

Waste Reduction Task Force

Infrastructure and Financial Development Work Group #4

First Meeting – October 16, 2007

Meeting Summary

Work Group Members Present: Jeff Heyduck, Randy Etheridge, Mark Kinsey, Pat Riley, John McFadden (by Phone)

Others Present: Joe Hammonds, Alderman and Crockett-Dyer-Gibson Solid Waste Planning Board Member

Facilitator: Larry Christley, TDEC

Meeting was held in Trenton, Tennessee at the Gibson County Utility District Offices with all members present. First steps were to organize and select a spokesman for the group. Randy Etheridge was selected by the group to speak at the Task Force meetings.

After organizing the work group, the topics raised by the Task Force in the Issues and New Direction brainstorming session were reviewed and familiarized. The initial discussions centered on the waste tire grant funding running out of money. Current consensus was that there is a gap or deficit of 10-30% in cost of managing tires and funding received from the state. One thought that was discussed with some agreement was that all tires in Tennessee should be considered “program” tires as it pertains to the grants. Ultimately, the counties end up being responsible and end up absorbing the cost of these tires in cleanups any way. There was not a good answer to addressing Tennesseans having to pay for out of state tires that would end up finding their way into the system. Some more discussion is needed.

Other related thoughts the group discussed include development and facilitation of other markets for waste tires and to improve the adequacy of those and current markets. Due to recent judicial rulings relating to the burning of waste tires, it was recommended to the Task Force that a legislative change defining waste tires, sawdust and other wood wastes be defined by law as “alternative fuels” to address issues that may arise from this ruling. Other areas where waste tire markets need to be encouraged and possibly promoted is the use of tires as asphalt and other civil engineering applications. The work group suggested looking into those that may oppose the use of tires for asphalt and other applications and seek buy-in or try and address any concerns they may have. The goal should be to make waste tires a commodity the same as cardboard, paper, plastics, etc. to drive down costs and create a competitive market place.

First Work Group Recommendation to Task Force: Legislation should be enacted to define waste tires (Tire Derived Fuel or TDF), saw dust, other untreated wood wastes as alternative fuels by definition and not a waste or by-product of manufacturing to promote the end marketability of these materials.

The immediate goal of recycling should be to work to make those paid for recycling to break-even financially. There are certain points in the market that prices drop below the break-even point and make it difficult for the counties to remain soluble for that commodity.

In another discussion relating to rewarding local governments for grants, a concern was raised about the way prioritizing grants “penalizes” local governments for grants because they do not have a developmentally disabled individual or they do not participate in a paint recycling effort. The thought was this reward should be accomplished through adding points to rating score but not large point awards that largely sway the ratings of narratives.

Discussing the education of existing and potential grantees, it was suggested that TDEC look to the Mayor Associations, TDEC technical assistance providers, and municipalities and provide education on grant potential opportunities to help get the word out about these grants. In many instances though, the municipalities look to the counties to provide many of the responsibilities due to financial limitations. This would also educate other public leaders on the financial and infrastructure issues.

On reporting back to TDEC as a part of the grant requirements for accountability, it was agreed that it would be most effective if TDEC grant or planning staff following up in a year’s time would be the most effective at determining the disposition of equipment purchased by grantees receiving the solid waste grants. Those who are not using the equipment properly would be the same one who would go through the motions of completing any form required.

Product Stewardship was considered important by this work group. A mindset of supply chain management from “cradle to grave” should be considered. Everyone agreed that this financial accountability is important. The concern was not to create an unfriendly business environment and cause loss of jobs or plant closures and drive businesses to seek more business friendly states or counties. Any efforts in this area should be approached cautiously so as not to harm Tennessee’s job vitality. Many industries are in a tight balance between making it or breaking it like the garment industry and tire manufacturing industries. Pushing too hard may cause these industries to close plants and move overseas.

In another area concerning financial accountability, the work group was in favor of Enterprise Fund accounting for all solid waste and recycling efforts in local governments, both county and municipal. This would help treat solid waste like a utility as it should be. There will be a difficult period as local governments struggle with the change over. It took Carroll County nearly seven years to work through similar issues.

Second Work Group Recommendation to Task Force: All solid waste and recycling have all revenues and expenditures for local governments (municipal and county) fall under a full cost accounting, enterprise fund. Fund should be self sufficient with revenues equal to expenditures. The work group agreed that having some capital type grants to help fledgling and expansion recycling programs would be much needed. It was suggested that even offering a one time capital grant or offer one once every 5-10 years for infrastructure improvement would be effective in starting and expanding existing recycling efforts with local governments. The old Waste Reduction Grants TDEC offered several years back would

be effective in addressing this issue. Similar smaller competitive grants along these lines up to one hundred thousand dollars (\$100,000) would also be helpful. Many pieces of equipment are not sixty to seventy thousand dollars \$(60-70,000) new.

The largest problem in infrastructure that was noted related to transportation. This impacts every commodity and the disposal of municipal solid waste for the local governments. Distance to markets limits what can be marketed. Distance and transportation costs decrease the cost effectiveness of recycling and many times leads to the disposal of recyclables. Tires are a specific commodity that this impacts. Creating closer markets may push waste tires to be more marketable like other commodities, i.e. cardboard, paper, etc.

More information was needed to further discuss other noted issues. The group requests the following information from TDEC:

- List of all grants funded and for what
- Copy of the current Solid Waste Assistance spending plan
- Briefing papers and discussion on Recycling Rebate counties. Meet with large generator counties to discuss the strengths and weaknesses of the existing rebate program.
- Ask Louis Bordenave to attend work group meeting to discuss waste tire markets and non-Tennessee tires impacting current infrastructures.

Areas to look further into include:

- Exploring new markets
- Fully funding grants and setting preset rules for accepting grants.
- Tire generators manage waste tires and leave counties out of the picture
- Look further into product stewardship
- Recycling Rebate
- All grants and suggesting new or expanding existing grant offerings