

## SCRAP TIRE ADVISORY COMMITTEE MEETING

November 2, 2006  
 9:00am - 12:00pm  
 Lansing, Constitution Hall, Atrium North  
 Rachel Carson Conference Room

### MEETING SUMMARY

Name	Affiliation	Phone Number	E-mail Address
Rhonda Oyer Zimmerman, Chair	MDEQ-WHMD	517-373-4750	<a href="mailto:oyerr@michigan.gov">oyerr@michigan.gov</a>
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Welcome by Rhonda Oyer Zimmerman, Chair, Scrap Tire Advisory committee and introduction of participants.

**Status of Yahoo Groups and STAC web page:** So far 13 people have signed up for the yahoo group. In order to sign up you will need a Yahoo id, but do not have to have the messages sent to a Yahoo e-mail address (they can be sent to any address).

The website is located in [www.Michigan.gov/deg](http://www.Michigan.gov/deg) in the "Committee and Advisory groups" subheading. Notes from the July meeting will be posted shortly.

**Approval of July 27, 2006 STAC meeting summary:** no comments on the meeting summary. They will be posted on the website.

**Report to Legislature:** There were no comments back from the Legislature about the report.

**Update on Current Legislative Activity:** The bill analysis for SB 1418-1424 and HB 6474-6477 (the amendments to Part 169) were distributed. The Senate Bills have been introduced, but the House Bills have not. George noted the importance of having members of the advisory committee testify when the bills are taken up by the House and Senate Committees. It is not known whether the bills will be taken up in lame duck session (before the end of the year) or if they will be re-introduced in the next session (beginning January 2007). Rhonda noted there is a national interest in the new bills, and that they could be a model for other states.

**Scrap Tire Cleanup Grant Timeline:** A comparison of the FY 05/06 and FY 06/07 Scrap Tire Cleanup Grant timelines was distributed. Julie reported that the deadline for grant applications was this past Monday, October 30<sup>th</sup>.

Approximately 30-35 applications have been submitted totaling approximately \$4 million. Applications must be postmarked by the 30<sup>th</sup> so Julie will wait until the end of the week to ensure all applications have been received before sending them to the appropriate District office. The timeline to get recommendations to the Director and on the agenda for the Administrative Board is very tight, there is a potential for a month delay if the deadline is missed. The question of who sits on the Administrative Board was raised. Members consist of cabinet appointments, ***DEQ will find a list of members and distribute.***

Other possible setbacks in the timeline:

- A committee is currently examining boilerplate language for all DEQ contracts which may impact our process. We will need to include this new boilerplate language before the grants are approved.
- The actual signing and returning of the contracts (by the grantees) can take a while.
- Lien placement can also delay projects as liens need to be in place before a project can begin (the reason some projects couldn't begin until June in the last cycle).
- Access issues can delay start of grant contract.

The timing of the application process was questioned- asking if it is necessary to wait until the appropriation is made to start the application process (it would start earlier). Will the appropriation affect who applies for the grant? It is generally not a good idea to announce we have money to give out until we know we have the money. It was also pointed out that there is such a thing as starting "too early" especially in the case of larger sites that won't be completely funded in one cycle. Anne pointed out that there could be a collision in large areas such as Detroit

where sites are just finishing the cleanup while (possibly) another funding cycle would begin. Several District staff noted that often when they are inspecting cleaned sites at the end of the cycle they find surrounding sites that should apply for next the next cycle of grants.

The discussion moved towards setting aside a portion of the funding for smaller cleanup sites in a second round of funding. It will be more important to consider this as the large piles are cleaned up and smaller sites remain. It was also noted that smaller sites which will be awarded less than \$25,000 will not have to go through the Ad. Board (approval is required for grants over \$25,000). Currently we do not set aside funds for smaller sites that are found in the middle of a grant cycle. If money is left over after the grant decisions are made and projects are completed, additional funding is given to sites which may not have been originally given the amount needed to completely clean up the site. While discussing smaller sites it was pointed out that if a small site is discovered near a large cleanup site would be most cost effective to take equipment over and clean the site rather than wait until funding is available in the next round and bring all the equipment back to the small site. It is not legal to bring the tires from the small site to the large site to haul away. If a second round of grants were available these sites could be cleaned more efficiently and more cost-effectively.

Funding for a second round of smaller site grants could come from any leftover funds from the Market Development and End User Grants. If all the money is not awarded in these grant categories it could go towards the second round, although the dollar amount available would not be determined until June. Questions were raised such as do we need a second round or should we just continually accept applications, or could we just rely on the District staff to determine smaller sites that could use the grant money. Julie pointed out that there were two rounds of funding in the late 1990's but wasn't aware of the process. It was suggested that we only accept applications for the second round that would not require Ad. Board approval.

The current process for reviewing small site grant applications was reviewed. Currently, each District is given a specific portion of the total funding for small sites. If the money is not used it is combined with the larger portion of funding for the large sites. It is the Districts' responsibility to prioritize the small sites.

Returning to the discussion of new contract language, Rhonda noted that there will be stronger reporting requirements under the new language and more stringent reporting requirements for payments. The burden will be on the Grantee for the reporting, not the hauler or processor.

The following tire storage issues were discussed:

- The DNR is running into tire questions in their "Adopt-A-Forest" program. When volunteers conduct forest cleanups, they aren't sure what to do with tires that are found. They have been advised to store the tires indoors (inside a trailer), but will need to register as a scrap tire collection site if they reach a quantity of more than 500 tires. Municipalities or road

commissions are also recommended to have an enclosed trailer to take tires in cleanups. It was pointed out that the general public does not understand many tire retailers will take scrap tires for a fee. Nadine pointed out that her local recyclers know where to take tires and educate the public.

- The issue of shredding tires on a site and staging them for storage until they are needed by an end-user was raised for discussion. The draft legislation would address this issue with “commodity” language.

**Market Development and End User Grant Issues:** Currently these grant programs only cover the scrap tire material used in the process. Equipment, research and development are not eligible for funding. The proposed package of bills would include these provisions. The question was raised if a company wants to make a similar product to an existing product could that company apply for a grant? The grants are only for new products or new uses of the product in the state. A question was also raised about the requirement to show increase for the End-User Grant (especially in the case of TDF). Funding is needed to upgrade energy plants to be able to burn tires at acceptable emission levels and/or feeding tires into system.

Rhonda gave an overview of her meeting with Senator Switalski’s staff and Michigan Association of Counties regarding Market Development and End-User Grants.

The process of distributing Market Development/End-User Grants was questioned. Rhonda explained that the applications are also prioritized. The question was raised if the legislation passes will the funding level increase (as there is more opportunity to award funding). Not at this point.

The Market Development Grant was discussed in the context of sustainability and effectiveness. It was suggested that it become a loan if the project is successful (funds for research and development or equipment were paid back if the end product was very successful). It was also brought up that in 3-4 years many of the big scrap tire piles will be gone and the markets will change. The discussion returned to previous meetings’ discussions of providing a subsidy vs. providing a way to start a new market. If a subsidy is given the product will go away with the subsidy. Although grants for new uses can create new permanent markets.

**STAC member items:** none offered

**The next meeting is tentatively scheduled for Thursday, March 1<sup>st</sup> from 9am- 12pm**