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COMMITTEE MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

1001 I STREET

2ND FLOOR

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

TUESDAY, SEPTEMBER 9, 2003

9:30 A.M.

TIFFANY C. KRAFT, CSR, RPR
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APPEARANCES

COMMITTEE MEMBERS

Jose Medina

Steven R. Jones

Michael Paparian

STAFF

Mark Leary, Executive Director

Julie Nauman, Chief Deputy Director

Michael Bledsoe, Acting Chief Counsel

Jesse Adams

Teresa Bober

Wendy Breckon

Don Dier

Tom Estes

Nate Gauff

Jennine Harris, Committee Secretary

Jim Lee, Deputy Director

Diane Nordstrom

Stacey Patenaude

Shirley Willd-Wagner

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APPEARANCES CONTINUED

ALSO PRESENT

Dr. Gary Hicks

Terry Leveille, TL & Associates

Phil Stolarski, Caltrans

Larry Sweetser, Rurual Counties ESJPA

Shmuel L. Weissman, Symplectic Engineering Corporation

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PROCEEDINGS

CHAIRPERSON MEDINA: Good morning. This meeting is called to order. This is the meeting of the Special Waste Committee. Today is September the 9th, 2003.

Please turn off your cell phones and pagers. If you wish to speak, there's speaker slips at the back of the room.

Would you call the roll, please.

SECRETARY HARRIS: Jones?

COMMITTEE MEMBER JONES: Here.

SECRETARY HARRIS: Paparian?

COMMITTEE MEMBER PAPARIAN: Here.

SECRETARY HARRIS: Medina?

CHAIRPERSON MEDINA: Here.

Any ex partes?

Board Member Jones.

COMMITTEE MEMBER JONES: I said hello to Dr. Gary Hicks, and I think that's it.

CHAIRPERSON MEDINA: Board Member Paparian.

COMMITTEE MEMBER PAPARIAN: I'm up to date.

CHAIRPERSON MEDINA: And I'm up to date as well.

We'll start off today with the Deputy Director's report. Mr. Jim Lee.

DEPUTY DIRECTOR LEE: Thank you, Chairman Medina, and good morning Committee members. My name is Jim Lee

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with the Special Waste Division.

I have a few items in my Deputy Director's report this morning. First, I wanted to especially thank all of the Special Waste Committee members for your participation in our waste tire conference held last week. I think your participation signaled to all those that were in attendance your interest and involvement in the tire program. It also involved providing very positive reenforcement and support for staff on the many programs we are implementing on the Board's behalf, including the tire manifest program, the legal enforcement program, and also product stewardship, social marketing, and increased RAC usage initiatives, among others. Again, we very much appreciate your attendance and support.

CHAIRPERSON MEDINA: Just from the Board's perspective, those of us that were able to attend and participate, we were very impressed with how organized it was and the high level of participation by both external and internal stakeholders. We want to commend you and the staff for the excellent work that you did in putting on the conference.

DEPUTY DIRECTOR LEE: Thank you, Chairman Medina.

The Sonoma County waste tire site update. Consistent with the Board's direction, we have initiated efforts to remediate the waste tire piles at the Sonoma

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1 County waste tire sites by issuing enforcement orders to
2 all the land owners. For the Group 1 sites, the cleanup
3 and abatement orders have been mailed to all five sites.
4 The owners are required to respond by September 24th
5 indicating their willingness to abide by the terms and
6 conditions set forth in the Board order, including
7 obtaining necessary permits and clearances and accepting
8 full responsibility for any necessary erosion control.
9 For the Group 2, the Ahlgrim property, will be
10 mailed this week requiring the property owner to remediate
11 the site.
12 For the Group 3 sites, cleanup and abatement
13 orders have been mailed for both sites.
14 The response for the Briggs waste tire site --
15 this is formally the Valley Ford site -- is due on October
16 the 10th.
17 The response for the Wilson Beebe property is due
18 September the 24th.
19 The Gold Ridge Conservation District is
20 attempting to work with both property owners and assist
21 them in preparing a response to the Waste Board orders.
22 An update on the Yulupa School site in Sonoma
23 County. As you recall, a fire occurred in the tire chips
24 that were used at the playground at the Yulupa Elementary
25 School. At the Board's direction, we initiated a

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1 comprehensive study of the effects of the fire accident
2 that occurred. We partnered with the California
3 Department of Toxics Substance Control and the US EPA to
4 assist us in our study. In fact, the US EPA provided the
5 funding resources to conduct the initial site
6 characterization and sampling and analysis, an estimated
7 contribution of 10- to $15,000 This work was completed on
8 August the 22nd.
9 On August the 27th, the Board's contractor
10 determined the aerial and vertical extent of the residual
11 contamination in the playground area. This was done by
12 excavating the material and stockpiling it pending the
13 results of the site characterization report. The Board's
14 contractor will utilize this information to conduct the
15 comprehensive study of the health effects from this fire
16 incident.
17 The field investigation was completed prior to
18 the start of the school year on September the 3rd.
19 However, since the school district has not filled in the
20 excavation, a fence was erected around the playground area
21 to prevent injury to the students. Staff has also amended
22 the scope of work for the Board's interagency agreements
23 with DTSC to provide for appropriate project oversight.
24 We will also amend the scope of work for the interagency
25 agreement with OEHHA to include tire fires and the health

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1 effects from playground surfaces using tire-derived
2 products.
3 Staff has also entered into a Memorandum of
4 Understanding with the Bennett Valley Union School
5 District so that the district will make good faith efforts
6 to seek compensation from the arsonist and the insurance
7 company for the damage caused to the playground site, and
8 any compensation received will be equitablt distributed
9 between the district and the Board.
10 (Thereupon an overhead presentation was
11 presented as follows.)
12 DEPUTY DIRECTOR LEE: On July 1st, the new waste
13 and used tire manifest system went into effect. Each time
14 a load of tires was picked up, hauled, and delivered,
15 either a manifest or trip log is filled out and submitted
16 to the Board. During July these forms started trickling
17 in. By August we were getting over 5,000 forms a week.
18 Due to the reduced availability of students with the
19 advent of fall classes, a backlog of unopened forms was
20 created by late August.
21 To tackle this backlog, staff sponsored a
22 manifest-opening party on August 28th complete with pizza
23 furnished by our tire branch manager Don Dier. During the
24 course of two hours, a fun time was had by all of the 37
25 staff that attended for all or part of that time. Almost

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1 10,000 forms were opened to ready the forms for scanning,
2 the essential first step in the involved process of
3 getting the information on the forms into the manifest
4 database.
5 On a more serious note, this occasion did give us
6 the opportunity to learn about the new manifest system and
7 the challenges faced by the waste tire branch and the IMB
8 in trying to make this program successful. Many problems
9 were noted on the forms, including inappropriate use of
10 staples, tape, improper folding, missing information,
11 among others. And we're working to advise the regulated
12 community on how to address these problems.
13 And these forms that you see up on the screen
14 represent only a portion of the 400,000 to 500,000 forms
15 we expect to receive on an annual basis and points to the
16 need to continue to work on our electronic data
17 transmission program to alleviate some of the paper burden
18 on both staff and the regulated community.
19 Tomorrow, on another note, Wednesday,
20 September 10th, Shirley Willd-Wagner of our used oil
21 branch will give a presentation to the Pacific Industrial
22 and Business Association in Palo Alto on California's
23 ongoing efforts with electronic waste. Member Paparian
24 addressed this group in the fall of 2001. Other speakers
25 of the seminar include Ted Smith with the Silicone Valley

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1 Toxics Coalition, Larry King with Hewlett Packard,
2 Margaret Bruce with the Silicone Valley Managers
3 Associations, and others. Our staff is continuing to
4 closely monitor the progress of Senate Bill 20, the
5 e-waste bill that will have significant workload
6 implications for the Board if it is passed by the
7 Legislature and signed by the Governor.
8 And finally, I want to turn the program over just
9 briefly to Tom Estes of the Public Affairs Office. I want
10 to have him talk about the favorable media coverage we
11 received on RAC usage at the East End Project which
12 Committee Member Paparian was instrumental in assisting
13 with.
14 MR. ESTES: Good morning, members. Just briefly
15 I wanted to -- Frank's is going to roll a clip of Channel
16 13 coverage that we thought was pretty good. But I want
17 to tell you a little bit of the back story. It's a way of
18 complimenting how staff worked together.
19 We got the call from Channel 13 at 3:30. We
20 immediately called Jim and Bob Fujii to try to track down
21 some people. Frank was on the phone to ultimately get
22 Mr. Paparian to agree to come over. In the space of 45
23 minutes we were able to get all the information that the
24 television station needed for background information. We
25 were able to access -- Nate Gauff helped us out with the

private number for`Theron Roschen. We were able to access him and get some B role video which you'll see in the clip and deliver that to him. Within 45 minutes they were actually filming Board Member Paparian.

I want to compliment the tire staff for dropping what they were doing in the middle of a conference, which obviously they were preoccupied, and helped us pull this thing together, which I think reflects well.

(Thereupon a video clip was presented.)

DEPUTY DIRECTOR LEE: Chairman Medina, that concludes the Deputy Director's report. Unless there's any questions, we're ready to proceed with the rest of the agenda.

CHAIRPERSON MEDINA: Board members, any questions or comments? Okay.

With that, we'll move on to the next item.

DEPUTY DIRECTOR LEE: The first item for the Committee's consideration is Board Item 16, Committee Item B, consideration of the grant award for the household hazardous waste grant program for fiscal year 2003/2004.

Teresa Bober will make the staff presentation.

(Thereupon an overhead presentation was presented as follows.)

MS. BOBER: Good morning, Chairman Medina, Committee members. I'm Teresa Bober from the Special

Waste Division. And I will be presenting the agenda item for consideration of the grant award for the 12th cycle of the household hazardous waste grant program.

--o0o--

MS. BOBER: The purpose of this award -- or of this grant is to award funds to cities, counties, and local agencies that reduce the amount of HHW disposed of at solid waste landfills.

--o0o--

MS. BOBER: Program criteria is broken up into two parts; one that is driven by statute, and one that was recommended by staff and approved at the March 2003 Board meeting.

--o0o--

MS. BOBER: AB 3348 requires that funding be focused on rural, underserved areas, as well as small cities and multi-jurisdictional programs addressing regional needs. Due to direction from the Board at the March 2003 Board meeting, the Board recommendations are based on the highest scoring applications using the Board-approved criteria regardless of location. This direction was based on PRC Section 47200 giving priority to rural, small, or underserved areas.

As an aside, 18 out of the 21 grantees above the funding line received priority points in the rural, small,

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or underserved category.

--o0o--

MS. BOBER: Last year 19 applicants had passing scores but were not able to be funded due to lack of funding. Therefore, the Board approved criteria which gave scoring points to applicants who had not received an HHW award last cycle. Additionally, all 19 of those applicants were proposing programs addressing the collection of e-waste. Therefore, staff recommended and the Board approved criteria which gave scoring points to applicants who focused on new or expanded e-waste or u-waste programs.

--o0o--

MS. BOBER: We received 44 qualified applications requesting over $8.1 million in funding. 31 of these applications received a passing score requesting $6.2 million. $4.5 million is available. This allows for full funding for 19 applicants. Our next highest score was a tie between two applicants. The two applicants' combined request equal 76 percent of the amount remaining in the overall grant. Therefore, staff recommends that partial funding be split between those grantees at a level of 76 percent of the requested amount. In other words, we added up the amount the two grantees requested and realized we only had enough money to fund each of them

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1 76 percent of the requested amount.
2 With this distribution, all available funds have
3 been recommended for award. In the event that a grant
4 agreement cannot be entered into with a proposed grantee
5 or if additional funds become available for this grant
6 cycle, staff recommends the remaining balance be awarded
7 proportionately up to the 100 percent of the grant amounts
8 requested by the two tied applicants. Additionally, if
9 funds beyond the current allocation level become
10 available, those funds shall be awarded to the next
11 highest ranking applicants and ties would be handled in
12 the same proportional manner.
13 In closing, we ask that the Board approve $4.5
14 million for the 2003-2004 household hazardous grant and
15 approve Resolution 2003-432.
16 If there are any questions, staff would be happy
17 to answer them at this time.
18 CHAIRPERSON MEDINA: Board members?
19 Board member Jones.
20 COMMITTEE MEMBER JONES: Thanks, Mr. Medina.
21 There seems to be an awful lot of applicants that
22 want in-home pick up of these materials.
23 MS. BOBER: I can't hear you.
24 COMMITTEE MEMBER JONES: Is this working? Can
25 you hear this?

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1 DEPUTY DIRECTOR LEE: That's better.
2 COMMITTEE MEMBER JONES: There's an awful lot of
3 these applicants that are starting programs for door to
4 door pick up of this stuff. And most of them are getting
5 funded at $300,000. We've got some pretty affluent
6 neighborhoods there that I guess they can't drive to a
7 local household hazardous waste facility. But then a city
8 like El Centro, which, if that's not an underserved
9 area -- I just don't understand. We spent six years
10 trying to build facilities for people to bring stuff to
11 them. Costs of U.S. collection are astronomical. But
12 we've got grants that now they're not only going to pick
13 it up, they're going to go to somebody's door and pick it
14 up. And yet there's in El Centro or somebody else -- is
15 that a result of our criteria that we established for you
16 to pick? I mean, so we should have said no door to door
17 because there's $900,000 in here for door-to-door
18 activities. And a city like El Centro gets zero. It just
19 amazes me.
20 I mean, because we've having a hard time just
21 building these facilities. And now we're, you know,
22 buying trucks and going around and picking it up because
23 somebody's got a computer that they need to get rid of
24 instead of having them go to a collection facility that
25 are available in these jurisdictions. Every one of these

1 jurisdictions that I saw has household hazardous waste
2 events. So if it's because of our criteria, then so be
3 it. We'll just have to change it and try to change it.
4 MS. BOBER: I would like to say that there were
5 ten applicants -- El Centro was one of them -- that passed
6 but just did not hit the funding line. Out of those ten
7 applicants, nine out of the ten lost it on the priority
8 points. There was something they didn't get. Five of
9 them were not rural, small, or underserved. Five were not
10 multi-jurisdictional. Two received grants last year. One
11 did not have e-waste or u-waste. So it's a matter of all
12 those things.
13 COMMITTEE MEMBER JONES: Right. But we've got
14 three that I see in the first page that are doing
15 door-to-door pick up. I mean, right now the cost of a
16 collection event is in excess of $100 per car. Okay. And
17 we're capturing less than 4 percent of the household
18 hazardous waste. 4 percent of the people are
19 participating as citizens. So we're spending money with
20 these cities to get a pickup truck and go around and pick
21 up material at the door. And that's our new vision.
22 MS. WILLD-WAGNER: Mr. Jones, I'd like to just
23 add a couple of words on this. I'm Shirley Willd-Wagner,
24 manager of used oil at HHW program. The first statement
25 you made is can we change something in the criteria

for next year. We certainly can. A door-to-door program is defined in statute as one of the HHW programs, along with curbside one-day events. It's one of the defined programs.

However, in our program criteria we do give points for various other things. And we can put anything in there as far as cost effectiveness or cost per car. You're correct. It's over $100 now average per a one-day event. That's why we're encouraging the permanent centers.

In the past on the criteria items, we have given points strictly for permanent collection facilities, and we can certainly do that next year.

The other point, however, is just that in some of these programs where it says in the summary "door-to-door collection program," it could be -- we'll have to go back and look at the budgets. It's not going to go the full $300,000 that's going to be going to a door-to-door collection program. We can go back and get that information for you to find out how much in their proposed budget is going to go to that portion of the program.

CHAIRPERSON MEDINA: Board Member Paparian.

COMMITTEE MEMBER PAPARIAN: If you want me to move the resolution, I'll move the resolution.

CHAIRPERSON MEDINA: Do you have any questions?

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1 COMMITTEE MEMBER PAPARIAN: No. I think this is
2 the first time we're doing it at 4.5 million up from 3
3 million.
4 MS. BOBER: Yes. The Legislature gave us $1.5
5 million on top of the 3 million that we had last year.
6 COMMITTEE MEMBER PAPARIAN: I think some of us on
7 the Board actually pushed for that when we saw the
8 3 million being not enough, and even the 4.5 million.
9 There appears to be a greater need than we're able to
10 serve with even 4.5 million.
11 CHAIRPERSON MEDINA: I had two concerns. One
12 concern is that almost half of the 4 million, 2 million by
13 my count, goes exclusively for e-waste collection. Now, I
14 support e-waste collection. And I know how important it
15 is. However, for the rural low income underserved areas,
16 household hazardous waste continues to be a serious
17 problem. I know that Senate Bill 40 is currently under
18 consideration. What are the funding provisions for that
19 bill?
20 MS. WILLD-WAGNER: Mr. Medina, it's Senate Bill
21 20, and currently -- it changes daily. The current
22 funding provisions are between 3 and $10 per CRT device
23 that would be recycled. And it would be through a payment
24 back to local governments to fund the collection and
25 transportation recycling of the e-waste.

1 CHAIRPERSON MEDINA: And given Mr. Jones'
2 comments that only 4 percent of households are being
3 reached in regard to household hazardous waste, I think we
4 still need to place a strong emphasis in regard to
5 reaching those households.
6 In regard to El Centro, I support funding for El
7 Centro, but I saw that money was also exclusively for
8 e-waste. And having visited those neighborhoods in El
9 Centro, those low income and underserved, I know e-waste
10 is not the major problems in those areas. The question I
11 have is, as you were scoring these applicants was
12 e-waste -- if an application did not include some
13 provision for e-waste on that, was that applicant scored
14 lower? Because there may have been some cities or
15 counties that applied for these funds that did not include
16 e-waste because for them household hazardous waste and
17 u-waste may be the main concerns in those communities.
18 MS. WILLD-WAGNER: Yes. Criteria number 11 is,
19 "applicant proposes a new or expanded program for the
20 collection of electronic waste or universal waste." So
21 there was an additional 10 points available to those
22 jurisdictions that proposed electronic waste or universal
23 waste collection programs.
24 CHAIRPERSON MEDINA: Because my concern would be
25 that jurisdictions that did not have that might not have

1 applied for funds. If their main concern again is
2 household hazardous waste or universal waste they may have
3 applied and been scored lower.
4 MS. BOBER: Board Member Medina, I really
5 understand your concern. I just want to make sure you
6 realize that 18 out of the 21 of the grantees that we're
7 recommending for funding did get points for rural, small,
8 or underserved. So that was 18 out of the 21. And almost
9 $4 million out of the 4.5 million are going to rural,
10 small, and underserved. So --
11 DEPUTY DIRECTOR LEE: Just one final comment on
12 this. We will take your comments in consideration for the
13 next go-around on this. I think Board Member Jones'
14 comments particularly germane. And I don't think it was
15 certainly our intent to focus the thing on at-home
16 collection. It certainly doesn't appear to be most cost
17 effective. But given the inclusion of this in the
18 statute, it certainly is permissible. But we'll attempt
19 to look into the situation the next time around.
20 And the focus of this grant was on e-waste. That
21 has been, you know, basically the strong desire that was
22 expressed to us in previous Board approvals on these HHW
23 grants, is to have the focus in this area. That was also
24 where we were getting the most demand from our regulated
25 community. And I think the fact that Senator Sher is

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1 pushing forth legislation on SB 20 speaks to some of the
2 legislative desire for programs in this area.
3 But all that notwithstanding, we'll certainly
4 take all these comments into consideration the next time
5 we draft the next round of these grants.
6 CHAIRPERSON MEDINA: Very good.
7 Board Member Jones.
8 COMMITTEE MEMBER JONES: Since we voted on the
9 criteria, we'll live with the criteria. I'll move
10 adoption of Resolution 2003-432, consideration of the
11 grant award for the household hazardous waste program for
12 fiscal year 03/04.
13 COMMITTEE MEMBER PAPARIAN: Second.
14 CHAIRPERSON MEDINA: Resolution 2003-432 has been
15 moved by Board Member Jones, seconded by Board Member
16 Paparian.
17 Call the roll, please.
18 SECRETARY HARRIS: Jones?
19 COMMITTEE MEMBER JONES: Aye.
20 SECRETARY HARRIS: Paparian?
21 COMMITTEE MEMBER PAPARIAN: Aye.
22 SECRETARY HARRIS: Medina?
23 CHAIRPERSON MEDINA: Aye.
24 DEPUTY DIRECTOR LEE: Board Item 17, Committee
25 Item C, consideration of the priority ranking criteria and

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1 evaluation process for a joint offering of the local
2 government waste tire cleanup grant program for fiscal
3 year 2003/2004 and fiscal year 2004/2005.
4 Diane Nordstrom will make the staff presentation.
5 MS. NORDSTROM: Good morning, Chairman Medina,
6 and members of the Special Waste Committee. I am Diane
7 Nordstrom with the Special Waste Division. And the item
8 before you is the consideration of the priority ranking
9 criteria and evaluation process for a joint offering of
10 the local government waste tire cleanup grant program for
11 fiscal year 2003/2004 and fiscal year 2004/2005.
12 The local government waste tire cleanup program
13 provides grant funding to local jurisdictions to cleanup
14 illegally dumped tires. This will be the seventh year
15 that the Board has provided funding for this program, and
16 the Board has allocated 800,000 for this fiscal year.
17 Board staff is recommending that the application and
18 evaluation process remain the same as last year with the
19 applications being ranked based on the potential
20 environmental threat of an applicant's tire cleanup
21 project.
22 The only change to the application and evaluation
23 process is the requirement that a signed affidavit from
24 property owners with 500 to 4,999 tires be included with
25 the application. This affidavit states that the property

1 owner was not responsible for the illegal disposal of
2 tires on their property. If an application does not have
3 a signed affidavit from the property owner or a site has
4 more than 5,000 tires, then the Board will automatically
5 seek enforcement action and cost recovery for any grant
6 funds that are expended for cleanup of a site.
7 Since the Board staff does not foresee any
8 changes in the application and evaluation process for the
9 next fiscal year, staff is recommending that the program
10 be re-evaluated by the Board in fiscal year 2005/2006.
11 Approval of this item would also direct staff to
12 prepare a notice of funding availability for this fiscal
13 year and another NOFA for the next fiscal year. And it
14 will be mailed to interested local government and Indian
15 tribes.
16 Staff recommends the Committee adopt Resolution
17 2003-433 and approve the consideration of the priority
18 ranking criteria and evasion process for a joint offering
19 of the local government waste tire cleanup grant program
20 for fiscal year 2003/2004 and fiscal year 2004/2005 and
21 place this item on consent.
22 This concludes my presentation.
23 CHAIRPERSON MEDINA: Very good.
24 Board members, any comments or questions about
25 this item?

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1 Board Member Paparian.
2 COMMITTEE MEMBER PAPARIAN: Just a question. The
3 program has been a little bit undersubscribed up until
4 now.
5 MS. NORDSTROM: Correct.
6 COMMITTEE MEMBER PAPARIAN: We're anticipating
7 getting more applicants this year. I assume we're doing
8 something to try to solicit and get more applicants.
9 MS. NORDSTROM: Yeah. Each year we get more
10 requests coming in. We reduced the amount from last year
11 from 1 million to 800,000. So we had almost that much
12 request last year. So we're anticipating it will be
13 pretty close to, you know, the full amount being
14 requested.
15 COMMITTEE MEMBER PAPARIAN: Okay. So what we're
16 doing here is -- I'm just trying to understand the two
17 year cycle a little bit. Go ahead.
18 DEPUTY DIRECTOR LEE: This is a little bit
19 different from some of the discussion we'll have on some
20 of the subsequent items. What we're asking for is the
21 Committee's approval on the criteria which we will use for
22 both fiscal years. Unlike the other items you will hear
23 later this morning, we will be coming back with separate
24 grant awards for each fiscal year. So basically this
25 just -- if you approve it, all this will do is we won't

have to come back to you again next year for a criteria item.

COMMITTEE MEMBER PAPARIAN: So at the point of coming back for award of the grants, that would come to the Board?

DEPUTY DIRECTOR LEE: Yes, it will. For each fiscal year.

COMMITTEE MEMBER PAPARIAN: Okay.

CHAIRPERSON MEDINA: Board Member Jones, any questions or comments?

COMMITTEE MEMBER JONES: No. Make a motion okay. I'll move adoption of Resolution 2003-433.

STAFF COUNSEL BRECKON: Excuse me one moment, please. The resolution as it stands now should be revised so that the last paragraph "now therefore be it further resolved" states that the "Board directs staff to prepare notice of availability of notice of funding availability" with an "S," so that there's more than one. It's plural. Not just one NOFA, but there are -- may be what? Two NOFAs.

CHAIRPERSON MEDINA: So it should read "notices of funding"?

STAFF COUNSEL BRECKON: Just put an "S" at the end of "notices," thank you. Yes.

CHAIRPERSON MEDINA: Is there a second?

1 COMMITTEE MEMBER PAPARIAN: Second.

2 CHAIRPERSON MEDINA: Resolution 2003-433 revised,

3 consideration of the priority ranking criteria and

4 evaluation process for a joint offering of the local

5 government waste tire cleanup grant program for fiscal

6 year 2003/2004 and fiscal year 2004/2005 has been made by

7 Board Member Jones, seconded by Board Member Paparian.

8 Call the roll, please.

9 SECRETARY HARRIS: Jones?

10 COMMITTEE MEMBER JONES: Aye.

11 SECRETARY HARRIS: Paparian?

12 COMMITTEE MEMBER PAPARIAN: Aye.

13 SECRETARY HARRIS: Medina.

14 CHAIRPERSON MEDINA: Aye. And this item will be

15 placed on the consent calendar.

16 DEPUTY DIRECTOR LEE: Thank you, Mr. Chairman

17 Medina.

18 Board Item 18 and Committee Item D is

19 consideration of scope of work and the Department of

20 Transportation as contractor for the Department of

21 Transportation support interagency agreement, tire

22 recycling management fund, fiscal year 2003/2004 and

23 2004/2005.

24 Nate Gauff will make the staff presentation and

25 also will introduce the Caltrans representatives who would

like to make some brief remarks.

MR. GAUFF: Good morning, Chair Medina, Committee Members Jones and Paparian. I'm Nate Gauff with the Special Waste Division.

The item before you is to consider the scope of work for the RAC research and development with Caltrans. Staff is recommending that funding for both fiscal years be considered in this item. The Board in its revision of the Five-Year Plan set aside $1.1 million for fiscal year 2003/2004 and 600,000 for 2004/2005 for this project.

We have here today Phil Stolarski from Caltrans and also Dr. Gary Hicks from Mactech Engineering which is the primary contractor for Caltrans in their rubberized asphalt program. I'd like to turn it over to them. They want to give you a short presentation.

MR. STOLARSKI: Good morning, Chairman Medina and Board members. I'm Phil Stolarski from Caltrans trans lab, and we have a presentation on the proposed grant money to Caltrans.

(Thereupon an overhead presentation was presented as follows.)

MR. STOLARSKI: We have always had -- Caltrans and the Waste Management Board share similar goals when it comes to reducing waste and Caltrans improving mobility across California. One of them is the increased use of

RAC.

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MR. STOLARSKI: We have several initiatives that we're working with the Waste Management Board, and one of them is asphalt rubber.

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MR. STOLARSKI: The presentation today will focus on two areas; first, a status report on the Caltrans/Waste Management Board agreement and the evaluation of RAC processes which is currently going to start this spring, and then the task deliverables and work plan associated with the $1.7 million proposed grants to Caltrans. And Dr. Gary Hicks will be delivering that portion of the presentation.

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MR. STOLARSKI: As to the current $600,000 grant we have with the Waste Management Board, the MOU was executed in December 2002. We have funding through May of 2004. We are going to construct a project with test sections of dense graded AC, conventional RAC G, G modified binder, and a dry process. The purpose of the project is to encourage other processes -- more processes that would use crumb rubber, to evaluate all RAC types against conventional asphalt concrete with the implementation of specifications, constructability study,

field performance, and lab performance.

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MR. STOLARSKI: We're going to identify a project, develop project criteria, the size, location. We've short-listed suitable Caltrans projects. We're currently negotiating with districts and maintenance evaluating of project status. We've done field sites, design, and timing with construction or highway maintenance projects. Select a project, and then transfer the funding to a district-specific project.

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MR. STOLARSKI: We're working with the project team right now in developing and providing specifications in cross sections for special areas. We're educating and assisting engineers and the contractor on the project, laying out evaluation sites, overseeing the construction, and we'll be preparing a preliminary report.

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MR. STOLARSKI: We've developed designs for all of the materials. We're going to be performing tests, construction quality. Are they meeting the specifications? Sample for performance tests, test after project completion, lab tests. And then we're going to be comparing the prior data with heavy vehicle simulator testing done at the Richmond Field Station, and then we'll

prepare a report.

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MR. STOLARSKI: We all review the test sites annually and throughout the anticipated life of pavement. We'll evaluate test data versus the actual field performance -- side-by-side field performance of these different test sections, report periodically to the Waste Management Board, and also have interim reports at the end of the construction, during lab testing, and evaluation with the final report.

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MR. STOLARSKI: We have a potential project identified, Fresno 33 in Kern County. The bid is open, but has not been awarded. We met yesterday with district personnel to finalize arrangements and funding, and pavement construction is scheduled to begin in spring of 2004.

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MR. STOLARSKI: Our specifications and cross sections have been accomplished, as I said earlier. Location test sections within the project limits will be determined. That's what happened yesterday, occurred yesterday in Kern County. Materials testing will begin late fall and beyond. And with the performance tests with the project sample materials, fiscal year 04/05.

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MR. STOLARSKI: Our partnership agreement with the Waste Management Board is provide a project, construct the test sites, test materials, and then evaluate the performance with a report.

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MR. STOLARSKI: Now I'd like to introduce Dr. Gary Hicks to elaborate on the $1.7 million grant proposal with the Waste Management Board.

DR. HICKS: Good morning, gentlemen. It's a pleasure to be here. I'd like to describe a little bit about what we plan on doing with the 1.7 million. And that, of course, is going to range from evaluating multiple applications to short-term and long-term performance feasibility recycling and developing tools and training for RAC asphalt concrete.

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DR. HICKS: We've identified three tasks to accomplish this activity. Task 1 is product evaluation. Task 2, product implementation. And task 3 is product development.

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DR. HICKS: In terms of Task 1, we're going to be evaluating a number of different products ranging from the wet and dry technologies, ranging from new and

construction to maintenance and rehabilitation. We're going to focus heavily on recycling and the recyclability of RAC materials. We'll look at plant emissions, which is an issue in some areas, worker health and safety issues and noise reduction.

The tactics that we're going to take are develop syntheses of best practices, have a user agency conference, do some lab and field testing, performance monitoring, and then finally look at the cost effectiveness of these products using life cycle costs.

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DR. HICKS: As far as the Task 2, product implementation, what we plan on doing here is develop a number of use guidelines, criteria, and specifications for expanding the use of asphalt rubber in the state of California. That will include identifying the materials, pavement -- providing better guidelines for pavement design and rehabilitation, better guidelines for construction, and new guidelines for the recycling of RAC materials.

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DR. HICKS: In terms of product deployment, we plan on working together with local agencies and Caltrans and industry to develop training seminars and deploy them around the state in multiple sites and then work with

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Caltrans and industry and local agencies in partnering to expand the use of asphalt rubber within the state of California.

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DR. HICKS: In terms of the deliverables, we identified a number of deliverables. The first is the state of asphalt rubber technology and best practices. We're going to be looking at performance and cost assessment of the various asphalt rubber technologies ranging from the wet to the dry processes. We'll update the asphalt rubber use guidelines in cooperation with the local agencies to focus on improved structural section design, maintenance, and rehabilitation concepts, as well as surface treatments use of asphalt rubber in all of these applications.

Finally, develop, design, and material selection criteria and guidelines. Where do you use asphalt rubber? Where can it work best within the state of California?

--o0o--

DR. HICKS: In terms of other deliverables, we'll be modifying Caltrans specification for asphalt rubber to make sure we have a high success level in all products. We'll be updating the Caltrans Maintenance Technical Advisory Guide and focus on asphalt rubber applications in specific chip seals and thin asphalt rubber overlays,

developing guidelines for recycling asphalt rubber including materials handling, mix design, production and placement, and then finally instructional materials for training seminars.

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DR. HICKS: The estimated budget distribution for the $1.7 million is shown on the slide in front of you. These are approximate numbers for each of the tasks. Again, a lot of the efforts will be in the training and in the lab and field testing of asphalt rubber products.

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DR. HICKS: The schedule for the two-year effort is shown on this particular chart. And as you can see, we've got a time line for each of these deliverables to be delivered to the California Integrated Waste Management Board.

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DR. HICKS: So in summary, we've identified the tasks we're going to undertake, as well as the deliverables. And we feel we have outlined a very important program for the state of California. Thank you.

MR. GAUFF: Committee members, if there's no further questions, I'd like to recommend that the Committee approve -- adopt Resolution 2003-444, approving the scope of work, and Resolution 2003-445, approving the

Department of Transportation as contractor.

CHAIRPERSON MEDINA: Thank you. We do have -- we may have some comments and questions.

Board Member Jones.

COMMITTEE MEMBER JONES: Thanks, Mr. Medina.

Just a couple of comments. One, I think this is something that needs to be noted. A couple things need to be noted. Number one is I appreciate from Caltrans that we're to a point where we're finally going to continue what we've been doing for the last few years, trying to grow this relationship. And I will applaud you on your selection of Dr. Gary Hicks. I go to an awful lot of RPA classes where they're trying to teach local public works people. Dr. Hicks usually gives a course called "Rubberized Asphalt 101" where he starts to talk about not only the rubberized asphalt but also the cost analysis to get people the tools they need to really understand the costs of this material over the long haul. And I think that's important.

The other point I think is important is we're testing dry mix as well as the wet process. I've always screamed the loudest in six years, the wet process is a proven process in California. The dry process uses a little less rubber, but I think it makes a lot of sense for us to figure out which ones really perform the way

they need to to continue success. So I'm in full support of this. But I appreciate the team that's been put together.

CHAIRPERSON MEDINA: Okay. Board Member Paparian.

COMMITTEE MEMBER PAPARIAN: Presumably as all this testing is going on, Caltrans is going to be continuing to use rubberized asphalt in road paving projects. I mean, I just want to make sure we're not going to wait for the results of these projects before we put rubberized asphalt down in various road projects in the state, are we?

MR. STOLARSKI: No, we're not going to wait for the results. We're going to continue the use of RAC. In fact, our director wants us to increase the use of RAC to 15 percent. So we're moving in the direction of increased use of RAC.

COMMITTEE MEMBER PAPARIAN: And then there was legislation last year that required Caltrans to post on its website descriptions regarding state Public Works projects using rubberized asphalt concrete. Have you guys made any progress towards that? Or I'm wondering if we need to work with you guys on that.

MR. STOLARSKI: Well, I can check on that. Linda Fong from our Office of Design is responsible for

1 collecting that information. So I can follow up on that
2 on the website.
3 COMMITTEE MEMBER PAPARIAN: I think that would be
4 good. Maybe work with our staff on that. I know they're
5 working on getting similar stuff on our website that was
6 required by legislation, but there was some specific
7 requirements of Caltrans in that as well.
8 You mentioned a couple times in here
9 specifications. And would that be specifications for
10 which rubberized asphalt mix? What it's going to look
11 like? What kind of specifications?
12 MR. STOLARSKI: Currently, we're moving in the
13 direction to perform the space specifications where we
14 require a certain performance that a RAC product would be.
15 It could be dry, wet, or modified binders, up to the
16 contractor. We're going to specify performance. So
17 they'd have to select the product they want. We have the
18 specification out with a five-year warranty that we've put
19 down four or five projects.
20 COMMITTEE MEMBER PAPARIAN: And then my last
21 question is the state of Arizona has put in their
22 requirements for rubberized asphalt that there be -- the
23 rubber come from U.S. sources. Is there any discussion of
24 doing that, or could Caltrans do that as it develops these
25 specifications? We've had a problem, as I'm sure you

1 know, with imported rubber.

2 MR. STOLARSKI: I know Caltrans is working with

3 HWA and there's legislation on California-only tires, but

4 the federal highway administration didn't want to restrict

5 free trade. I'm not to sure of the status on U.S.-only

6 tires or where that legislation is at or how it's going to

7 impact Caltrans.

8 COMMITTEE MEMBER PAPARIAN: I think Arizona was

9 able -- I mean, they couldn't say Arizona-only, but they

10 said U.S.-only. And they did it without legislation that

11 their highway department went ahead and specified that.

12 So that might be something to consider.

13 MR. STOLARSKI: I'll follow with that along with

14 the question on database where we're using rubber.

15 COMMITTEE MEMBER PAPARIAN: Thank you.

16 MR. STOLARSKI: Thank you.

17 CHAIRPERSON MEDINA: I think that this is a very

18 important partnership, collaboration between Caltrans and

19 the Waste Board. During my tenure as Director of

20 Caltrans, the Governor brought to my attention the need to

21 use more rubberized asphalt on the state's highways and

22 such. I was able to convene meetings between the

23 representatives from the RAC industry and representatives

24 from Caltrans. And so I would like to urge there be a

25 close working relationship between Caltrans and industry,

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1 particularly in regard to the specifications.
2 And I wonder are there any representatives from
3 the RAC industry that are here today that wish to speak on
4 this issue? If so, you're welcome to come up and make any
5 remarks you wish at this point. If not, then we'll go
6 ahead and move the resolution.
7 I do want to point out that a similar issue arose
8 in regard to the use of California-steel only for the
9 building of the Carcinus Bridge. That was not allowed
10 because of interference with intestate commerce. However,
11 we did adopt some language that says we would give
12 preference to California steel. As it turned out,
13 California no longer has sufficient capabilities to
14 manufacture steel in the quantity that was required in
15 these projects. But certainly there was some local steel
16 manufacturers that could supply some of the needs of this
17 project. So in this regard we would like to see to it
18 whereas we may not be able to restrict this to California
19 crumb only, we would like to see that preference be given
20 to California crumb.
21 In regard to the state of Arizona, I know that
22 the state of Arizona is very strongly committed to the use
23 of rubberized asphalt and not only on the state highways
24 but on local streets. And I was very pleased to see an
25 article recently where RAC was being applied locally in

1 the Sacramento area and in close working in collaboration
2 between Caltrans and the local authorities. 25 percent of
3 the state highway money goes to the state highways, and 75
4 percent of the moneys go to local governments. So the
5 opportunity is there for local governments to make use of
6 rubberized asphalts.
7 With that, did I have a motion on this
8 resolution?
9 COMMITTEE MEMBER JONES: Mr. Chair, I'll move
10 adoption of Resolution 2003-444, consideration of the
11 scope of work for the Department of Transportation support
12 interagency agreement from the tire recycling fund for the
13 fiscal years 03/04 and 04/05.
14 COMMITTEE MEMBER PAPARIAN: Second.
15 CHAIRPERSON MEDINA: Resolution 2003-444 has been
16 moved by Board Member Jones, seconded by Board Member
17 Paparian. Substitute the previous roll call.
18 COMMITTEE MEMBER JONES: Mr. Chair.
19 CHAIRPERSON MEDINA: Yes.
20 COMMITTEE MEMBER JONES: I'll move adoption of
21 Resolution 2003-445, consideration of the California
22 Department of Transportation as contractor for the
23 Department of Transportation support interagency agreement
24 tire recycling management funds fiscal years 2003/04 and
25 04/05.

1 COMMITTEE MEMBER PAPARIAN: Second.

2 CHAIRPERSON MEDINA: Resolution 2003-445 has been

3 moved by Board Member Jones, seconded by Board Member

4 Paparian. Substitute the previous roll call. And the

5 first resolution will go on consent. And the second

6 resolution will also go on fiscal consent.

7 DEPUTY DIRECTOR LEE: Thank you, Chairman Medina.

8 Board Item 19, Committee Item E --

9 CHAIRPERSON MEDINA: Before we go on to Board

10 Item 19, at this point we will take a ten-minute break.

11 (Thereupon a recess was taken.)

12 CHAIRPERSON MEDINA: This meeting is called back

13 to order.

14 Board members, any ex partes to report?

15 Board Member Jones.

16 COMMITTEE MEMBER JONES: John Cupps and Al -- Al

17 Moreno.

18 CHAIRPERSON MEDINA: Board Member Paparian.

19 COMMITTEE MEMBER PAPARIAN: I'm up to date.

20 CHAIRPERSON MEDINA: And I'm up to date as well.

21 COMMITTEE MEMBER JONES: Mr. Chair.

22 CHAIRPERSON MEDINA: Before we move on, let me

23 just say that in regard to Board Item 16, Agenda Item B,

24 that that will go on the fiscal consent calendar.

25 Board Member Jones.

COMMITTEE MEMBER JONES: Shirley Willd-Wagner, who just walked out of the room -- I can tell Jim Lee. I'd like to ask if our staff -- they don't have to do it right away -- but could assemble a list of those cities, counties, and districts that have permanent household hazardous waste facilities or permanent structures built, to give us an idea. These dollars have always been used to help build an infrastructure to deal with household hazardous waste because the one-day events were so expensive and now we're really moving towards funding the collection. So I would like to -- if the Committee doesn't mind, I'd like to see a list of those cities and counties that have built a structure so their citizens can go to a permanent facility.

MS. WILLD-WAGNER: Just those we've funded, Mr. Jones?

COMMITTEE MEMBER JONES: No.

MS. WILLD-WAGNER: Those that have facilities available.

COMMITTEE MEMBER JONES: Yep. And I don't need this, I don't think, in the next 60 days or 90 days. But I do think we need it well before we ever look at a criteria again for these dollars. Thanks.

CHAIRPERSON MEDINA: With that, we'll move on to the next item.

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1 DEPUTY DIRECTOR LEE: Thank you, Chairman Medina.
2 Board Item 19, Committee Item E is consideration of the
3 draft final report entitled "Extending the Tire Lifespan
4 of Tires: Final Report," tire recycling management fund
5 fiscal year 2001/2002.
6 Stacey Patenaude and report contractor Shmuel
7 Weissman of Sympletic Engineering Corporation will make
8 the presentation.
9 CHAIRPERSON MEDINA: And before we proceed on
10 this, let me make a few remarks regarding this item.
11 First of all, I'm going to not move the
12 resolution at this particular meeting. I'm going to move
13 the resolution to the full Board. And in regard to any
14 report that this Board commissions, we may not agree with
15 the contents of the report. And you know, that's our
16 right not to agree and to make any comments or suggestions
17 or recommendations based upon our own information as Board
18 members. And it's up to the full Board to adopt a report
19 ultimately. We'll not be making a recommendation whether
20 to adopt or not adopt this particular report. We will
21 bring it up to the Board.
22 We will be listening to the presentation. This
23 item is slated for 30 minutes of discussion. If we finish
24 before the 30 minutes, that's fine. However, at exactly
25 11:15 I will be cutting off discussion.

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1 So if you would go ahead, please.
2 MS. PATENAUDE: Good morning, Chairman Medina,
3 members of the Special Waste Committee. My name is Stacey
4 Patenaude. I work in the Special Waste Division.
5 The item I'm bringing before you today is
6 consideration of the draft final report entitled,
7 "Extending the Life of Tires: Final Report."
8 (Thereupon an overhead presentation was
9 presented as follows.)
10 MS. PATENAUDE: The Board approved the Five-Year
11 Plan in March of 2001. In the Five-Year Plan, $200,000
12 were allocated for the investigation into ways to extend
13 life of tires. In December of 2001, the Board approved a
14 scope of work for that investigation. In June of 2002,
15 Sympletic Engineering were awarded the contract for the
16 investigation into extending the life span of tires.
17 I'd like to take this time now to introduce our
18 contractor, Sympletic Engineering, Mr. Shmeul Weissman.
19 Thank you.
20 MR. WEISSMAN: Good morning, Chairman Medina,
21 members of the Board, Jones and Paparian. I was not aware
22 of the 30-minute limitation. I'll try my best to make it
23 within 30 minutes.
24 Briefly, the overview --
25 CHAIRPERSON MEDINA: Excuse me. The 30 minutes

is for presentation and discussion. It's not 30 minutes for presenting the whole report.

MR. WEISSMAN: I understand that part.

--o0o--

MR. WEISSMAN: Motivation -- briefly, overview. Motivation followed by some measures of tire longevity since we are extending tire life. We need to know how to measure that. We're going to look at factors contributing to the tire life, specifically to reducing tire life. And TPMS rule changed what we mean by tires. So we're going to discuss that at some length. So we propose four different strategies to extend the life of tires. We're going to review those in some detail. Before I continue, I'd like to say --

CHAIRPERSON MEDINA: Excuse me for interrupting you again. Let me just state the three of us that sit on this Committee have read the report so we don't need to go through the report from A to Z.

MR. WEISSMAN: I understand that part.

In this presentation today, nevertheless, I will address only light-duty tires, not heavy-duty, with one exception. That is because the light-duty tires are the main contributor to waste.

--o0o--

MR. WEISSMAN: Briefly speaking, history line,

1 according to the RMA 1981, tires lasted about 28,000
2 miles, in 2001 about 43,000 miles. In 2001 the typical
3 passenger vehicle traveled about 12,000 miles, which means
4 that its generated about 1.12 tires per year. Had we
5 continued to use the 1981 tires, it would have generated
6 about 1.71 tires per year. So it's improved the tire, has
7 reduced the number of scrap tires by 35 percent for
8 California. What it means, instead of having the 33
9 million tires reported in your 2001 annual report, you'd
10 have had 50 million tires.
11 --o0o--
12 MR. WEISSMAN: Now, if you look at the annual
13 report -- what happened?
14 If you look at the 2001 annual report, you'll see
15 that over the years the ratio of number of scrap tires to
16 population increases. For 1991 it was .91. In 2001 it
17 was .96. And the rest of the state, it's 1. This is
18 primarily because we thought in California we had better
19 roads. This is no longer the case, and we expect in
20 California this ratio will go towards 1 in the future.
21 According to the California Department of
22 Finance, the number of people in the state of California
23 will increase by 30 percent over the next 20 years. Now,
24 in the previous slide, I said that in 2001 people traveled
25 12,000 miles per year. In '81 they traveled only 9,000

1 miles per year. And this is to a large extent because of
2 people migrating into the suburbs. And as they travel
3 more, we expect this trend to continue. So it will
4 generate beyond the 30 percent increase in population.
5 --o0o--
6 MR. WEISSMAN: Tires are getting heavier. This
7 is another problem we are facing according to the annual
8 report.
9 What is happening here? I'll go back here.
10 Anyway, while he's -- the tires are getting
11 heavier in California. This is according to the annual
12 report, you see there. The main contributor is increase
13 percentage of SUVs in the fleet which have heavier tires
14 but there are other contributors. For example, there's
15 new technology called run flat tires. This is tires that
16 have four side walls, and these tires are heavier, would
17 be harder to recycle, we believe. And that is another
18 problem. Also the size of tires on vehicles increases.
19 If ten years ago a typical tire has been 14 inch, now it
20 is 15, 16. And there are some cars -- and truck and
21 passenger cars that have -- not SUVs -- that have 20-inch
22 tires, and those are heavier tires.
23 --o0o--
24 MR. WEISSMAN: So if we look at extending the
25 lifespan of tires, it's the best from an environmental

1 standpoint because you do not consume the resource in the
2 first place, and then you don't have to find another use
3 for it.
4 --o0o--
5 MR. WEISSMAN: It is also the largest contributor
6 to reducing the number of scrap tires acknowledged in your
7 annual report. By comparison, in the example I showed
8 earlier, I said improve and reduce by 17 million in 2001.
9 The largest single contributor would have been scrap --
10 crumb rubber with 7.7 million. However -- this thing has
11 a mind of its own.
12 However, the tire life increase has leveled off
13 in the last few years. And we would like, therefore, to
14 identify ways to increase tire life with other methods.
15 --o0o--
16 MR. WEISSMAN: Now if you're talking about tire
17 life, we need to be able to measure tire life. We use in
18 our report two measures available to us. The first one is
19 the tread wear component of the uniform tire quality
20 grade, called UTQG. This is a federally-mandated
21 standard. It is embossed on the side wall of each
22 light-duty tire. You can find the entire list on 2100
23 entries on the NHTSA website.
24 A few things about this. This is done by running
25 a test at a facility in Texas operated by NHTSA, rented

1 out to the tire manufacturers. The tire -- it's tested
2 for 6400 miles. And then compared against a tire that is
3 supplied by the government, which is the ratio of 100 --
4 the grade of 100. So if your tire is four times better,
5 you get a rate of 400.
6 This already tells you a few problems with this
7 rating. First, it is a relative measure, which means that
8 the consumer really doesn't know what it means, how many
9 miles this tire will last. Second of all, it's based on
10 6400 mile test, and many a tire lasts for 64, 80 or
11 100,000 miles in the limited warranty. It's quite an
12 extrapolation there. Third, it's not really the actual
13 test result. For many tires they will lump all the tire
14 model under UTQG rating, and that may include different
15 sizes. And for -- even for a given size, there are OE
16 tires. And OE tires meet their different design. We'll
17 talk about this later. And those tires are different
18 designs with different materials in them. And yet, the
19 same property. So there is an umbrella number which
20 caters to the low end common denominator.
21 --o0o--
22 MR. WEISSMAN: The other measure that we used is
23 the limited warranty provided with some tires by the
24 manufacturers. This is good because it tells you it's
25 80,000 miles, 65,000 miles, whatever it is. It gives you

1 confidence because they are willing to back it with money.
2 But it's only provided for some of the tires, not all.
3 --o0o--
4 MR. WEISSMAN: Now, in terms of -- there's
5 correlation. We attempted correlation. It's very
6 preliminary correlation, I would say. But roughly
7 speaking, you would see that high-performance tires
8 particularly come with no limited warranty. And they have
9 a UTQG rating somewhere between 150, 160 at the low end
10 and 400 at the high end. On the other hand, tires that
11 come with 80,000 miles limited warrantee would have
12 somewhere between 620 and 700 rating.
13 Now let us look at some of the contributors to
14 actually reduced tire life. We're going to talk about
15 maintenance on OE tires in some detail, but there is also
16 road condition and design, high-performance tires, and
17 budget tires.
18 Coming up here I saw a sign for four tires for
19 $100. This would be the budget tires. In a way, you get
20 what you pay for. High-performance tires are -- I already
21 mentioned they're very expensive. They're intended for
22 high speed. They have speed rating of HV and above.
23 As I said, it has a life of its own.
24 And they do not last as much, as obvious by no
25 limited warranty. The other part is road design. We

already talked about the road condition. It's fairly obvious. Road design. It's really speaking -- the effect of the road on tires is not considered by the design engineers. So if, for example, for safety reason a pavement has to be given a certain coefficient of friction, there's a criteria for minimum. There's no criteria for maximum. So if an engineer wants to play safe, they will increase the coefficient of friction. They feel we don't incur any penalty, but the tires will last less time.

--o0o--

MR. WEISSMAN: Now let us look into maintenance, and specifically we'll start looking at a slide that was provided to us by Michelin. And this slide, if you are able to see it, will tell you that you'll see 50 percent of the tires are removed from cars because of abnormal wear, which is caused by poor maintenance. Only 90 percent arrive at the full life potential. So it tells us by improving maintenance, we can extend tire life. So we're going to look at maintenance.

Tire life -- I'm not even touching this thing. Okay.

So maintenance is composed of alignment, rotation, and tire pressure. The first two are done in the shop, not by the consumer typically. The last one is

1 done by a consumer, and we are going to focus on that
2 which --
3 COMMITTEE MEMBER JONES: We're not going to let
4 you touch that any more.
5 MR. WEISSMAN: Which -- sorry about that. We
6 have a little technical problem here with the slides.
7 If -- can you go to the last page? Previous page. Okay.
8 And we are going to focus primarily on tire
9 inflation. And for example, the RMA says underinflation
10 is tire's number one enemy, similar quotes here from
11 Michelin and Bridgestone. And actually, if you look at
12 vehicle manufacturers, they say the same thing. There are
13 many other sources that say the same thing. So we are
14 going to focus on tire pleasure.
15 Can I get the next slide.
16 --o0o--
17 MR. WEISSMAN: If we're talking about tire
18 pressure, we should consider what is the current state.
19 Fortunately, NHTSA conducted a nationwide survey about two
20 years ago in February 2001. And what they found for
21 passenger vehicles that they were about 6.1 PSI below
22 placard. Actually, it's a little bit more for SUV and
23 light trucks.
24 I think I should explain what is placard.
25 Placard is the pressure level you should be inflating your

1 tires to. It's found in the car manual. It's dictated by
2 the auto manufacturer, not by the tire maker. There is
3 another value on the tire, the maximum allowed, and that's
4 very different. For example, in my tires, the inflation
5 pressure on the back would be 28, the front 30. But the
6 maximum allowed is 44. As you can see, it's very
7 different.
8 --o0o--
9 MR. WEISSMAN: Unfortunately for us, in this
10 detection of 6.1 PSI, NHTSA studies vehicles that came to
11 gas stations in February, which is the cold months of the
12 year for one of them. And as a result, they measured hot
13 inflation pressure, not cold inflation pressure. If we
14 account for this difference, actually what they found out
15 is that the car instead, in February 2001, was that it was
16 10 PSI below placard.
17 --o0o--
18 MR. WEISSMAN: So what does it really mean? If
19 we look at what Goodyear says about the effect of reducing
20 tire pressure below placard, they say each 1 PSI below
21 placard, you lose 1.78 percent of tread life. So if, for
22 example, we looked at a tire that comes with 80,000 miles
23 limited warranty and you maintained your car perfectly,
24 but as a test you kept it at 10 PSI below placard, you
25 would lose 14,000 miles off its life. This is almost the

1 same. The 15,000 miles was improving from 1981 to 2001.
2 This tells you something about the importance of
3 maintaining tire pressure at the proper level.
4 --o0o--
5 MR. WEISSMAN: Next is OE tires. And OE tires,
6 as I said earlier, they are designed car-specific,
7 sometimes some model-specific. The objective of these
8 tires is to help auto makers meet the CAFE standards for
9 fuel efficiency. And as a result, they have 20 percent
10 lower rolling resistance. According to our -- which
11 translate to about 3 percent improved fuel efficiency.
12 EO tires last only 77 percent of tire life. This
13 is assumption made by the CEC or ratios of life given to
14 different tires in the CEC report. Depending upon your
15 source, they account for 20 to 25 percent of the tires.
16 We use 20 percent so the -- next -- they reduce overall
17 life of tires by about 4.6 percent based on those
18 assumptions here.
19 If they were to extend the OE, which is -- I
20 understand Assembly Bill 844 is trying to promote, then
21 you can expect a significant increase in waste tires in
22 California scrap tires. Right now you can assume today at
23 about 1 million according to these assumptions. In the
24 future, you can see another 4 added -- 4 million, that is.
25 --o0o--

1 MR. WEISSMAN: Now, briefly, tire monitoring
2 system which will completely change what we understand
3 tire's time line. In August 2000 there was a Firestone
4 recall of 14.4 million tires. You may recall that.
5 Next.
6 --o0o--
7 MR. WEISSMAN: In November 2000, Congress
8 requested NHTST mandate within two years a low tire
9 pressure warning system for light-duty vehicles. And
10 NHTSA complied in 2002. They required that all vehicles
11 by 2006 will be -- model year will be equipped, and
12 there's a phase-in period.
13 Next slide.
14 --o0o--
15 MR. WEISSMAN: Finally, the NHTSA has two levels
16 of compliance. One, that you get a warning at 25 percent
17 below placard. The next one is 30 percent below placard.
18 This is kind of strange because obviously the second one
19 is not as strict as the first one.
20 --o0o--
21 MR. WEISSMAN: The reason for this is that there
22 are two technologies. One is the direct TPMS. You have
23 the tire pressure monitoring device together with the
24 temperature monitoring device in the tire transmitter to
25 transmit this to the vehicle. They do their adjustment,

1 and they can do it fairly accurate up to about 5 percent.
2 So they can certainly meet the 25 percent.
3 The second level which is promoted by auto makers
4 uses this relative number of rotations per mile of the
5 tires. And then by comparing, they can detect the
6 difference in air pressure. But at the moment do it only
7 30 percent difference. So that's why the reason for the
8 second level.
9 However, if you have all four tires deflecting at
10 the same rate, which would be the normal operation, you're
11 not going to get any warning ever. Be that as it may, by
12 doing this, they have changed the tire. It is no longer
13 just the rubber. It is now a rubber plus a smog system.
14 And from now on considering the tire just as the rubber
15 will be the wrong approach. Okay. So can we move
16 forward.
17 --o0o--
18 MR. WEISSMAN: So we've considered four different
19 strategies. Technology auto inflate system would be our
20 top strategy. The second one is education. The third one
21 is corporate average tire life. And the last one is
22 ad-valorum tire disposal tax rebate, which I'll abbreviate
23 as tax. I would like to point out although the corporate
24 average was presented as the third option, it's really out
25 of place because we didn't really rank it for reasons that

I'll explain in a few minutes.

--o0o--

MR. WEISSMAN: If terms of -- I'm going to go from 4 to 1 in the strategies. The concept of the ad-valorem tax. Is disposal tax proportionate to the contribution of waste?

--o0o--

MR. WEISSMAN: How we measure it is combination of UTQG and weight. We analyze how much with this strategy reduce tire -- extend tire life or reduce the number of scrap tires. You should be familiar with this table. It's very similar to your annual report.

A few assumptions. We assume in December 31st, 2001, all vehicles will be converted to indirect TPMS. The details are in our report. That will be different than what the current state is. And we use 2002 as our first prediction years since the last data we had was 2001. As you see in 2002, for example, this strategy would reduce 130,000 PTEs. I should also say this reduction you see there is only 36 percent of the potential, because our analyses show you won't achieve the full potential. For example, if because of some road hazard you have to replace a tire, many people replace two tires or all four. That's the reason for the reduction.

Next slide.

1 --o0o--

2 MR. WEISSMAN: We conducted also a cost benefit

3 analysis. The ration is .01 for the strategy, which is

4 very low. We want it to be above 1. So it's not very

5 good. We also see it has a net present value of a loss of

6 6.8 billion. So conclusion, we don't recommend this

7 strategy. But it does extend tire life.

8 --o0o--

9 MR. WEISSMAN: The next one is the corporate

10 average tire life. The concept is to require makers to

11 sell a mix of light-duty tires that, as a whole, average a

12 prescribed standard. This is very similar to the CAFE

13 standard. This is the only strategy we believe will

14 actually extend tire life beyond just improving

15 maintenance. So we think it's very important. However,

16 we had no basis to decide on the cost because it involved

17 some assumption about the legislation. It involves

18 assumptions about the enforcement cost. In terms of the

19 benefit, you can interpret it between the other

20 strategies, so we didn't do it. And in terms of -- you

21 really decide what would be the improvement by setting up

22 that level. You basically set it up.

23 --o0o--

24 MR. WEISSMAN: But an advantage of the strategy

25 is that you don't micro manage a specific tire. You can

1 let the tire manufacturer have their high-performance
2 tires, if they so wish, as long as they produce enough
3 long-life tires. Basically what the CAFE standard does
4 for us is fuel economy.
5 Can you advance it?
6 --o0o--
7 MR. WEISSMAN: The disadvantages, though, as you
8 know, this was the CAFE standard. It will be politically
9 hard to implement, require some muscle. And another thing
10 relative to another strategy that we have, if we have this
11 auto inflate technology that we will be talking about
12 hopefully in a few minutes, this will extend the life of a
13 tire effectively. So we somehow need to differentiate
14 between those two. It's very hard to analyze.
15 We, therefore, did not do a cost benefit analysis
16 specifically for this strategy, and we recommend that you
17 think about it. And if you so deem, you may want to do a
18 future study.
19 Can I see the next one?
20 --o0o--
21 MR. WEISSMAN: Well, we considered two types of
22 public education; the first, to better maintain tires; the
23 second one, to purchase longer-life tires.
24 Briefly about the second one. You can see a lot
25 of consumers are belonging to one of three categories.

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1 Those who buy budget tires simply they can afford 20, 25
2 tires. They cannot afford 60 to $80 tires. They wanted
3 to buy high-performance tires. They can certainly afford
4 it. They can buy tires that are well over $100. But they
5 buy tires right now which come typically with no limited
6 warranty, which suggests that the life of the tire is less
7 important to them. Therefore, we do not see much change
8 in their pattern.
9 The third category is the middle group, which is
10 also the largest one, and this particular group we believe
11 based on the evidence available to us from among other
12 things a study that you did, presented to you about two
13 months ago, that life is already one of the major criteria
14 used in selecting the tire, tire life, that is. And,
15 therefore, you picture the converter. So we'll be
16 focusing on better maintenance.
17 The advantages of this approach, it's relatively
18 inexpensive. Relative to whom? To the next strategy, the
19 technology strategy. It will encounter little opposition.
20 In fact, we predict no opposition. The RMA is, in theory
21 or in practice, focusing this year on California. Last
22 year, Shell Oil ran TV ads promoting improved maintenance
23 of air pressure in tires. This year the Federal EPA is
24 running such ads, and there's something called safety.com
25 that runs TV ads about this, that I've seen anyway. So we

1 don't predict anybody objecting to this strategy. It's
2 also a strategy that addresses existing vehicles, unlike
3 our next strategy.
4 --o0o--
5 MR. WEISSMAN: The disadvantage, though, is that
6 we believe it is not as effective. For example, the NHTSA
7 study was done in February of 2001, just six months after
8 the recall, at a time where people were notified that not
9 maintaining tire pressure is dangerous to their safety, to
10 their own life as evidenced by Congress action in November
11 of 2000. So let's -- for time reasons, let's go to the
12 next strategy.
13 --o0o--
14 MR. WEISSMAN: This strategy I'd like to point
15 also has benefit 1.6 billion, and has a 5 percent
16 probability of meeting or exceeding this potential.
17 Conclusion, it should be pursued, but not alone.
18 Actually, all strategies should be considered together,
19 not to stand alone.
20 --o0o--
21 MR. WEISSMAN: Our final strategy is the
22 technology strategy. And we would like to suggest that
23 you consider auto inflate systems that automatically
24 maintain pressure at placard level.
25 --o0o--

1 MR. WEISSMAN: The assumption is, though, it will
2 be introduced only as OE with new vehicles.
3 --o0o--
4 MR. WEISSMAN: Advantages, it is a reliable way
5 because the consumer is not involved in there. It
6 maximizes tire life, as you know is relative to the
7 Goodyear information. Improves safety, specifically if
8 you drive at the lower tire pressure, your breaking
9 distance, for example, increases. It's important.
10 Improved fuel economy. According to NHTSA
11 website, for each PSI below placard, it's between .3 and
12 .4 percent improved fuel economy. If you improve it from
13 what NHTSA detected, which is really 10 PSI below placard,
14 to placard then can you get between 3 and 4 percent
15 improved fuel economy and reduce air pollution. It is
16 applicable to both light- and heavy-duty vehicles.
17 Specifically, right now it's already included on 3 to 4
18 percent of heavy-duty trailers, but on no passenger car or
19 SUV. There's only one that may feature. It's in the
20 concept car, but remains to be seen whether it will make
21 it into the production line.
22 Can I see the next slide?
23 --o0o--
24 MR. WEISSMAN: Disadvantages. It increases the
25 up-front cost by about $100 over the directed PMS, which

it, in essence, includes. It requires maintenance, mostly replacing the batteries in the tires. And there is already technology that is batteryless. However, I'd like to point out that the auto makers objected quite strongly to the direct TPMS in the NHTSA rule. And they are the reason for the inclusion of the indirect TPMS. And I strongly urge you to read the TPMS rule which discusses this at length.

Next slide, please.

--o0o--

MR. WEISSMAN: In terms of performance, this will increase tire life, again, under the assumptions stated before, except this we assume for this analysis -- the for benefit cost analysis -- that all vehicles in December 31st, 2001, were converted to have auto inflate systems. Just for this benefit cost analysis. In 2002 we see that this strategy would reduce number of scrap tires by one and a quarter million PTEs. This is only 36 percent of the potential, as explained earlier.

Can I get the next slide?

--o0o--

MR. WEISSMAN: In terms of the benefit to cost ratio is 1.24, which is what we like. It shows a net present benefit, that is benefit minus cost -- sorry -- benefit minus cost of $1 billion for the California

1 economy over this eleven years. And it has a 60 percent
2 probability omitting or exceeding this potential. So with
3 this, we think this is a win-win situation. We'd like to
4 implement it, therefore.
5 Can I see the next slide, and almost the last.
6 --o0o--
7 MR. WEISSMAN: So we consider two options for
8 implementation. And they're not necessarily mutually
9 exclusive. You can work on both of them together. The
10 first one is education. This very different from the
11 previous education because here the public is required to
12 act on it only once, namely when they purchase a new car.
13 The previous one required them to work on it on a
14 day-to-day basis.
15 --o0o--
16 MR. WEISSMAN: I should also say you should not
17 be focusing entirely on the public, but work with such
18 agencies, such as insurance agencies which, for example,
19 give discount for SRS and ABS in your vehicle, most
20 voluntary, by the way.
21 The other approach is to mandate. This will give
22 you a specific time line. You know the time line. It
23 will be system to the TPMS rule.
24 And in interest of time, I think I'll close here.
25 And I'll thank you very much and I'll be willing to

1 entertain any question if time allows. Or more or less
2 we're out of time.
3 CHAIRPERSON MEDINA: Thank you for your
4 presentation. And let me just say that in regard to this
5 item being heard before the Board meeting, I would
6 recommend at that time that you tailor your presentation
7 at this time to the Board meeting, because there will be a
8 number of items that will be on the agenda before the
9 Board meeting.
10 I assume and I expect that all of the Board
11 members will have a copy of your report to read and review
12 prior to the Board meeting. And so at that time as Board
13 members we will go into the data and findings that you
14 present. We'll go into the strategies and implementation
15 options that you have presented. And then we will make a
16 determination in regard to whether approving the
17 resolution, amending the resolution, or not approving the
18 resolution.
19 MR. WEISSMAN: When is this Board meeting?
20 CHAIRPERSON MEDINA: Is that coming up this
21 month?
22 DEPUTY DIRECTOR LEE: Next week. We'll work with
23 you.
24 CHAIRPERSON MEDINA: Mr. Lee will work with you.
25 That item is coming up next week.

1 MR. WEISSMAN: And I'll be expected to make a
2 presentation then?
3 CHAIRPERSON MEDINA: Yes. I would recommend that
4 you make a presentation, but tailored to the needs of the
5 Board and --
6 MR. WEISSMAN: Would you give me time guidelines?
7 CHAIRPERSON MEDINA: Yes. You will work with
8 Mr. Lee in that regard.
9 MR. WEISSMAN: Okay.
10 CHAIRPERSON MEDINA: Thank you.
11 At this point, Board members, having said that,
12 I'll just open it up to you for some brief remarks, given
13 that we will have an opportunity to fully discuss this at
14 the upcoming Board meeting.
15 Mr. Paparian.
16 COMMITTEE MEMBER PAPARIAN: I'll have more
17 questions at the Board meeting. But let me just clear up
18 one thing from reading the report. If I go across the
19 street, I can buy a 40,000 mile tire or I can buy an
20 80,000 mile tire. Is it your contention if I buy the
21 80,000 miles off the shelf, it's less safe than the 40,000
22 mile tire?
23 MR. WEISSMAN: I think you, of course, need to
24 look into the tire. There's -- there was -- I should say,
25 we do not address this specifically in our report.

1 COMMITTEE MEMBER PAPARIAN: On page 21 you say,
2 "As a result, introducing longer-life tires would result
3 in an increased number of accidents, injuries, fatalities
4 on the California roads," and you're referring to tires
5 with longer warranties, i.e., tires that are sold today.
6 MR. WEISSMAN: Overall, I would say this. When
7 you design a tire, you have quite a few things to juggle,
8 criteria, for example, braking distance, wet, dry,
9 traction. Another thing would be a tire life. Another
10 thing would be rolling resistance. Another thing would be
11 cost.
12 You can design, I believe, a tire that would be
13 best in each category except for cost. So each tire is
14 designed to meet a certain specific demand. And when you
15 buy a tire, 80,000 miles or 40,000 miles, depends on what
16 you buy. The high-performance tires that you buy will buy
17 zero -- typically zero limited warranty. Obviously, last
18 a little bit more than zero miles. But it will give you
19 zero limited warranty. It probably will be safer
20 probably -- not necessarily, but probably safer than many
21 of the tires you will buy from 80,000 miles limited
22 warranty, in terms of its braking distance will be
23 shorter. The handling of the car will be better. That's
24 what this tire is designed for. It's willing to sacrifice
25 cost. You will be paying for that tire, maybe $150 per

1 tire instead of paying $60 per tire.

2 So you have to juggle all of these things, and

3 yet you cannot answer that your specific tire, 40,000

4 versus 80,000 -- if this specific tire is safer or not

5 safer. What you can say is that as a whole on the

6 average, tires that have longer life have to work harder

7 to maintain traction because they have to juggle other

8 things. So if you maintain cost, for example, as a fixed

9 and, for example, rolling resistance as a fixed, that's

10 the criteria that you were given. And you want to say, "I

11 have to choose now traction, which is safety, versus

12 life," well, you may have to trade. But you have fixed

13 other points. You don't have to fix points. You just

14 have to tailor it the way you want.

15 COMMITTEE MEMBER PAPARIAN: It sounds like you're

16 describing a theoretical rather than -- if I go buy an

17 80,000 mile tire, you can't tell me it's not as safe as

18 buying a 40,000 mile tire on average. Or let me put it

19 another way. When Michelin puts out a brochure that says

20 they have benefits of a tire with extra all-season control

21 and extra long tread life, because they're having extra

22 long tread life, should I equate that to being a less safe

23 tire than a tire with shorter tread life?

24 MR. WEISSMAN: I think that people that buy

25 high-performance tires to a large extent do it under the

1 assumption that they get safer tires. Even if you talk to
2 Michelin people, they attribute shorter braking distance,
3 for example, to the high-performance tires than they do to
4 the X1 tires.
5 So the answer is you can have -- and potentially
6 Michelin can do a better job than some other company out
7 there, but there are not uniform performance.
8 COMMITTEE MEMBER PAPARIAN: I think,
9 Mr. Chairman, I'll defer to next week. Hopefully, we can
10 get some shorter questions and answers. I do have a few
11 more, but I'll hold until next week.
12 CHAIRPERSON MEDINA: Thank you.
13 Board Member Jones.
14 COMMITTEE MEMBER JONES: I'll save mine. I do
15 think though, that maybe the phrasing of the question is a
16 little bit tough for anybody to answer. But I think it's
17 pretty clear -- I've got a brand new Suburban that I can't
18 wait to get the new tires off of because they do not ride
19 as smooth. They do not respond as quickly as I want. And
20 I know as soon as I get my extra-long -- you know, my
21 rolling resistant tires off of that vehicle, my car is
22 going to run a lot better.
23 I mean, that's just -- anybody that's ever bought
24 a new car is going to understand that second set of tires
25 they put on usually have a better feel. I don't know of

1 anybody that doesn't.
2 But I think that when we started -- before we
3 ever allocated this 200 grand for this study -- which I
4 appreciate your study. I've read your study. I
5 appreciate it. There's a few things I got nervous about,
6 but I can live with probably most of them. But it really
7 does all come down to tire life. This such is not brain
8 surgery as far as air maintenance in tires. You know, you
9 can have a tire that has an 80,000 mile warranty, but if
10 it's underinflated is only going to get 60,000 miles --
11 55, 60, 60,000 miles, you know. And at the same time not
12 get any fuel efficiency. So, I mean, it's not brain
13 surgery as I see it. I get a little nervous when I see
14 that they want us to mandate automatic inflators and
15 things like that. I think the federal government would be
16 the best ones to mandate any of those things because I
17 don't think as a state we have a right to. But --
18 MR. WEISSMAN: I think in terms of just the reg
19 part, I think NHTSA sets minimum standards. NHTSA in
20 their evaluation of the TPMS did use as one of the four
21 that they tested, they did use a prototype of auto inflate
22 unit for a passenger vehicle. However, we have to
23 distinguish -- the TPMS is intended for safety, strictly
24 safety. This is it. If you want maintenance, this is a
25 different story. That's not for them. And it's for

1 NHTSA.

2 And what you want -- in essence, what the auto

3 inflate unit is, is direct TPMS plus an air supply unit.

4 And we took the position in our report that what we are

5 interested visive our charter here, is to identify ways to

6 extend tire life. Now, I would agree there is no need for

7 auto inflate system if every person would go and properly

8 maintain their tires. However, the evidence that we have

9 in front of us suggests to us that people don't do it, not

10 even when they realize that they're life dependent. And

11 it is not our study. This is a NHTSA study.

12 COMMITTEE MEMBER JONES: Okay. Can I ask one

13 more question, Mr. Paparian? Where are you coming to us

14 from? I mean, are you out of state? Are you --

15 MR. WEISSMAN: No. I'm from Berkeley,

16 California.

17 COMMITTEE MEMBER JONES: Then I don't feel so

18 bad.

19 CHAIRPERSON MEDINA: Thank you. That will

20 conclude our discussion for this item. And let me again

21 say again for the purpose of the Board meeting to do

22 justice to this, our Board members as a whole are very

23 much interested in this subject. This is very important

24 to our Board meetings. So we want to do justice to this

25 subject.

However, given the time constraints, we do want to handle this promptly when it comes before the Board -- other Board members adequate time to ask questions to deliberate and ultimately to make a decision with regard to whether we'll approve the resolution or not.

MR. WEISSMAN: Can I add one more comment?

CHAIRPERSON MEDINA: Not at this time. Thank you. We appreciate if you'll save that for the Board meeting.

With that, if we can move on to the next item.

DEPUTY DIRECTOR LEE: Thank you, Chairman Medina. Board Item 20, Committee Item F is consideration of a joint offering for fiscal years 2003/04 and 2004/05 of the eligibility criteria evaluation process and priority categories for the rubberized asphalt concrete grant.

Nate Gauff will make the staff presentation.

MR. GAUFF: Good morning, once again, Committee Chair Medina and Board Members Jones and Paparian. This item is in response to the Kuehl Bill, Senate Bill 1346 program. We're coming to the Board and asking, number one, that it be for two fiscal years. This criteria evaluation process and priority categories apply for two fiscal years' worth of money, which would be fiscal year 2003/2004 and 2004/2005. The Board has allocated in the Five-Year Plan 1.1 million for 03/04 and 1.2 million for

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1 04/05 for this program.
2 This is the first time that this criteria has
3 come before the Board. We don't plan on using the
4 standard criteria that the Board has adopted. That's why
5 we're coming to you today for the priority categories.
6 What we're looking at as far as eligibility for the
7 applicants, the statute lays that out, is that it's open
8 to cities, counties, districts and other local government
9 agencies that fund public work projects and that the
10 projects have some limits that must be met. One, that the
11 amount of rubberized asphalt that's used has to be between
12 2500 and 20,000 tons. And that the project also must use
13 a minimum of 20 pounds of rubber per ton of rubberized
14 asphalt.
15 What we're looking for for your approval is that
16 in the proposed application and evaluation process that we
17 simplify that process in that once the NOFA funds
18 available go out, that we send out a modified application
19 using the priority categories. We will rank the
20 applicants and then bring it back before the Board for an
21 award.
22 And the award process would be fairly similar.
23 We would once again give you a list of applicants ranked.
24 If the Board approves that, we would then fund down that
25 list based on the amount of money available for 03/04.

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1 And then once the 04/05 budget is passed, we would then
2 continue down that list using the 04/05 money for those
3 applicants.
4 If in the first solicitation we do not get
5 sufficient applicants to use all the money through 04/05,
6 we would then go out with a second offering or a third, as
7 necessary, to expend all of the moneys through the final
8 moneys of 04/05. And any money might be reallocated in
9 the Board's normal process.
10 We're also proposing there be a per jurisdiction
11 limit of $250,000 -- actually per applicant limit of
12 250,000 per funding cycle. So for example, if Modoc
13 County came in with enough requests for up to 250,000 in a
14 cycle, that would be their maximum. Or if a jurisdiction
15 came in for, let's say, $400,000 worth of projects that
16 were eligible, they could be funded up to $250,000. If
17 there were additional funds remaining after that,
18 everybody that was eligible is funded, we could exceed
19 that limit if you so approve that.
20 What we want to do is make sure that everybody
21 that is eligible that does submit an application gets
22 funded up to the maximum, you know, within the priority
23 categories. But if there's additional money, rather than
24 having to go unexpended, we would apply that to additional
25 eligible projects.

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1 The priority categories that we're coming to you
2 for consideration -- there's three categories that we
3 would rank the projects. The first ranking would be on
4 the projects that use maximum amount of material of
5 rubberized asphalt. The larger projects would have
6 priority in the system.
7 The second category -- when you have two projects
8 in equal amount of tonnage of material, the second
9 category would be looking at which project is proposing to
10 use a higher percentage of rubber per ton of material.
11 And then the third category would be based on the
12 readiness of the projects to be implemented. In the third
13 category in a project, has a contract out that's been
14 awarded but not constructed before the award by the Board,
15 that project will receive high -- would be in the highest
16 third -- or actually the highest ranking within the third
17 category.
18 So basically you've got the first category
19 establishes one list based on material. Then within that
20 list to break ties, you go to the second category, which
21 is looking at the amount of rubber per ton of material.
22 And to break the secondary ties, you look at the third
23 category, would be the readiness of the project to be
24 implemented.
25 COMMITTEE MEMBER JONES: Mr. Chair.

1 CHAIRPERSON MEDINA: Board Member Jones.
2 COMMITTEE MEMBER JONES: Nate, so you're saying
3 really the criteria is one category, how much material are
4 you going to use. And that's basically the category.
5 MR. GAUFF: No. That would establish your first
6 sort of applicants. Okay. But let's say there's seven
7 applicants that have projects at 20,000 tons. How do we
8 differentiate between those seven? Then we apply the
9 second priority category.
10 COMMITTEE MEMBER JONES: But you may not even
11 need to.
12 MR. GAUFF: That's a possibility, yes.
13 COMMITTEE MEMBER JONES: So there would be one
14 category.
15 MR. GAUFF: No. Well, okay.
16 COMMITTEE MEMBER JONES: Go ahead.
17 MR. GAUFF: Okay. Give you an example. We'd
18 have a list of projects in the 20,000 ton range on down to
19 2500 tons.
20 COMMITTEE MEMBER JONES: Right. And $1,100,000.
21 MR. GAUFF: Yeah. We assume we would get that
22 far.
23 COMMITTEE MEMBER JONES: What's the next
24 category?
25 MR. GAUFF: Let me back that up. Let's say from

1 looking at the whole range from 20,000 to 2500 on down to
2 2500, you get to 7,500 tons, and that's your funding cut
3 off. All the projects above that would be funded. All
4 the projects below that would not necessarily be funded at
5 that point. Okay. And then even within that 7,500 ton
6 and below, let's say you had a bunch of ties within there.
7 To establish the next level of sort, you would go to the
8 Criteria 2, which is the amount of rubber used per ton.
9 Okay. And then to break any ties that might still exist
10 within the third level of sorting would be looking at
11 readiness of project.
12 In that after having gone through those three
13 categories, we assume we will have broken most of the ties
14 and have a fairly well-ranked project list that, you know,
15 we could bring to the Board for consideration. It's
16 basically just a way to rank jurisdictions.
17 Also looking at that list from top to bottom, you
18 would have to consider the $250,000 per jurisdiction
19 limit.
20 CHAIRPERSON MEDINA: Reminds me of the priest
21 trying to explain the Trinity.
22 COMMITTEE MEMBER JONES: Exactly.
23 MR. GAUFF: Okay. Are there any more questions
24 on that one?
25 COMMITTEE MEMBER JONES: No, but when the time

1 comes, I'm going to suggest a different way of looking at
2 it. Because right now all you're doing is allocating to
3 the biggest jobs.
4 MR. GAUFF: Pardon?
5 COMMITTEE MEMBER JONES: How much area does it
6 take for 20,000 tons of two-inch overlay?
7 MR. GAUFF: It would be with ten lane miles. I
8 take that back. I take that back. It would be about
9 three lane miles.
10 COMMITTEE MEMBER JONES: Okay.
11 CHAIRPERSON MEDINA: Board Member Paparian.
12 COMMITTEE MEMBER PAPARIAN: The one thing that
13 we're losing in this approach -- and I wonder if there's
14 some way to work it back in -- is the recycled content
15 purchasing policy or directive, that's a standard thing we
16 have for all our grants. And we grade people 10 percent
17 based on that. By using this approach, you don't have a
18 recycled content policy directive in there anywhere. This
19 would be the first grant program that I'm aware of since
20 I've been on the Board that would jettison that.
21 MR. GAUFF: All of these projects would have a
22 recycled content purchasing in the sense all these are
23 rubberized asphalt project using recycle content material.
24 COMMITTEE MEMBER PAPARIAN: Virtually all our
25 grants we give out are for a purpose like that. But we

1 also give 10 percent points like we do in all the other
2 tire grant areas, 10 percent for evidence of a recycled
3 content purchasing policy or directive.
4 So what I'd like to see in here -- actually, I'd
5 like to see a couple things. One would be to work that
6 into one of the categories so that we don't, you know,
7 lose site of that very important policy of the Board, that
8 we have a recycled content purchasing policy or directive
9 and give some points for that.
10 And then given -- it sounds like Mr. Jones may be
11 going to propose something. Let me just throw something
12 on the table. Given the newness of this, I'm willing to
13 try something that works and make your life easier in
14 getting these grants out of the door. What I would just
15 as soon try for one year and come back and see how it's
16 working and see if we need to make any tweaks before the
17 second round of grants go out. So in terms of anything
18 that we do, that would be my suggestion.
19 CHAIRPERSON MEDINA: Board Member Jones.
20 COMMITTEE MEMBER JONES: Thanks, Mr. Medina.
21 You know, I don't have problem including the
22 requirement to have a copy of their purchasing policy.
23 It's normally just a sheet of paper we put together
24 anyway. And this is all recycled content they're going to
25 be buying. That's fine to stay consistent.

1 How about if we look at this -- if we're going to
2 do this in a two-year cycle, which I don't have a problem
3 with, look at those 20,000-ton projects as being
4 50 percent of the allocation. Project from 2500 tons to
5 the 10,000 tons being 25 percent of the project. And then
6 whatever the rest of them are that fall out, whether they
7 be bigger projects or not, can be funded through the rest
8 of that 25 percent.
9 What I'm really worried about is that all this
10 money is going to go to big cities and we're never going
11 to get an opportunity to, you know, get this into the
12 smaller jurisdictions, because they're not going to do
13 three lane miles. They're going to do smaller projects.
14 They may have a hard time getting 2500 tons on the ground.
15 So my thought is you put it out, but on your
16 scoring criteria you look at 20,000 tons, that 50 percent
17 of the money available go to that automatic -- or the
18 potential that it goes there. And then projects between
19 2500 and 10,000 tons fall into a category for 25 percent
20 of the money. And then whatever falls out after that, you
21 can use that other 25, depending upon how the -- because
22 you've still got to go through all your grading gyrations.
23 But I'm just not comfortable with all of it going to over
24 20,000-ton projects.
25 MR. GAUFF: And I'll try to share with you a

1 little bit of my perspective. Actually, we did get a
2 request by a rural -- I think it's --
3 COMMITTEE MEMBER JONES: RC.
4 MR. GAUFF: No. It's the Rural Counties
5 Environmental Services Joint Powers Authority. But let me
6 give you as a little perspective on this, as I know it.
7 Sacramento County has been using rubberized
8 asphalt for about the last 12 years. In that 12-year
9 history, they've only used 280,000 tons, or about 20,000
10 tons per year. And actually I think the program is
11 probably a little higher than that now. It's probably in
12 the 30- to 40,000-ton a year range. So even if they come
13 in for 40,000 tons, that's going to be basically two
14 projects -- two top-level projects' worth. I just want to
15 give you that perspective.
16 I agree there may be some bigger counties out
17 there that are using more material. However, trying to
18 balance this with staff resources -- I'm just going to
19 throw some numbers out. If you look at just the first
20 year's allocation of 1.1 million, if we funded just
21 20,000-ton projects, we would have 22 grants. That would
22 be 50,000 a grant for 1.1 million is 22 grants. If we
23 funded the smallest level of grant, which is 2500 tons or
24 $6250, we'd have 175 grants.
25 So I understand -- I think we're going to see a

1 wide range of projects. I don't think we're going to just
2 max out at a bunch of big projects. That's my own
3 personal opinion. I think we're going to have a pretty
4 good range, and we're probably going to end up with about
5 50 grant projects total, is my best estimate at this
6 point. That will include the big projects and smaller
7 projects. Okay. So that that's just perspective on that.
8 Now as far as the Rural Counties' request, the
9 gentleman sent me -- I think he sent you all a letter last
10 Friday. He sent me an e-mail yesterday.
11 CHAIRPERSON MEDINA: We do have a representative
12 here from the Rural Counties. So why don't we listen to
13 the representative.
14 MR. GAUFF: I think Larry Sweetser is here. I
15 just want to share what Jim Hemminger --
16 MR. DIER: He's here.
17 MR. GAUFF: What Jim sent me in the e-mail was he
18 suggested we set aside 10 percent of the funding for the
19 small projects -- for the small rural governments, and
20 that the projects be limited to 4,000 tons or less, which
21 is probably more representative of what the rural
22 governments will be able to do. So those projects would
23 range from 2500 to 4,000 tons.
24 CHAIRPERSON MEDINA: In fact, as the Caltrans
25 Director, I had an opportunity to travel around the state.

1 And the roads and highways that are in the poorest
2 condition are those in the rural areas and rural counties.
3 That's where the need is the greatest. So I can see
4 Mr. Jones' concern in regard to these areas not receiving
5 the high priority.
6 Board Member Jones.
7 COMMITTEE MEMBER JONES: Mr. Medina, just one
8 other quick question.
9 And Nate, believe me, I'm very aware, as is the
10 Board of the constraints and the demands on especially the
11 tire staff's time, but the whole Board staff's time.
12 I have no problem with streamlining this grant
13 process. Once the grant is awarded -- once the Board
14 awards that grant, then you've got some form that's got to
15 be filled out that requires them to do their project, give
16 you evidence that it went down, and then you're going to
17 pay them.
18 Is there a lot more involved? I know I gave the
19 short version. But is there a whole lot more involved?
20 Because if there is a whole lot more involved, maybe we
21 need to know about that. Because we have an obligation, I
22 think, as Board members to make decisions based on the
23 allocation of staff resources as well as dollars. So --
24 MR. GAUFF: I'd say after the Board makes the
25 award, once the agreements are executed, a lot of the

1 staff work at that point -- that's where the majority of
2 the staff work is going to be, which is one of the reasons
3 why we wanted to set aside the traditional criteria.
4 Because, you know, if we get 300 applications in, to try
5 to score these things looking at the traditional criteria,
6 it's going to take quite a bit of staff effort, not only
7 in the tire program but Board-wide. Then once again,
8 depending on how many grant agreements we end up with, I
9 mean, 50 to 75 grant agreements is a significant staff
10 load. One to execute all those agreements, get all the
11 paperwork in order, and monitor those after they've been
12 awarded.
13 As far as closing out the projects, it should be
14 fairly straightforward because you've got to go through
15 the project, give us proof you did it, and then we cut you
16 a check. That part of it should be fairly
17 straightforward. I think it's the up-front work, the
18 scoring, the evaluation and that effort that's going to be
19 significant if we don't streamline the evaluation process.
20 And that's why we were just coming with kind of a
21 simplified priority ranking system to rank these projects
22 once we get them in.
23 COMMITTEE MEMBER JONES: Mr. Chair -- go ahead.
24 CHAIRPERSON MEDINA: Thank you. With that, I'd
25 like to call Mr. Larry Sweetser up.

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1 MR. SWEETSER: Good morning, Board members. I'm
2 Larry Sweetser on behalf of the Rural Counties
3 Environmental Service Joint Powers Authority. And thank
4 you Members Medina and Jones, I think you stole some of my
5 thunder on my speech, but I'll do it anyway.
6 I'd like to commend the Board on establishing the
7 RAC grant program. It's a positive effort to reduce the
8 amount of used tires out there. And we understand the
9 need to use up the tires. There's a lot of them out
10 there, a lot of tire piles. That's probably why the
11 priority ranking Category 1 was set to greatly favor the
12 larger projects.
13 Just doing some quick math in the back, if you
14 had a number of applicants submit at the higher level the
15 maximum amount of the 2500, 250,000 per jurisdiction, five
16 jurisdictions that qualified would use up the funds. And
17 anybody with a lower smaller project would be totally out
18 of the loop. So we do so support some sort of smaller
19 tier.
20 Without that, it's a great disincentive for rural
21 areas or smaller projects to even attempt to use a RAC
22 project. And those projects, the smaller levels, the 2500
23 tons, that could easily be a parking lot, access road. A
24 variety of different areas could be used for those small
25 amounts rather than just larger projects. In many cases

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it's easier for public works departments to deal with smaller contracts rather than one big road project and get a lot more of those done on the local level, and thereby increasing the use potentially of the RAC materials. And this grant may be able to put some of those projects over the hurdle of the additional cost and mobilization for using RAC materials.

So we did provide staff with a proposal. We're not set on those numbers. We're just trying to look for some way to set aside some amount for smaller demonstration projects. So we're open to the amount of materials. We know the effort on behalf of staff would have to be greatly increased by the number of applicants for small projects. But maybe there could be other ways to address that, maybe limiting the pool of smaller applicants so that staff doesn't get stuck with 175 applicants for all the smaller projects. Just some way of providing some opportunity for smaller projects.

If you do approve that concept, we would work on behalf of our rural counties on trying to find willing applicants in our pool. I'm sure there's other applications. So we'd be willing to put that effort out there to try to create an incentive for smaller areas.

And if you do that set-aside, we also need to take a look at the time table under the Category 3 in

1 terms of the projects. Because many of these smaller
2 projects may be dependent on whether they get the grant so
3 they wouldn't satisfy the upper criteria under Category 3
4 for already have released a contract. So we may need some
5 time to educate the local vendors, facilities, contractors
6 on the use of this material being used. So that project
7 probably would not have been released yet because it would
8 depend on whether the grant was awarded. So if we do set
9 aside money for smaller projects, maybe we can look at
10 that Category 3 a little more.
11 We do appreciate your efforts in considering
12 this. We think by allowing smaller projects like that it
13 can demonstrate the applicability of the RAC materials
14 both for large and small projects and in a variety of
15 areas. Many of you have traveled the states. You see
16 different conditions in different areas. I think the
17 Board can demonstrate the RAC materials work in all of
18 these variety of conditions. I think it would help the
19 program. Thank you very much.
20 CHAIRPERSON MEDINA: Thank you for your comments.
21 Board members, if you will allow me, I will not
22 ask for the motion on this resolution at this time, such
23 that we can incorporate both Board Member Jones' and
24 Paparian's concerns in this regard. And we will bring it
25 up for a motion at the Board meeting. That will give us

1 some time to make whatever necessary changes need to be
2 made in regard to this particular item.
3 DEPUTY DIRECTOR LEE: Thank you, Chairman Medina.
4 I'd just like to make a couple of comments to emphasize
5 some of the points that were made. Again, there was --
6 the reason we had structured, again, the priorities such
7 as they were to get these projects on the street as
8 quickly as possible and also to use the largest amount of
9 RAC. We realize that it might create some, you know,
10 perceived favoring of the larger projects, but also those
11 are the ones that use the most amount of the rubber. And
12 that's what we understood to be the main criteria in the
13 Kuehl Bill.
14 And again, there also was a concern on our part
15 about getting these projects on the street in the first
16 place. I think, as we discussed during the Five-Year Plan
17 process, there is some concern again about whether or not
18 the projects will provide the incentive they need to
19 really influence the local jurisdictions to utilize it.
20 So again, in trying to work mainly with the larger ones
21 first, at least get the program kick-started, if you will,
22 we thought was a good way of approaching it.
23 And again, the workload implication -- again, I
24 can't overemphasize we had originally slated one PY to be
25 basically working on the RAC program. That was in the BCP

we proposed that we were unsuccessful in getting through where it had to be sacrificed because of our other budget constraints. We're making due out of existing resources which are already strained. That was another reason for our proposal, again to try to limit this. Get something on the street quickly, and like I say, utilize the maximum amount of RAC.

We understand the Committee's direction. We'll take another whack at this in trying to address the Committee's concerns, and we'll bring something back to the Board next week.

CHAIRPERSON MEDINA: Very good.

Item G, and we have ten minutes for this item.

DEPUTY DIRECTOR LEE: Board Item 21, Committee Item G is consideration of proposed applicant eligibility, project eligibility, scoring criteria, and evaluation process for a joint offering for fiscal years 2003/04 and 04/05 for the tire product commercialization and applied technologies grant.

Jesse Adams will make a very abbreviated presentation.

MR. ADAMS: Mr. Chairman, members, I really need half an hour to do this in insufficient boring detail.

We're requesting a joint offering to cover two fiscal years. Just a little background. The fiscal year

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01/02 cycle received 23 applicants requesting more than 5 million, and the follow-on cycle also received 23 applications that requested 6 million. Out of that, the Board awarded 2 million to the eight highest scoring and another one-and-a-quarter million on reallocation. The Board has taken no previous action on this proposed item.

I've provided four options for the Board to consider. Staff recommends Option Number 1. Staff believes the joint offering spread over two fiscal years is the best method to meet stakeholder and Board needs, and based on stakeholder input regarding equipment, start up-costs, staff proposes to increase the maximum award amount per applicant from a quarter million to 400,000. A separate award item would be presented to the Board for each of the fiscal years, fiscal year 03/04 and for fiscal year 04/05 and for any reallocation moneys designated for this program.

In December of '02 the Board approved a scope of work for a technology evaluation and economic analysis of waste tire pyrolysis, gasification, and liquefaction. In February -- the anticipated report from the contractor is due sometime in '04.

In February of '03 the Board approved another scope of work for the evaluation of waste tire devulcanization technology. It's anticipated that report

1 from the contractor is also going to be available in '04.
2 And, therefore, staff recommends that waste tire
3 PGL and devulcanization projects be ineligible for grant
4 funding until after the Board reviews these studies and
5 directs staff as to the appropriate inclusion of these
6 technologies as eligible projects in future tire product
7 commercialization grant cycles. And although not noted in
8 this item, Assembly Bill 1756 was recently chaptered which
9 directs that the Five-Year Plan may not propose financial
10 or other support that promotes or provides for research
11 for the incineration of tires. Staff would take that into
12 consideration also as projects which would be ineligible
13 for funding. This would probably be covered under our
14 application process.
15 Eligible applicants, as in past cycles, research
16 institutions, businesses, and other enterprises with
17 projects located in California. Many applicants deemed
18 not eligible would be, of course, disqualified, and the
19 applicants would be returned.
20 We have not yet had any California tribes apply.
21 I think they're probably busy with other activities.
22 Eligible projects would be located in California,
23 use waste tires generated in California, secure all
24 required permits, licenses, and filings for the California
25 location, keep records with the project in California for

1 at least three years, and keep any equipment purchased
2 with grant funds in California for five years after the
3 end of grant term. An applicant may apply for more than
4 one grant award per fiscal year, but the projects may not
5 be related.
6 The maximum amount for each grant is proposed to
7 be $400,000 with a required 50 percent minimum match of
8 the grant amount. The requirement that the applicant
9 demonstrate an ability to provide matching resources equal
10 to or greater than 50 percent of the request grant will be
11 evaluated through the budget criteria.
12 We're requesting some changes to the scoring
13 criteria. Let's see if I can get into this quickly.
14 Points assigned -- if you'll refer to Attachment 1.
15 Points assigned to Criterias 2 through 4 and Criterias 6,
16 7, and 10 will remain the same as the last approved grant
17 cycle. We may have to discuss Criteria 9.
18 Staff recommends increasing Criteria 5 budget
19 from 5 points to 10 points. This recommendation is based
20 on staff experience and reviewing the budget criteria in
21 previous applications. Since these grants support
22 business-type entities, staff believes it's important to
23 strengthen the assessment of the business detail provided
24 by the applicants. Staff recommends the addition of
25 Criteria 11, recycling market development zone to program

1 criteria worth 5 points. The addition of this criteria
2 would provide an incentive for applicants to locate,
3 relocate or remain in the RMDZs. In order to obtain the 5
4 points recommended for the addition to both of these
5 criteria, staff recommends that Criteria 1 need a Criteria
6 8 product type, each be reduced by five points. I had a
7 discussion for that, but I think since we're moving along
8 here -- let's see.
9 Our evaluation process. We have a -- for
10 Criteria 9, it was indicated that there was some interest
11 in making some adjustments here to points. We have a
12 suggestion that we could change it from 200,000 up to
13 249,999 for ten points; 250 to essentially 500,000, 15
14 points; and 500,000 and above would be 20 points. The
15 Board can direct us on what they would like on that.
16 The second part of Criteria 9 --
17 CHAIRPERSON MEDINA: The scoring criteria that we
18 have before us, is that the scoring criteria that is
19 proposed, or is that the existing?
20 MR. ADAMS: This is the current, existing. I
21 have a copy if you'd like to see a copy of what I just
22 discussed on Item 9, criteria 9.
23 DEPUTY DIRECTOR LEE: If the Board would like,
24 staff would propose a change to Criteria 9 to change the
25 categories. And I think as Jesse described, I think the

1 top category instead of being a million tires or more, the
2 top category would be anything that uses more than half a
3 million tires. It's a small change. It just puts the
4 criteria more in the range of the number of tires that are
5 likely to be used on the particular projects that were
6 likely to receive, given that we're not going to be
7 funding tire incineration projects.
8 CHAIRPERSON MEDINA: What I'm asking is whether
9 the scoring criteria that we have before us, which is
10 Attachment 1, is this a revised one, or is this the old
11 one?
12 MR. ADAMS: That's the old one, sir.
13 CHAIRPERSON MEDINA: Thank you.
14 We do have one speaker. And before we get to
15 that speaker, I want to give the Board members an
16 opportunity to ask whatever questions they have.
17 Board Member Paparian.
18 COMMITTEE MEMBER PAPARIAN: I'll make my points
19 real quick. I think there's an issue that I brought up
20 during the last grant awards where a single entity got two
21 grants. That was perfectly legal under the last one, it
22 turned out. I'd like to prevent that from happening
23 again, though. I'd like to have it so that one person
24 can't get more than one of these grants.
25 I'd like to keep the 250,000 limit. This is an

1 actual grant that's going to a business. We're giving
2 them that much money. I think that certainly if I'm a
3 business I would like as much as possible. But on the
4 other hand, I'd like to be able to spread this around to
5 as many of these businesses as possible.
6 On the last discussion on Item 9, program
7 criteria, I think that there probably should be an added
8 category for under 200,000 that they should be able to get
9 up to 10 points. This would potentially allow some of the
10 smaller businesses to qualify for some smaller grant
11 amounts.
12 MR. ADAMS: Would zero to 249,999 work?
13 COMMITTEE MEMBER PAPARIAN: It would get from
14 zero to ten points.
15 MR. ADAMS: No. I mean, if they're using
16 passenger tire equivalents from up to 249,999.
17 COMMITTEE MEMBER PAPARIAN: I think your lower
18 cut off was 200,000, as I understood it. 200,000 to
19 250,000.
20 MR. ADAMS: That's correct.
21 COMMITTEE MEMBER PAPARIAN: So up to 200 would
22 get up to ten points. There would be some discretion
23 there, I think, on the staff's part in evaluating it. But
24 if someone has a project at 100,000 tires, you know, they
25 can get some points for that rather than zero.

1 MR. ADAMS: So we'd adjust the additional points,
2 the follow-on accordingly. 250 to the 499 --
3 COMMITTEE MEMBER PAPARIAN: No.
4 MR. ADAMS: Just up to 200,000?
5 COMMITTEE MEMBER PAPARIAN: Your lower floor
6 looks like 200,000 tires.
7 MR. ADAMS: Right. So we could just include them
8 in there.
9 COMMITTEE MEMBER PAPARIAN: What I'm saying is
10 add an additional category. For up to 200,000 tires, they
11 get up to ten points.
12 COMMITTEE MEMBER JONES: So if they had ten
13 tires?
14 COMMITTEE MEMBER PAPARIAN: If they had ten
15 tires, and I was scoring, I'd give them zero points. If
16 they had 100,000 tires, I'd probably give them five points
17 if it was me scoring them. But I wouldn't want to --
18 under the existing, they would get zero, under the
19 existing criteria if they did 100,000 tires. I'm not sure
20 that's what we want to have happen -- what I want to have
21 happen. I want to encourage some people entering the
22 marketplace.
23 CHAIRPERSON MEDINA: I think that is a point well
24 taken.
25 Board Member Jones.

1 COMMITTEE MEMBER JONES: Thanks, Mr. Chair.
2 I think this is another one where the 400,000 is
3 probably to maximize -- I mean, we're doing a two-year
4 grant, it looks like. So I have a couple things. I don't
5 understand -- I can't agree with staff recommendation to
6 exclude pyrolysis, liquefaction, and gasification for a
7 two-year cycle. The reports are going to come out in less
8 than a year. But yet, by this grant structure they're
9 excluded. It's one of the -- in our strategic plan we've
10 identified conversion technology as one of our areas that
11 we seek.
12 So maybe we've got to break this down that that
13 second-year funding, if it's participate, these PGLs might
14 be able to be funded.
15 I think, too, that 400,000 -- I think we have two
16 things we have to remember. How many crumbers do we have
17 in the state of California right now? We just lost
18 another one. We have two that are on the verge of
19 leaving, of going out of business. I think that means we
20 have five. Is that how many we have? Anybody know? I
21 think it's five.
22 MR. LEVEILLE: Seven.
23 COMMITTEE MEMBER JONES: Does that include those
24 two?
25 MR. LEVEILLE: Yeah.

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1 COMMITTEE MEMBER JONES: So we have seven
2 crumbers in the state of California. That's all we have
3 left to try to deal with this. I'd like to keep this at
4 400,000 so that if any of them who have to compete with
5 Canadian crumb, Arizona crumb, and all the rest are going
6 to be able to buy the equipment that they need to be able
7 to sustain their business. I want them to be able to deal
8 with real dollars. In my view, the 400,000 made sense.
9 Just from the standpoint that these guys have got to ramp
10 up, or they're not going to to be around.
11 So I think commercialization has to be more
12 commercialized businesses, you know, things that make
13 money, or try to make money, anyway. Most of them don't.
14 But at least try to. So I mean, that's what it's always
15 been designed for.
16 I don't have a problem with the numbers. I don't
17 have a problem with the other stuff. But I think PGL
18 should be included in the second year, if they score high
19 enough. And I think that the dollar amount should be 400
20 grand. Some of them aren't going to ask for that much.
21 They can't afford the match. And, you know, we've only
22 got seven left so --
23 CHAIRPERSON MEDINA: Thank you, Board Member
24 Jones.
25 With that, I'd like to call up Terry Leveille who

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is going to introduce Dr. Mohamed Aslam Ali.

MR. LEVEILLE: I'd make this quick Chairman Medina and Committee members, I'm Terry Leveille of TL and Associates, for the record. My hat today is representing Yakima International which has a project that possibly would conflict with the disqualification of the pyrolysis gasification, liquefaction.

I don't say they're a pyrolysis operation because the technology we're dealing with here is below that. They are proposing two things. One, to take a waste tire or a significant number of waste tires, produce an activated carbon, and then with that activated carbon, put that into a container and make a water filtration system. It's a commercialization project is what we're looking at here.

The intent, I believe, of the two studies that are going on is looking at traditional pyrolysis work whereby you take a tire, break it down into components, parts, carbon black, and oil and gas. And you try to market those on the open market. And you know, be that as it may, this is not that. This is not carbon black. This is an activated carbon. And Dr. Ali is here to tell you the difference. I don't really know the difference.

But I do know he is not looking to sell this product on the open market. He is looking to make this

1 into a commercially-feasible product that can be sold to
2 Orchard Supply or another type of thing.
3 And I just wanted to be here to -- I've got Dr.
4 Ali here to answer any questions. I wanted the Committee
5 to look at this specific DQ portion and at least consider
6 the possibility that there may be other types of projects
7 that should not fall under this current section.
8 DEPUTY DIRECTOR LEE: Just one note on that,
9 Chairman Medina and Terry. Again, on the interest of
10 saving time staff has already, I think, discussed this
11 proposal, you know, with the contractor. And again, we
12 will acknowledge that it's at least our opinion that this
13 particular project being proposed is outside of the --
14 would not be included within the PGL exclusion that we are
15 recommending. So it would be eligible to compete the way
16 that we have structured the program.
17 CHAIRPERSON MEDINA: Thank you, Board members.
18 Are there any questions of Mr. Ali?
19 If not, then we will move this resolution, but it
20 will not be placed on consent calendar, such that we can
21 incorporate both Mr. Jones' and Mr. Paparian's
22 suggestions.
23 Is that fine with the Board members? Board
24 Member Paparian?
25 STAFF COUNSEL BRECKON: This is Wendy Breckon,

1 staff counsel.

2 If I could just ask for clarification quickly

3 from Mr. Paparian. I think you discussed limiting one

4 grant per person. Did you mean --

5 COMMITTEE MEMBER PAPARIAN: Per entity.

6 STAFF COUNSEL BRECKON: So per company?

7 COMMITTEE MEMBER JONES: Per award year.

8 STAFF COUNSEL BRECKON: Per award year.

9 COMMITTEE MEMBER PAPARIAN: Well, I mean, per --

10 it's confusing when you have this two-year cycle, which

11 might be another issue. So per award year. Fine.

12 Mr. Jones will go with that. Fine.

13 DEPUTY DIRECTOR LEE: Again, Chairman Medina,

14 we'll work on these things over the next few days and

15 bring something back to the full Board next week hopefully

16 addressing all these concerns and issues you brought up

17 this morning.

18 COMMITTEE MEMBER PAPARIAN: Can I ask one

19 question, Mr. Chairman?

20 CHAIRMAN MEDINA: Yes.

21 COMMITTEE MEMBER PAPARIAN: The issue of the

22 pyrolysis and gasification, Mr. Jones, that you brought

23 up, I'm sympathetic to putting it in the second year,

24 although I'd like to see the results of the report. I

25 wonder -- just offering a suggestion -- if this should be

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a one-year cycle so we can incorporate that in whenever the results are, so we can consider that for the second year of the cycle.

COMMITTEE MEMBER JONES: I think it -- I mean, I'll let staff talk for themselves. But I think there's a two-year cycle because of the constraints of staff resources to try to maximize it.

COMMITTEE MEMBER PAPARIAN: I'm sympathetic with that. But also I'd like to see the results of the pyrolysis study before presupposing how it might fit into these criteria. So --

DEPUTY DIRECTOR LEE: We'd like the opportunity to take a look at these issues. The two-year cycle wasn't solely a plan to save on staff resources.

COMMITTEE MEMBER JONES: I'll go along with one year. And we'll look at the criteria later. That's fine.

CHAIRPERSON MEDINA: Okay.

MR. ADAMS: Excuse me, Mr. Medina. Do we have a clarification between Mr. Paparian and Mr. Jones on the amount of the award?

CHAIRPERSON MEDINA: All of these issues we'll bring up to the full Board and come to a resolution of these issues.

DEPUTY DIRECTOR LEE: Understand.

CHAIRPERSON MEDINA: Is there any public comment?

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1 If not, this meeting is adjourned.

2 (Thereupon the California Integrated Waste

3 Management Board, Special Waste

4 Committee adjourned at 12:10 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:
5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.
10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.
13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 21st day of September, 2003.
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