

Carl Dean Holmes
Approved: January 25, 1994
Date

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes at 3:30 p.m. on January 12, 1994 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
 Dennis Hodgins, Legislative Research Department
 Mary Torrence, Revisor of Statutes
 Shirley Wilds, Committee Secretary

Conferees appearing before the committee: Charles Jones, KS Dept of Health and Environment
 Mike Sorcher, Tire Energy Corp
 William Bider, KS Dept of Health and Environment

Others attending: See attached list

Chairman Holmes called the meeting to order, announcing that he had not yet had an opportunity to meet with the Ranking Minority to make subcommittee appointments regarding reservoir water and EPACT. He plans to finalize those appointments within the next two days.

Chairman Holmes asked for volunteers to carry the three bills that were heard in Committee on January 10. It was agreed that assignments to carry the bills on the Floor would be Representative Kjer for **HB 2561**; Representative Grotewiel for **HB 2562**; and Representative McKinney for **HB 2563**.

Charles Jones. Mr. Jones introduced Mr. Bill Bider of the Kansas Department of Health and Environment.
(See Attachment s #1 and #2)

Mr. Bider. Mr. Bider briefed the Committee on issues relating to the Tire and Waste Management Fund, beginning his presentation with some history of the program. He explained to the Committee the undesirable impact and potential dangers of improper disposal of tires. Mr. Bider said funds allocated to support the Kansas Department of Health and Environment have not adequately allowed them to implement new initiatives related to the development of a statewide inventory of tire problems nor address problems existing at salvage yards.

Under the Waste Tire Grant Program, Mr. Bider stated that base and abatement grants are provided. The base grants are for ensuring proper management of tires, educate the public on management methods and enforcing the laws relating to the collection and disposal of tires. He said it is the Department's hope that market conditions will sufficiently increase to sustain the system without further grant subsidies.

With regard to program enforcement, Mr. Bider said whenever a waste tire pile or dump is identified, his Department attempts to identify the responsible parties to correct the problem before utilizing Tire Funds through grants to locals.

Mr. Bider said in recent months the market for waste tires has improved, citing examples of tire processing at Monarch Cement in Humboldt and a crumb rubber facility in Wichita. Additionally, KDOT has plans for a paving project utilizing crumb rubber as a material substitute.

Mr. Bider stated that the long-term goal is to privatize this program and become the backbone of the waste management system.

Incorporated in his presentation, Mr. Bider gave a financial recap as of January 1994 on base grants, regional programs and abatement grants, along with areas receiving and planning for grants and the grant formula by county.

Mike Sorcher. (See Attachment #3) Mr. Sorcher brief the Committee on Waste Tire Regulations. He stated that Tire Energy Corporation is the contracted waste tire supplier to the Monarch Cement Company in Humboldt, Kansas. He said that Monarch and Tire Energy have invested significant capital towards the tire recycling program, with the ability to recycle up to one million tires per year. Mr. Sorcher said recycling of tires will only take place if KDHE enforces the present regulations. He asked that the Committee talk with KDHE to properly enforce current regulations which will provide a significant impact on future waste tire

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m. on January 12, 1994.

recycling in the State.

Chairman Holmes appointed a subcommittee to review the Waste Tire Bill. Its members are: Representative Hendrix, Chairperson, Representative Charlton and Representative Myers.

Upon completion of its business, the meeting adjourned at 5:05 p.m.

The next meeting is scheduled for January 13, 1994

REPORT TO
HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE
on
THE WASTE TIRE MANAGEMENT PROGRAM
January 12, 1994

History

The Waste Tire Act was passed by the 1990 Kansas Legislature to ensure that used tires were properly managed and that existing tire problems were addressed. The provisions of the Act prohibited the disposal of whole tires; required permitting of all parties involved in the collection, transportation, processing, or disposal of tires; and established a \$ 0.50 per tire excise tax on new tires sold at retail establishments. All collected fees are to be deposited in the Waste Tire Management Fund which is to be used to provide grants to local units of government to establish programs which ensure that newly generated tires are properly managed and existing problems are cleaned up. The Act also prohibits tire retailers from refusing used tires from customers or inducing customers to take used tires when making new purchases. KDHE's role in the tire program is to enforce the waste tire management laws, provide grants to local government, and provide technical guidance to public and private parties.

Waste Tire Issues

Improper disposal of tires can result in a variety of undesirable environmental impacts. If placed whole in landfills, tires can collect the methane gas generated by the degradation of waste and migrate to the surface potentially impacting the integrity of the landfill final cover. If dumped on the surface, tires can serve as homes and breeding grounds for disease carrying insects and rodents. Also, uncontrolled tire piles present a fire hazard as demonstrated by several disastrous events which have occurred throughout the country.

Existing laws and regulations prohibit tires from being landfilled unless they are processed to reduce their volume by shredding, chipping, crumbing, or cutting. If cutting is the volume reduction method, it must include either cutting the tires in half circumferentially or cutting the tires into at least four parts with no part larger than one-fourth of the original tire size.

Currently, waste tires are managed by both the public and private sectors. The total number of active permits has increased each year of to the present level which includes 9 tire monofills, 33 transporters, 13 processors, and 2 collectors. Although the number of permits in each category is expected to increase over the next few years, most growth will probably occur in transporter permits.

The Waste Tire Management Fund

We are currently in the third full year of collecting fees on the sale of new tires. The fee revenues have increased slightly each year to current levels which average about \$ 100,000 per month (or \$ 1.2 million per year). Since its inception, a total of \$ 3.5 million has been collected and deposited in the Tire Fund. In accordance with the statute, only 9 percent of the fund has been used to support KDHE staff and other program operating costs. The remainder of the funds are available for grants to local government.

The funds allocated to support the KDHE tire program have not covered costs nor allowed KDHE to implement new initiatives related to the development of a statewide inventory of tire problems or address the known problems which exist at salvage yards. Approximately \$100,000 per year has been used to support the program which includes all permitting, grants, inspections, and enforcement activities.

1/12/94
Energy & Natural Resources
Attachment #1

The Waste Tire Grant Program

Base and abatement grants are provided under this program. Base grants are made primarily to establish programs which ensure that tires are properly managed, to educate the public as to proper management methods, and to enforce laws relating to the collection and disposal of tires. Some cleanup of existing tire piles may occur under base grants, but significant cleanup problems are addressed by the abatement grants. In managing the Waste Tire Management Fund, KDHE ensures that adequate funds are reserved for base grants prior to awarding the typically larger amounts for abatement grants. Grant recipients are only eligible to receive grant awards for two consecutive years. This limitation is a problem for multi-county regions which have identified and prioritized multiple tire problems which require years to plan and remediate. It may also cause unnecessary delays in addressing newly identified problems in counties or regions which had recently received grants.

The attached table lists all Waste Tire Grants which have been awarded since the program's inception. The map on the backside of the table shows the counties which have received grants either individually or as part of regions. The first grants were awarded in fiscal year 1993. Since then, 40 grants have been awarded or are pending totalling \$ 1.9 million. These grants cover 70 counties. Based upon total fee revenues and fund expenditures to date, the Waste Tire Management Fund contains a balance of approximately \$ 2 million. KDHE recently distributed a letter to all counties soliciting new grant applications.

Although all grants have been made to units of local government, funds are usually passed through to a private contractor hired to perform a specific task or series of tasks. This is important with respect to the long-term viability of the waste tire management system which is evolving in the state. The private sector which has developed to collect, transport, process, and recycle tires will serve as the backbone of the future system. It is KDHE's hope that market conditions will sufficiently increase to sustain this system without further grant subsidies.

Program Enforcement

KDHE staff performed 34 inspections of permitted tire facilities or operations in calendar year 1993. Compliance problems have been identified at some facilities and Administrative Orders issued when appropriate. Tire problems continue to generate a large number of citizen complaints related to improper management or disposal. Many of the complaints are received from permitted parties regarding improper practices by competitors. Whenever a waste tire pile or dump is identified, KDHE attempts to identify the responsible parties to correct the problem before utilizing Tire Funds through grants to locals.

Waste Tire Markets

In recent months, the market for waste tires has improved. Monarch Cement in Humboldt is currently processing about 750,000 tires per year which is about a third of those generated annually in the state. A crumb rubber facility in Wichita intends to process up to 1 million tires per year as markets for their products increase. In the near term, a KDOT highway paving project along Interstate 135 will utilize crumb rubber as a material substitute. Other potential uses for crumb rubber include playground chips and a raw material substitute for certain plastic resins.

Given the current and future potential to recycle waste tires for either energy or material value, planning emphasis should now be placed on the transportation of tires to locations where they can be used. In some cases, stockpiling in a safe manner should be considered as an alternative to landfill disposal.

Energy & Natural Resources
Attachment 1-2
1/12/94

State of Kansas

Joan Finney, Governor



1/12/94
Reply To: (913) 296-1600
FAX (913) 296-1592
Forbes Field, Building 740
Topeka, KS 66620-0001

Department of Health and Environment

Robert C. Harder, Secretary

December 15, 1993

Dear Commissioners:

The Kansas Department of Health and Environment is announcing the availability of grant monies to establish or expand a local government household hazardous waste collection program. The grants will be awarded competitively, and a local government match of at least 50% is required. The establishment of permanent county collection programs and regional cooperative approaches is encouraged. Funds are also available for single day collection events. If you wish to apply, grant applications are due by February 11, 1994.

Waste Tire Base Grant funds are also available. The attached sheet shows what each county is eligible for. Counties may receive the base amount in two consecutive state fiscal years, and no local match is required. You may apply for Waste Tire funds at any time during the year.

Please contact Kathleen Warren at (913) 296-1611 for more information about either of the programs.

Sincerely,

William L Bider

William Bider

Director

Bureau of Waste Management

TIRE GRANT FORMULA

KANSAS	POPULATION 2477574	GRANT FORMULA AMOUNT
Allen	14,638	\$5,489
Anderson	7,803	\$5,000
Atchison	16,932	\$6,350
Barber	5,874	\$5,000
Barton	29,382	\$11,018
Bourbon	14,966	\$5,612
Brown	11,128	\$5,000
Butler	50,580	\$18,968
Chase	3,021	\$5,000
Chautauque	4,407	\$5,000
Cherokee	21,374	\$8,015
Cheyenne	3,243	\$5,000
Clark	2,418	\$5,000
Clay	9,158	\$5,000
Cloud	11,023	\$5,000
Colley	8,404	\$5,000
Comanche	2,313	\$5,000
Cowley	36,915	\$13,843
Crawford	35,568	\$13,338
Decatur	4,021	\$5,000
Dickinson	18,958	\$7,109
Doniphan	8,134	\$5,000
Douglas	81,798	\$30,674
Edwards	3,787	\$5,000
Elk	3,327	\$5,000
Ellis	26,004	\$9,752
Ellsworth	6,586	\$5,000
Finney	33,070	\$12,401
Ford	27,463	\$10,299
Franklin	21,994	\$8,248
Geary	30,453	\$11,420
Gove	3,231	\$5,000
Graham	3,543	\$5,000
Grant	7,159	\$5,000
Gray	5,396	\$5,000
Greeley	1,774	\$5,000
Greenwood	7,847	\$5,000
Hamilton	2,388	\$5,000
Harper	7,124	\$5,000
Harvey	31,028	\$11,636
Haskell	3,886	\$5,000
Hodgeman	2,177	\$5,000
Jackson	11,525	\$5,000
Jefferson	15,905	\$5,964
Jewell	4,251	\$5,000
Johnson	355,054	\$133,145
Kearney	4,027	\$5,000
Kingman	8,292	\$5,000
Kiowa	3,660	\$5,000
Labette	23,693	\$8,885
Lane	2,375	\$5,000
Leavenworth	64,371	\$24,139
Lincoln	3,653	\$5,000
Linn	8,254	\$5,000
Logan	3,081	\$5,000
Lyon	34,732	\$13,025
McPherson	27,268	\$10,226
Marion	12,888	\$5,000
Marshall	11,705	\$5,000

TIRE GRANT FORMULA

KANSAS	POPULATION 2477574	GRANT FORMULA AMOUNT
Mcade	4,247	\$5,000
Miami	23,466	\$8,800
Mitchell	7,203	\$5,000
Montgomery	38,816	\$14,556
Morris	6,198	\$5,000
Morton	3,480	\$5,000
Nemaha	10,446	\$5,000
Neosho	17,035	\$6,388
Neos	4,033	\$5,000
Norton	5,947	\$5,000
Osage	15,248	\$5,718
Osborne	4,867	\$5,000
Ottawa	5,634	\$5,000
Pawnee	7,555	\$5,000
Phillips	6,590	\$5,000
Pottawatomie	16,128	\$6,048
Pratt	9,702	\$5,000
Rawlins	3,404	\$5,000
Reno	62,389	\$23,396
Republic	6,482	\$5,000
Rice	10,610	\$5,000
Riley	67,139	\$25,177
Rooks	6,039	\$5,000
Rush	3,842	\$5,000
Russell	7,835	\$5,000
Saline	49,301	\$18,488
Scott	5,289	\$5,000
Sedgwick	403,662	\$151,373
Seward	18,743	\$7,029
Shawnee	160,976	\$60,366
Sheridan	3,043	\$5,000
Sherman	6,926	\$5,000
Smith	5,078	\$5,000
Stafford	5,365	\$5,000
Stanton	2,333	\$5,000
Stevens	5,048	\$5,000
Sumner	25,841	\$9,690
Thomas	8,258	\$5,000
Trego	3,694	\$5,000
Wabunsee	6,603	\$5,000
Wallace	1,821	\$5,000
Washington	7,073	\$5,000
Wichita	2,758	\$5,000
Wilson	10,289	\$5,000
Woodson	4,116	\$5,000
Wyandotte	161,993	\$60,747
TOTALS	2,477,574	\$1,127,331

EKR

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1/12/94

Tire Energy Corporation

1/12/94

Corporate Office
51 Corporate Woods
9393 W. 110 Street - 5th Floor
Overland Park, Kansas 66210
(913) 451-6929
Fax (913) 451-6750

Plant Office
7400 N. E. Birmingham Rd.
Kansas City, MO 64161
1-800-467-7057
(816) 459-7044
Fax (816) 459-8521

Briefing on Waste Tire Regulations

My name is Mike Sorcher. I'm with Tire Energy Corporation headquartered in Overland Park, Kansas. Tire Energy is the contracted waste tire supplier to The Monarch Cement Company located in Humboldt, Kansas. Monarch uses the tires in their cement kilns as a supplemental fuel and raw material supply in accordance with KDHE regulations. Tire Energy and Monarch have invested significant capital towards this tire recycling program that gives us the ability to recycle up to one million tires per year. We could recycle significantly more Kansas generated waste tires if certain aspects of the Kansas Waste Tire regulations were enforced.

The recycling of tires in Kansas will only take place if KDHE enforces the present regulations. KDHE has permitted the landfilling of baled or bundled tires although the law specifically states that no whole tires can be landfilled. The tires have to be processed or cut per the law. Second, many waste tire sites are not in compliance with the financial assurances requirements stated in the Waste Tire regulations. Thirdly, Waste Tire funds have been spent on purchasing equipment that cuts tires, with the cut tire ultimately landfilled. This money should go towards a final solution that recycles the tires versus one that does not.

In summary, these few items have hurt tire recycling efforts. As an example, we were at one time recycling approximately 40% of the waste tires generated in Wichita. We now recycle less than 2% due to a plant that has been allowed to shred tires and stockpile the large shreds. The shreds have been stockpiled for over 18 months. The regulations dictate that anything over 6 months be considered a waste.

We hope this committee can talk with KDHE to properly enforce the regulations presently in place. This will have a significant impact on future waste tire recycling in the State.

WASTE TIRE GRANT PROGRAM

Financial Recap

As of January 1994

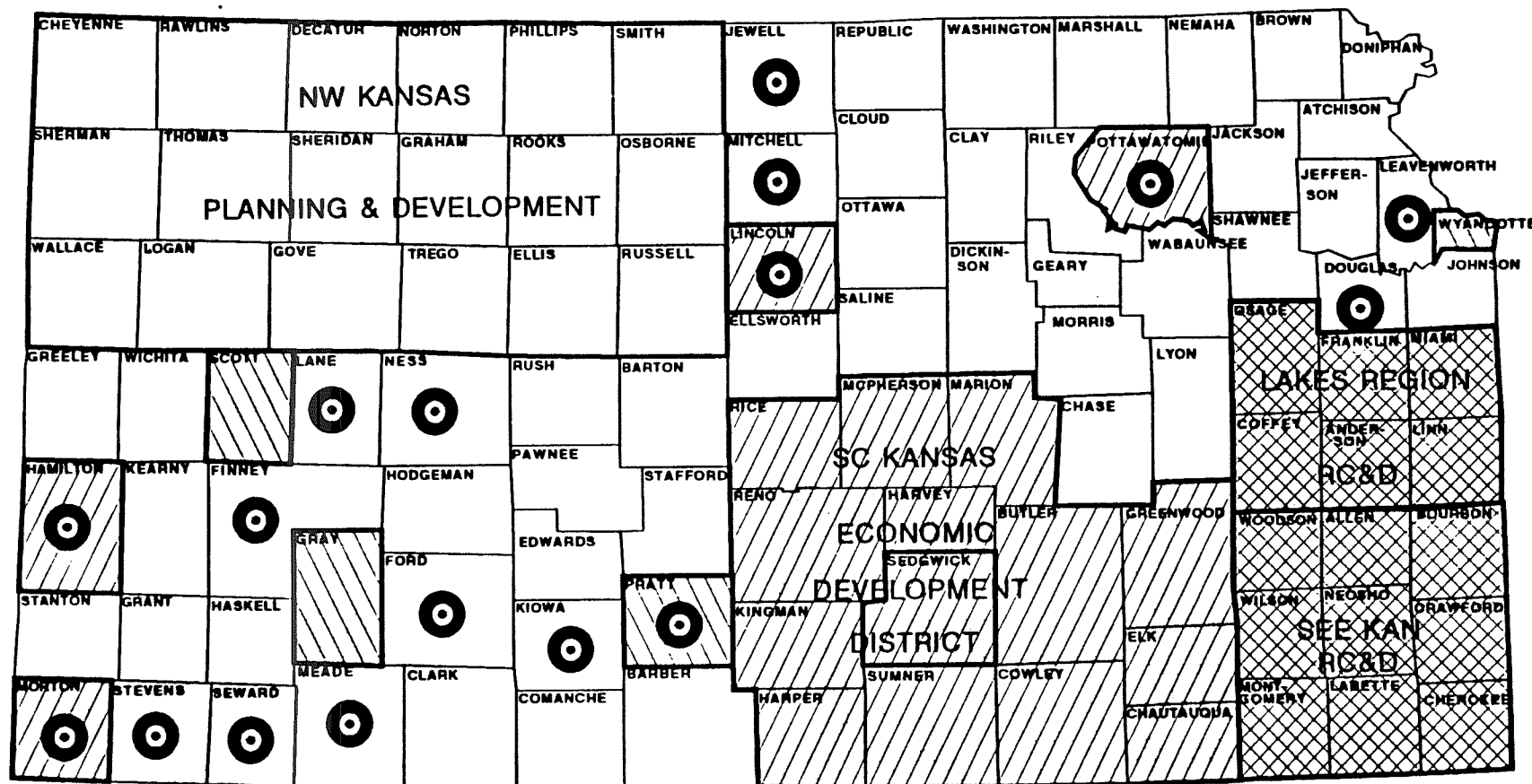
(Additional grant applications may be submitted)

Base Grants County Programs	SFY 1993	SFY 1994	Pending 1994	Remarks
Finney	\$12,401			process existing stockpiles, develop ongoing programs
Ford	10,299			eliminate existing tire piles at the landfill
Gray			5,000	process existing tire piles at the landfill & monofill
Hamilton	5,000	5,000		eliminate existing tire piles at the landfill
Jewell	5,000			identify tire piles, pub ed, subsidize disposal costs, enforcement
Lane	5,000			eliminate existing tire piles at the landfill
Leavenworth	24,139			collection day, subsidize disposal costs, process piles, education
Lincoln	5,000	5,000		process existing stkpiles, purchase van for future waste tires
Meade	5,000			process existing stkpiles, work with tire dealers on proper disp
Mitchell		5,000		pub ed, estab collection & hauling system, process waste tires
Morton	5,000	5,000		eliminate existing tire piles at the landfill
Ness		5,000		process existing stkpiles at landfill & estab permanent monofill
Pottawatomie	6,048	6,048		process existing stockpiles at landfill, public education
Pratt	5,000		5,000	eliminate existing tire piles at landfill, purchase storage facility
Scott			5,000	process existing tire piles at the landfill & monofill
Sedgwick	151,373		151,373	establish enforcement & education programs
Seward	7,029			estab collection site, pub ed, process waste tires, enforcement
Stevens		5,000		process existing tire piles at the landfill & monofill
Wyandotte			60,747	estab collection site, pub ed, process waste tires, enforcement
Regional Programs				
Lake Region RC&D (6 counties)	37,766		37,766	Anderson, Coffey, Fanklin, Linn, Miami & Osage counties joined to establish regional waste tire program. To eliminate existing stkpiles at county landfills and to establish ongoing mgmt prgm
Northwest Kansas Delvpmnt (18 counties)	98,002			Cheyenne, Rawlins, Decatur, Norton, Phillips, Smith, Sherman, Thomas, Sheridan, Graham, Rooks, Osborne, Wallace, Logan, Gove, Trego, Ellis, & Russell counties joined to establish a waste tire program. To start with abatement of existing piles.
SCKEDD (10 counties)	107,759	142,759		Butler, Chautauqua, Cowley, Harper, Harvey, Kingman, McPherson, Reno, Rice, & Sumner counties joined to collect & transport waste tires to processing facility in Wichita.
See-Kan RC&D (9 counties)	72,283			Counties: Allen, Bourbon, Cherokee, Crawford, Labette, Montgomery, Neosho & Wilson, joined to establish a regional waste tire collection, transport, abatement & disposal system
Total	\$562,099	\$178,807	\$264,886	Base Grant Totals
Abatement Grants				
Douglas County	50,580			clean up unpermitted tire waste dump sites
Lake Region RC&D			57,000	clean up unpermitted tire waste dump sites
See-Kan RC&D	140,000		159,790	clean up landfills tire piles & unpermitted tire waste dump sites
Scott County			12,000	clean up of waste tire piles
Wichita-Sedgwick County	267,000		200,000	clean up a million tire pile in Wichita
Total	\$457,580	\$0	\$428,790	Abatement Grant Totals
Grand Total	\$1,019,679	\$178,807	\$693,676	Base & Abatement Grant Totals

Energy: Natural Resources
Attachment 3-2 1/12/94

KANSAS WASTE TIRE MANAGEMENT GRANTS

JULY 92 - JANUARY 94



● SINGLE COUNTY PARTICIPANTS

▨ SECOND YEAR GRANT PENDING 1994

▨ SECOND YEAR GRANT

▨ GRANTS PENDING 1994

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