different perspectives, and  
21 we'll see where that leads us. But I appreciate the  
22 offer, and we will gladly make the arrangements to put  
23 it together.

24 COMMITTEE CHAIR MEDINA: I'm calling for an  
25 additional special meeting such as this one so that we

1 have ample time to be able to give to the performance  
2 measures and to the revisions to the text.

3 CHIEF DEPUTY DIRECTOR NAUMAN: And we'll be  
4 working with all of your calendars to schedule that.

5 COMMITTEE CHAIR MEDINA: Okay. Board members,  
6 thank you for all your time and all your efforts.

7 COMMITTEE MEMBER JONES: Mr. Chair.

8 COMMITTEE CHAIR MEDINA: Yes.

9 COMMITTEE MEMBER JONES: Congratulations on a  
10 really efficient meeting, I appreciate it.

11 COMMITTEE CHAIR MEDINA: This meeting is  
12 adjourned.

13 (Thereupon the foregoing was concluded  
14 at 3:08 p.m.)

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