Approved: 4-29-99
Date

### MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT.

The meeting was called to order by Chairperson Joann Freeborn at 3:30 p.m. on March 18, 1999 in Room 423-S of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Legislative Research Department

Mary Torrence, Revisor of Statutes

Mary Ann Graham, Committee Secretary

Conferees appearing before the committee: Howard Parr, Box 416, Rossville, Kansas 66533 Charles Benjamin, Kansas Natural Resource Council & Sierra Club KS Chapter, 935 S Kansas, Suite 200, Topeka,

KS 66612

Mary Fund, Kansas Rural Center, Box 133, Whiting, Kansas

66552

Bill Fuller, Kansas Farm Bureau, 2627 KFB Plaza, PO Box

3500, Manhattan, KS 66502

Mike Beam, Kansas Livestock Association, 6031 SW 37th,

Topeka, KS 66614

Janet Stubbs, Kansas Building Industry Association, 2300

SW 29th, Suite 121, Topeka, KS 66611

Chris McKenzie, League of Kansas Municipalities, 300 SW

8th, Topeka, KS 6603

Mary Jane Stattelman, Assistant Secretary, KS Dept.

Agriculture, 901 S Kansas Avenue, Topeka, KS 66612-1280

Tom Bogner, Groundwater Management District #3, 10055

Eagle Road, Dodge City, KS 67801

Jamie Clover-Adams, Legislative Liaison, Room 252-E,

Capitol Building, Topeka, KS 66612

Bill Johnston, Treasurer, Northcutt Trailer & Equipment

Company, PO Box 4278, Wichita, Kansas 67204

Bill Bider, Director, Bureau Waste Management, KDHE,

Forbes 740, Topeka, KS 66620-0001

Gayle Hunter, Owner, Hunters Recycling, PO Box 24,

Meriden, KS 66512

Kenneth Meier, Harvey County Commissioner, 8th & Main,

PO Box 687, Newton, KS 67114

Tom Winters, Sedgwick County Commissioner, 525 N

Main, Suite 320, Wichita, KS 67203

Jeannie Schnellbacher, 1845 SW Arnold Ave., Topeka, KS

Shawn Herrick, Mid-America Tire Dealers Association, Box

8479, Topeka, KS 66608

Phil Wittek, Environmental Dept. Director, 11180 Thompson

Ave., Lenexa, KS 66219

Don Seifert, City of Olathe, PO Box 768, Olathe, KS 66051

Lisa Disbrow, Waste Management, Inc., 124 Twin Bridges

Road, Danville, Indiana 46122

Sean White, Deffenbaugh Industries, PO Box 3220,

Shawnee, KS 66203

Mike Clagett, Deffenbaugh Industries, PO Box 3220,

Shawnee, KS 66203

Others attending:

See attached list

Chairperson Joann Freeborn called the meeting to order at 3:30 p.m. She welcomed a group of visitors to

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections. Page 1

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S Statehouse, at 3:30 p.m. on March 18, 1999.

today's meeting. They are members of Kansas Environmental Leadership Program (KELP) from Rep. Laura McClure's district. She introduced Rep. Mary Compton who was also visiting today's meeting. She announced there would be a committee meeting on March 23 to work bills previously heard.

The Chairperson continued the hearing on **SB287**, which was heard on Tuesday, March 16:

# SB287: An act concerning the chief engineer of the division of water resources of the department of agriculture; relating to powers thereof.

Chairperson Freeborn welcomed Howard Parr, Rossville, Kansas, to the committee. He is a farmer and irrigator and appeared in opposition to the bill. He believes the current process for establishing rules and regulations has worked in the past and is currently working. If properly staffed and funded it will continue to work in the future. He feels the bill contains two sections and urges the committee to evaluate both parts separately and their shortcomings. (See attachment 1)

Charles Benjamin, Legislative Coordinator, Kansas Chapter of Sierra Club and Kansas Natural Resource Council, appeared in opposition to the bill. He requests the committee send the bill to an interim committee, appoint a special commission or commission an independent study to determine if the current system of water allocation decision-making needs to be changed. He urges the committee not be rushed to judgement about an issue that has such a profound impact on every person in Kansas. (See attachment 2)

Mary Fund, Communications Director for the Kansas Rural Center, addressed the committee in opposition to the bill. Most of her work for the Kansas Rural Center over the past 18 years has focused on water issues. She has researched and written extensively about state water policy and water issues authoring numerous reports and articles, and urges the committee to vote against this bill. (See attachment 3)

Bill Fuller, Kansas Farm Bureau, appeared before the committee in support of the bill. Farm Bureau believes this bill will bring about coordination of all functions at the Kansas Department of Agriculture and develop a rules and regulations process that, in the long run, will protect and keep this important function of water appropriation as a responsibility of the agency. (See attachment 4)

Mike Beam, Kansas Livestock Association, appeared on behalf of the KLA in support of the bill. They believe the changes incorporated in this legislation are appropriate and necessary to insure that further initiatives and actions of Division of Water Resources are as defensible as in the past. They urge the committee's favorable consideration of the bill. (See attachment 5)

Janet Stubbs, Executive Director of Kansas Building Industry Association, appeared on behalf M. S. Mitchell, in support of the bill. KBIA supports giving the Secretary of Agriculture final authority to adopt Rules and Regulations. They believe a backlog of 3500 water appropriation applications, or not knowing how many Floodway Fringe Fill applications are awaiting review is a clear signal that the present operation of the Division of Water Resources is not up to a standard expected by Kansas voters. (See attachment 6) Questions and discussion followed.

The Chairperson welcomed Chris McKenzie, Executive Director, League of Kansas Municipalities, to the committee. He appeared in support of the bill. Since expressing support for this bill representatives of some member cities of the League and others around the state have come forward to question the wisdom of acting on this legislation during the current legislative session. Among those cities are the cities of Wichita, Hays, and Garden City. (See attachment 7)

Mary Jane Stattelman, Assistant Secretary, Kansas Department of Agriculture, was welcomed to the committee. She appeared in support of the bill and believes it is appropriate to place rule and regulation authority in the secretary, who is ultimately held responsible for the actions of the agency and as such should know what rules are being promulgated within the agency. She also thinks having a hearing process established for the people who have received adverse decisions from the agency is fair and what the public expects out of the government. (See attachment 14, March 16, 1999 minutes)

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S Statehouse, at 3:30 p.m. on March 18, 1999.

Tom Bogner, Dodge City, Kansas, appeared before the committee in support of the bill. He believes we all realize the importance of good quality water and that change is not always easy but when it is "good", everyone benefits. He believes the changes in this bill will be good for all. (See attachment 8)

Jamie Clover-Adams, Legislative Liaison, was welcomed. She addressed the committee in support of the bill. She believes this bill is about process and accountability. It does not unclassify the chief engineer. In fact, since there appears to be confusion about this issue, the Administration is withdrawing its support for <u>SB64</u> and <u>HB2253</u> which unclassify all program managers at the Department of Agriculture. The Governor supports the bill because it establishes Accountability in a program of great importance to all Kansans; Consistency in the application of water law, rules and regulations and policy so all Kansans know the rules of the game; Processes able to withstand controversy and challenge, and; Due process to settle disputes as outlined under the Kansas Administrative Procedure Act. (See attachment 9) Questions and discussion followed.

David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, was in attendance and answered committee questions concerning back logs of certifications.

Alice Devine, Secretary, Kansas Department of Agriculture, was in attendance and answered committee questions. Two memorandums had been distributed in the March 16, 1999 meeting from the Secretary, regarding Authority of Western States Water Regulators to Adopt Rules and Regulations, (See attachment 33, March 16 minutes) and Information regarding Western States Water Regulators and Legislative History of the Water Appropriation Act of 1945. (See attachment 34, March 16 minutes)

Rep. Henry Helgerson requested information regarding requests for additional personnel for the Division of Water Resources, Kansas Department of Agriculture. (See attachment 10)

Written testimony only was submitted by: Ron Klataske, Director, Kansas Audubon Council, in opposition to the bill (<u>See attachment 11</u>); Nancy Sargent, League of Women Voters of Kansas, in opposition the bill (<u>See attachment 12</u>); Michael W. Berry, P.E., Professional Engineering Consultants (<u>See attachment 13</u>); and Ivan W. Wyatt, President, Kansas Farmers Union, in opposition to the bill. (<u>See attachment 14</u>)

Chairperson Freeborn closed the hearing on <u>SB287</u> and appointed a sub-committee to look at <u>SB287</u>, Rep. Clay Aurand, Chairman; Rep. Tom Sloan; and Rep. Dan Johnson. Rep. Vaughn Flora will appoint additional minority members, to be announced at a later time. She opened the hearing on <u>HB2387</u>:

## HB2387: An act concerning motor vehicle air-conditioning refrigerants.

Raney Gilliland, Legislative Research Department, explained the bill.

The Chairperson welcomed Bill Q. Johnston, Jr., Northcutt Trailer and Equipment, Wichita, Kansas, to the committee. He appeared in support of the bill and provided information from Duracool Limited which contains all pertinent information pertaining to their request for exemption, or repeal of current law prohibiting the sale/use of DURACOOL 12a for motor vehicle applications within the state of Kansas. (See attachment 15)

Rep. Bill McCleary was in attendance and offered comments in support of the bill.

A General Motors Corporation Material Safety Data Sheet was submitted from Don L. McNeely, Executive Vice-President, Kansas Automobile Dealers Association, Topeka, Kansas. (See attachment 16)

Chairperson Freeborn closed the hearing on **HB2387**. She opened hearing on **HB2484**:

HB2484: An act concerning solid waste; relating to solid waste grants and tonnage fees.

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S Statehouse, at 3:30 p.m. on March 18, 1999.

Raney Gilliland, Legislative Research Department, explained the bill. A Breakdown of Grant Requests was submitted by Rep. Gerry Ray. (See attachment 17)

The Chairperson welcomed Bill Bider, Director, Bureau of Waste Management, Kansas Department of Health and Environment. He appeared in support of the bill which proposes to return the solid waste landfill tipping fee to \$1.50 per ton from its current amount of \$1.00 per ton. (See attachment 18) He provided a series of charts which provide a historical and projected review of solid waste program revenue and expenditures since the tipping fee began in 1993. (See attachment 19) The Department recommends just one change to the bill as drafted and submitted a balloon showing the change. (See attachment 20)

Gayle Hunter, Owner, Hunters Recycling, Meriden, Kansas, was welcomed to the committee. She appeared in support of the bill. She feels that the tipping fee is a great way for the public to b a part of participating in saving our environment and make a difference without breaking the pocket book. (See attachment 21)

Kenneth Meier, Harvey County Commissioner, Newton, Kansas, appeared in support of the bill. He provided information on the Agronom Process which was developed in the United States in the mid 1970's. It is a natural thermophylic, aerobic, bacterial process, utilizing no additives or supplemental heat; thus pasteurizing the product. This bacterial action makes the product safe to be used as a fee or fertilizer/soil conditioner. (See attachment 22) A sample of the final product was supplied for committee members to view.

Tom Winters, Sedgwick County Commissioner, Wichita, Kansas, addressed the committee in support of the bill. In Sedgwick County they are creating a whole new system of managing solid waste. He discussed five basic components in their approved Solid Waste Management Plan given to the Kansas Department of Health and Environment. (See attachment 23)

Jeannie Schnellbacher, Meadows Elementary School, Topeka, Kansas, appeared in support of the bill. She discussed the ways she is teaching her students to be responsible for themselves and world around them by recycling. She encourages the committee to allow the Solid Waste Management Grants to continue by setting the tipping charge to \$1.50. (See attachment 24)

Shawn Herrick, Executive Director of the Mid-America Tire Dealers Association, was welcomed to the committee. She appeared in support of the bill and is opposed to striking the language on lines 11-13 on page three. This would remove the current exemption from tonnage fees for waste tires. (See attachment 25)

Phil Wittek, Environmental Department Director, Johnson County, Kansas, appeared in support of the bill. He feels the main element of this bill proposes that the state's tipping fee be returned to its original level oa \$1.50 per ton. He urges the committee to support the bill and continue the message of Kansas-Don't Spoil It. (See attachment 26) Questions and discussion followed.

Chairperson Freeborn welcomed Don Seifert, Management Services Director, City of Olathe. He appeared in opposition to the bill. The city of Olathe has operated a solid waste utility for many years. The city currently handles approximately 80,000 tons of solid waste per year, which is collected at a transfer station and ultimately disposed at a private Kansas landfill. The current \$1.00 tonnage fee is included in the disposal rate paid by the city. It is unclear to the city why such a significant increase in the revenue stream is need at this time. (See attachment 27)

Lisa Disbrow, Waste Management, appeared in opposition to the bill. Waste Management recommends that the committee does not take favorable action on this measure. They would suggest that before any tax increase for this program is entertained, a Legislative Post Audit Study of the current program be requested, and a careful evaluation of its fiscal integrity and benefit to the citizens of the State of Kansas be obtained. (See attachment 28)

Sean White, Deffenbaugh Industries, Inc., Shawnee, Kansas, was welcomed to the committee. He appeared in opposition to the bill. In addition to the tipping fee increase contained in the bill, Deffenbaugh Industries is also concerned about expansion of the fee to wastes heretofore exempt from fees, namely, tires, and waste

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S Statehouse, at 3:30 p.m. on March 18, 1999.

shipped out of Kansas through transfer stations. These additional areas warrant further exploration prior to expanding the fee to new wastes. They urge the committee not to support passage of the bill. Given the magnitude of these issues and the large dollar amounts involved they suggest an interim study. (See attachment 29) Mr. White distributed two EPA documents, Financing Environmental Technology: A Funding Directory for the Environmental Entrepreneur (See attachment 30) and A Financing Guide for Recycling Businesses: Investment Forums, Meetings and Networks. (See attachment 31)

Mike Clagett, Deffenbaugh Industries, Shawnee, Kansas, appeared in opposition to the bill. He shared the same concerns as his colleague Sean White. (See attachment 29)

Written only testimony was submitted in support of the bill by: Gregory J. Koppes, Director of Solid Waste, Household Hazardous Waste and Recycling Department, Washington, Kansas (See attachment 32); Joni Glaser, Community Development Manager, Bethphage, Ellsworth, Kansas (See attachment 33); Valerie A. Hill, Regional Coordinator, Lake Region Authority, Ottawa, Kansas (See attachment 34); Judy Moler, Legislative Services Director and General Counsel, Kansas Association of Counties (See attachment 35); and Brenda Cary, City of Hays (See attachment 36)

Written only testimony was submitted in opposition to the bill by Terry Leatherman, Executive Director, Kansas Industrial Council, Kansas Chamber of Commerce and Industry, Topeka, Kansas (See attachment 37)

Questions and discussion followed. The Chairperson closed the hearing on HB2484.

The meeting adjourned at 7:15 p.m.

The next scheduled meeting, March 23, 1999, is on call of the Chair.

## HOUSE ENVIRONMENT COMMITTEE GUEST LIST

NAME	REPRESENTING
TATAILL	
TomWinters	SENGUICK County Commissing
Dary Jane Stattelman	K5 Dept of agriculture
Serenda Metoficel	KS Sept of agriculture
Howard Han	SECF FARMEN/JERIGATUR
nancy Sargent	heague Women Valus oftes
DALE & SUTTON	5/M GRANT COM AR.
Les Mary Conston	
Mile stireles	LJW
allie Werine	Ks. Dept. of queelte
Alan Steppat	WATER PACK
michael Steppat	Visitor
Hacry Solden	Dein & aleis
Tom Bay	LtillsDAZE WATER QUALITY
Hank Ernst	Kansas Farmer / Topeka
Mike Beam	Ks. Lusik. Assiv.
Bill Fuller	Kansas Farm Bureau

## HOUSE ENVIRONMENT COMMITTEE GUEST LIST

DATE: Darch 18, 1999

NAME	REPRESENTING		
Jan Kall	Transas Environmental Ceaduship Prog. K5U		
Freddie Walls	KESPA		
Go L Fund	KDK		
Vaugher Weaver	City of Wichton		
Furt Dookert	City of El Worader		
Paula Selby	Hillsdale Water Quality Project		
Terry L. Funk	Ellis County Consenation District		
Christina Schmateried	Geory Co. Conservation District		
Many Fund	Ho Rural Center		
Katey Walker	Ks Enviouvestal Lendostip, KSU		
Don Snethen	KS ENV Lealership		
Bill Bider	KDHE		
DARREL GALE	KANSAS ENVIRONMENTER LEADERSHIP		
Morgan Powell	KANSAS ENVIRONMENTAL LEADERSHIP Kansas Environmental Leadership K-State Research & Extension		
JAMISON BEHR	Huskell Indian Nations (Will		
KON BETZEN	KANSAS FARM BUREAU		
BRADGEY GOERING	SEDGWICK CO. EXTENSION		
LES OLSEN	KSDE		
Carolyn McGrinn	Gedgwick County Commission		

# TESTIMONY KANSAS HOUSE OF REPRESENTATIVES COMMITTEE ON ENVIRONMENT SENATE BILL #287

Chair Person Freeborn and members of the House Environment Committee, thank you for this opportunity to testify on Senate Bill #287. My name is Howard Parr, Farmer/Irrigator, Rossville, KS.

This Bill contains two sections. The first section: changing a system that has served us all well. The SB 287 proposed review process lacks the technical expertise needed; Hydrology, future 20 to 30 year water needs, recharge and past history. Every Kansan wants the best technical expertise to be used. The current process is not like other state agencies. I do not know of another agency that issues a document like water rights that is filed with the Registrar of Deeds. Upon my return to a family farming operation 20 years ago, the state of Kansas has had one Chief Engineer and Five Secretaries of Agriculture. Consistency and Stability are the corner stones of successful operations. Some ask for more public input or more public comment. Isn't that the function of the Water Authority and State Water Plan? The current system is not broken and has kept Kansas on the right side of lawsuits including two surrounding states. We are fortunate to have wise people set up this existing process.

The second part of SB287: the current and proposed procedures both have benefits. This part of the Bill fosters most of SB287 support form the irrigator's standpoint. If possible, let the parties choose between the two appeal procedures. This new appeal process will have a cost. I ask you not to let it go the path of the certification process. This problem was totally funded, then cut 50 percent year one and cut out year two. Still a problem, it frustrates all affected. This new appeal process, what will be cut or where the funding will come from and for how long?

In summary, the current process for establishing rules and regulations has worked in the past and is currently working. If properly staffed and funded it will continue to work in the future. I urge this committee to evaluate both parts of SB287 separately and their shortcomings. Keep the process non-political, objective and sound.

Thank you for your time and attention.

House ENVIRONMENT 3-18-99 Attachment 1 Testimony re: S.B. 287
Committee on the Environment
Kansas House of Representatives
March 16, 1999

Charles Benjamin, Ph.D., J.D.
Attorney at Law
Legislative Coordinator
Kansas Chapter of Sierra Club
Kansas Natural Resource Council
935 S. Kansas Ave., Suite 200
Topeka, KS 66612
(785) 232-1555

Madam Chair, members of the Committee, thank you for allowing me to testify on behalf of the Kansas Chapter of the Sierra Club and the Kansas Natural Resource Council in opposition to S.B. 287.

Accountability is an essential part of our democracy. That is why the Kansas Natural Resource Council brought suit in court several years ago to challenge the constitutionality of the former Kansas Board of Agriculture. KNRC felt that the old Board of Agriculture was setting policy of state wide significance without accountability to anyone other than agricultural interest groups. A judge agreed and the legislature, in 1995, wisely created a cabinet level Secretary of Agriculture - answerable to the Governor.

Today we have a situation where the chief engineer is a classified state employee, within the Department of Agriculture, with regulatory powers over water allocation, independent of the Secretary of Agriculture. That arrangement has been generally politically acceptable to all parties who are affected by water allocation, even if the chief engineer decides against the wishes of a particular party. There appear to be two reasons for the acceptance of the current arrangement. The first reason, no doubt, has to do with the current chief engineer – a man of intelligence, knowledge and integrity. The second is the perception that water allocation decisions are made by the chief engineer independent of political pressures.

S.B. 287 calls for a major change in the current policy – namely requiring that rules and regulations governing water allocations be approved by the Secretary of Agriculture – a political appointee. The groups I represent are asking you to consider two major questions with regard to this proposed legislation. First, what is broken that needs to be fixed in the current system of water allocation? Secondly, can you predict what the outcomes will be of changing the current policy? In response to the first question we respectfully request that you refrain from fixing something that is not broken. In response to the second question, we respectfully request that you send S.B. 287 to an interim committee, appoint a special commission or commission an independent study to determine if the current system of water allocation decision-making needs to be changed. Let that interim committee, special commission or independent study come back to the

legislature next January to report their recommendations. In short, we are respectfully requesting that you not be rushed to judgement about an issue that has such a profound impact on every person in Kansas.

Thank you for your time and attention.

2-2



KANSAS RURAL CENTER

P.O. Box 133

Whiting, Kansas 66552

(785) 873-3431

### Testimony on SB 287 for the House Committee on Environment March 16, 1999

Thank you for the opportunity to come before you today. I am Mary Fund, Communications Director for the Kansas Rural Center. I am here to urge you to vote against SB 287. Most of my work for the Kansas Rural Center over the past 18 years has focused on water issues. I have researched and written extensively about state water policy and water issues authoring numerous reports and articles. From this I have developed a tremendous respect for the complexity of water policy and the difficult task of administering it in an equitable mannerat both the state and local level. I also developed an awareness of the intense political nature of all water policy decisions- and the importance of open discussiona and debate.

Two things concern us about SB 287. First, SB 287 was proposed primarily as an administrative change to increase accountability of the chief engineer's decisions. and to ensure consistency and openess in the way government operates. Ironically, the bill had no input from the extensive statewide and local processes and entities in place for providing public input and debate regarding water policy. My understanding is that the Groundwater Management Districts, the Basin Advisory Committees and the Kansas Water Authority knew nothing about it prior to its introduction to the Senate Energy and Natural Resource Committee. The changes proposed in SB 287 are much bigger than a simple administrative clarification. The bill deserves a greater level of public discussion and input that it has been given.

Secondly, SB 287 politicizes water allocation decisions in the state by placing final authority over rules and regulations with the Secretary of Agriculture, a position appointed by the Governor, and thus subject to change every four years. This would undo the insulated position of the current chief engineer and the often controversial but necessary policy enforcement actions his office must take. Historically the chief engineer's decisions have been insulated from political pressures. Significant decisions regarding allocation of water rights are rarely non-combative. As the resource in the western half of the state continues to decline, challenges to enforcement of rules and regulations will only increase. To change the process could lead to a destabilization of water policy - as those individuals who disagree with the Chief Engineer's decisions simply go to a level of bureaucracy subject to political winds. Certainly there need to be appeal processes, but the proposed changes in SB 287 threaten the very consistency in policy implementation that it is supposed to enhance.

If it is true that impetus for this change has come from irrigators who are chafing under the enforcement of current rules and regulations, that were carefully put into place in order to protect **all** stakeholders including future users, or from urban developers who want to build in flood plains or transfer water from one basin to another, then SB 287 would lead to greater inequities in enforcement of rules and regulations creating more conflict - and undo decades of progress in local and state conservation oriented policies.

-Continued on page 2-

House Environment 3-18-99 ATTACHMENT 3 Furthermore, if we are concerned about the accountability of the chief engineer, why are we not concerned about the accountability of the Department of Agriculture to other water interests in the state? In the past, the question has arisen of whether the Division of Water Resources should be removed from the State Department of Agriculture. Why should municipalities, industrial users, and recreation and wildlife interests feel better to have the State Department of Agriculture and Secretary of Agriculture in charge of water appropriations?

The Kansas Rural Center urges the committee to vote against SB 287. At a minimum we urge you to put SB 287 under the bright light of an Interim Committee so that all of the ramifications, implications and other options can be studied.

Thank you.



## PUBLIC POLICY STATEMENT

### HOUSE COMMITTEE ON ENVIRONMENT

RE: SB 287 – Establishes a formal hearing process and transfers the rule and regulation authority from the Chief Engineer to the Secretary of Agriculture.

March 16, 1999 Topeka, Kansas Presented by:

Bill R. Fuller, Associate Director Public Affairs Division Kansas Farm Bureau

Madam Chair Freeborn and members of the House Committee on Environment, we certainly appreciate this opportunity to express Kansas Farm Bureau's support for SB 287.

SB 287 proposes two changes in the procedure that is used to establish rules and regulations relating to water appropriation at the Kansas Department of Agriculture.

First, SB 287 would transfer the authority to establish rules and regulations from the Chief Engineer to the Secretary of the Kansas Department of Agriculture. The Chief Engineer would continue to administer the various water laws designated by the legislature as responsibilities of the Division of Water Resources. This change would bring the rules and regulations process of the Division of Water Resources in line with the other program areas at the KDA. In fact, it is the responsibility of the secretary at most other agencies in state government to be involved in the development of rules and regulations.

The second provision of SB 287 establishes a uniform process under the Kansas Administrative Procedure Act for developing rules and regulations in the Division of Water Resources. The measure calls for involving a hearing officer. Decisions could be appealed to the hearing officer, then if necessary to the secretary and eventually to the district court. This allows administrative decisions to be reviewed internally before having to file suit in district court. Under the current system, appeals from the Chief Engineer are made to the district court. Generally, these appeals are time consuming and often costly.

We believe the change will result in more agency actions being based upon adopted rules and regulations, rather than on the use of so many agency guidelines and policies that do not provide for public input at public hearings.

The farm and ranch members of KFB have adopted policy that states:

"The Chief Engineer, Division of Water Resources of the Kansas Department of Agriculture should continue to have water appropriation responsibilities in the State."

We believe SB 287 will bring about coordination of all functions at the Kansas Department of Agriculture and develop a rules and regulations process that, in the long run, will protect and keep this important function of water appropriation as a responsibility of the agency.

We at Farm Bureau continue to have the highest respect for the professionalism, honesty and integrity of Chief Engineer, David Pope.

In closing, we respectfully ask that SB 287 be approved by the House Committee on Environment and advanced to full House. This legislation received strong support as indicated by a vote of 30-9 in the Senate.

We are willing to respond to any questions you may have. Thank you!



Since 1894

To:

The House Environment Committee

Representative Joann Freeborn, Chairperson

From:

Mike Beam, Executive Secretary, Cow-Calf/Stocker Division

Subject:

KLA Support of Senate Bill 287

Date:

March 16, 1999

Thank you for allowing me to present testimony on behalf of the Kansas Livestock Association (KLA) in support of SB 287. The administration of the state's water appropriation laws is an awesome task. Policies and rulings determined by the Division of Water Resources and decisions made by the Chief Engineer can have a significant and long lasting economic impact on agriculture specifically and Kansas as a whole. KLA supports SB 287 because it contains new safeguards for water users and other stakeholders. I'll attempt to address our comments to the two aspects of the bill I consider the major policy issues.

One aspect is found in new section 1 and in amendments to thirteen existing sections of law. These amendments change who has ultimate authority over the adoption of rules and regulations. The bill proposes to make the Secretary of Agriculture, who is appointed by the Governor, responsible for approving rules and regulations advocated by DWR. To date, DWR rules and regulations are promulgated by the Chief Engineer who is a classified employee.

It has been our experience that influencing rules and regulations by state agencies can be a difficult and frustrating effort. Many legislators who have served on the Joint Rules and Regulations Committee over the last twenty years likely share this view. The process of adopting rules and regulations does not contain a procedure for legislators, elected by the voters, to amend or stop regulations. Legislators serve only in an advisory capacity. On occasion agencies prefer to adopt policies through the rule and regulation process in lieu of the open legislative arena, where a proposal can be altered or blocked by legislators.

State agencies, however, are usually sensitive to recommendations made by legislative committees. Agency heads appreciate the legislative process because they are unclassified representatives of the executive branch of state government. They and their boss are directly accountable to the voters of Kansas.

Currently DWR is headed by a classified employee who can adopt regulations, that have the same weight as law without oversight by elected officials. This bill simply requires future rules and regulations to be approved by an unclassified

state regulator. I will not claim DWR has implemented rules and regulations that we would have tried to influence differently under this new frame work. However, potential conflict certainly exists and we suggest SB 287 makes changes in the rules and regulation adoption process that are necessary and consistent with other state agencies.

The second aspect of the bill is to designate the Secretary of Agriculture, through the Kansas Administrative Procedure Act, as the final hearing officer for individuals aggrieved by a ruling or decision of DWR. Current law requires aggrieved parties to appeal to the Chief Engineer. Any appeal from this level must be filed in District Court.

There are two problems with the current arrangement. First, it can be expensive to pursue recourse in District Court. At times this step is unavoidable. I contend, however, a court case might be avoided if the aggrieved party felt they received a fair shake from someone who was more removed from the person(s) who made the original ruling.

Secondly, the change in SB 287 would greatly reduce the likelihood of improper rulings because the bill adds another layer of review and consideration by a hearing officer representing the Secretary of Agriculture. I am not suggesting the Secretary will often overrule DWR. It would be political suicide for a Secretary to reverse a decision by the Chief Engineer that is based on a sound, objective, and scientific basis. I have faith the media and this legislature would hold a Secretary and the Governor accountable for such an abuse of this power.

Can we say the same for faulty rulings by a Chief Engineer who holds a classified position in state government? I am not saying this has been a problem to date. I'm merely trying to point out the potential exists for an awkward situation that future state legislators could face if SB 287, or something similar, is not passed. I suggest now is the time to take corrective action.

Let me conclude by stating we are not supporting SB 287 out of frustration with the existing Chief Engineer. The Chief Engineer has done an admirable job of enforcing the water appropriation laws. The debate before this committee today should not be about the past. We should think about the future. Let's focus on the administration of water law long after this administration and Chief Engineer have left office. While it is essential to provide a highly specialized regulator some insulation from political pressure, it is equally imperative the law holds regulators and state agencies accountable for their actions. KLA believes the changes incorporated in this legislation are appropriate and necessary to insure further initiatives and actions of DWR are as defensible as in the past. We urge your favorable consideration of SB 287.

I would be happy to respond to any questions or comments. Thank you.

2300 SW 29th St., Topeka, KS 66611&785-266-4540 Fax: 785-266-7953&Email: janetstubbs@compuserve.com

# HOUSE COMMITTEE ON ENVIRONMENT MARCH 18, 1999 SENATE BILL 287

### CHAIR FREEBORN AND MEMBERS OF THE COMMITTEE:

My name is M.S. Mitchell, appearing today representing the Kansas Building Industry Association, supporting Senate Bill 287.

Members of the KBIA are affected by adoption of ordinances, resolutions and regulations whereby communities in Kansas become and remain eligible for participation in the National Flood Insurance Program (NFIP). K.S.A. 12-766 gave authority to the Chief Engineer of the Division of Water Resources to approve or disapprove such community actions before the coming of the Federal Program to most of Kansas. Since that time, those local community ordinances, resolutions and regulations must comply with the Federal standards to the letter, and in most cases are direct copies of the models supplied by the Federal program. When the planning statutes were codified in 1991, members of the task force which worked to draft those statutes, recommended that the role of the Chief Engineer was no longer needed and he should be removed from that process. We were unsuccessful, and now see transferring that role to the Secretary of Agriculture as a step in the right direction.

With respect to K.S.A. 24-126 members of the KBIA are more intimately involved since many new subdivisions (and some construction on lots platted years ago) contain areas which are shown to be in the Special Flood Hazard Area on the Federal Emergency Management Agency's (FEMA) maps. Those same 1991 planning statutes gave the Chief Engineer authority to administer filling in what is designated as Floodway Fringe on those FEMA Flood Insurance Rate Maps (FIRM) by a policy which classified those fills as "other such improvement" under the levee law. Again, the KBIA members of the planning task force argued that since such filling was permitted by right under the NFIP, the Chief Engineer had no authority to disapprove such Floodway Fringe fills. On this point we also lost, and subdivision lots where all or part is mapped on the FIRM to be in a Floodway Fringe are required to apply for

approval of plans under 24-126 and wait for processing of that application by the Chief Engineer. Here again, we see transferring that role to the Secretary of Agriculture as a step in the right direction, and would hope to find support for our position that approval of Floodway Fringe fills should be the responsibility of the local communities, unless they ask for help from the State.

K.S.A. 82a-303 and 303a are part of the statutes following 82a-301 which require a permit from the Chief Engineer for any water obstruction such roadways, culverts and bridges across streams; changes in the course, current or cross section of streams; and dams in excess of thirty acre feet. The Rules and Regulations which must be followed in order to obtain such a permit were effective in 1981, amended in 1982, 1983, 1984, 1985, 1986 and 1987. The set I now have does not show any updating since 1987. It is my opinion that the engineering firms which work with KBIA members would like to play an active part in an overhaul of those Rules and Regulations, but are reluctant to say so. We think giving responsibility for initiating and adopting new and/or revised Rules and Regulations for these statutes to the Secretary of Agriculture will improve that opportunity.

Builders and Developers have fewer needs to obtain, perfect and maintain water rights, but if legislation which proposes to require evaporation from present and future sand pit lakes to be covered by a water appropriation, that issue will become an important part of their business. Here again, having an opportunity for public input on Rules and Regulations to implement such legislation would be improved if final responsibility is given to the Secretary of Agriculture rather than the Chief Engineer.

The water evaporation issue and the discharge of stormwater into groundwater pits issue have found KBIA members at odds with staff of at least one Groundwater Management District. We believe that amending K.S.A. 82a-1028 to give responsibility for adopting Rules and Regulations recommended by Groundwater Management Districts to the Secretary of Agriculture will open up what is now a closely held process and provide our members the opportunity to have input on Rules and Regulations currently in effect and proposed by the Groundwater Management Districts. The same comments apply to K.S.A. 82a-1038 and the designation of areas as intensive groundwater use control areas.

K.B.I.A. members, and the professional consultants who work for them, have frequently complained about the length of time it takes to obtain approval of Floodway Fringe Fill Applications. As stated before, planning task force members agreed to a compromise under K.S.A. 24-126 which requires that if the Chief Engineer fails to approve or disapprove a plan within the ninety day period required, then the plan is deemed approved. In practice, what happens is that, often near the end of that 90 day period, DWR staff will ask for additional information, or that the technical review of the Application will be pigeon-holed until after the 30 day Environmental Coordination Act review period, then responses will be required to the

6-2

ECA comments from any of the eight State Agencies which responded. When those have been satisfied, the technical review begins or resumes.

Depending on the location in the State, the type of Application being made, or other factors, different DWR staff are assigned to review Applications. It has been the experience of K.B.I.A. members and their consultants that those reviews are not uniform, and inconsistent application of Rules and Regulations (or in some cases, unpublished policies) cause delays in the final approval of plans and issuance of permits. In some instances, workload is the reason offered, but more often no explanation is given. Where workload exceeds staff resources, we recommend that turning over responsibility for review of many Applications can be given to local government staff who in most cases have already approved of the activity for which a DWR permit or approval of plans is required. Examples are Floodway Fringe Fills, bridges, culverts, channel improvements and other features which are built as part of new subdivision infrastructure. A situation similar to the one we suggest exists between KDHE and local engineering staff concerning new and extended sanitary sewers.

Land developers and builders have tried since 1991 to streamline the review of permit applications for water structures without significant improvement.

KBIA supports giving the Secretary of Agriculture final authority to adopt Rules and Regulations as the best chance we have seen to accomplish that goal.

A backlog of 3500 water appropriation applications, or not knowing how many Floodway Fringe Fill applications are awaiting review is a clear signal that the present operation of the Division of Water Resources is not up to a standard expected by Kansas voters.

For people whose economic survival depends on the granting of water rights or approval of Fill permits, no change in current Division of Water Resources Rules and Regulations can be too drastic.

Someone who is responsible and responsive to those Kansas voters needs to be given the tools to put this Division of a State Department on the right track. KBIA thinks SB 287 is the first of these tools and we ask for your support of it.

Thank you for the opportunity to appear today and I will attempt to answer any questions you might have.



PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 300 S.W. 8TH TOPEKA, KS 66603-3896 (785) 354-9565 FAX (785) 354-4186

TO: House Committee on Environment

FROM: Chris McKenzie, Executive Director

**DATE:** March 16, 1999

SUBJECT: SB 287

Thank you for the opportunity to appear today concerning SB 287, which would make the rules and regulations proposed by the chief engineer and other actions of the chief engineer subject to approval by the secretary of agriculture. Earlier this legislative session the League expressed concerns about SB 64, which would have put certain employees in the Division of Water Resources in the unclassified civil service. I subsequently discussed these concerns with the League Governing Body, and its members expressed support for clear lines of authority between the secretary of this and any other state agency and its divisions.

It was in this spirit that the League offered support for SB 287 in the Senate. Since expressing support for SB 287, however, representatives of some member cities of the League and others around the state have come forward to question the wisdom of acting on this legislation during the current legislative session. Among those cities are the cities of Wichita, Hays and Garden City. I believe their concerns are serious and substantial.

In light of these concerns, I will be visiting with the League's Governing Body when it meets tomorrow to discuss this issue in greater depth. After that meeting, I would be happy to advise the Chair of the Committee in writing whether the League supports or opposes the bill as written.

Thank you very much for your consideration of these views.

President: John R. Zutavern, Commissioner, Abilene \* Vice President: Carol Marinovich, CEO/Mayor, Wyandotte County/Kansas City \* Past Presidents: Donald L. Anderson, Mayor, Lindsborg \* Chris Cherches, City Manager, Wichita \* Ed Eilert, Mayor, Overland Park \* Irene French, Mayor, Merriam \* Ralph T. Goodnight, Mayor, Lakin \* Directors: James Arnold, Mayor, Scott City \* Joan Bowman, Mayor, Lenexa \* Delores Dalke, Mayor, Hillsboro \* Tony Fiedler, Commissioner, McPherson \* Rod Franz, Finance Director, Salina \* Warren C. Hixson, Mayor, Colby \* Don J. Knappenberger, City Attorney, St. John \* J. Patrick Lawless, Jr., Mayor, Osage City \* Ralph Soelter, Mayor, Paxico \* Joan Wagnon, Mayor, Topeka \* Glen Welden, City Manager, Parsons \* Ed Wiltse, Councilmember, Ulysses \* Executive Director: Christopher K. McKenzie

### T. Bogner Farms 10055 Eagle Rd. Dodge City, Ks. 67801

Madam Chair; Committee members;

Being new to this political arena let me commend you for being able to digest all of the information (both pro and con) being presented to you and then making a formal and intelligent decision with regards to the future of this great state of Kansas.

I am Tom Bogner, farmer in northwest Ford County and northeast Gray County 16 miles northwest of Dodge City. We have a family farm which includes my wife Sherry, son Jeff, his wife Chandra and daughter who farm their own operation plus our base unit and my two daughters Joanne and Jill.

This my eleventh year on GMD #3 board and am finishing my first term as a Kansas Water Authority member in which I represent the groundwater districts of western Kansas, GMD#1 located in Scott City, GMD#3 of Garden City and GMD#4 in Colby. Regarding bill #2518 water right certification, I am in favor of this bill as it should bring accountability to the DWR office and force them to keep current on certificates. In 1998 I had two appropriations certified, one was from 1975 and one from 1979. The first one went through fine but had trouble with the second and through consultation with the Chief Engineer I was able to retain enough acre/feet to be able to proceed with my current cropping plans. This was two wells with one towable sprinkler With my own ignorance of "Use it or loose it" I did not lie on my water use reports or waste water to attain a perfected water right with enough acre/feet per acre to able to take advantage of crop rotations and practices in the future. I myself believe this process could be a lot simpler and beneficial to all.

In regards to SB287: I personally do not believe this would not put the adoption of future "Rules @ Regulations" in the

political arena. With the addition of a commission this would give an overall look at new "Rules @ Regulations" for water in the State of Kansas. I would think that the Chief Engineer would relish this in that it would take the monkey off his?her back and place it on the commission of the Sec. of Ag. This should free him/her up to proceed with his/her duties as Chief Engineer.

We all realize the importance of good quality water to you and the people of Kansas as well as the world today. Change is not always easy but when it is "Good" everyone benefits. I believe these changes will be good for all.

Sincerely

Thomas R. Bogner

### STATE OF KANSAS

BILL GRAVES, Governor State Capitol, 2nd Floor Topeka, Kansas 66612-1590



(785) 296-3232 1-800-748-4408 FAX: (785) 296-7973

### OFFICE OF THE GOVERNOR

#### **MEMORANDUM**

TO:

Chairman Freeborn and members of the House Environment Committee

FROM:

Jamie Clover Adams, Legislative Liaison

DATE:

18 March 1999

RE:

Support for S.B. 287

Madam Chair and members of the Committee, my name is Jamie Clover Adams. I am here today to voice the Governor's support for S.B. 287. This bill is about process and accountability. It does not unclassify the chief engineer. In fact, since there appears to be confusion about this issue, the Administration is withdrawing its support for S.B. 64 and H.B. 2253 which unclassify all program managers at the Department of Agriculture.

The Governor supports the bill because it establishes:

- Accountability in a program of great importance to all Kansans;
- Consistency in the application of water law, rules and regulations and policy so all Kansans know the rules of the game;
- Processes able to withstand controversy and challenge, and;
- Due process to settle disputes as outlined under the Kansas Administrative Procedure Act.

Accountability. There is no ordinary accountability to the people of Kansas in the current system. There is no other program in state government designed like this one. The chief engineer is a classified employee with his own rule and regulation authority. The only oversight is extraordinary - interpretation by the courts or a statutory change by the legislature. Given the spirited discussion over this simple proposal and the divergence of views, one can logically conclude that the courts are the only check in the current system. Further, it creates a very awkward management issue when you have a person who reports to a Cabinet Secretary who, on a certain part of their job description, is not accountable to the person they work for.

Critics of S.B. 287 have stated that moving rule and regulation authority to the Secretary is dangerous because it will politicize water policy decision-making. They claim water is so important that it should be insulated from the democratic process. It might be stated as follows: "Water policy cannot be entrusted to normal policy-making processes because it is complicated and requires a disciplined, long-term perspective. Since ordinary people and politicians cannot understand the intricacies of hydrology, they cannot adequately weigh particular policy choices.

They are also unable to think far into the future or accept pain now for gain later. So decision-making in this area needs to be handed over to a wise man who will do for the people what they cannot do for themselves."

Nothing could be further from the truth. If you buy the opponents argument outlined above, you should go back and change the way about 150 other state employees who are involved in permitting issues are managed within their agencies. For example, for those who live in the northeast part of the state, water quality is extremely important because drinking water is derived from surface water. Should the Legislature establish a classified employee within the Kansas Department of Health and Environment, give them rule and regulation authority over water quality standards and remove the Secretary of Health and Environment from the equation? Also, in 16 other states that follow the prior appropriation doctrine for water resources like Kansas, the chief engineer's counterpart is appointed by the Governor and has independent rule and regulation authority. Water policy is simply not that distinctive and need not be treated differently. We have faith in the people of Kansas and their elected officials to make the appropriate choices in this policy area as they do in many others.

Opponents also argue that water appropriation decisions would be made for purely political payback reasons if the rule and regulation authority is given to the Secretary. Even under this worst-case scenario, the accountability and transparency of the democratic process would bring these misdeeds to light. This cannot be said of the current system that lacks the very qualities that make our democracy thrive.

Consistency. S.B. 287 establishes a consistent process for water appropriation decisions. Under the current scheme, decisions are governed by not only state law and accompanying rules and regulations, but also by more than 100 policy directives that have undergone no public scrutiny. Further, the current system for hearing appeals for water permitting decisions is not clearly defined. The bill sets up a system to establish rules and regulations and a hearing process that will be applied equally and evenly to all comers.

Controversy. S.B. 287 establishes a process that will withstand controversy and challenge. The current system of unaccountability and use of policy in place of rules and regulations might have worked in periods when water was basically available to all who needed it. However, the state is over-appropriated in many areas. Processes need to be established to address the difficult challenges that lie ahead. All users of water need to believe the system treats everyone equally and that their needs and concerns will be heard. This is why S.B. 287 should be passed during the 1999 legislative session. No, there is not a crisis. However, the warning signs have appeared in a variety of areas including overpumping, dams and levees, minimum stream flows, abandonment and certification backlogs. We do not want to allow this to reach crisis proportions and then react. Let's address the process now so these looming issues can be addressed in a fair and consistent manner.

Due Process. S.B. 287 establishes a formal and uniform hearing process for all decisions made by the department regarding water issues by placing these hearings under the Kansas Administrative Procedure Act (KAPA). KAPA sets out a standard process for applicants to appeal a decision by an agency to a neutral third party, then to the Secretary and finally to the courts, if necessary. KAPA builds an administrative record that courts need in order to examine the issues.

The chief engineer continues to make all of the initial decisions regarding all water issues ensuring that decisions are based on technical expertise. Opponents have discussed the importance of sound science and technical expertise in the water appropriation process claiming that the bill will take the science out of water appropriation decisions. We all understand from issues addressed by this Committee that two competent scientists can examine an issue and come up with two distinctly different conclusions. To claim a scientist does not let his or her view of the world enter into their decision-making process is a fallacy. Scientists are no different than other policy decision-makers except that in most cases they are not accountable to the public.

The current water appropriation system is not designed to address the issues of the future. The chief engineer must be accountable to the people of Kansas. There must be consistency in decision-making and applicants must be afforded the same due process provided in other agencies when there is a dispute with the Division of Water Resources. I would also re-iterate that the Administration is withdrawing its support for S.B. 64 and H.B. 2253 which unclassify all program managers at the Department of Agriculture.

On behalf of Governor Graves, I ask for your favorable consideration of S.B. 287 and I would answer any questions you may have.

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT Rm. 545N-Statehouse, 300 SW 10th Av Topeka, Kansas 66612-1504

kslegres@klrd.state.ks.us

http://skyways.lib.ks.us/ksleg/KLRD/klrd.html

(785) 296-3181 ◆ FAX (785) 296-3824

March 18, 1999

To:

Representative Henry Helgerson

Office No.: 281-W

From:

Reed Holwegner, Fiscal Analyst

Re:

Personnel Requests for the Division of Water Resources

This memorandum answers your questions regarding requests for additional personnel for the Division of Water Resources which is located in the Department of Agriculture. Attached to this memorandum is a table from the FY 2000 Budget Analysis that shows the FTE allocation for FYs 1996-2000. Please contact me if you have any questions regarding this memorandum or its subject matter.

The following table gives a summary of the Department's requests, the Governor's recommendation, and what the Legislature approved.

PERSONNEL ENHANCEMENT REQUESTS FOR THE DIVISION OF WATER RESOURCES, FYs 1996-2000						
	Agency Requested	Governor Recommended	Legislature Approved			
FY 1996	Additional 5.0 FTE positions	Do not recommend enhancement and delete 1.0 current FTE position	Governor's recommendation			
FY 1997	\$291,882 for temporary positions, including other operating expenditures	\$48,435 for temporary positions	Governor's recommendation			
FY 1998	No request for additional personnel					
FY 1999	No request for additional personnel					
FY 2000	No request for additional personnel					

For FY 1996, the Department of Agriculture requested 5.0 additional FTE positions. Two of the positions would have been used for a new field office in Chanute; two positions would have been stationed at the Stafford field office, and one position would have been located in Topeka. The Governor recommended that 1.0 current FTE position be eliminated. This engineer position was responsible for reviewing water structure applications in southeast Kansas.

The Legislature approved the Governor's recommendation. The report of the Senate subcommittee noted the significant progress of the Division of Water Resources to reduce the backlog of water right applications from 14 months to six months. The subcommittee

expressed concern that a reduction in personnel could create a backlog of water structure applications. The Senate subcommittee also noted that the Governor recommended the amount of funding for temporary positions be reduced to two-thirds of the FY 1995 level.

For FY 1997, the Department requested \$51,406 for classified temporary positions for the Water Appropriations Subprogram. The Governor recommended \$48,435 for temporary positions. The Legislature approved the Governor's recommendation with no adjustment. The Senate subcommittee did note the reduction by 40 percent of all pending applications in the past fiscal year. The time to process new applications had been reduced from two years in FY 1993 to 60 days in FY 1996.

For the Water Structures Subprogram, the Department requested \$240,476 for 4.0 unclassified temporary positions. This request included other operating expenditures. The positions included an attorney, two engineer associates, and a keyboard operator. The Department requested these positions to deal with the backlog of water structure applications and to revive the Dam Safety Program. The Governor did not recommend this enhancement. The Legislature approved the Governor's recommendation with no adjustment.

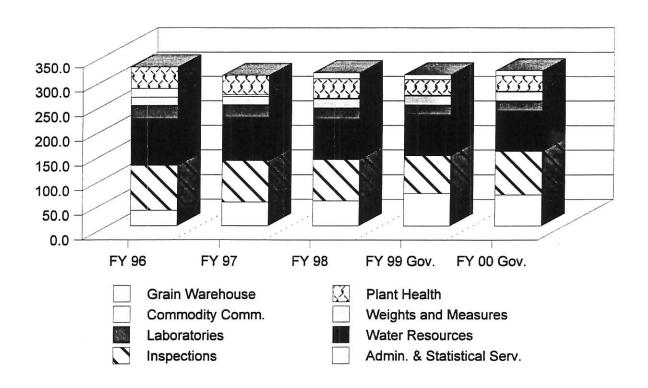
Since 1996 there has been no requests for additional personnel for the Division of Water Resources.

10-2

#### **ATTACHMENT**

Full-Time Equivalent (FTE) Positions by Program. The following graph and table reflect FTE positions authorized for the Department of Agriculture by program from FY 1996 to FY 2000.

FTE Positions by Program—FY 1996-FY 2000



				FY 99	FY 00
Program	_FY 96	_FY 97_	_FY 98_	Gov.	Gov
Administrative and Statistical Services	31.0	48.0	50.6	65.6	63.1
Division of Inspections	91.5	84.3	83.5	76.5	87.5
Division of Water Resources	95.3	88.5	83.5	83.5	83.5
Division of Laboratories	27.0	25.0	22.0	20.0	20.0
Division of Weights and Measures	16.0	17.0	18.0	18.0	18.0
Commodity Commissions	18.0*	3.0	1.4	1.4	1.4
Division of Plant Health	44.0	40.0	40.0	32.0	32.0
Grain Warehouse Division**	0.0	0.0	12.0	10.0	10.0
TOTAL	322.8	305.8	311.0	307.0	315.5

<sup>\*</sup> Includes 15.0 FTE positions from Agricultural Marketing.

### RH/sp

#27253.01(3/18/99{2:39PM})

<sup>\*\*</sup> The program was transferred to the Department in FY 1998 by 1997 S.B.317.

# Statement of Ron Klataske Director, Kansas Audubon Council to the Kansas House of Representatives, Committee on Environment concerning S.B. 287

My name is Ron Klataske and I am testifying on behalf of the Kansas Audubon Council. The Kansas Audubon Council represents approximately 5,000 Audubon members in the state and ten community/regional Audubon chapters throughout Kansas.

The Kansas Audubon Council is opposed to Senate Bill 287. This bill would effectively transfer jurisdiction of Kansas water decisions from an independent civil servant to a political arena where decisions would be subject to the influence of special interest groups and considerations of a political nature. As pointed out by other opponents reported in recent articles in the Wichita Eagle and the Lawrence Journal World, future decisions might be made on the basis of political contributions and endorsements.

Decisions would also be biased by the mission of the Department with the final word on all aspects of rules and regulations, appeals, review, or final determination. The Department of Agriculture's primary mission is to promote and facilitate agricultural interests. That is understandable. However, water is vital to many varied interests, in fact all interests, in Kansas. The interests of municipalities, non-agricultural industry, water quality, fish and wildlife, and recreation are among other interests that may receive a lower priority if the Secretary of Agriculture becomes the state's water czar.

It might not occur in this administration. But if the legislation passes, will the diverse interests of all Kansans be protected in future administrations? The winds of political change are ever changing, and the whims and possible corruptions of political influences are ever present. Moderation does not always prevail. The race for influence on a resource as important as water should not be subject to the advantage of political contributions or access.

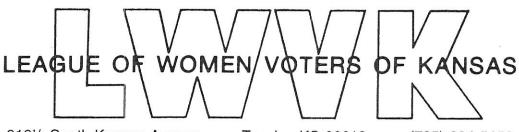
At present the accountability rests with the law, the courts. That is where it should remain.

We would not recommend that the transfer of responsibilities outlined in this bill be transferred to the departments of Agriculture, Health and Environment, Wildlife and Parks, or Commerce.

Because of the law, Kansans can continue to enjoy Cheyenne Bottoms--one of the most important wetland complexes in the Western Hemisphere for migratory birdlife. The 1992 decision to recognize the water rights that are vital to that state wildlife area may not have occurred if it had been subject to various political influences during the years of litigation.

The system of water resource administration may not be perfect, but there is no compelling reason to change the rules at this time. If it isn't broken, don't fix it. If the Water Resources Division needs more funding to fulfill a backlog of responsibilities, please make that possible. If there are problems that need more study, please take time to involve everyone to assure that all interests and concerns are carefully and appropriately considered.

Thank you for considering our concerns.



9191/2 South Kansas Avenue

Topeka, KS 66612

(785) 234-5152

House Committee on Environment Tuesday, March 16,1999 Statement in opposition to SB 287

Chairman Freeborn and members of the committee:

I am Nancy Sargent, representing the League of Women Voters of Kansas. We have about 800 members and 8 local leagues. The League is a non-partisan organization that promotes political responsibility through informed and active participation of citizens in government. We take action on selected governmental issues.

We oppose SB 287 because we believe there must be orderly, consistent planning for the use of water, that is protected from political considerations. Water may be our most vital resource; it is of limited supply and is of variable quality and distribution. The office which grants and reviews appeals of water rights should:

- \*1. be neutral, a civil servant, protected from political pressures.
- \*2. possess techical expertise
- \*3. consider water rights from a long termview (not changing every four to eight years).

When the Chief Engineer grants water rights, the interests of citizens and communities are considered as well as those of agriculture, industry. and recreation.

The League of Women Voters studied water as part of a national consensus in 1956. We than reached member agreement on Kansas water resource management in 1977,1984, and in 1995 after study.

Thank you for your time and consideration.

Mancy Sargent



### Professional Engineering Consultants, P.A.

March 17, 1999

Representative Joann Freeborn, Chair House Committee on Environment State House Room 155-E Topeka, Kansas 66612

RE: Senate Bill No. 287

Dear Representative Freeborn:

I am writing to you today to state my views on Senate Bill No. 287, which is currently pending before your committee. I was in attendance Tuesday, March 16, 1999, but did not have an opportunity to speak and will not be able to attend a continued hearing on Thursday, March 18, 1999. I appreciate the opportunity to state my opinion on this bill. The views presented herein are my own personal views and are not an official statement on behalf of any organization or of my employer.

As background information, I am a Civil Engineer employed in private practice. I have been practicing in the area of water resources for 18 years both in Wichita and Topeka, Kansas. Over the course of most of my career I have had many interactions with the staff of the Division of Water Resources. In my practice, I represent landowners that are in the process of developing projects, which require permit approval from the Division of Water Resources. The projects involve either water structures, levees, or water appropriation.

The current system at DWR needs improvement. Mr. Pope, by his own admission, acknowledges room for improvement in the office. Secretary Devine also is striving for improvement of the system over that which currently is in place. The following are the key issues, which I believe, are of primary importance to improve the water management process for the state of Kansas.

The first concern I would like to express regarding the Division of Water Resources is the mismatch of assigned tasks and workload compared to the resources available. In testimony on Tuesday, we heard discussion of 3,500 water appropriation applications which have not been processed in a timely manner. Mr. Pope states he can, with an aggressive program, work through that backlog in a period of five years. Realizing all the duties that fall to the office of the Chief Engineer, it is my opinion that Mr. Pope is extremely optimistic to believe that he and his staff can accomplish that goal with the current resources. If all current duties are to remain with the Chief Engineer and the existing backlog of work is to

DIRECTORS:

D.E. MALTBIE, P.E.

R.D. PLETCHER, P.E.

M.D. SCHOMAKER, P.E.

G.D. SCHOCK, P.E.

J.H. BAILEY, P.E., Ph.D.

D.I. NORTON, P.E.

B.E. REMSBERG, P.E.

G.K. GREENWOOD, P.E.

D.E. HAGER, P.E.

**ASSOCIATE** 

DIRECTORS:

G.L. ADAMS, P.E.

M.W. BERRY, P.E.

R.A. SCHLITT, P.E.

1263 S.W. TOPEKA BLVD.

TOPEKA, KANSAS

66612

785-233-8300

FAX

785-233-8855

www.pecl.com

topeka@pec1.com

OFFICES IN:

WICHITA

ТОРЕКА

LAWRENCE

be dealt with; this office needs more resources. It is imperative that the Governor, the Secretary, and the Legislature provide more resources to this office.

The second issue is the use of unpublished and unknown policies, procedures, rules and regulations that affect land owners and project owners. In testimony on Tuesday, it was stated that are 75 different policies in place at the Division of Water Resources which are unpublished and unavailable to the public. Those of us who work in the field of water resources are in favor of good stewardship of the water resource. We are willing to abide by all reasonably established rules, regulations, policies and procedures that may be in effect. However, we cannot follow the rulebook if we don't know what the rules are. We currently have that situation in the Division of Water Resources.

The third issue is the multitude of state agencies that have jurisdiction over the water resource. As a minimum, there are DWR, KDHE and the Kansas Water Office. I believe there may be even more of which I am not familiar. These different agencies sometimes state conflicting requirements on water issues. Centralization and/or coordination of water issues are a desirable goal.

In my opinion these issues are broad-based economic development issues. The administration of the water resource impacts business, manufacturing and municipalities as well as the agricultural industry.

I would like to give a real life example that occurred approximately four years ago in working with the Division of Water Resources. My client was a residential developer in South Central Kansas. He proposed a residential development of approximately 100 acres to be built around 3 lakes, which were primarily supplied by groundwater, with some supplemental surface water. At some point we were advised that we would need approval from the Division of Water Resources for this project. I traveled to the DWR District office for South Central Kansas in Stafford and met with the Water Commissioner. He advised me that this project would fall under the Stream Obstruction Act, of which I was aware; the Water Appropriation Act for surface water which would be intercepted by this lake, which I understood, and also for appropriation of ground water due to the evaporation from this lake. The third requirement was absolutely new to me---I had never run into this requirement in over ten years of practice. The Water Commissioner informed me that this project fell under a policy that had been on the books for a number of years. I asked him for a copy of the policy and he stated that it was not available to the general public. In over 2 ½ years of review of the project, I never did receive a copy of the stated policy.

Application was made to the DWR for the three different approvals. After a considerable length of time, we were told the stream obstruction request was ready to be granted, subject to the appropriation of water approval. However, the appropriation of water was delayed for up to 18 months due to the backlog of applications at that time. To further complicate the project, KDHE intervened with new water quality based regulations for the site. It took 2 to 3 years of discussions, submittals, reviews, additional data, and meetings before the problem

was resolved. In the end, my client requested, and was granted a meeting with the Secretary of Agriculture to bring some of these issues to light and to achieve resolution.

This particular project illustrates my three concerns with the current operation of DWR:

- 1. The length of time that it takes for projects to be reviewed.
- 2. The hidden rules, policies and regulations that the public is required to follow that are not published.
- 3. The lack of coordination of water resource issues among state agencies.

The case history presented above may be unusual, but it is not isolated. I currently am working on two levee related projects, one of which is entering its third year, the other nearing six months. In both of these cases there has been some landowner-induced delay, but I do not foresee resolution of either case in the next sixty to ninety days. The point is, the system is broken and needs fixing.

I would like to reemphasize the statements made by several parties in the testimony on Tuesday that the ultimate authority relative to water resource management should be a technically qualified and politically neutral person. In addition, this person should consider all industries and/or user groups equally.

Senate Bill No. 287 as it stands, with or without the proposed amendment establishing the water appropriation and water structure commission, addresses only one of the three issues I have raised. I would encourage your committee to craft a bill that adequately addresses all three areas of concern, along with political independence and technical competence for the Chief Engineer.

I respectfully request that this information be made available to each of the Committee members for their consideration as they deliberate Senate Bill No. 287.

Respectfully Submitted,

Michael W. Berry, P.E.

Cc: Representative Cindy Hermes

Michael W. Berry

51<sup>st</sup> District

{ FILENAME \p }

### STATEMENT OF IVAN W. WYATT, PRESIDENT KANSAS FARMERS UNION

TO

ON SB-287

TRANSFER OF THE AUTHORITY OF CHIEF ENGINEER OF WATER RESOURCES TO A POLITICAL APPOINTED SECRETARY OF AGRICULTURE

MADAM CHAIRPERSON, MEMBERS OF THE COMMITTEE,

THE FOLLOWING IS IN GENERAL TERMS THE THOUGHTS OF MANY PEOPLE ACROSS THE STATE AS THEY BECOME AWARE OF THE PROPOSALS WITHIN SB-287.

IF THERE HAS BEEN ONE THING WE ALL HAVE LEARNED THE PAST FEW YEARS, WHETHER YOU ARE A FARMER, RANCHER, URBAN DWELLER OR AN ELECTED POLITICAL OFFICIAL, THE QUALITY, PRESERVATION AND CONTROL OF WATER IS OF UTMOST IMPORTANCE TO ALL THE CITIZENS OF KANSAS.

AIR IS PRICELESS, BUT WATER IS ONE OF OUR MOST VALUABLE RESOURCES.

MONEY AND POLITICAL POWER CHASE OUR NATURAL RESOURCES.

DURING THE PAST FEW YEARS, WE HAVE WITNESSED THE MASSIVE POWER OF POLITICAL INFLUENCE IN THE STATE'S STRUGGLE OF WHO SHALL CONTROL THE VAST AMOUNTS OF THE STATE'S WATER AND HOW IT WILL BE USED, AND THE PROTECTION OF ITS QUALITY.

TO

DURING ALL THIS POLITICAL TURMOIL IN KANSAS, I CAN'T RECALL
ANY COMPLAINTS OF THE ACTIONS, OR LACK OF ACTIONS OF THE
DIVISION OF WATER RESOURCES, OR THE CARRYING OUT OF THEIR
DUTIES AS THE REFEREE IN THE ALLOCATION OF THE STATE'S WATERS.
THIS, NO DOUBT, HAS BEEN BECAUSE THE DIVISION OF WATER
RESOURCES HAS BEEN KEPT OUTSIDE THE STATE'S POLITICAL ARENA

COMPARE THE DIFFERENCE BETWEEN THE HANDLING OF THE DIVISION OF WATER RESOURCES AND THE POLITICALLY APPOINTED "KDHE" DURING THE PAST NUMBER OF YEARS.

SAD TO SAY, THE GENERAL PUBLIC OVER THE YEARS HAVE
BECOME MORE AND MORE SUSPICIOUS OF POLITICIANS, BECAUSE OF THE
INCREASING AMOUNT OF POLITICAL INFLUENCE BROUGHT ON BY LARGE
AMOUNTS OF CORPORATE CONTRIBUTIONS.

AFTER WITNESSING THE BRUISING POLITICAL BATTLES OF "WATER QUALITY" AND THE "KDHE" IN THE PAST FEW YEARS, I'M SURE THE

CITIZENS OF KANSAS ARE NOT GOING TO WANT TO SEE THE ALLOCATION OF THEIR STATE'S WATERS THROWN INTO ANOTHER SUCH POLITICAL CAULDRON WHERE WE WITNESSED THE AWESOME USE OF POWER BY SOME OF OUR POLITICAL LEADERS.



## **NORTHCUTT TRAILER & EQUIPMENT**

P.O. Box 4278 • Wichita, Kansas 67204 5055 North Broadway • Wichita, Kansas 67219 (316) 838-1477 • (800) 279-3540 • FAX: (316) 838-6203



P.O. Box 4278 • Wichita, Kansas 67204 3737 N. Broadway • Wichita, Kansas 67219 (316) 838-1477 • FAX: (316) 832-1883 • (800) 279-3540

To: WHOM IT MAY CONCERN

From: Bill Q Johnston, Jr

Date: March 18, 1999

The enclosed information is from Duracool Limited and contains all pertinent information pertaining to our request for amending K.S.A. 8-1747.

We are the Kansas Distributor for Duracool 12a and know of its advantages over HFC-134a. We have sold this product for 5 years and have not had one dissatisfied customer; in fact, all our customers tell us it cools better. 6.4 oz of Duracool refrigerant = 1 lb of HFC-134a. Duracool, unlike HFC-134a, is non-toxic and operates at much lower pressures.

Please refer to the enclosed information which clearly proves that Duracool 12a is a safe and effective alternative to HFC-134a.

Thank you.

House Environment 3-18-99 Attachment 15



## DURACOOL LIMITED

## REFRIGERANTS

DURACOOL12a® = The Premium Hydrocarbon Refrigerant

10260 - 21 Street NW, Edmonton, Alberta, Canada T6P 1W4 Phone (780) 449-4777 Fax (780) 449-4766 E-mail duracool@compusmart.ab.ca

TO: WHOM IT MAY CONCERN

From: Bob Small

Date: March 17, 1999

Reference: Issues pertaining to Kansas State Law Governing Refrigerants

Enclosed please find all pertinent information pertaining to our request for exemption, or repeal of current law prohibiting the sale/use of DURACOOL 12a® for motor vehicle applications within the State of Kansas:

- MATERIAL SAFETY DATA SHEET (our current MSDS Sheet which complies with all U.S. and Canadian regulations).
- DOT EXEMPTION COVERING DURACOOL 12a® (Granted to DURACOOL on April 17, 1998 this exemption permits the shipping of DURACOOL 12a® in our 6 ounce Sexton cans throughout the U.S.; and clearly demonstrates our commitment to comply with all federal law pertaining to the use, handling, and/or transportation of our products).
- U.S. BROCHURE (clearly stating that DURACOOL 12a®is being marketed within the U.S. as a second generation replacement for non-ozone depleting first generation substitutes such as HFC-R134a).
- INTERNATIONAL BROCHURE (for marketing of DURACOOL 12a®outside of the U.S. where our product may be legally used as a replacement for R-12).
- SIMTARS TEST RESULTS OF NOVEMBER 15, 1995 (establishing an auto-ignition temperature of 1635°F).
- LETTER OF JULY 09, 1998 CLARIFYING THE LEGAL STATUS OF DURACOOL 12a® UNDER FEDERAL USEPA LAW.
- DURACOOL 12a® PRODUCT GUARANTEE.
- INTRODUCTION TO DURACOOL 12a® (Comprehensive manual available to all users of DURACOOL 12a® describing in detail how to safely use, handle, and store our hydrocarbon refrigerant).
- RISK ASSESSMENT OF FLAMMABLE REFRIGERANTS PART 3: CAR AIR CONDITIONING (An exhaustive risk assessment by the prestigeous Arthur D. Little Company in 1995, concluding that hydrocarbon refrigerants are indeed very safe to use in motor vehicle air conditioning systems).

- HYDROCARBON REFRIGERANT LEAKS INTO CAR PASSENGER COMPARTMENTS (A comprehensive study conducted by the Univ. of New South Wales in 1996, documenting the safety of using hydrocarbon refrigerants in motor vehicle applications).
- INSURANCE RISK FOR HYDROCARBON REFRIGERANTS IN CAR AIR CONDITIONERS (A comprehensive study conducted by the Univ. of New South Wales in 1995 validating the safety of utilizing hydrocarbon refrigerants in motor vehicle applications).
- GLOBAL WARMING COMPARISON OF HYDROCARBONS AND HFC-134a IN AUTOMOBILE AIR CONDITIONING (A comprehensive study conducted by Eric Johnson, Professor Eric Banks, and Dr. Paul Sharratt in 1996 describing the environmental advantages of hydrocarbon refrigerants in motor vehicle applications versus other toxic and global warming substances such as HFC-R134a).
- COMPARATIVE PERFORMANCE OF HYDROCARBON REFRIGERANTS (Results of a 1996 study by the Univ. of New South Wales describing the advantages of using hydrocarbon refrigerants in car air conditioners, versus non-flammable refrigerants such as CFC-R12).
- PROJECTION OF THE ENVIRONMENTAL AND ECONOMIC EFFECTS OF REFRIGERANT CONSUMPTION: COMPARISON OF NATURAL AND SYNTHETIC REFRIGERANTS (A 1996 report by Emma Kate Aisbett describing the advantages of using hydrocarbon refrigerants, versus their toxic, ozone depleting, and/or global warming synthetic chemicals suchb as CFC-R12 and HFC-R134a).
- MATERIAL DEALING WITH SAFETY ISSUES OF HFC-R134a. (Data from various U.S. laboratories documenting the safety concerns of HFC-R134a. Included are concerns regarding the flammability of HFC-134a when mixed with PAG Oil in the air conditioning system of a motor vehicle).
- HUMAN INHALATION OF HFC-134a (R-134a) Refrigerant. (Comprehensive Wright Pattterson Air Force Base study, revealing the serious dangers and health hazards of human exposure to R-134a refrigerant. This study was commissioned by the U.S.E.P.A, and was completed in August 1997.).
- MATERIAL SAFETY DATA SHEETS (MSDS SHEETS) FOR HFC-R134a. (MSDS sheets from various manufacturers of R-134a; clearly documenting the dangers and health hazards associated with this synthetic refrigerant).
- A FRESH LOOK AT HYDROCARBON REFRIGERATION (A 1996 article by Joachim Paul of Germany explaining the advantages of hydrocarbon refrigerants and how countries such as Germany are now using natural hydrocarbon refrigerants in lieu of their toxic counterparts).

DON L. Mc Neely

## GENERAL MOTORS CORPORATION MATERIAL SAFETY DATA SHEET

Page 29

FREON 12 1051053

## SECTION 0 - EFFECTIVE DATE

1 ->Effective Date: 050186

->MSDS signed by: T.D. ARMSTRONG

3 ->Title: C&P DEPT, FREON PRODUCTS LAB.

## SECTION 1 - SHIPPING INFORMATION

1 —>Chemical Family: Halogenated Hydrocarbon

2 -> Formula: CC12F2 MID: #533167

DUPONT

Emergency telephone #: 1-800-441-3637

(EI DUPONT DE NEMOURS & CO INC)

WILIMINGTON, DE 19898

Shipping Name: NONFLAMMABLE GAS, N.O.S.

Hazard Class: Non-Flammable Gas

UN. Code: UN1956 Flash Point: None

SECTION 2 - INGREDIENTS

Formulation 000075718 = 100% BY WT

Chemical Name Dichlorodifluoromethane

. he white

## SECTION 3 - PHYSICAL DATA

1 -> Bailing Point: -21.6F; AUTOIGNITION TEMPERATURE: NOT DETERMINED; AUTODECOMPOSITION TEMPERATURE: >1400F

->Specific Gravity: 1.311 @ 77F

->Vapor Pressure: 80 PSIG @ 77F

->% Volatile by Volume: 100

5 ->% Solid by Weight: Not Provided

-> Vapor Density: 4.2

->Evaporation Rate: Not Provided

->Solubility in H20: 0.028 @ 77F

->pH: Not Provided

10 -->Appearance & Odor: CLEAR SLIGHT ETHEREAL ODOR; COLORLESS

11 -> State: LIQUID; FORM: LIQUEFIED GAS

## SECTION 4 - FIRE AND EXPLOSION DATA

->Flammable Limits - LEL: NONFLAMMABLE

2 -> Flammable Limits - UEL: NONFLAMMASLE

->Extinguishing Media: Nonflammable --> Special Fire Fighting Procedures: SELF-CONTAINED BREATHING APPARATUS (SCBA) MAY BE REQUIRED IF CYLINDERS RUPTURE AND CONTENTS ARE RELEASED UNDER FIRE CONDITIONS.

5 ->Unusual Fire & Explosion Hazards: CYLINDERS MAY RUPTURE UNDER FIRE CONDITIONS. DECOMPOSITION MAY OCCUR.

## SECTION 5 - HEALTH HAZARD DATA

- 1 -> Effects of Overexposure: INHALATION: VAPOR IS HEAVIER THAN AIR AND CAN CAUSE SUFFOCATION BY REDUCING OXYGEN AVAILABLE FOR BREATHING. BREATHING HIGH CONCENTRATIONS OF VAPOR MAY CAUSE LIGHT-HEADEDNESS. GIDDINESS, SHORTNESS OF BREATH, AND MAY LEAD TO NARCOSIS, CARDIAC IRREGULARITIES, UNCONSCIOUSNESS OR DEATH. LC50 RAT 800,000 PPM/30 MIN. NOTE: IN SCREENING TESTS WITH EXPERIMENTAL ANIMALS, EXPOSURE AT APPROXIMATELY 50,000 PPM (V/V) AND ABOVE, FOLLOWED BY A LARGE INTRAVENOUS EPINEPHRINE CHALLENGE, HAS INDUCED SERIOUS CARDIAC IRREGULARITIES. SKIN: LIQUID CONTACT CAN CAUSE FROSTBITE. EYE: LIQUID CONTACT CAN CAUSE FROSTBITE. TESTS IN RABBIT EYES WITH A 50% SOLUTION IN MINERAL OIL AND WITH VAPORS RESULTED IN NO OBSERVABLE DAMAGE. ORAL: RATS WERE FED FREON-12 DISSOLVED IN PEANUT OIL. NO DEATHS OCCURED AT HIGHEST FEASIBLE DOSE - 1000 MG/KG.
- 2 -> Threshold Limit Value: TWA (ACGIH): 1000PPM.

3 —>Permissible Exposure Limit: (OSHA): 1000PPM. 4 —>Other limit: SAFETY PRECAUTIONS: AVOID BREATHING VAPORS AND LIQUID CONTACT WITH SKIN OR EYES. USE ONLY IN WELL VENTILATED AREA.

5 -> Primary routes of entry: Not Provided

->Emergency First Aid Procedures; INHALATION; REMOVE TO FRESH AIR, CALL A PHYSICIAN. IF NOT BREATHING, GIVE ARTIFICIAL RESPIRATION. PREFERABLY MOUTH-TO-MOUTH. IF BREATHING IS DIFFICULT, GIVE DXYGEN. DO NOT GIVE EPINEPHRINE OR SIMILAR DRUGS. NOTE TO PHYSICIANS: BECAUSE OF A POSSIBLE INCREASED RISK OF ELICITING CARDIAC DYSRYTHMIAS, CATECHOLAMINE DRUGS, SUCH AS EPINEPHRINE, SHOULD BE CONSIDERED ONLY AS A LAST RESORT IN LIFE THREATENING EMERGENCIES. EYE: IN CASE OF LIQUID CONTACT, IMMEDIATELY FLUSH EYES WITH PLENTY OF WATER FOR AT LEAST 15 MINUTES. CALL A PHYSICIAN. SKIN: FLUSH WITH WATER. TREAT FOR FROSTBITE IF NECESSARY

## SECTION 6 - REACTIVITY DATA

->Stable: YES

2 —>Conditions to Avoid: Open flames or high temperatures.

3 ->Incompatible Materials: Alkali or alkaline earth metals, powdered

- 4 —>Hazardous Decomposition Products: FREON 12 CAN BE DECOMPOSED BY HIGH TEMPERATURES (OPEN FLAMES, GLOWING SURFACES, ETC.) FORMING HYDROCHLORIC AND HYDROFLUORIC ACIDS - POSSIBLY CARBONYL HALIDES.
- 5 —>Can Hazardous Polymerization Occur: NO
- 6 -> Conditions to Avoid: Not Provided

## SECTION 7 - SPILL OR LEAK PROCEDURES

1 —>Steps to be taken in case material is released or spilled: VENTILATE AREA - ESPECIALLY LOW PLACES WHERE HEAVY VAPORS MIGHT COLLECT. REMOVE OPEN FLAMES. COMPLY WITH FEDERAL, STATE AND LOCAL REGULATIONS ON REPORTING RELEASES.

2 -> Waste Disposal Method: RECLAIM BY DISTILLATION OR REMOVE TO A PERMITTED WASTE DISPOSAL FACILITY EPA HAZARDOUS WASTE NO. U075 MAY APPLY TO WASTE MATERIALS. COMPLY WITH FEDERAL, STATE, AND LOCAL

REGULATIONS.

3 -> CERCLA (Superfund) Reportable quantity (lbs): Not Provided

4 ->RCRA Hazardous Waste No. (40 CFR 261.33); Not Provided

5 -> Volatile Organic Compound (VOC) Theoretical: Not Provided

6 - > Volatile Organic Compound (VOC) Analytical: Not Provided

## SECTION 8 - SPECIAL PROTECTION INFORMATION

1 — > Respiratory Protection: SELF-CONTAINED BREATHING APPARATUS IS REQUIRED IF A LARGE SPILL OR RELEASE OCCURS.

2 ->Local Exhaust: NORMAL VENTILATION FOR STANDARD MANUFACTURING PROCEDURES IS GENERALLY ADEQUATE. LOCAL EXHAUST SHOULD BE USED WHEN LARGE AMOUNTS ARE RELEASED.

3 -> Special: Not Provided

4 -> Mechanical: SHOULD BE USED IN LOW PLACES.

->Other: Not Provided

->Protective Gloves (Specify type): LINED BUTYL GLOVES SHOULD BE WORN TO PREVENT PROLONGED OR REPEATED SKIN EXPOSURE WHEN HANDLING LIQUID (OR TRANSFERRING COLD GAS).

>Eye Protection (Specify type): CHEMICAL SPLASH GOGGLES SHOULD BE WORN TO PREVENT EYE CONTACT WHEN HANDLING LIQUID.

8 — >Other Protective Equipment: Not Provided

## SECTION 9 - SPECIAL PRECAUTIONS

1 -> Precautions to be taken in Handling & Storage: SHIPPING CONTAINERS: CYLINDERS, TON TANKS, TANK CARS. STORAGE CONDITIONS: CLEANA, DRY AREA. DO NOT HEAT ABOVE 125F.

2 - >Other Precautions: Not Provided

## SECTION 10 - ADDITIONAL DATA

1 - > Additional Health Hazard Data: MEDICAL CONDITIONS POSSIBLY AGGRAVATED BY EXPOSURE: CARDIOVASCULAR DISEASE - SEE SECTION 5: INHALATION SECTION. OTHER HEALTH HAZAROS: FREON 12 IS NOT CLASSIFIED AS CARCINOGENIC BY IARC, NTP, OR OSHA. BASED ON ANIMAL STUDIES AND HUMAN EXPERIENCES THIS FLUOROCARBON POSES NO HAZARD TO MAN RELATIVE TO SYSTEMIC TOXICITYY, CARCINOGENICITY, MUTAGENICITY, OR TERATOGENICITY WHEN OCCUPATIONAL EXPOSURES ARE BELOW ITS TLY

House Environment 3-18-99 AHACHMENT 16

## **GENERAL MOTORS CORPORATION** MATERIAL SAFETY DATA SHEET

Page 262

#### REFRIGERANT 134A 12345922 12346138

#### SECTION 0 - EFFECTIVE DATE

1 ->Effective Date: 062691

2 -> MSDS signed by: Not Provided

3 -> Titte: Not Provided

#### SECTION 1 - SHIPPING INFORMATION

-> Chemical Family: HALDGENATED HYDROCARBON

2 -> Formula: CH2FCF3 (\*)MID: #533167 DUPONT Emergency telephone #: 800/441-3637 (EI DUPONT DE NEMOURS & CO INC) WILMINGTON, DE 19898

Shipping Name: Hazard Class: U.N. Code:

Flash Point: "WNB (WNB=WILL NOT BURN) TOC

#### SECTION 2 - INGREDIENTS

CAS# 000811972 Formulation Chemical Name

#### 100% Ethane, 1,1,1,2-tetrafluoro-

SECTION 3 - PHYSICAL DATA

1 -> Solling Point: -26.2C/-15.2F @736 MMHG 2 -> Specific Gravity: =1.21 G/CC @25C/77F-LIQUID 3 -> Vapor Pressure: 96 PSIA @25C/77F

->% Volatile by Volume: 100% WT

5 ->% Solid by Weight: Not Provided 6 ->Vapor Density: 3.60 @25C/77F

->Evaporation Rate: Not Provided

8 -> Solubility in H2O: 0.15 WT % @25C/77F; 14.7 PSIA

9 ->pH: Not Provided

10 -> Appearance & Odor: CLEAR; COLORLESS, LIQUEFIED GAS.SI IGHT ETHEREAL ODOR.

#### SECTION 4 - FIRE AND EXPLOSION DATA

1 ->Flammable Limits - LEL: NOT APPLICABLE 2 ->Flammable Limits - UFL: NOT APPLICABLE

->Extinguishing Media: AS APPROPRIATE FOR COMBUSTIBLES IN AREA

-> Special Fire Fighting Procedures: COOL CYLINDERS WITH WATER SPRAY, SELF CONTAINED BREATHING APPARATUS(SCBA) MAY BE REQUIRED IF CYLINDERS RUPTURE OR RELEASE UNDER FIRE CONDITIONS.

SUNUSUAL FIRE & Explosion Hazards: SUVA TRANS A/C IS NOT FLAMMABLE AT AMBIENT TEMPERATURES AND ATMOSPHERIC PRESSURE. HOWEVER, SUVA TRANS A/C HAS BEEN SHOWN IN TESTS TO BE COMBUSTIBLE AT PRESSURES AS LOW AS 5.5. PSIG (@177C) WHEN MIXED WITH AIR AT CONCENTRATIONS OF GENERALLY MORE THAN 60 VOLUME % AIR. AT LOWER TEMPERATURES, HIGHER PRESSURES ARE REQUIRED FOR COMBUSTIBILITY. CYLINDERS MAY RUPTURE UNDER FIRE CONDITIONS DECOMPOSITION MAY OCCUR.AUTOIGNITION: >750C.

#### SECTION 5 - HEALTH HAZARD DATA

- -> Effects of Overexposure: PRINCIPAL HEALTH HAZAROS: INHALATION OF HIGH CONCENTRATIONS OF VAPOR IS HARMFUL AND MAY CAUSE HEART IRREGULARITIES. UNCONSCIOUSNESS OR DEATH: INTENTIONAL MISUSE OR DELIBERATE INHALATION MAY CAUSE DEATH WITHOUT WARNING. VAPOR REDUCES DXYGEN AVAILABLE FOR BREATHING AND IS HEAVIER THAN AIR. LIQUID CONTACT CAN CAUSE FROSTBITE. HUMAN HEALTH EFFECTS: HUMAN HEALTH EFFECTS OF OVEREXPOSURE BY INHALATION TO VERY HIGH CONCENTRATIONS. MAY CAUSE TEMPORARY ALTERATION OF THE HEART'S ELECTRICAL ACTIVITY WITH IRREGULAR PULSE, PALPITATIONS, OR INADEQUATE CIRCULATION. SKIN CONTACT WITH THE LIQUID MAY CAUSE FROSTBITE. INDIVIDUALS WITH PRE-EXISTING DISEASES OF THE CENTRAL NERVOUS OR CARDIOVASCULAR SYSTEM MAY HAVE INCREASED SUSCEPTIBILITY TO THE TOXICITY OF EXCESSIVE EXPOSURES.
- -> Threshold Limit Value: NONE ESTABLISHED

->Permissible Exposure Limit: NONE ESTABLISHED

->Other limit: AEL IS DUPONT'S ACCEPTABLE EXPOSURE LIMIT. WHERE GOVERNMENTALLY IMPOSED OCCUPATIONAL EXPOSURE LIMITS WHICH ARE LOWER THAN THE AEL ARE IN EFFECT, SUCH LIMITS SHALL TAKE PRECEDENCE.

-> Primary routes of entry: INHALATION

6 -> Emergency First Aid Procedures: INHALATION: IF HIGH CONCENTRATIONS ARE INHALED. IMMEDIATELY REMOVE TO FRESH AIR.KEEP PERSONS CALM. IF NOT BREATHING, GIVE ARTIFICIAL RESPIRATION. IF BREATHING IS DIFFICULT, GIVE OXYGEN. CALL A PHYSICIAN.SKIN CONTACT: IN CASE OF CONTACT, IMMEDIATELY FLUSH SKIN WITH PLENTY OF WATER FOR AT LEAST 15 MINUTES.REMOVE CONTAMINATED CLOTHING AND SHOES.CALL A PHYSICIAN. TREAT FOR FROSTBITE IF NECESSARY BY GENTLY WARMING AFFECTED AREA, WASH CONTAMINATED CLOTHING BEFORE REUSE. EYE CONTACT: IN CASE OF CONTACT, IMMEDIATELY I LUSH EYES WITH PLENTY OF WATER FOR AT LEAST 15 MINUTES. CALL A PHYSICIAN. IF SWALLOWED, INGESTION IS NOT CONSIDERED A POTENTIAL ROUTE OF EXPOSURE.

NOTES TO PHYSICIAN: BECAUSE OF POSSIBLE DISTURBANCES OF CARDIAC RHYTHM, CATECHOLAMINE DRUGS, SUCH AS EPINEPHRINE, SHOULD BE CONSIDERED ONLY AS A LAST RESORT IN LIFE THREATENING EMERGENCIES.

#### SECTION 6 - REACTIVITY DATA

1-Stable: MATERIAL IS STABLE:HOWEVER, AVOID OPEN FLAMES AND HIGH TEMPERATURES

->Conditions to Avoid: AVOID OPEN FLAMES AND HIGH TEMPERATURES

>incompatible Materials: INCOMPATIBLE WITH ALKALI OR ALKALINE EARTH METALS POWDERED AG, ZN, BE, ETC.

>Hazardous Decomposition Products: DECOMPOSITION PRODUCTS ARE HAZARDOUS. SUVA TRANS A/C CAN BE DECOMPOSED BY HIGH TEMPERATURES (OPEN FLAMES, GLOWING METAL SURFACES, ETC) FORMING HYDROFLUORIC ACID-POSSIBLY CARBONY; FLUORIDE.

->Çan Hazardous Polymerization Occur: NO

6 -> Conditions to Avoid: Not Provided

#### SECTION 7 - SPILL OR LEAK PROCEDURES

1 -> Steps to be taken in case material is released or spilled: NOTE: REVIEW FIRE AND EXPLOSION HAZARDS AND SAFETY PRECAUTIONS BEFORE PROCEEDING WITH CLEAR UP. USE APPROPRIATE PERSONAL PROTECTIVE EQUIPMENT DURING CLEAN UP. VENTILATE AREA-ESPECIALLY LOW PLACES WHERE HEAVY VAPORS MIGHT COLLECT.REMOVE OPEN FLAMES, USE SELF CONTAINED BREATHING APPARATUS (SCBA) IF LARGE SPILL OR LFAK OCCURS.

2 -> Waste Disposal Method: CONTAMINATED SUVA TRANS A/C CAN BE RECOVERED BY DISTILLATION OR REMOVED TO A PERMITTED WASTE DISPOSAL FACILITY. COMPLY WITH FEDERAL, STATE AND LOCAL REGULATIONS.

-> CERCLA (Superfund) Reportable quantity (lbs): Not Provided

4 -> RCRA Hazardous Waste No (40 CFR 261.33): Not Provided

5 -> Volatile Organic Compound (VOC) Theoretical: Not Provided 6 -> Volatile Organic Compound (VOC) Analytical: Not Provided

## SECTION 8 - SPECIAL PROTECTION INFORMATION

-> Respiratory Protection: UNDER NORMAL MANUFACTURING CONDITIONS NO. RESPIRATORY PROTECTION IS REQUIRED WHEN USING THIS PRODUCT SELF CONTAINED BREATHING APPARATUS (SCBA) IS REQUIRED IF LARGE RELEASE OCCURS.

2 -> local Exhaust: LOCAL EXHAUST SHOULD BE USED WHEN LARGE AMOUNTS ARE RELEASED.

->Special: Not Provided

-> Mechanical: MECHANICAL VENTILATIONS SHOULD BE USED IN LOW PLACES.

5 -> Other: Not Provided

-> Protective Gloves (Specify type): IMPERVIOUS GLOVES AND CHEMICAL SPLASH GOGGLES SHOULD BE USED WHEN HANDLING LIQUID.

->Eye Protection (Specify type): CHEMICAL SPLASH GOGGLES SHOULD BE USED WHEN HANDLING LIQUID.

8 -> Other Protective Equipment, Not Provided

#### SECTION 9 - SPECIAL PRECAUTIONS

1 -> Precautions to be taken in Handling & Storage: CLEAN, DRY AREA. DO NOT HEAT ABOVE 120F

2 -> Other Precautions. Not Provided

SECTION 10 – ADDITIONAL DATA

1 ->Additional Health Hazard Data: TSCA INVENTORY: REPORTED/INCLUDED. ANIMAL DATA: INHALATION 4-HOUR ALC: 567,000 PPM IN RATS. THE COMPOUND IS UNTESTED FOR SKIN AND EYE IRRITANCY, AND IS UNTESTED FOR ANIMAL SENSITIZATION NO TOXIC EFFECTS WERE SEEN IN ANIMALS FROM EXPOSURES B INHALATION TO CONCENTRATIONS UP TO 81,000 PPM. LETHARGY AND RAPID RESPIRATION WERE OBSERVED AT A VAPOR CONCENTRATION OF 305,000 PPM AN PULMONARY CONGESTION, EDEMA, AND CENTRAL NERVOUS SYSTEM EFFECTS

OCCURRED AT A VAPOR CONCENTRATION OF 750,000 PPM. CARDIAC SENSITIZATION

OCCURRED IN DOGS AT 75,000 PPM FROM THE ACTION OF EXOGENOUS

EPINEPHRINE.NO EFFECTS IN ANIMALS OCCURRED FROM REPEATED INHALATION EXPOSURES TO 99,000 PPM FOR TWO WEEKS OR TO 50,000 PPM FOR THREE MONTHS. NO ADVERSE EFFECTS WERE OBSERVED IN MALE AND FEMALE RATS FED 300 MG/KG/DAY OF HFC-134A FOR 52 WEEKS. ANIMAL TESTING INDICATES THAT THIS COMPOUND DOES NOT HAVE CARCINOGENIC OR MUTAGENIC EFFECTS. EMBRYOTOXIC ACTIVITY HAS BEEN OBSERVED IN SOME ANIMAL TESTS BUT DNLY T MATERNALLY TOXIC DOSE LEVELS. CARCINOGENICITY: NONE OF THE COMPONENT IN THIS MATERIAL IS LISTED BY IARC, NTP, OSHA OR ACCIH AS A CARCINGEN. HAZARD CLASSIFICATIONS: ACUTT=Y; CHRONIC-N; FIRE-NO; REACTIVITY=NO; PRESSURF=YES.EXTREMELY HAZARDOUS SUBSTANCE: NO; TOXIC CHEMICALS: NO: CERCLA HAZARDOUS SUBSTANCES: NO

## **BREAKDOWN OF GRANT REQUESTS**

		Requested	<b>Awarded</b>
Competitive Grants		**************************************	
Pound 1			
Round 1 Sedgwick County Citizens for F	Pocyolina	\$1,500.00	\$1,500.00
Wichita Iron & Metals	Recycling	\$236,831.54	\$0.00
Wichita from & Metals	998	φ230,031.34	φ0.00
	Subtotal for FY 96	\$238,331.54	\$1,500.00
Round 2			
Derby Recycing & Transfer Sta		\$413,693.00	\$0.00
Institute for Resource & Recov	ery	??	\$0.00
Round 3			
Sedgwick County Citizens for F	Recycling	\$2,316.00	\$2,316.00
	Subtotal for FY 97	\$416,009.00	\$2,316.00
Round 4		9 t.	8 1.
City of Bel Aire		\$22,000.00	\$16,500.00
City of Clearwater		\$97,141.00	\$0.00
City of Colwich		\$17,757.75	\$0.00
Cottontails Diaper Service		\$179,800.00	\$0.00
Derby Recycing & Transfer Sta	ation	\$406,583.00	\$200,000.00
Hot House Pellets		\$90,000.00	\$0.00
Millennium Wood		\$1,097,286.00	\$300,000.00
City of Park City		\$17,731.50	\$0.00
Remediation Contractors		\$122,166.00	\$0.00
Sedgwick County Extension		\$7,900.00	\$7,900.00
Wood Recycle & Compost		\$120,372.00	\$0.00
Round 5			
City of Colwich		\$17,757.75	\$0.00
City of Derby		\$243,750.00	\$0.00
City of Haysville		\$45,645.00	\$0.00
Kansas Composting Company		\$221,250.00	\$0.00
Millennium Wood		\$188,675.00	\$0.00
City of Park City		\$17,731.50	\$0.00
Sedgwick County		\$92,679.90	\$30,000.00
	Subtotal for FY 98	\$3,006,226.40	\$554,400.00
Round 6		<i>p</i> 0,000,2200	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Catalyst Consulting		\$411,572.00	\$0.00
City of Haysville		\$45,645.00	\$17,500.00
Millennium Wood		\$104,036.25	\$0.00
Sedgwick County Citizens for F	Recyclina	\$2,614.00	\$0.00
Wichita Waste Control and Rec		\$11,570.00	\$0.00
	Subtotal for FY 99	\$575,437.25	\$17,500.00
	Cubicital for 1 1 33	20 45 200200 2002 20 1000 20 10 1000	
TOTAL COMPETITIVE		\$4,236,004.19	\$575,716.00
HHW Grants			
Wichita - Sedgwick Co. Dept.			
of Community Health (HHW)	FY 98	\$17,700.00	\$17,700.00
Wichita - Sedgwick Co. Dept.	া উল	÷ 11,1 00.00	÷ , , 00.00
of Community Health (SQG)	FY 98	\$30,000.00	\$30,000.00
TOTAL HHW		\$47,700.00	\$47,700.00

Rep To

House ENVIRONMENT 3-18-99 Attachment 17

## Plr g Grants

City or Wichita (plan) FY 94	\$86,413.00	\$86,413.00	
	TO CONTROL DE REAL MADARAGE	D. 1. 1100-1101-11 11. 11. 11. 11. 11. 11. 11. 11. 11.	
Sedgwick County (plan) FY 97	\$72,000.00	\$72,000.00	
Sedgwick County (waste pick) FY 98	\$51,479.11	\$51,479.11	
Sedgwick County/Extension (paper study) FY 99	\$29,200.00	\$29,200.00	
TOTAL DI ANNUNO	¢000 000 44	¢000 000 44	
TOTAL PLANNING	\$239,092.11	\$239,092.11	
ODANO TOTAL	<b>64 500 700 00</b>	6000 F00 44	
GRAND TOTAL	\$4,522,796.30	\$862,508.11	

# 17-3

## Round #7 Solid Waste Management Plan Implementation Grants

#	<b>1</b>	G:4	90	Grant			Telephone
	Applicant	City	CO	Amount	Activity	Contact Person	Number
1	Poly Proximates, Inc.	Stilwell	JO	\$120,000	Design and construct molds for producing Virtual Shake (a cedar shake alternative made from recycled plastic and wheat straw)	Joseph C. Roetheli	913-681-1175
2	City of Lawrence	Lawrence	DG	\$100,000	Purchase tub grinder for composting program	Tom Wilkerson	785-832-3452
3	City of Hays	Hays	EL	\$80,000	Construct building and purchase equipment for recycling program	Brenda G. Cary	785-628-7350
4	Thomas County Conservation District	Colby	TH	\$60,000	Construct building and purchase equipment to enhance recycling program	Lynette Koon	785-462-7482
5	City of Osage City	Osage City	OS	\$50,000	Construct building & purchase equipment to implement recycling program	I. D. Creech, II	785-528-3714
6	City of Liberal	Liberal	SW	\$50,000	Purchase equipment and public education for recycling program	Mark A. Olney	316-626-0134
7	Home Lumber	Hanover	WS	\$50,000	Purchase a rotochopper to recycle deteriorated wood pallets	Jerry Richter	785-337-2773
8	R & S Recycling, Inc.	Blue Springs		\$50,000	Purchase truck & trailer to enhance paper waste pickup system in KS	Roger Webb	816-229-7610
9	Clay County	Clay Center	CY	\$41,000	Purchase equipment to establish recycling program	Gailen Tyrell	785-632-2487
10	City of Emporia	Emporia	LY	\$40,000	Purchase horizontal baler for recycling program	Keith A. Senn	316-342-1339
11	KT Wood Products	Prairie View	PL	\$37,000	Purchase equipment for pallet recycling business	Kyle K. Tweedy	785-973-2376
12	<b>Bourbon County</b>	Fort Scott	BB	\$36,000	Purchase brush chipper and skid loader to implement compost program	James L. Harris	316-223-3800
13	Christian Car Care	Stockton	RO	\$35,000	Purchase equipment to enhance white goods recycling program	Eddie Martin	785-425-6178
14	Village Presbyterian Church	Prairie Village	JO	\$35,000	Purchase truck & pallet jack for food collection program	Carol Wagner	913-262-4200
15	City of Clay Center	Clay Center	CY	\$30,000	Purchase compost turner and wood chipper to enhance compost program	Jerry Davies	785-632-5775
16	Republic County	Belleville	RP	\$29,000	Purchase chipper and skid loader for compost facility	Charles G. Joy	785-527-5691
17	City of Fredonia	Fredonia	WL	\$25,700	Purchase equipment to expand the recycling program	Missy Rice	316-378-2231
18	JaaaM Enterprises	Sublette	HS	\$25,000	Construct building & purchase equipment for recycling	John W. Cauthon	316-675-8367
19	Greeley County	Tribune	GL	\$25,000	Purchase glass tumbler, chipper, & building improvements for recycling	Brock Sloan	316-376-4413
20	City of Chanute	Chanute	NO	\$25,000	Purchase a skid steer loader with auger for compost facility	Steve Kubler	316-431-5293
21	2nd Chance Woods	Berryton	SN	\$20,000	Purchase equipment to recycle trees into lumber & useable products	Mark Duncan	785-379-9326
22	Hunter Recycling	Meriden	SN	\$20,000	Purchase truck & recycling bins to enhance recycling program	Gayle Hunter	785-484-3566
23	Trees N More	Berryton	SN	\$20,000	Purchase equipment to recycle trees into lumber	Kerry Burruss	785-862-1124
24	City of Park City	Wichita	SG	\$17,500	Purchase brush chipper	Jack Whitson	316-744-2026
25	City of Andover	Andover	BU	\$17,500	Purchase brush chipper for compost facility	Jeff Bridges	316-733-1303
(	Riley County	Manhattan	RL	\$14,000	Purchase trailers for recycling program	Monty Wedel	785-537-6332
27	City of Buhler	Buhler	RN	\$10,256	Purchase recycling trailer	Marlo D. Oltman	316-543-2253

JX X

#	Applicant	City	CO	Grant Amount	Activity	Contact Person	Telephone Number
#	Applicant	City	CO	Rinount			
28	Wallace County Recycling	Sharon Springs	WA	\$10,000	Construct building for recycling program	L. O. Samuelson	785-852-4538
29	City of El Dorado	El Dorado	BU	\$8,500	Outdoor education center for recycling and composting program	Don Larson	316-321-9100
30	Ottawa County Health Center	Minneapolis	ОТ	\$8,000	Purchase recycling equipment & implement compost program	Ruth Johnson	785-392-2122
31	City of Bennington	Bennington	OT	\$5,855	Purchase storage building, glass & can crushers for recycling program	Henrietta Weiland	785-488-3767
32	City of Dodge City	Dodge City	FO	\$5,275	Purchase a glass crusher for the recycling program	Jane Longmeyer	316-225-8100
33	Pleasant Hill Elementary School	Topeka	SN	\$3,744	Purchase steel can crusher and supplies to construct compost bins	Sandy Peyton	785-286-8510
34	Clifton-Clyde Junior High	Clifton	CY	\$2,283	Purchase recycling bins	Victorine K. Koch	785-455-3323
			•	\$1,106,613			

## Waste Management Fund Grant Awards

(includes public and private sector grants)

July 1, 1993 - August 14, 1998

COUNTY	ROUND 1	ROUND 2	ROUND 3	ROUND 4	ROUND 5	ROUND 6
ALLEN ANDERSON	\$12,692.00 \$39,577.00	10 Page 10 Pag			#16 000 00	
ATCHISON	\$39,577.00				\$16,666.00	
BARBER	\$48,664.00	\$3,732.00	- 10 mm	\$3,750.00	\$1,445.00	
BARTON	Ψ-ιο,ουου	Ψ3,732.00	\$27,000.00	\$3,730.00	\$1,445.00	
BOURBON	V - 10 - 10 - 10 - 10 - 10 - 10 - 10 - 1	18 (7) 18 (8) (8) (8) (8) (8) (8) (8) (8) (8) (8	Ψ27,000.00			\$30,085.00
BROWN	enchasercanaparencensissasiasiasiasi			\$20,000.00		\$30,063.00
BUTLER	\$28,725.00	\$47,000.00	\$20,000.00	\$15,000.00	\$50,000.00	
CHASE	upusan saamitusta siittä kaisuta kaisuta ta toto totto ta tiiden k					\$21,000.00
CHAUTAUQUA					7.5. j.s.	
CHEROKEE	ammer en men met fold dammer til en de cen utt an da cin en a	\$50,000.00	emparemana e Camara de manaca e casa de mar	TOWN OF THE PROPERTY AND PROPERTY OF THE PROPE	NAMES AND THE PARTY OF THE PART	
CHEYENNE						
CLARK			AND ADDRESS OF FOR AN ELECTRONIC TOP OF THE STATE OF THE	AND STATE OF THE PROPERTY OF T	шикизине единешник сункандаруулун	
CLAY						
CLOUD	\$50,000.00		Section to the section of the sectio	\$7,800.00	and consumbers of the second state of the second state of the second second second second second second second	
COFFEY	\$39,577.00				\$16,666.00	
COMANCHE	\$23,164.00	\$28,522.00				
COWLEY		\$68,155.00	\$54,000.00		\$32,900.00	
CRAWFORD	The section of the se	\$36,000.00			\$6,325.00	\$32,500.00
DECATUR		\$21,000.00			1990	
DICKINSON			LIMLIA LITTI SETTI SILITI	\$14,000.00		
DONIPHAN				The state of the s	\$8,200.00	
DOUGLAS				\$50,000.00	\$22,500.00	
EDWARDS						
ELK			etroprocidenciam partiment monoculation (Commis			No oce that the otificial captage expansion with we
ELLIS		\$26,647.50		\$37,337.25		
ELLSWORTH	\$99,200.00				\$5,000.00	\$21,992.00
FINNEY		And the second s		\$26,212.50		\$30,000.00
FORD		\$55,000.00		To the second of the second of	\$5,424.00	
FRANKLIN	\$39,577.00				\$16,667.00	
GEARY						
GOVE						
GRAHAM						
GRANT				\$35,500.00		\$25,000.00
GRAY			200			
GREELEY			\$30,000.00			
GREENWOOD	- 1	1	1		ŀ	ļ

Prepared 02/17/99

## Waste Management Fund Grant Awards

(includes public and private sector grants)

July 1, 1993 - August 14, 1998

**************************************			under die prostation in			
COUNTY	ROUND 1	ROUND 2	ROUND 3	ROUND 4	ROUND 5	ROUND 6
HAMILTON						
HARPER	\$23,164.00	\$47,027.00	SPACE CLIC PROBLEM FOR SEA PROBLEM CONTRACTOR CONTRACTO	A LAMPANDA TAMANA MANANTATTI IN INCINTENTAL IN INCINTENTAL CONTRACTOR AND	DECTATE THE REPORT OF A STATE OF THE STATE OF	JANNAHA DILIM TANNAHA MENTENNIHA MENANGAN JANNAHA MENANGAN
HARVEY					\$40,000.00	
HASKELL						
HODGEMAN						
JACKSON	\$64,750.00					
JEFFERSON						
JEWELL		\$22,685.00			\$20,000.00	
JOHNSON	\$43,920.00	\$125,925.00	\$131,200.00	\$180,513.75	\$46,900.00	\$160,750.00
KEARNY			\$293,000.00			
KINGMAN		\$3,732.00				
KIOWA	\$23,165.00	\$3,732.00		тум не правитередация сторога (итверсия), правит		Aleman proposale and analysis and
LABETTE					\$18,750.00	MI THE
LANE						\$28,320.00
LEAVENWORTH	\$112,411.00	\$57,750.00			\$25,000.00	
LINCOLN	Connectes one no environment a successivitation of	TRI GARAGO AND TO SERVICE OF THE SER	ataingozinezh toenadarekananezhena			Жаналуунаган казаттан пангар айстин айту жату
LINN	\$39,577.00				\$16,667.00	
LOGAN		production open statute of college to committee (a		Metagospanite Asautoploviči rečia alebáriy		
LYON				\$70,000.00		
MARION						\$7,200.00
MARSHALL	\$20,000.00				\$20,137.00	
MCPHERSON			\$86,500.00	Office all productions and the second		
MEADE		\$35,000.00		\$13,387.00		
MIAMI	\$39,578.00	nnes ma the suite sees are subject		The subsection of a subsection assume the subsection of the subsec	\$16,667.00	\$167,500.00
MITCHELL		\$58,000.00				
MONTGOMERY			\$56,000.00			900000
MORRIS						\$60,000.00
MORTON			en e			
NEMAHA	\$40,000.00	\$30,000.00		\$40,000.00	\$1,850.00	
NEOSHO						
NESS			\$1,004.00	\$12,750.00		
NORTON						
OSAGE	\$39,578.00				\$16,667.00	
OSBORNE						
OTTAWA	A Commence of Residence	\$47,000.00		\$6,500.00	\$10,000.00	
PAWNEE		\$50,000.00		#FO 000 00		
PHILLIPS				\$50,000.00		- 11.2 <b>F</b> 17 30 31 31 34 F 31

Prepared 02/17/99

## Waste Management Fund Grant Awards

(includes public and private sector grants)

July 1, 1993 - August 14, 1998

COUNTY	ROUND 1	ROUND 2	ROUND 3	ROUND 4	ROUND 5	ROUND 6
POTTAWATOMIE			\$20,000.00			
PRATT	\$23,165.00	\$3,732.00			\$35,000.00	
RAWLINS						
RENO						
REPUBLIC						
RICE				\$9,000.00		
RILEY		15. 30. 37. 37. 37. 37. 37. 37. 37. 37. 37. 37	Section of the sectio			
ROOKS		endere Silvania (1974)			\$75,000.00	
RUSH						
RUSSELL	<b>机</b> 定形形式1220000000000000000000000000000000000			4450.000.00		
SALINE	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1			\$153,600.00	148 E 1 L 18 (7	
SCOTT SEDGWICK	¢4 500 00		#0 040 00	<b>#504.400.00</b>		
SEWARD	\$1,500.00	D. D	\$2,316.00	\$524,400.00	\$30,000.00	\$17,500.00
SHAWNEE					\$404.004.00	<b>0445.000.00</b>
SHERIDAN		A		Profesional Control	\$164,934.00	\$115,000.00
SHERMAN						
SMITH		7-7-200	3237			
STAFFORD	dae marki korasianiada baraka					
STANTON			PARTIES TO A STATE OF THE PARTIES OF			
STEVENS		\$54,500.00				
SUMNER		\$3,733.00				
THOMAS	TEDROGREDEN MERKER SCHOPSARPER LUHWEREDESE	ψο,/ ου.υυ	ESTADIA MESARIA HADARA MENURI	BARRANSKALKOURSVARARBRANKUSERRAISHO	SAROSHIJAAN SILVESHIJADA ISASSA	\$40,000.00
TREGO					Artinizasi	Ψ-0,000.00
WABAUNSEE		GINGHATIDI KIGGOT TICIN PENDRIBAHAN INTE		COCKETH CHASTING TO COLOR SHAPE HOW HAVE THE BOOKEN OF	\$25,000.00	INCHER THE PERSON IN COMPANY OF THE PERSON IN CO.
WALLACE		11000			<b>4</b> 20,000.00	
WASHINGTON	\$56,606.00	estrestrum andrawana perinci perincuperanturungan k	APPEARANTE DE TOTO DE LA CONTRACTION D	andamilianum enmoniorizaraneaniekrizoni ekkili	entre recommenda en la superioria de la composición de la composición de la composición de la composición de l	
WICHITA	,,	Approximate the second	11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			\$175,775.00
WILSON	termenter ett ett seen ett en en til ett ett ett ett ett ett ett ett ett et	OMBOTO ENGRESONSCLUSOLINI ETRAGA CARATA ESPECE	manana canancha chi Marinda Hill 2002			
WOODSON					900 (15) (15) (15) (15) (15) (15) (15) (15)	
WYANDOTTE		oversion de la reconstituta de la r	ON AND SET THE EASY OF A SET OF SET O	ALGENE AND A SECRETARIAN IN CONTRACTOR WHICH AND THE SECRETARIAN AND AND AND AND AND AND AND AND AND A	\$5,615.00	\$30,000.00
TOTAL	\$908,590.00	\$878,872.50	\$721,020.00	\$1,269,750.50	\$749,980.00	\$962,622.00

Prepared 02/17/99

Page 3 of 12

PLAN						
IMPLEMENTATION	FY94 PLAN	FY95 PLAN	FY96 PLAN	FY97 PLAN	FY98 PLAN	FY99 PLAN
\$12,692.00	\$29,437.00		Anazan Mikabaya			
\$56,243.00	\$35,208.00					
\$0.00		\$26,993.81			55.00	
\$57,591.00	\$46,055.00					
\$27,000.00	#== #00 407 00				10 (10 (10 (10 (10 (10 (10 (10 (10 (10 (	i dikan per
\$30,085.00 \$20,000.00	\$29,437.00					
\$160,725.00	\$38,700.00	\$39,000.00		100 C	1	
\$21,000.00		\$39,000.00	Pokaron kalenteriko.			
\$0.00	\$47,996.00					
\$50,000.00	\$29,437.00	premiusional in personalismo de	MARKAMATARAK MENERANTAN PERMEMBATAN			AND THE CONTRACTOR OF SCHOOLSEDS
\$0.00	\$66,452.40		Part of the second seco			
\$0.00	\$46,056.00	STATE OF STA	ADAZEMEN HERMENMAN HEREBURKEN COMPANYA SERVICI MEN	Perandra de regresor de la compaca de la		AND A DESCRIPTION OF THE PARTY
\$0.00	\$5,537.00				\$11,442.80	ings.
\$57,800.00	\$38,557.65	Million to Section counciles to a minimal of attraction and self-indicate	litinesamenen minulitation il dell'enemiero, mende	PRODUCES STATE DISTRIBUTION OF ATTENDED	All the second of the second o	eirtundik famoldasuriturs zu stursinde
\$56,243.00	\$35,208.00					
\$51,686.00	\$46,056.00					
\$155,055.00	\$47,997.00				The second second	The second secon
\$74,825.00	\$29,437.00	AND THE REPORT OF THE PROPERTY	and the second s		White the same of	nidela di chia consultata malamada da sil. A riscolo da Granco de
\$21,000.00	\$44,896.29		The second secon		The second secon	
\$14,000.00	\$39,015.00	\$29,500.00				
\$8,200.00		\$26,993.81				
\$72,500.00	s contra na Policio de Policio Pilono.	\$45,000.00				ENGELL JASHARAN
\$0.00	\$41,141.39					
\$0.00						SCION ROLL DATE TO THE SWEET
\$63,984.75	\$44,896.29					
\$126,192.00	\$38,558.00					
\$56,212.50	\$32,232.00					
\$60,424.00	\$41,142.00					EAST- 1
\$56,244.00	\$35,208.00		347 33 147 33			
\$0.00	\$5,537.00					
\$0.00	\$44,896.29					
\$0.00	\$44,896.29				* - # - # - # - # - # - # - # - # - # -	Andrews Commencer Commence
\$60,500.00	\$32,232.00		Kerk Horson's Sa			
\$0.00	\$32,232.00 \$66,452.40	The state of the s				7
\$30,000.00 \$0.00	\$66,452.40			\$6,000,00	\$18,000,00	
φυ.υυ	1	Į	9 9	\$6,000.00	\$18,000.00	1

PLAN		3000			2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	
IMPLEMENTATION \$0.00	FY94 PLAN \$32,232.00	FY95 PLAN	FY96 PLAN	FY97 PLAN	FY98 PLAN	FY99 PLAN
\$70,191.00	\$46,056.00					
\$40,000.00		\$29,500.00				
\$0.00	\$32,232.00		5 - L - 3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1			
\$0.00	\$41,142.00			\$7,260.00	STATE OF THE PROPERTY AND ADDRESS OF THE PROPERTY OF THE PROPE	
\$64,750.00			ne menter manifestick			
\$0.00		\$45,000.00				and the second of the second
\$42,685.00	\$38,558.00	Table 1				
\$689,208.75 \$293,000.00	\$32,232.00	\$7,500.00				
\$3,732.00	Ψ02,202.00	\$35,945.33				
\$26,897.00	\$46,056.00	AUCHORAL MICHAEL MAD STREET, LIBERGIESE		PROPERTY STOCKED BY THE PROPERTY OF THE PROPER	e di per cerra e constituir de la constituente	ния политичний станування диноговы
\$18,750.00	\$29,437.00					1316
\$28,320.00	\$32,232.00					
\$195,161.00	\$40,000.00					
\$0.00 \$56,244.00	\$38,558.00 \$35,208.00					77,2000
\$0.00	\$44,896.29					
\$70,000.00						
\$7,200.00	\$33,478.63	\$29,500.00				
\$40,137.00	\$5,537.00				Control of the Contro	
\$86,500.00		\$29,500.00		Benegation of the Control of the Con		
\$48,387.00	\$32,232.00				7 (1 min 1 m	
\$223,745.00 \$58,000.00	\$35,209.00 \$38,558.00				10 10 10 10 10 10 10 10 10 10 10 10 10 1	
\$56,000.00	\$29,437.00		The Designation restrictions			Bolesura Adalestaearako
\$60,000.00	\$5,537.00					
\$0.00	\$29,521.70		eras Carara de Pylonera Erro Mero			
\$111,850.00	\$44,237.00			Land Control of the C		
\$0.00	\$29,437.00					
\$13,754.00	\$32,233.00					
\$0.00 \$56,245.00	\$44,896.29 \$35,209.00					
\$0.00	\$44,896.29		ras automobile suman que enche esto doca			
\$63,500.00						
\$50,000.00	\$41,142.00				UPS NURSE A TRANSCONDENT FOR MANAGE	
\$50,000.00	\$44,896.29			The complete and the co		

PLAN						
IMPLEMENTATION	FY94 PLAN	FY95 PLAN	FY96 PLAN	FY97 PLAN	FY98 PLAN	FY99 PLAN
\$20,000.00	\$25,537.00					
\$61,897.00	\$46,056.00		American Inc.		\$8,105.00	
\$0.00	\$66,452.40					
\$0.00	\$00.550.00	\$35,945.33				
\$0.00	\$38,558.00		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
\$9,000.00	¢5 527 00	\$35,945.33				
\$0.00 \$75,000.00	\$5,537.00 \$44,896.29		1000	#0 000 00	\$71,500.00	
\$0.00	\$3,603.60			\$9,000.00		
\$0.00	\$44,896.29	The second secon		A Company of the Comp		
\$153,600.00	Ψ44,090.29			\$50,100.00		
\$0.00	\$32,233.00			φ30,100.00	100 pr. 11 (10 10 10 10 10 10 10 10 10 10 10 10 10 1	E-1.1.5151572
\$575,716.00	\$86,413.00		HOLDER THE STEEL SERVICES	\$72,000.00	\$51,479.11	\$29,200.00
\$0.00	\$29,000.00	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	March 1270 Particular	Ψ72,000.00	Ψ31,479.11	\$29,200.00
\$279,934.00		\$60,000.00	odski presidenske primsk ci najmostobece po zaz liseraki		punting reconstruction of the second section of the second	
\$0.00	\$44,896.29		100 1 P. W. 1995		11000	
\$0.00	\$44,896.29	are control and roll of the whole of or series was control		\$9,000.00	TO MENTAL STREET, STRE	Bed internesinasseraneninasina
\$0.00	\$44,896.29					
\$0.00	\$41,142.00		whattorement protection and a second		м мания от съявилия пинето невыны да разулиц	nasa neminen manan paramatan manan sani seria.
\$0.00	\$32,233.00					
\$54,500.00	\$32,233.00					and one of morning that the control of the control
\$3,733.00	\$47,997.00					
\$40,000.00	\$44,896.29					
\$0.00	\$44,896.29					
\$25,000.00	\$25,537.00	71287 1794-17 1794-14 A	***************************************			
\$0.00	\$66,452.40					
\$56,606.00	\$5,537.00			***************************************		
\$175,775.00	\$32,233.00			Parameter Control of the Control of		
\$0.00	\$29,438.00			To be the control of		
\$0.00	\$29,438.00					12-20 (12-20)
\$35,615.00		THE RESERVED IN THE RESERVED IN	\$72,000.00			
\$5,490,835.00	\$3,120,106.92	\$476,323.61	\$72,000.00	\$153,360.00	\$160,526.91	\$29,200.00

Out of State A

Total Solid Waste Managem

C		FY96 HHW,	FY97 HHW,	FY98 HHW,	FY99 HHW,
PLANNING	BASE	AG, SQG	AG, SQG	AG, SQG	AG, SQG
\$29,437.00	\$6,388.00				
\$35,208.00	\$5,000.00		\$15,266.75		\$8,641.65
\$26,993.81	\$0.00				
\$46,055.00	\$4,985.00				\$17,820.83
\$0.00	\$0.00	ATTIVE COLUMN COLUMN	\$24,123.00		
\$29,437.00	\$6,389.00				
\$38,700.00	\$0.00				
\$39,000.00	\$0.00	\$25,000.00	\$25,000.00	\$37,400.00	
\$0.00	\$8,750.00	CONTRACTOR OF THE SECTION OF THE SEC			ALVAC TO COMMERCIAL TRANSPORTATION
\$47,996.00	\$0.00			\$17,125.00	\$1,461.67
\$29,437.00	\$6,389.00		STS475 TYOCKAY HAD OUR WOUND HOUSE SAME TO COME STATE		
\$66,452.40	\$0.00				
\$46,056.00	\$4,986.00				
\$16,979.80	\$4,267.06	\$3,667.19	\$6,000.00	\$9,872.00	\$2,000.00
\$38,557.65	\$4,980.00			inthonormer trought to consider the entire of the constraint	
\$35,208.00	\$5,000.00		\$15,266.75		\$8,641.67
\$46,056.00	\$4,986.00		THE STATE OF THE S		\$17,820.83
\$47,997.00	\$0.00	<del>,</del>		\$18,325.00	\$6,661.67
\$29,437.00	\$6,389.00			\$12,750.00	
\$44,896.29	\$0.00	1172			
\$68,515.00	\$6,250.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$26,993.81	\$0.00				
\$45,000.00	\$0.00	\$5,550.00	\$17,913.94	\$19,831.31	\$11,250.00
\$41,141.39	\$0.00		1 To		\$410.65
\$0.00	\$0.00				
\$44,896.29	\$0.00		\$2,499.07	\$3,557.16	\$692.86
\$38,558.00	\$0.00				
\$32,232.00	\$0.00				The American Control of the Control
\$41,142.00	\$0.00				\$410.67
\$35,208.00	\$5,000.00		\$15,266.75		\$8,641.67
\$5,537.00	\$0.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$44,896.29	\$0,00				
\$44,896.29	\$0.00		\$2,499.11	\$3,557.14	\$692.86
\$32,232.00	\$0.00				
\$32,232.00	\$0.00				\$410.67
\$66,452.40	\$0.00				
\$24,000.00	\$0.00				

		FY96 HHW,	FY97 HHW,	FY98 HHW,	FY99 HHW,
PLANNING	BASE	AG, SQG	AG, SQG	AG, SQG	AG, SQG
\$32,232.00	\$0.00				
\$46,056.00	\$4,986.00	Substitution of the state of th			\$17,820.83
\$29,500.00	\$6,250.00			\$44,000.00	
\$32,232.00	\$0.00		######################################		
\$48,402.00	\$0.00				\$410.67
\$0.00	\$5,000.00			***************************************	\$1,845.00
\$45,000.00	\$0.00	\$7,712.73		\$6,952.28	
\$38,558.00	\$4,902.00	The state of the s		the state of the s	and the second s
\$0.00	\$0.00	\$50,000.00	744 PC - 14	\$21,620.00	\$43,800.00
\$39,732.00	\$0.00		NAME OF THE OWNER O		
\$35,945.33	\$0.00		Monay and Salar		\$17,820.83
\$46,056.00	\$4,986.00	755 - 73615-16452 NYOSEDHEZZYM - 116 GER AND AL	Management Assertation of Charles and Company of Charles and Charl	A THE STREET WAS A CONTRACT OF THE STREET	\$17,820.83
\$29,437.00	\$6,389.00				1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
\$32,232.00	\$0.00				
\$40,000.00	\$15,000.00	\$3,396.00	\$19,770.00		
\$38,558.00	\$5,000.00			NATION AND DESCRIPTION OF THE PROPERTY OF THE RESERVE OF THE RESER	Manufacture Contract
\$35,208.00	\$5,000.00		\$15,266.75		\$8,641.67
\$44,896.29	\$0.00	TOTAL TIPLE TO THE TOTAL		Street digitals over cate developed and appropriate	
\$0.00	\$8,750.00			\$13,088.25	\$14,433.00
\$62,978.63	\$6,250.00		\$33,342.00		\$6,000.00
\$5,537.00	\$0.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$29,500.00	\$6,250.00				
\$32,232.00	\$0.00				\$410.67
\$35,209.00	\$5,000.00		\$15,266.75		\$8,641.67
\$38,558.00	\$5,000.00				W-2
\$29,437.00	\$6,389.00			Anneste comments of the contract of the contra	\$10,000.00
\$5,537.00	\$5,000.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$29,521.70	\$0.00				
\$44,237.00	\$5,000.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$29,437.00	\$6,389.00				
\$32,233.00	\$0.00				\$410.66
\$44,896.29	\$0.00		A kontrol on a call of the company o		
\$35,209.00	\$5,000.00		\$15,266.75		\$8,641.67
\$44,896.29	\$0.00			TE ISCANI LET TRATA - HALTEN NATURAL	
\$0.00	\$5,000.00				
\$41,142.00	\$0.00				
\$44,896.29	\$0.00		\$2,499.11	\$3,557.14	\$692.86

		FY96 HHW,	FY97 HHW,	FY98 HHW,	FY99 HHW,
PLANNING	BASE	AG, SQG	AG, SQG	AG, SQG	AG, SQG
\$25,537.00	\$0.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$54,161.00	\$4,986.00				\$17,820.83
\$66,452.40	\$0.00			\$24,816.00	
\$35,945.33	\$0.00				
\$38,558.00	\$0.00			\$876.42	
\$35,945.33	\$0.00				
\$77,037.00	\$15,000.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$53,896.29	\$0.00		\$2,499.11	\$6,258.88	\$692.86
\$3,603.60	\$0.00		\$2,499.11	\$3,557.14	\$692.86
\$44,896.29	\$0.00		\$2,499.11	\$3,557.14	\$692.86
\$50,100.00	\$7,500.00				
\$32,233.00	\$0.00	•			
\$239,092.11	\$0.00			\$47,700.00	
\$29,000.00	\$0.00	Para dia e		100 (100 (100 (100 (100 (100 (100 (100	
\$60,000.00	\$0.00	\$10,127.76	\$101,348.56		
\$44,896.29	\$0.00			\$6,116.00	
\$53,896.29	\$0.00				
\$44,896.29	\$0.00				
\$41,142.00	\$0.00			W. (1) - W. (1) - W. (2) - W. (2) - W. (2) - W. (3) - W. (4) - W.	***
\$32,233.00	\$0.00				
\$32,233.00	\$0.00				
\$47,997.00	\$0.00			\$17,125.00	\$1,461.67
\$44,896.29	\$0.00	the many control of a factor of the control of the	NATIONAL CONTRACTOR OF TAXABLE AND STREET CONTRACTOR OF TAXABLE AN		\$20,000.00
\$44,896.29	\$0.00		\$2,499.11	\$3,557.14	\$16,695.86
\$25,537.00	\$0.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$66,452.40	\$0.00				
\$5,537.00	\$5,000.00	\$3,667.20	\$6,000.00	\$9,872.00	\$2,000.00
\$32,233.00	\$0.00				
\$29,438.00	\$6,389.00	3			
\$29,438.00	\$6,389.00		Parameter Dentality 1977		
\$72,000.00	\$30,000.00				\$27,000.00
\$4,011,517.44	\$276,564.06	\$138,458.48	\$390,591.73	\$414,047.00	\$346,005.00

ut of State Awards

te Management Funds Awarded

## asie, Small Quantity Generator, sticide Collection Grant Programs

HHW, AG	TOTAL TIPPING	TOTAL GRANT
PESTICIDE, SQG	(1/1/93-11/23/98)	DOLLARS AWARDED
\$0.00	\$157,358.58	\$48,517.00
\$23,908.40	\$10,871.84	\$120,359.40
\$0.00	\$52,624.95	\$26,993.81
\$17,820.83	\$83,267.31	\$126,451.83
\$24,123.00	\$247,059.14	\$51,123.00
\$0.00	\$28,064.50	\$65,911.00
\$0.00	\$19,704.49	\$58,700.00
\$87,400.00	\$280,255.70	\$287,125.00
\$0.00	\$0.00	\$29,750.00
\$18,586.67	\$0.00	\$66,582.67
\$0.00	\$1,690,277.22	\$85,826.00
\$0.00	\$11,422.10	\$66,452.40
\$0.00	\$13,155.49	\$51,042.00
\$21,539.19	\$37,137.22	\$42,786.05
\$0.00	\$32,930.32	\$101,337.65
\$23,908.42	\$42,395.22	\$120,359.42
\$17,820.83	\$2,325.81	\$120,548.83
\$24,986.67	\$248,382.77	\$228,038.67
\$12,750.00	\$686,012.26	\$123,401.00
\$0.00	\$13,439.95	\$65,896.29
\$21,539.20	\$28,486.87	\$110,304.20
\$0.00	\$18,565.79	\$35,193.81
\$54,545.25	\$0.00	\$172,045.25
\$410.65	\$12,737.79	\$41,552.04
\$0.00	\$4,907.75	\$0.00
\$6,749.09	\$53,751.53	\$115,630.13
\$0.00	\$13,835.41	\$164,750.00
\$0.00	\$384,597.45	\$88,444.50
\$410.67	\$271,786.73	\$101,976.67
\$23,908.42	\$46,226.54	\$120,360.42
\$21,539.20	\$36,835.21	\$27,076.20
\$0.00	\$10,311.37	\$44,896.29
\$6,749.11	\$19,753.20	\$51,645.40
\$0.00	\$17,673.62	\$92,732.00
\$410.67	\$5,959.28	\$32,642.67
\$0.00	\$9,755.57	\$96,452.40
\$0.00	\$40,887.22	\$24,000.00

Prepared 02/17/99

## asie, Small Quantity Generator, sticide Collection Grant Programs

HHW, AG	TOTAL TIPPING	TOTAL GRANT
PESTICIDE, SQG	(1/1/93-11/23/98)	DOLLARS AWARDED
\$0.00	\$7,823.70	\$32,232.00
\$17,820.83	\$13,670.39	\$139,053.83
\$44,000.00	\$255,726.03	\$119,750.00
\$0.00	\$20,815.80	\$32,232.00
\$410.67	\$6,240.77	\$48,812.67
\$1,845.00	\$11,797.88	\$71,595.00
\$14,665.01	\$1,741,460.45	\$59,665.01
\$0.00	\$5,817.60	\$86,145.00
\$115,420.00	\$7,571,867.18	\$804,628.75
\$0.00	\$23,751.00	\$332,732.00
\$17,820.83	\$5,423.27	\$57,498.16
\$17,820.83	\$8,706.41	\$95,759.83
\$0.00	\$36,620.43	\$54,576.00
\$0.00	\$6,045.09	\$60,552.00
\$23,166.00	\$42,612.87	\$273,327.00
\$0.00	\$3,974.07	\$43,558.00
\$23,908.42	\$13,041.55	\$120,360.42
\$0.00	\$18,450.00	\$44,896.29
\$27,521.25	\$109,278.51	\$106,271.25
\$39,342.00	\$67,970.04	\$115,770.63
\$21,539.20	\$87,788.86	\$67,213.20
\$0.00	\$222,610.67	\$122,250.00
\$410.67	\$7,275.00	\$81,029.67
\$23,908.42	\$50,395.96	\$287,862.42
\$0.00	\$20,296.37	\$101,558.00
\$10,000.00	\$533,061.67	\$101,826.00
\$21,539.20	\$1,301.13	\$92,076.20
\$0.00	\$14,445.50	\$29,521.70
\$21,539.20	\$9,243.80	\$182,626.20
\$0.00	\$121,516.60	\$35,826.00
\$410.66	\$14,598.00	\$46,397.66
\$0.00	\$15,137.57	\$44,896.29
\$23,908.42	\$21,170.25	\$120,362.42
\$0.00	\$26,031.00	\$44,896.29
\$0.00	\$7,580.07	\$68,500.00
\$0.00	\$12,738.53	\$91,142.00
\$6,749.11	\$74,929.37	\$101,645.40

Prepared 02/17/99

## a..., Small Quantity Generator, sticide Collection Grant Programs

HHW, AG	TOTAL TIPPING	TOTAL GRANT
PESTICIDE, SQG	(1/1/93-11/23/98)	DOLLARS AWARDED
\$21,539.20	\$16,742.31	\$67,076.20
\$17,820.83	\$44,197.10	\$138,864.83
\$24,816.00	\$9,126.50	\$91,268.40
\$0.00	\$606,841.96	\$35,945.33
\$876.42	\$9,540.65	\$39,434.42
\$0.00	\$30,664.82	\$44,945.33
\$21,539.20	\$13,083.00	\$113,576.20
\$9,450.85	\$40,633.59	\$138,347.14
\$6,749.11	\$12,076.25	\$10,352.71
\$6,749.11	\$42,737.72	\$51,645.40
\$0.00	\$615,361.73	\$211,200.00
\$0.00	\$10,601.80	\$32,233,00
\$47,700.00	\$3,035,599.43	\$862,508.11
\$0.00	\$402,525.55	\$29,000.00
\$111,476.32	\$1,681,755.77	\$451,410.32
\$6,116.00	\$15,512.86	\$51,012.29
\$0.00	\$33,687.93	\$53,896.29
\$0.00	\$27,598.60	\$44,896.29
\$0.00	\$7,943.50	\$41,142.00
\$0.00	\$11,886.51	\$32,233.00
\$0.00	\$20,869.70	\$86,733.00
\$18,586.67	\$53,882.42	\$70,316.67
\$20,000.00	\$44,231.60	\$104,896.29
\$22,752.11	\$12,848.86	\$67,648.40
\$21,539.20	\$2,411.46	\$72,076.20
\$0.00	\$10,239.00	\$66,452.40
\$21,539.20	\$7,606.26	\$88,682.20
\$0.00	\$15,624.00	\$208,008.00
\$0.00	\$35,021.59	\$35,827.00
\$0.00	. \$344.41	\$35,827.00
\$27,000.00	\$1,879,699.38	\$164,615.00
\$1,289,102.21	\$24,594,865.85	\$11,068,018.71

\$79,500.00

\$11,147,518.71



## **KANSAS**

## DEPARTMENT OF HEALTH & ENVIRONMENT

BILL GRAVES, GOVERNOR Clyde D. Graeber, Acting Secretary

Testimony presented to

## **House Environment Committee**

by

William L. Bider, Director, Bureau of Waste Management Kansas Department of Health and Environment

## House Bill 2484

The Kansas Department of Health and Environment is pleased to present testimony in support of House Bill 2484. This bill proposes to return the solid waste landfill tipping fee to \$1.50 per ton from its current amount of \$1.00 per ton. It had been reduced to \$1.00 by the Legislature in 1996 when it was observed that here was a large balance in the fund (about \$6.0 million). At the same time the fee was reduced, several new grant programs were established and KDHE was directed to utilize the fund balance to award grants which would assist local and regional public and private entities in implementing their solid waste plans. Grants were now authorized for projects related to waste reduction, recycling, composting, household hazardous waste collection, agricultural pesticide collection, and solid waste public education.

Any assessment of the adequacy of the landfill tipping fee should broadly examine the entire state solid waste program because all aspects of the program are funded by these fees. This includes all staff salaries, operating expenses, administrative overhead, public education, and contractual work to remediate old closed or abandoned dumps. Only a small percentage of staff effort is related to grants (about 2 to 3 FTEs). Most staff time is spent on numerous other duties including permitting, inspections, compliance and enforcement, regulation and policy development, groundwater monitoring at landfills, and the development and presentation of public education and technical training materials.

To some people, the tipping fee issue has become closely tied to grants to improve recycling in Kansas. While improved recycling is an important objective, KDHE believes that the tipping fee assessment should focus on whether the grant program is actually helping the state achieve its solid waste management goals. In addition, the environmental benefits resulting from these grants should be measurable. From a broad-based environmental perspective, KDHE's primary goals associated with the solid waste grant program include:

Goal #1. Conserve limited landfill capacity

Goal #2. Minimize the amounts of hazardous materials which enter landfills

DIVISION OF ENVIRONMENT Bureau of Waste Management

Printed on Recycled paper

Topeka, KS 66620-0001
FAX (785) 296-1592

## Goal #1 - Conserve Landfill Capacity

The solid waste grant program helps counties and regional solid waste authorities conserve their existing landfills for as long as possible. Recycling and composting activities which are started or enhanced through a grant-funded project can reduce the amount of landfilled waste by up to 20 to 40 percent, depending on citizen participation. This is very significant because it could make an existing local landfill last an additional 10 to 20 years. This added time is quite important both with respect to the long-term cost of disposal and the ability to site a new landfill. The siting of new landfills almost always generates citizen opposition and a long period of struggle between the public and local elected officials. A longer operating time in existing landfills can give local officials or even private service providers the time they need to identify the most desirable long-term solutions to local waste management challenges and to develop good public involvement in the planning process.

## Goal #2 - Minimize the Amounts of Hazardous Materials in Landfills

The grant programs related to household hazardous waste (or small business hazardous waste) collection are designed to keep potentially dangerous chemicals out of our landfills. By minimizing the amounts of these materials which are landfilled there is less risk of groundwater contamination and all of the associated corrective action requirements. This is especially important for the 30 counties which continue to operate small arid landfills in western Kansas because if groundwater contamination is identified, they automatically lose the federal exemption to certain design and operating requirements. Keeping these materials out of the solid waste stream which goes to landfills is also important to trash collection companies and landfill operators, both of whom work handle waste during their routine daily duties.

## Revenue versus Expenditures

Our most recent analysis of tipping fee revenue and expenditures shows that revenue will only be adequate to maintain current services and grants through FY 2000. Some reduction in grants are expected in FY 2000 with major reductions or elimination thereafter. A fee of \$1.00 per ton will support all <u>current</u> program expenditures except the grant programs. The effects of inflation and waste reduction will require reductions in other program areas in the near future. Other services which could need to be cut over the next five years include old dump remediation, public education, technical training, and perhaps staff resources.

We have attached a series of charts which provide a historical and projected review of solid waste program revenue and expenditures since the tipping fee began in 1993. The pie chart displaying the FY 1999 solid waste budget shows that grants will comprise over 44 percent of expenditures. The charts clearly show that either revenue needs to go up or expenditures need to go down.

## The State's Role in Stimulating Waste Reduction

KDHE supports the return of the tipping fee to \$1.50 so current services and grant programs can be maintained at 1999 levels. No increase in staff or services is necessary or recommended. The department believes it is premature to terminate or reduce the solid waste grant program at his time. There has been remarkable progress in waste management practices in Kansas in recent years and these grants have contributed to that progress.

The state still has a role in providing technical assistance and financial incentives to local officials or private companies to implement or improve waste reductions practices. Kansas is one of the few states which has not forced cities or counties to reduce their waste by some arbitrarily established statewide percentage. Our voluntary approach requires incentives because waste reduction does not usually yield immediate financial benefits. Depending upon local disposal costs and the markets for recyclables, some cost savings may occur when a local recycling and composting projects are implemented. However, in most cases it costs something to reduce the amount of waste which is landfilled. This is why local decision-makers must consider long-term benefits and cost avoidance associated with siting new landfills.

There can also be immediate environmental benefits associated with the recovery and use of waste materials. Nearly 70 communities have established composting and wood processing programs which minimize the need for open burning and valuable organic compost is produced to beautify city and county parks and residential gardens. In addition, finite raw material supplies and trees are conserved by utilizing recycled material in manufacturing processes.

KDHE believes that future grants should continue to be spread over a broad number of project types related to overall waste reduction. A very high priority for the department is the establishment of more and improved in-state markets for recyclable materials. However, even with the availability of market development grants, private companies may be reluctant to move into these areas. The department intends to increase education efforts with private companies to ensure that they are aware of the opportunities for grants to help them utilize waste materials as substitutes for virgin raw material feedstocks. Additional projects worthy of grant funding will continue to be related to the collection, processing, and transportation of recyclable materials to market. With the help of the governor solid waste grants advisory committee, appointed by statute, KDHE will continue to try to distribute grant funds to applicants which can make the greatest improvements in current waste management practices.

This bill would return the tipping fee to \$1.50 per ton and apply to tipping fee to landfilled processed waste tires and waste that is transported out of Kansas through a permitted transfer station. By eliminating the exemption for waste tires, tire recycling projects would become eligible for grants. The application of the tipping fee to counties which transfer their waste out-of-state is appropriate because these counties are eligible for grants under these programs, plus they benefit from all other aspects of the state solid waste program.

KDHE Testimony on HB 2484 Page 4

## **Future of Grant Program**

Even with the return of the tipping fee to \$1.50 per ton, the grant programs will likely need to be scaled back or eliminated entirely in about 5 to 7 years. Tipping fee revenues should decrease as more and more communities improve their local waste reduction programs and as businesses implement source reduction. Because Kansas receives nearly one million tons of waste from out-of-state (mostly Missouri), changes in these disposal practices could also significantly impact fee revenue. The effects of inflation on staff salaries and operating expenses will also lower the value of fee revenue. Thus, KDHE projects that the grant programs will begin to naturally decrease in 2004 or 2005. This would be good timing because most local waste reduction programs will be in-place by that time.

## Past Successes and Failures

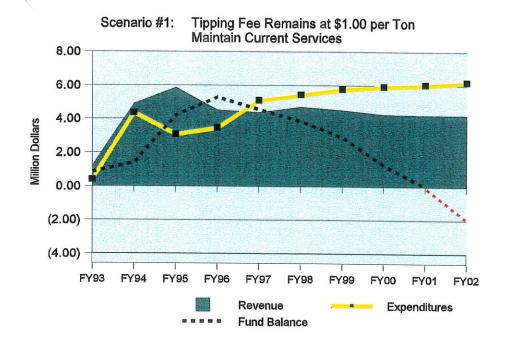
Finally, like any major grant program, there are successes and there are failures. Overall, this program has been very successful. Hundreds of grants have resulted in many new community programs and contributed to enthusiastic public support. Thousands of tons of waste materials have been diverted from our landfills as a result of projects implemented through the grant program. The number of people involved in recycling and composting has skyrocketed in Kansas in he last five years, but there is still much room for improvement. There have been a few grants which have not yielded the desired resulted, but these number less than five percent of the total awards.

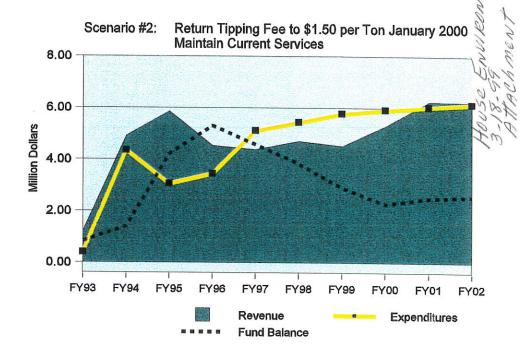
## Recommended Change

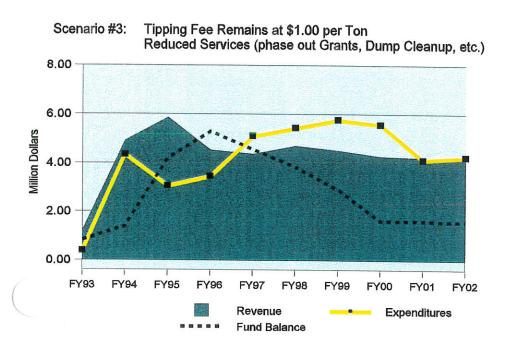
KDHE recommends just one change to the bill as drafted. We believe the change in the effective date for the increased fee should be January 1, 2000 rather than July 1, 1999 as proposed. This six month delay is recommended in order to give local governments and businesses time to budget for the increase.

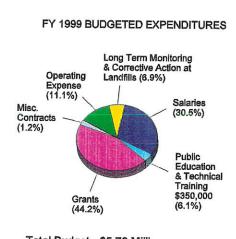
In conclusion, KDHE requests that the committee recommended this bill for passage. Thank you for this opportunity to provide testimony on HB 2484.

## Kansas Department of Health and Environment









SOLID WASTE GRAN FY 94 to Februa			MS Total
<b>Grant Type</b>	Grants	-	1000\$)
Local Planning	39	\$	4,012
Solid Waste Base (Eliminated)	19	\$	277
Household Hazardous Waste Collection & Disposal	36	\$	904*
Agricultural Pesticide Collection & Disposal	15	\$	295*
Small Quantity HW Generator Collection Programs	4	\$	135
Plan Implementation (Recycling, Composting, etc.)	162	\$	6,676
TOTALS	275	\$	12,299

Total Budget - \$5.76 Million

1999 Projected Revenue (includes interest) - \$4.6 Million

\*Some of these grants had funding sources in addition to the 2271 funding



# Solid Waste Program Funding Effects of House Bill 2484 Conclusions



## Tipping Fee Increased to \$1.50 Per Ton

- No Additional KDHE Staff
- Maintain 1999 Level of Services
  - Staff (Salaries & Operations)
  - Grants
  - Old Dump Remediation
  - Public Education & Technical Training
- Grants will Naturally Phase-Out in 5-8 years
  - Waste Reduction
  - Inflation
- Local Waste Reduction Programs will reach maturity as Available Funds Diminish

## Tipping Fee Remains at \$1.00 Per Ton

- Grants significantly decrease in 2001
- Gradual Reductions in Public Education, Technical Training, and Old Dump Remediation Beginning in 2001



## Benefits of Recycling, Composting and Source Reduction



## **Landfill Capacity is Conserved**

Landfill Life with No Recycling or	Landfill Life with Composting & Recycling (waste diversion rate)			
Composting	10%	20%	30%	
25 years	27.8	31.3	35.7	
50 years	55.6	62.5	71.4	

## **Less Waste Must be Transferred**

- Reduces transportation costs and impacts
  - ► Saves money, decreases air pollution, traffic and highway wear
- Reduces disposal costs (landfill gate fees)

## **Other Benefits**

- Natural resource conservation (energy and materials)
- Reduced pollution
- Creation of Jobs
- Improved soil tilth

## **HOUSE BILL No. 2484**

## By Committee on Federal and State Affairs

## 2-11

AN ACT concerning solid waste; relating to solid waste grants and tonnage fees; amending K.S.A. 1998 Supp. 65-3415 and 65-3415b and repealing the existing sections.

11 12 13

14

15

16

17

18

19

20 21

22

23 24

25

26

27

28 29

30

31

32

33

34

35

36

37 38

39 40

41

42

43

9

10

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1998 Supp. 65-3415 is hereby amended to read as follows: 65-3415. (a) The secretary is authorized to assist counties, designated cities or regional solid waste management entities by administering grants to pay up to 60% of the costs of preparing and revising official plans for solid waste management systems in accordance with the requirements of this act and the rules and regulations and standards adopted pursuant to this act, and for carrying out related studies, surveys, investigations, inquiries, research and analyses.

- (b) The secretary is authorized to assist counties, designated cities. municipalities, regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto or other applicable statutes or private entities, by administering competitive grants that pay up to 75% of eligible costs incurred by such a county, city, regional entity or private entity pursuant to an approved solid waste management plan, for any project related to the development and operation of recycling, source reduction, waste minimization and solid waste management public education programs. Such projects shall include the implementation of innovative waste processing technologies which demonstrate nontraditional methods to reduce waste volume by recovering materials or energy or by converting the waste into useable byproducts through chemical or physical processes. To be eligible for competitive grants awarded pursuant to this section, a county, designated city, regional entity or private entity must be implementing a project which is part of a solid waste management plan approved by the secretary or implementing a project with statewide significance as determined by the secretary with the advice and counsel of the solid waste grants advisory committee.
- (c) The secretary is authorized to assist counties, cities or regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto

House Environment 3-18-99 Attachment 20 or other applicable statutes, by administering grants that pay up to 60% of costs incurred by such a county, city or regional entity for the development and first year of operation of temporary and permanent household hazardous waste programs operated in accordance with K.S.A. 65-3460 and amendments thereto.

- (d) The secretary is authorized to assist counties, cities or regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto or other applicable statutes, by administering grants that pay up to 75% of costs incurred by such a county, city or regional entity to develop and implement temporary agricultural pesticide collection programs.
- (e) The secretary is authorized to assist counties, cities or regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto or other applicable statutes, by administering grants that pay up to 75% of costs incurred by such a county, city, or regional entity to develop and implement exempt small quantity hazardous waste generator waste collection programs, subject to the following:
- (1) The aggregate amount of all such grants made for a fiscal year shall not exceed \$150,000; and
- (2) no grantee shall receive any such grants in an aggregate amount exceeding \$50,000.
- (f) (1) Failure to pay solid waste tonnage fees on wastes disposed in Kansas pursuant to K.S.A. 65-3415b and amendments thereto, shall bar receipt of any grant funds until fees and related penalties have been paid.
- (2) The secretary may establish additional minimum requirements for grant eligibility.
- (g) The secretary shall prepare and deliver to the legislature on or before January 2, 1998, a report which summarizes all solid waste management grant program activities, solid waste management fund revenues and recommendations regarding continuation of solid waste management programs.
- (h) All grants shall be made in accordance with appropriations acts from the state general fund or from moneys in the solid waste management fund created by K.S.A. 65-3415a and amendments thereto.
- (i) Local match requirements for all solid waste grant programs may be met by in-kind contributions from counties, designated cities, regional solid waste management entities or private entities.
- Sec. 2. K.S.A. 1998 Supp. 65-3415b is hereby amended to read as follows: 65-3415b. (a) Except for construction and demolition landfills and industrial solid waste landfills, There is hereby imposed a state solid waste tonnage fee of \$1.00 \$1.50 for each ton or equivalent volume of solid waste disposed of at any solid waste disposal area in this state other

20,00

- than waste enumerated in subsection (c) or waste disposal authorized by the secretary pursuant to subsection (a) of K.S.A. 65-3407c, and amendments thereto.
- (b) There is hereby imposed a state solid waste tonnage fee of \$1.00 \$1.50 for each ton or equivalent volume of construction and demolition waste disposed of at any construction and demolition landfill and solid waste disposed at any industrial solid waste landfill solid waste transferred out of Kansas through a transfer station, other than waste enumerated in subsection (c).
  - (c) The fees imposed by this section shall not apply to:
- (1) Any waste tire, as defined by subsection (j) of K.S.A. 65-3424, and amendments thereto, disposed in or at a permitted solid waste disposal area;
- (2) (1) any of the following wastes when disposed of at a monofill permitted by the department:
  - (A) Sludges from public drinking water supply treatment plants;
- (B) cement kiln dust from the manufacture of portland and masonry cement;
- (C) flue gas desulfurization sludge, fly ash and bottom ash from coalfired electric generating facilities; and
  - (D) foundry sand;
  - (3) (2) clean rubble;
- (4) (3) solid waste solely consisting of vegetation from land clearing and grubbing, utility maintenance and seasonal or storm-related cleanup but such exception shall not apply to yard waste; and
- (5) (4) construction and demolition waste disposed of by the state of Kansas, or by any city-or, county or other unit of local government located in the state of Kansas, or by any person on behalf thereof.
- (d) The operator of a solid waste disposal area or transfer station shall pay the fee imposed by this section.
- (e) The secretary of health and environment shall administer, enforce and collect the fee imposed by this section. Except as otherwise provided by subsections (a) and (b), all laws and rules and regulations of the secretary of revenue relating to the administration, enforcement and collection of the retailers' sales tax shall apply to such fee insofar as they can be made applicable, and. The secretary of health and environment shall adopt such additional any other rules and regulations as necessary for the efficient and effective administration, enforcement and collection thereof.
- (f) The secretary of health and environment shall remit daily at least weekly to the state treasurer all moneys collected from fees imposed pursuant to subsections (a) and (b). Upon receipt thereof, the state treasurer shall deposit the entire amount in the state treasury and credit it to the solid waste management fund created by K.S.A. 65-3415a and amend-

- ments thereto.
- Sec. 3. K.S.A. 1998 Supp. 65-3415 and 65-3415b are hereby
- repealed.
- on January 1, 2000. Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.



March 18, 1999

RE: HB 2484 – tipping fee

Dear Committee,

My husband and I started Hunter Recycling in 1992; we are a commercial paper pick up service. We started in a rusty old pick up, eight borrowed bins and one client. Since that time we have grown tremendously. We now run approximately 200 tons of office paper through our facility a month. Every bit of this would be going to the landfill if we were not here. Reason being that we provide a very needed service in Topeka, because we actually go into the building and remove the paper from the offices or docks. We make it as convenient for our customers as possible, in turn everyone benefits. Companies save money on Dumpster space and get to participate in helping our environment, without much effort. Jeff and I benefit in that we help our environment, support our family and through recycling are able to get involved in community programs, such as THE CARING PROGRAM FOR CHILDREN. The complete community wins because there was a need and opportunity for a small family owned business to make a difference.

Hunter Recycling has been fortunate enough to have the opportunity to apply twice for a KDHE grant. We have been awarded grants both times. We are very grateful for the support. It has allowed us to grow and stay competitive. Since we have implemented our projects we have increased our tonnage consumption and it has made our operation a little less labor intensive, which frees up time to service more customers. We currently have about 175 facilities, (BCBS, SBG, BNSF, HILLS, City of Topeka), and are in our seventh year of business. That facility number is expanding weekly because there is such a need and effort to try to do the right thing in our area. Every time we get a new building that is one more group of people that have become more educated and environmentally conscious. We also offer confidential shredding, that again would be going to be buried if Hunter Recycling did not fill that gap in our community.

We feel that the tipping fee is a great way for the public to be a part of participating in saving our environment and make a difference without breaking the pocket book. Just with our efforts we save approximately 3,400 trees and 660 cubic feet of landfill space a month. In part that is due to the grant support we have received.

In closing we would like to say, we are a small business that got a chance to better ourselves and hope that other people will have the same opportunity in the future. Partnered with other people and companies, we have made a difference in our environment and will continue too. Please vote pro on bill 2484- tipping fee.

Sincerely,

Jeff & Gayle Hunter Hunter Recycling

Vunter

House Environment 3-18-99 Attachment 21 518 SE Adams • Topeka, Kansas 66607 • Wk (785) 232-3155 • Hm (785) 267-2501

## AGRONOM INTERNATIONAL

U.S. OFFICES:
Corporate:
Chiquita Plaza
Cincinnati, Ohio 45202
Tel: (513) 762-7661
Fax: (513) 721-4628

Business: P.O. Box 267 Franklin, Nebraska 68939 Tel: (308) 425-6594 Fax: (308) 425-6594 EUROPEAN OFFICES: CZECH REPUBLIC Nad Udolim 22 14700, Praha 4 Tel: (42-2) 402-2216 Fax: (42-2) 402-2215

HUNGARY Batthyány u. 33. H5000, Szolnok Tel/Fax: (36-56) 425-544

## THE AGRONOM PROCESS

The Process was developed in the U.S. in the mid 1970's. It is a natural thermophylic, aerobic, bacterial process, utilizing no additives or supplemental heat; thus pasteurizing the product. This bacterial action makes the product safe to be used as a feed or fertilize/soil conditioner.

During the period of 1978-1982, Biofermenters were installed on many farms across the U.S. These were mainly used to process the manures and wastes from the individuals farm into animal feeds, with the balance being used as a fertilizer. In addition to the nutrient value of the product the ecological problems of storing and speading untreated manures was solved.

Beginning in 1982, Agronom moved to develop the Process in the International market. The first plant was installed in Jamaica, then in England, Spain, Holland, Morocco, Zaire, Kuwait, Czech Republic, Slovakia and Hungary. While in most countries only one plant was installed, in 1990 Agronom changed is plan of operation and established an office in Praha. During the past 4 years a total of 20 large plants, with total capacity of over 350,000 tonnes of production have been installed in the Czech Republic alone. In 1994 we established a company in Hungary and during 1995 have built one plant for the processing of sludge from the sewage treatment plant in Piliscsaba and our first large production plant at Babolna. This plant has the capacity to process 35,000 tonnes organic waste products per year. Additional plants are under study in Colombia, S.A., Malaysia, Slovakia, Zimbabwe and Poland.

## THE PROCESS

This proprietary technology removes all salmonellas, pathogens, residual medicinals and pesticides that may be present in the raw material. In a five to seven day period, the environment inside the Biofermenter unit is carefully controlled to produce temperatures up to 80 degrees Celsius with an end product of 50 tonnes.



House Environment 3-18-99 Attachment 22 There are no moving parts in the cement processing bay and no additives are needed. During the processing time, the moisture and mass stay constant, thus allowing for 100% utilization of the raw materials. No harmful gases are given off and no liquids or other pollutants escape from the Biofermenter unit. Only a very small amount of electricity is required to process the material. The versatility of the process and the product, allows us to build plants of any size and scope which can easily be expanded as necessary. Any organic material may be processed by the Biofermenter Units.

## ECOLOGICAL BENEFITS OF THE PROCESS

In many countries, manures from pig, poultry and cattle operations have become a pollution problem. Not only has the waste become impossible to distribute, but is polluting streams, lakes and even the land itself. High concentrations of waste from large farms have caused the PH in the soils to become very alkaline or acid. Use of the Biofermented material will eliminate the problem of pollution and will bring the PH back to a neutral 7.0 PH.

The material is now used to re-cultivate the lands which have been uncovered by the mining of Bauxite in Jamaica and coal in the Czech Republic. Within a short time the soils which would grow nothing, have been brought back to productivity. In many countries large concentrations of pig, poultry and cattle have developed areas around the plants where production of crops has decreased by some 40% because of the high concentration of manures spread on the land. Use of Biofermented manures will once again restore the land to its full productivity with the use of only a portion of the previous amounts. The balance of the BioGanic may be sold to increase the profits from the farm.

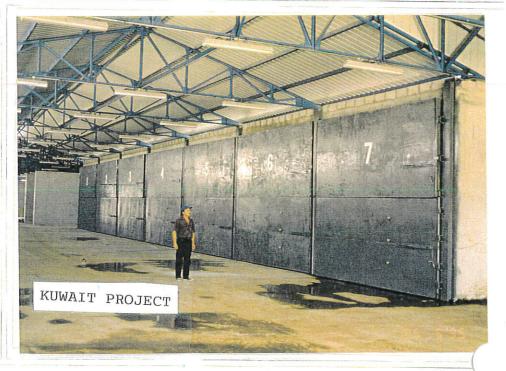
Manures and on farm pollutants, however, are not the only problems. Lands polluted by high concentrations of sulphur, lead and chemicals, have rendered much of the soils unfit for production of crops for human consumption. Use of the Biofermented product can returned the land to full productivity. Use in coal mining and waste dump areas can benefit dramatically from the use of these products. In desert areas, covering crops, to stop the encroachment of the desert have been made possible because of its use.

In most countries prices for chemical fertilizers will increase drastically and will utilize valuable foreign exchange. The use of this product will greatly benefit both the productivity and the economics of the farm by replacing the more costly chemical fertilizers. Production of such products eliminates transportation and handling charges needed when materials are purchased off the farm. With the waste products available in countries and the wide range of crops grown, the use of Biofermented products can completely replace these imports. This not only makes good financial sense, but good sense for the environment.



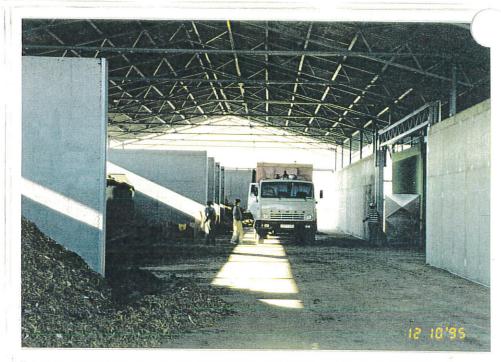








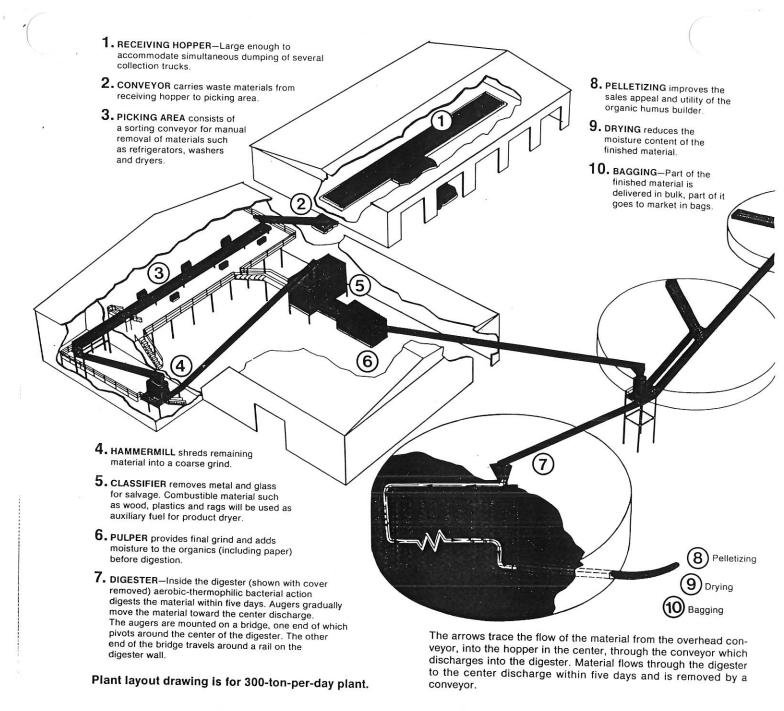








22.4



# The Fairfield Digester System

A continuous-process digester of patented design to maintain and control aerobic-thermophilic bacterial action is the heart of the Fairfield Digester System.

Solid wastes, after primary shredding, are magnetically and mechanically sorted for the recycling of materials such as metal and glass. Certain combustible materials such as wood, plastics, rags, etc. will be utilized as auxiliary fuel in the organic product dryer. The organic fraction along with the waste paper are pulped and converted inside the digester into a sanitary organic material within five days. The dried and pelletized end product of a Fairfield Digester System: 1) has no objectionable odor, 2) will not contribute to air or water pollution, 3) will not attract insects or rodents, 4) contains no living vegetable

or weed seeds and 5) contains bacteria beneficial to soil and plant life. A small amount of residue such as building rubble, ashes and grit will be landfilled.

The Fairfield Digester is a circular vessel. Aerator augers are suspended from a bridge that travels around the top of the digester wall. Integral units of the bridge include 1) drive machinery to rotate the bridge, 2) machinery for the multiple aerator augers, 3) a conveyor which transports incoming material from an overhead center hopper to the place where it enters the digester near the wall. The material is aerated and moved toward the center discharge by the action of the multiple augers. A conveyor at the bottom of the digester removes digested material.

Air is forced into the digester by a motor-driven blower

and distributed throughout the material by pipes.

Self-generated temperature of approximately 150degrees Fahrenheit is produced and maintained by the metabolism of the aerobic-thermophilic micro-organisms multiplying within the waste material. No "starter" inoculants or external heat are used.

The speed of the augers, the rate of rotation of the carriage assembly and the amount of air introduced into the digester are controllable to obtain optimum temperature and correct retention time of material in the digester.

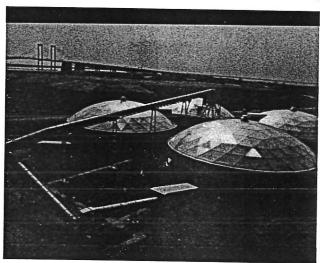
Sensors provide the means for automatic control. They measure conditions at a number of locations within the digester and call for automatic adjustment of controls which maintain desired operating conditions.

The digester expels harmless carbon dioxide and water

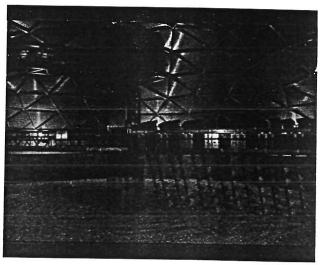
# **Co-Composting** Municipal Solid Waste and Sewage Sludge

**Delaware Reclamation Project** 

Composting Mix: 330TPD solid waste and 350TPD sewage sludge



Digester exterior



# Composting Municipal Sewage Sludge

Clinton County, N.Y. Composting Facility

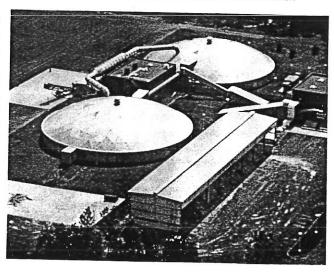
Composting Mix: 170TPD sewage sludge, 38TPD wood chips and 165TPD recycled compost

The sludge composting facility at Clinton County is located remotely from the City of Plattsburgh Wastewater Treatment Plant where sewage sludge is dewatered to approximately 20 percent solids.

The sludge is transported to the composting facility by trucks that dump the sludge into two variable speed multiple screw live bottom receiving hoppers equipped with power operated top enclosure doors. Two similar hoppers are utilized to meter amendment (sawdust and/or woodchips) and recycled compost to the mixers. The sawdust and woodchips are received at the facility by trucks that can dump directly into the receiving hoppers or into a sheltered storage area. Amendment is transported from storage to the receiving hopper as needed by means of a front-end loader. The amounts of amendment and recycled compost are automatically added to the sludge at the mixer and the compost mix is conveyed into the Fairfield Digesters where it is retained for 14 days.

The compost mix is introduced into only one digester at a given time and fresh compost is simultaneously discharged from the digester. The digester machinery, except for air blowers, operates only when material is being fed into and discharged from the digesters. The air blowers operate continuously.

A portion of the fresh compost discharged from the digesters is utilized as recycle in the compost mix and the remainder is cured in an open storage area for eventual use as a soil conditioner.



#### TOM WINTERS

### Commissioner - Third District BOARD OF COUNTY COMMISSIONERS SEDGWICK COUNTY, KANSAS



COUNTY COURTHOUSE • SUITE 320 • 525 NORTH MAIN • WICHITA, KANSAS 67203-3759 TELEPHONE (316) 383-7411 • FAX (316) 383-8275

# Testimony before HOUSE ENVIRONMENT COMMITTEE March 18, 1999

Tom Winters, Sedgwick County Commissioner

I would like to make just a few remarks in support of increasing the State fee to \$1.50 per ton for landfilled solid waste.

In Sedgwick County we are creating a whole new system of managing solid waste. Five basic components in our approved Solid Waste management Plan given to the Kansas Department of Health and Environment (KDHE) are as follows:

- 1. On October 9, 2001, the day our current landfill closes, there will be a ban prohibiting yard waste and construction and demolition debris from the waste stream handling municipal solid waste.
- 2. By October 9, 2001, trash haulers will implement a volume-based trash rate for their residential customers. (Charging less to those who throw away less.)
- 3. By October 9, 2001, voluntary curbside recycling will be offered all citizens.
- 4. The free market system will continue to be used for the collection of municipal solid waste.
- 5. Sedgwick County's official goal is to achieve a 40% reduction in the disposal of municipal solid waste by the year 2003.

These are radical changes for our county. It is going to require a new way of thinking, and a new way of doing business when it comes to waste disposal. We are committed to following a free market system. Cities, counties, the state, nor the federal government should subsidize programs that do not make economic sense. But we all know that recycling still has many problems. The one time grants that KDHE could make to a business, often make the difference between a successful business project and one that never gets started.

As tipping fees at landfills increase, recycling, composting, and other efforts of diversion become more economically feasible. The grants funded by this \$1.50 per ton fee are very important.

Two other important programs affected by this fee are public education and repairs to abandoned dumps. First, educating citizens becomes critically important when developing any new programs or procedure; and secondly, I was startled to learn that in Sedgwick County there are 62 identified old abandoned, closed or active dumps. These will very likely be future problems.

I would encourage you to act favorably in returning the State tipping fee to \$1.50 per ton.

Thank you.

House ENVIRONMENT 3-1899 Attachment 23 Good afternoon, ladies and gentlemen. If I appear a bit nervous, it's because I am. I would be a lot more comfortable if you were all kindergartners and you were in my classroom at Meadows Elementary School, here in Topeka, but you are not, so I'm here to speak for those children. My name is Jeannie Schnellbacher, and I am the director of "Project Meadows." Project Meadows was developed as a hands-on learning experience, for the children of our area. Meadows Elementary School enrollment is 67% free or reduced meals, which you know means 67% of our total enrollment is at or below the poverty level.

Many people (both children and adults) have gotten accustomed to a "throw away" frame of mind. Most students in school were sent home from the hospital, as newborns, in disposable diapers. They continue to think everything is disposable. If something is broken, or has lost its shine....just throw it away and get a new one. I could take early retirement if I had a nickel for every time a student came up to me crayon in hand, with a torn paper cover, or broken in half, the first thing they say is "Teacher I need a new one". Many times if I says, that one can still be used, they turn and cry, or break it more so they can try to get a new one. The majority of our students do not have the financial resources to do this. In public education we must be careful about attempting to teach moral values, however we can educate our students to respect our earth, it's people and it's resources.

Meadows is teaching our students to be responsible. They are shown how to be responsible for themselves, and the world around them. Project Meadows has helped us tremendously. Each class had a plot of land in our outdoor classrooms. An area of our school environment to take care of and nurture. This may be a vegetable garden plot, a flower bed or 1 of our ponds. Each area had living things in it along with the students who care for it. These areas have evolved into some terrific projects for our kids.

Our kindergartners are feeding garbage to worms that are then added to the plots to enrich the soil in the gardens. The third graders are taking charge of the composting bins collecting & adding leaves, and garbage from our lunch room and stirring it gently. The first and second graders are sprouting baby plants nourished by our "Magic Soil" from the compost. The fourth graders are in charge of the greenhouse activities, and finally our fifth grader are the school recycling experts. They collect aluminum cans as a fund raiser to pay for their class trip. They collect and recycle the papers from the school offices. Our school is also a drop off for the county recycling bins and the amount collected has increased 10 fold in less than a year. This tells me that we are teaching our students, who intern are teaching their parent and neighbors that each and every one of us are responsible for our earth and it's resources. We need to use up and reuse what we have. Use it to it's fullest extent.

Our students have learned to make paper through recycling the old used paper from the classroom. We have make art, science, and math projects with other peoples trash. I wish you could hear the fantastic rendition of "Twinkle, Little Star" played on musical instruments made by our kindergarten classes.

All of these learning experiences are being funded by a Kansas Solid Waste Management Grant. From what I understand, Meadows was the first school to receive a grant of this kind. I know that another county school received funding through these grants after they visited our school site and loved what they saw.

We at Meadows are making progress one child at a time. Our ripple effect is growing through our school, our neighborhood, and into the county. Meadows will have a plant sale this spring, of our little seedlings, open to everyone in the city. The good things that happen at Meadows continue to grow.

One of my students was appalled that his grandparents in Kansas City tossed al their newspapers and cans. He told them that if they saved them in the garage he would come down once a month smash and bundle the items and bring them back to Meadows to deposit them in our recycling bins. The first month it was only his grandparents, but now he is collecting for several of their neighbors as well. As you know Kansas is not a mandatory recycling state, we all need to do our part to preserve the resources that we have. Our students at Meadows are making a difference. A big difference. It would be a shame to cut out the funding that have allowed us to do our work. The funding provided by the Solid Waste Management Grant program needs to flourish and grow. As these children become the leaders of tomorrow, they will be the caretakers of us and our world. We don't want them to view us a disposable item and we don't want them to view our world as disposable either. Please allow the grants to continue by setting the tipping charge to \$1.50.

Thank you for allowing me to speak for our children and the future of our world.



### Mid-America Tire Dealers Association

#### STATEMENT OF THE

#### MID-AMERICA TIRE DEALERS ASSOCIATION

#### BEFORE THE HOUSE OF REPRESENTATIVES ENVIRONMENT COMMITTEE March 18, 1999

#### Chairman and Members of the Committee:

My name is Shawn Herrick, Executive Director of the Mid-America Tire Dealers Association (MATDA). I am submitting testimony on behalf of the Board of Directors and the membership of the MATDA. Thank you for allowing us to express our position.

The Mid-America Tire Dealers Association is an organization dedicated to the promotion of the image and success of the tire industry in Kansas and Nebraska. MATDA was incorporated in 1990, and represents over 150 businesses and their employees.

In reference to HB 2484, an act concerning solid waste grants and tonnage fees, we are opposed to striking the language on lines 11-13 on page three. This would remove the current exemption from tonnage fees for waste tires.

This association has been very involved in the scrap tire program from its inception. In 1990, tire dealers in Kansas understood the need to address tire disposal, and supported efforts for solutions. The mishandling of scrap tires gave our industry a "black eye," and upstanding dealers had to compete with those who refused to cooperate. The dedication of lawmakers, the regulating community and the dealers has resulted in laws and regulations that are working.

Tire dealers must use permitted entities which, with enforcement, prevents illegal dumping. Dealers and consumers in Kansas contribute on average of \$50 per ton of waste tires through the  $50\phi$  excise tax on the sale of new tires for the purpose of dealing with waste issues. The dollars generated by the  $50\phi$  excise tax have provided the funding for cleaning up stock-piled scrap tires and other grant programs.

Scrap tire issues have been in the forefront of the world's tire industry for more than 15 years. Rubber manufacturers have invested millions of dollars in research for waste processing technologies. Innovative or nontraditional means of dealing with scrap tires have been developed and should be able to support themselves without grant dollars.

Our members feel that they are already providing \$50 per ton for managing waste tires; the mechanism is in place for managing their waste stream; and innovative waste processing should be viable on its own merits and not supported by tax dollars. I would like to make it clear that the independent tire dealers, as an industry, have been part of the solution to waste problems in their industry. However, because of these reasons, the exemption for waste tires from a general solid waste tipping fee should be left intact.

Thank you for allowing time to hear the MATDA position. The favorable consideration of this request would be appreciated.

33-9660 · Fax 785-354-4374 HOUSE ENVIRONMENT 3-18-99 AHACHMENT 25



Prepared Testimony House Bill 2484 for

The Kansas House Environment Committee Prepared by Phil Wittek

Environmental Department Director Johnson County, Kansas

March 18, 1999

On behalf of Johnson County and the Johnson County Environmental Department, and as a member of the Governor's Solid Waste Grants Advisory Committee, I would like to thank this Committee for the opportunity to offer testimony in favor of House Bill 2484.

The main element of this bill proposes that the State's tipping fee be returned to its original level of \$1.50/ton. The issue is It essentially boils down to how you view the grants and educational programs that are provided through the solid waste management fund. We need to explore purpose, gain effectiveness.

#### Purpose

**Environmental Department** 

Why was the fee instituted? In simplest terms, the revenue generated was to cover costs associated with the State's solid waste program and to assist locals in solid waste management concerns resulting from mandates. Unfortunately, when the fee was \$1.50/ton, associated programs initiated in 1993, at expenditure authority were not part of the legislation. a large fund balance developed. As a result, two years later in 1995, the fee was reduced to \$1.00/ton but additional spending Looking ahead, projected grant authorized. support drastically be reduced in a year. Remembering that the purpose of the fee was to assist both the state and locals, if the fee is not raised, the local assistance is eliminated prematurely.



Testimony on House Bill 2484 Phil Wittek March 18, 1999

#### Gain and Benefit

As examples, the tipping fee has provided the following:

- the Kansas-Don't Spoil It initiative--a comprehensive and unique public awareness campaign;
- 2) direct outreach to all public and private schools;
- 3) one of the finest statewide household hazardous waste networks in the country; and
- 4) assistance to 160 solid waste plan implementation grant applicants, public and private, totaling approximately \$7 million.

#### Effectiveness

How can we look at effectiveness? Here are two examples concerning landfill longevity and hazardous waste (HHW).

- 1) The Kansas Solid Waste Management Plan, published in December, 1996, estimated an 11% recycling and composting rate for 1995 across the State for municipal solid waste. If one makes a direct comparison, the question could be asked, "Is adding 11% to the life of a Subtitle D landfill worth it?" How about 16%, which is the projection for the year 2000? That's 3 years capacity to a 20 year landfill. Recycling programs have increased 60% since 1995, according to Kansas BIRP.
- 2) The 1998 HHW Report to the Legislature tells us that over 2.3 million pounds of hazardous materials were managed by local programs last fiscal year. Soon these programs will be available to almost 90% of Kansans. Without these facilities, much of the hazardous waste would have been landfilled. What a stellar example of state and local cooperation and commitment!

In closing, I urge the Committee to support this Bill and continue the message of Kansas-Don't Spoil It! Thank you for your time.



#### **MEMORANDUM**

TO:

Members of the House Environment Committee

FROM:

Donald R. Seifert, Management Services Director

SUBJECT:

HB 2484 - Solid Waste Grants and Tonnage Fees

DATE:

March 18, 1999

On behalf of the city of Olathe, thank you for the opportunity to appear today to express opposition to this bill. **HB 2484** would increase the solid waste tonnage fee by 50% to \$1.50 per ton, expand the solid waste grant program to new, non-traditional technologies, and extend the tonnage fee to waste transferred out of Kansas through a transfer station.

The city of Olathe has operated a solid waste utility for many years. The city currently handles approximately 80,000 tons of solid waste per year, which is collected at a transfer station and ultimately disposed at a private Kansas landfill. The current \$1.00 tonnage fee is included in the disposal rate paid by the city. It is unclear to the city why such a significant increase in the revenue stream is needed at this time. Please recall that the tonnage fee was lowered by the 1995 Legislature from \$1.50 to \$1.00. HB 2484 would mean a \$40,000 annual increase in the city's disposal fees, which translates into a 1% general rate increase for all customers. It is the city's understanding that total revenues from the current fee are increasing through natural growth.

It would be easier for cities to understand an increase in the tonnage fee if the increased revenue were used exclusively for grants to local units for a relatively narrow list of proven, strategic purposes. The city urges the Committee to ask if it is proper for public dollars generated from solid waste customers to be used to subsidize private research and development activities for private enterprises. Would private research and development be better served through existing economic development programs while the solid waste dollars are invested on proven technology?

The city also has concerns about "double counting" in the bill of certain classes of solid waste. Section 2 of the bill imposes the tonnage fee on solid waste transferred out of Kansas for disposal. If the receiving state imposes a disposal fee, Kansas customers would be paying twice to dispose of the same ton of waste. In addition, Section 2 of the bill would delete the fee exception for waste tires. It is our understanding that tires already pay a disposal fee when originally purchased.

Thank you again for the opportunity to comment on this bill.

rc

## Testimony of Lisa Disbrow on behalf of Waste Management March 18, 1999 Before the House Environment Committee

Madam Chair and members of the House Environment Committee:

Thank you for the opportunity to appear before you today to comment on House Bill 2484. I am Lisa Disbrow representing Waste Management. Waste Management is the industry leader in trash collection, disposal and recycling, operating in 48 states and abroad.

HB 2484 would impose a 50% tax increase on the citizens of the State of Kansas for the disposal of their waste. Before committing yourself to such an action, Waste Management would suggest you consider the following questions:

- 1. How much money for grants is currently collected by the \$1.00 per ton tipping fee and where is it being spent?
- 2. What is the projected increase in revenues?
- 3. At our two landfills in Kansas, business and industry pays 75 % of the current tax. What is the benefit to business and industry of the grant programs?
- 4. What is the dollar amount of the fee that KDHE receives for administration from this fund? According to KDHE's own 1998 report, 53% of the fee is used for purposes other than grants, with 29% going for salaries. Is KDHE going to receive the same 53% of this latest tax increase? More than half of the new tax?
- 5. Has an outside audit of this fund ever been conducted? If not, why not?
- 6. This measure expands the grant programs under this fund to "innovative waste processing technologies which demonstrate non-traditional methods" for waste reduction; as the industry leader in trash collection, disposal and recycling, we believe that you are creating an undefined term of art in "non-traditional methods." Does this mean research based methodology or something else? What criteria will be used to determine what projects merit funds and which ones do not?
- 7. With the recycling commodities markets at an all time low and companies with long term experience, even the ones in traditional recycling markets such as scrap metal, are failing. Will these funds be used to fund government competition with private companies already in dire straits?

Waste Management recommends that this Committee does not take favorable action on this measure. We would suggest that before any tax increase for this program is entertained, a Legislative Post Audit Study of the current program be requested, and a careful evaluation of its fiscal integrity and benefit to the citizens of the State of Kansas be obtained.

### DEFFENBAUGH INDUSTRIES, INC.

POST OFFICE BOX 3220 SHAWNEE, KANSAS 66203 913-631-3300

March 18, 1998

The Honorable Representative Joann Lee Freeborn, Chairperson Committee on Environment Kansas House of Representatives State of Kansas Topeka, KS 66612

RE: House Bill No. 2484

Madam Chairperson and Members of the Committee:

My name is Sean White and I appear before you today along with my colleague Mike Clagett to share with you our company's position on House Bill No. 2484.

Deffenbaugh Industries, headquartered in Shawnee, has been a leader in solid waste management in Kansas for over 25 years. Deffenbaugh and its affiliate companies employ over 1,200 people in Kansas at operations in Shawnee, Bonner Springs, Olathe, Kansas City, and Newton. We take great pride in our ability to provide efficient, cost-effective, and environmentally protective solid waste management and recycling services to the citizens and businesses of our state. Deffenbaugh has invested millions of dollars in recycling infrastructure in Kansas over the last several years. Our investments were made without grant funds and while bearing the largest share of the current tipping fee. These investments have resulted in Deffenbaugh Industries emerging as the leading recycler in Kansas with 44,070 tons recycled in 1997 and 39,847 tons in 1998.

House Bill No. 2484, among other things, proposes to increase the current per ton "tipping fee" from \$1.00/ton to \$1.50/ton. Currently, the Solid Waste Fund collects approximately \$4M per year in tipping fees¹, of this, Deffenbaugh pays about \$1.1M. If this issue is correctly framed in the context of a tax, it is apparent the Department collects a large amount of revenue from a very limited universe of taxpayers - with Deffenbaugh paying more than 25%. If the tipping fee were increased to \$1.50 per ton, and assuming no expansion of the fee to wastes heretofore not covered, Deffenbaugh would pay an additional \$500,000 to \$600,000 for an annual aggregate tipping tax liability of \$1.6M to \$1.7M.

<sup>&</sup>lt;sup>1</sup> Landfill Tipping Fees, Revenue and Use, Background Information, November, 1998, pg. 1, KDHE-BWM

While Deffenbaugh is obviously concerned about any increase in the tipping fee primarily out of self-interest, we nonetheless believe there are numerous valid reasons that the Legislature should not act at this time to increase the fee:

- 1. Competitive Implementation Grants Awarded to Date Should be Subject to a Thorough Review. Given that \$6.8M in competitive implementation grants were awarded during State fiscal years 1996 to 1999, an independent review should be undertaken to evaluate not only the costs/benefits of the grants, but also to determine if sufficient financial accountability safeguards are in place. Indeed, information prepared by the Department for last year's legislative session suggested that questionable expenditures may have been made with grant funds<sup>2</sup>. The Department's 1998 report to the Legislature also indicated the Governor's Grants Advisory Committee recommended that the Department be in a position to measure the costs/benefits of grant funded projects and assess whether certain types of projects should be supported by State funds<sup>3</sup>.
- 2. Any Review Should Focus on Competitive Implementation Grants Awarded to the Private Sector. As a leader in the increasingly competitive solid waste field, Deffenbaugh has always been concerned about the number and magnitude of grants awarded to private sector companies. We are especially sensitive to this issue given the robust economic environment we all have enjoyed over the last several years. Interest rates have approached historic lows while the availability of capital is at all time highs. Indeed, there are more opportunities than ever for recycling businesses to access private capital markets<sup>4,5</sup>. Deffenbaugh's analysis of the Department's data for grants awarded during State fiscal years 1996 1999 indicates that of the \$6.7M awarded, 36% went to the private sector, while 64% went to the public/nonprofit sector (see attached summary tables of grant Rounds 1 7). Additionally, our analysis indicates that of the total 152 grants awarded, 28 were made to the private sector, while 124 were made to the public/nonprofit sector. It is also interesting to note that the dollar size of the average private sector grant (\$85,687) is nearly two-and-one-half times greater than the average public/non-profit sector grant (\$34,578).
- 3. The Solid Waste Fund is Under Tremendous Pressure by the Shear Magnitude of Applications for Competitive Grants. The Department estimates that grant application requests typically range from \$6M to \$7M every six months<sup>6</sup>. For State fiscal years 1996 through 1999, that is a staggering \$48M to \$56M! Deffenbaugh is curious as to the number of private sector applicants versus the number of public/non-profit applicants.

<sup>&</sup>lt;sup>2</sup> <u>Kansas Solid Waste Program Report, An Assessment of State Needs and Program Expenditures, Prepared for the 1998 Legislature, 1998, Appendix D, pg. D-3, KDHE-BWM</u>

<sup>&</sup>lt;sup>3</sup> <u>Kansas Solid Waste Program Report, An Assessment of State Needs and Program Expenditures, Prepared for the 1998 Legislature, 1998, Section 5 Recommendations, pg. 45, KDHE-BWM</u>

<sup>&</sup>lt;sup>4</sup> <u>A Financing Guide for Recycling Businesses: Investment Forums, Meetings, and Networks</u>, September 1996, U.S.EPA

<sup>&</sup>lt;sup>5</sup> <u>Financing Environmental Technology: A Funding Directory for the Environmental Entrepreneur,</u> November 1997, U.S. EPA Region 9

<sup>&</sup>lt;sup>6</sup> Landfill Tipping Fees, Revenues and Use, Background Information, November 1998, pg. 7, KDHE-BWM

- 4. Recent Advances by the Private and Public Sectors Relative to Financing Recycling Projects Suggests that the Role of Grant Funding Should be Revisited. With the implementation of the Subtitle D requirements over the last several years, many counties and municipalities across America have revolutionized the way they identify and report the true costs of solid waste management and recycling. This revolution has also been brought about in part by municipal budgetary pressures and efforts to privatize solid waste services. The U.S. EPA has undertaken substantial outreach efforts with the publication and transfer of information relative to so called "full cost accounting". After seven rounds of competitive grant awards, Deffenbaugh feels that it would be prudent to assess how grant funding to local units of government fits into the overall concept of full cost accounting.
- 5. Consideration Should be Given to Either Terminating Competitive Implementation Grants to the Private Sector, or Converting Grants to Low-Interest Loans. The current Kansas Solid Waste Management Plan states<sup>8</sup>:

"The program evaluation process also involves examining all uses for the solid waste management fund...An important part of this assessment is a look at existing grant programs. Based upon past successes (or failures), grant programs can be continued, terminated, or modified. Another consideration is whether grant programs should ultimately be replaced by low interest or no interest loans as many states have done. This transition could be very important if tipping fee revenues diminish due to higher waste recovery rates or less imported waste...".

Although it appears that some of the grant monies have supported worthy projects, Deffenbaugh feels that it would be worthwhile to take an objective look at the past successes and failures of the competitive implementation grants as suggested by the Kansas Solid Waste Management Plan prior to authorizing any increase in the tipping fee. Elimination of grants to the private sector or conversion to low interest or no interest loan programs may allow the Department to meet its budgetary constraints while at the same time preserving grants for the public/non-profit sector. Additionally, elimination of grants to the private sector would relieve the Department and the Governor's Grants Advisory Committee of a function that is more appropriately suited to private capital markets - namely, assessing the financial risks and rewards of proposed private sector recycling ventures.

In addition to the tipping fee increase contained in House Bill No. 2484, Deffenbaugh Industries is also concerned about <u>expansion of the fee</u> to wastes heretofore exempt from fees namely, tires, and waste shipped out of Kansas through transfer stations. These additional areas warrant further exploration prior to expanding the fee to new wastes (i.e., assess revenue and expense impacts, determine if fees are already collected for tires, etc.).

For these reasons, Deffenbaugh Industries urges the Committee not to support passage of House Bill No. 2484. Given the magnitude of these issues and the large dollar amounts

<sup>&</sup>lt;sup>7</sup> Full Cost Accounting for Municipal Solid Waste Management: A Handbook, September 1997, U.S. EPA

<sup>&</sup>lt;sup>8</sup> <u>Kansas Solid Waste Management Plan: A Decision-Maker's Tool for Kansas Officials and Private Service</u> Providers, December 1996, Executive Summary, pg. 7, KDHE-BWM, et. al.

involved, perhaps this issue would be well suited to objective study during an interim study committee.

Deffenbaugh Industries appreciates the opportunity to testify before the Committee today, and we would be more than happy to answer any questions at this time.

Very Truly Yours,

D. Sean White

cc: Ronald D. Deffenbaugh, President



# Kansas Solid Waste Program Report

An Assessment of State Needs and Program Expenditures

prepared for the 1998 Legislature



by
The Bureau of Waste Management
Kansas Department of Health and Environment



29-5

of in-state markets for recyclable materials is currently a priority, but if markets become better established in Kanthe focus of plan implementation grants could shift to other areas such as improved processing and/or transportation.

No. 8 - The Governor's Grants Advisory Committee should advise KDHE on the allocation of grant funds to the five different solid waste grant programs. Current statutes limit the committee's involvement to the competitive plan implementation grants. It may be appropriate to incorporate this responsibility into state law.

The Governor's Grants Advisory Committee met with KDHE in November 1997 to discuss important issues related to a strategic plan for plan implementation grants. Currently, this grant program consumes about three-fourths of all grant expenditures. The committee developed some preliminary ideas which will serve as the basis for preparing a strategic plan which will help themselves and KDHE cooperatively administer this grant program. The committee expressed a strong opinion that decisions to award these grants must never lose sight of the true goal or mission of this program which is:

"To provide financial assistance to startup or enhance local or regional projects designed to reduce the amount of waste being landfilled in Kansas."

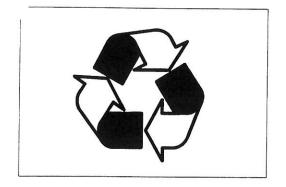
This goal can be accomplished by improving local efforts to collect, process, transport, or utilize diverted waste materials. Local governments and private parties can provide services to achieve this goal; thus both are eligible for grants under this program.

Part of the state's strategic plan must include efforts related to the development of information which enables the committee and KDHE to measure the benefits which are being realized by the projects which receive state financial assistance. Good **reporting** by grant recipients and **recordkeeping** by KDHE is necessary to monitor short and long-term project benefits. **Cost-benefit** calculations also yield valuable information for assessing whether certain types of projects should be supported by state funds.

Some preliminary observations that the Advisory Committee made and which may be incorporated into a final strategic plan include:

Grant recipients should learn to walk before they run.
Grants for new programs should be limited in scope and designed to stimulate the startup of operations. When experience is gained and needs are better understood, follow-up grants may be appropriate to expand operations. This philosophy means that multiple phases of grants are not only acceptable, they are desirable to result in the most efficient use of state funds and controlled growth in facility activities. This methodical strategy also allows the committee to make recommendations which are based upon the integration of projects which have regional or statewide

A strategic plan to guide KDHE and the Governor's Grants Advisory Committee will be completed in early 1998



City of Augusta Round #1 Award \$28,725 David Alfaro PO Box 489 Augusta, Kansas 67010 (316) 775-4510

The City of Augusta was awarded grant funds to establish a drop-off center for composting and recyclable materials, a mulching mower rebate program and a paper-only recycle bin/incentive program at each school. The city encountered various problems acquiring the land needed for the project and was given a six month extension until December 31, 1997. In order to develop the drop-off site, grant funding will be used for fencing, site work preparation, engineering, and a modified loader bucket for existing equipment.

Grant funding will also be used to provide a \$10 rebate to 250 qualified applicants for their purchase of a mulching mower or mulching blade. The city expects to eliminate 240 tons of yard waste from the waste stream. The rebate program combined with the drop-off site for compost and recyclables combined with related public education should reduce the entire waste stream by 8%.

Paper-only recycle bins will be placed in the seven local schools. Awards and other incentives will be given to the schools for the amount of materials collected. The goal is to generate additional education, interest, and participation in recycling.



Dickerson Recycling Center Round #1 Award \$52,411.50 Durand Dickerson PO Box 572 Leavenworth, Kansas 66048 (913) 651-7397

Dickerson Recycling was awarded grant funds to be used towards the purchase of a diesel truck, four storage trailers, a forklift, a computer and printer, a shredder, and advertising costs. Dickerson Recycling provides services for OCC pickup and recycling. The proposed grant project targeted the following areas: (1) schools in Leavenworth County to increase the recycling of mixed papers generated by the school district, (2) new military personnel and civilian residents in order to collect and recycle cardboard generated by moving, (3) businesses and current residents in order to provide OCC pickup on a continuous, daily basis, and (4) shredding/recycling of confidential materials from hospitals, banks, and government agencies.

Due to limited funding, Dickerson Recycling was not awarded the entire amount of its grant request. Based on the funds received, Dicerkson was able to accomplish the following: (1) serviced the schools for approximately one year, (2) offered a pickup service for new military residents from 4/96 - 2/97, and (3) offered a pickup service for local businesses from 4/96 - 2/97. Dickerson did not have the funds to provide the shredding service for confidential material.

The Dickerson Recycling grant is currently under review due to questionable expenditures made with grant funds.

Page D-3

1	9
	(1)
	N

		<b>-</b>		Project		A 0.10
Applicant	County	Date	Rnd #	Type	Grant Amount	
Lake Region SWA	11	FY 96	1	Public/N.P.		Recycling/Public Education for 6 counties
Jackson County	Jackson	FY 96	1	Public/N.P.		Recycling Center Expansion/Public Education
Gyp Hills Region SWA		FY 96	1	Public/N.P.		Regional Tub Grinder
Leavenworth County	Leavenworth	FY 96	1	Public/N.P.		Recycling at Transfer Station
City of Augusta	Butler	FY 96	1	Public/N.P.		Yard Waste Drop Off, Shool Recycle Progr.
* Dickerson Recycling Center	Leavenworth	FY 96	1	Private		Recycling Equip. Upbgrade/Public Educ.
Washington County	Washington	FY 96	1	Public/N.P.		Recycling Equipment
N. Central Recycling, Inc.	Cloud	FY 96	1	Public/N.P.		Recycling Center Equipment
Nemaha County	Nemaha	FY 96	1	Public/N.P.		Recycling Facility at Transfer Station
Johnson County Environmental Dept.	Johnson	FY 96	1	Public/N.P.		Public Education
City of Overland Park	Johnson	FY 96	1	Public/N.P.		Home Composter/Public Education
Sedgwick Co. Citizens for Recycling	Sedgwick	FY 96	1	Public/N.P.		Statewide Newsletter
City of Iola	Allen	FY 96	1	Public/N.P.		Compost/Mulching Facility
Bethpage Mission	Ellsworth	FY 96	1	Public/N.P.		Recycling Center Physical Plant/Education
City of Marysville	Marshall	FY 96	1	Public/N.P.		Chipper Machine and Truck Box
City of Kiowa	Barber	FY 96	1	Public/N.P.		Recycling Building and Baler
City of Fairway	Johnson	FY 96	1	Public/N.P.		Public Education
				17	\$908,590	
City of Olathe	Johnson	FY 97	2	Public/N.P.		Tub Grinder for Composting & Mulching
Heartland Waste Mngt., Inc.	Cowley	FY 97	2	Private		Baler, Trailer for Recycling
Mitchell County	Mitchell	FY 97	2	Public/N.P.		Bulding, Baler, Fork Lift
City of Dodge City	Ford	FY 97	2	Public/N.P.		Equipment Upgrades
Stevens County Landfill	Stevens	FY 97	2	Public/N.P.	\$54,500	Baler, Crusher, Lift, Trailer
Walsh Recycling	Cherokee	FY 97	2	Private	\$50,000	Recycling Bins, Public Education
City of Larned	Pawnee	FY 97	2	Public/N.P.	\$50,000	Building, Equipment, Education
Ottawa County Hospital	Ottawa	FY 97	2	Public/N.P.	\$47,000	Building, Demonstration
City of El Dorado	Butler	FY 97	2	Public/N.P.	\$47,000	Baler, Skid Steer, Chipper
Harper County	Harper	FY 97	2	Public/N.P.	\$43,295	Recycling Storage Facility
Surplus Exhange, Inc.	N.E. Kansas	FY 97	2	Public/N.P.	\$42,000	Truck & Equipment to serve Kansas
Crawford Co. Citizens for Recycling	Crawford	FY 97	2	Public/N.P.	\$36,000	Recycling Equipment
Meade County	Meade	FY 97	2	Public/N.P.		Baler, Loader, Renovations
City of Leavenworth	Leavenworth	FY 97	2	Public/N.P.		Recycling Equipment
Nemaha County	Nemaha	FY 97	2	Public/N.P.		Recycling Storage Facility
ABC Recycling	Leavenworth	FY 97	2	Private		Baler, Loader, Conveyor, Dock
City of Hays	Ellis	FY 97	2	Public/N.P.		Public Education
Sunflower Resource Conservation Div. Distr.		FY 97	2	Public/N.P.		Compost/Recycling Education
Commanche Co. Economic Development	Comanche	FY 97	2	Public/N.P.		Recycling Facilities
Jewell Co. Recycling	Jewell	FY 97	2	Public/N.P.		Recycling Equipment and Education
Decatur County	Decatur	FY 97	2	Public/N.P.		Composting, Education
City of Burden	Cowley	FY 97	2	Public/N.P.		Mini-Cyclers, Cardboard Bins
			( <del>177</del> )	22	\$920,872	
					+, <b>-</b> . <b>-</b>	

0
()
el

Amulianna	County	Date	Rnd#	Project Type	Grant Amount	Activity
Applicant JAWS Recycling	County Kearny	FY 97	3	Private		Rubble Hog for Constr. Demol. Recycling
Johnson County	Johnson	FY 97	3	Public/N.P.		Tub Grinders
·	McPherson	FY 97	3	Public/N.P.		Yard Waste Recycling Project
City of Lindsborg	Labette	FY 97	3	Private		Equipment to start Recycling Business
American Recycling Cntr.		FY 97	3	Public/N.P.		Recycling Operations Facility
City of Winfield	Cowley		3			Bins, Public Educ. for Backyard Composting
City of Shawnee	Johnson	FY 97	1000	Public/N.P.		
Greeley County	Greely	FY 97	3	Public/N.P.		Recycling Equipment, Public Education
First Step Recycling Foundation	Barton	FY 97	3	Public/N.P.		Public Awarness, Capital Equipment
City of Prairie Village	Johnson	FY 97	3	Public/N.P.		Brush Chipper
Pottawatomie County	Potawatomie	FY 97	3	Public/N.P.		Semi-truck Trailers for Recyclable Collect.
Kanopolis State Park	McPherson	FY 97	3	Public/N.P.		Public Education, Recycling Equipment
City of Andover	Butler	FY 97	3	Public/N.P.		Supplies, Equip. for Yard Waste Cmpstg.
Sedgwick Co. Citizens for Recycling	Sedgwick	FY 97	3	Public/N.P.		Recycling in Kansas Newsletter
City of Bazine	Ness	FY 97	3	Public/N.P. 14	\$1,004 \$721,020	Floor Scale to Weigh Recyclables
					Ψ/21,020	
Millennium Wood	Sedgwick	FY 98	4	Private		Establish Market for Waste Plastics
Derby Recycling & Transfer Station	Sedgwick	FY 98	4	Private	\$200,000	Yard and Wood Waste Processing Center
Recycle Solutions	Johnson	FY 98	4	Private	\$151,500	Recyclable Materials Collection Program
Concrete Recycle	Saline	FY 98	4	Private	\$123,600	Purchase Rock Crusher
City of Emporia	Lyon	FY 98	4	Public/N.P.	\$70,000	Recycling Facility
City of Lawrence	Douglas	FY 98	4	Public/N.P.	\$50,000	Enhance Recycling Facility/Public Education
Mr. Recycle	Phillips	FY 98	4	Private	\$50,000	Update Recycling Facility
Nemaha County	Nemaha	FY 98	4	Public/N.P.	\$40,000	Capital Equip. for existing Recycling Facility
City of Hays	Ellis	FY 98	4	Public/N.P.	\$37,337	Capital Equip. for existing Compost Oper.
Lane's Recycling	Grant	FY 98	4	Private		Capital Equip. for existing Recycling Oper.
C-ME Recycling, Inc. dba Kanza Composting	Saline	FY 98	4	Private		Windrow Turner
City of Merriam	Johnson	FY 98	4	Public/N.P.	\$29,014	Backyard Composting Bin Distribution
City of Garden City	Finney	FY 98	4	Public/N.P.		Capital Equip. for existing Recycling Oper.
Mouldings Cans 4 Cash	Brown	FY 98	4	Private		Equipment for existing Recycling Operation
City of Bel Aire	Sedgwick	FY 98	4	Public/N.P.		Wood Chipper & Baler
City of El Dorado	Butler	FY 98	4	Public/N.P.		Equipment for existing Recycling Program
City of Abilene	Dickinson	FY 98	4	Public/N.P.		Wood Chipper, Develop Newsletter
Meade County	Meade	FY 98	4	Public/N.P.		Skid Loader
City of Ness City	Ness	FY 98	4	Public/N.P.		Capital Equip. for existing Recycling Oper.
Rice Co. Hwy. Dept.	Rice	FY 98	4	Public/N.P.		Recycling Bins, Adverstising
Sedgwick Co. Ext. Serv.	Sedgwick	FY 98	4	Public/N.P.		Yard & Wood Waste Recycling Educ. Prog.
City of Clyde	Cloud	FY 98	4	Public/N.P.		Capital Equip. for existing Recycling Facility
Ottowa Co. Hospital	Ottawa	FY 98	4	Public/N.P.		Capital Equip. for existing Recycling Pacinty  Capital Equip. for existing Recycling Oper.
City of Kiowa	Barber	FY 98	4	Public/N.P.		Fork Lift
Oity of Nowa	Daibei	1 1 50	-+	24	\$1,269,751	I OIL LIL
Lake Region Solid Waste Authority	Ottawa	FY 98	5	Public/N.P.	\$100,000	Enhancements to Regional Recycling Program

0
0
K

				Project		
Applicant	County	Date	Rnd#	Type	<b>Grant Amount</b>	Activity
Shawnee County Recycling Dept.	Shawnee	FY 98	5	Public/N.P.	\$89,934	Compost turner
Christian Car Care	RO	FY 98	5	Public/N.P.	\$75,000	Truck and bailer for white goods
Hunter Recycling	Shawnee	FY 98	5	Private	\$65,000	Equipment to Enhance Recycling Facility
City of El Dorado	Butler	FY 98	5	Public/N.P.		Construction of Recycling Facility
Caring Ministry	Johnson	FY 98	5	Public/N.P.	\$35,000	Van and Used Forklift to Enhance Current Food Collection
Pratt County	Pratt	FY 98	5	Public/N.P.	\$35,000	Equipment to Implement Recycling Program
Sedgwick County	Sedgwick	FY 98	5	Public/N.P.	\$30,000	Public Education
City of Winfield	Cowley	FY 98	5	Public/N.P.	\$26,000	Wood Chipper for Composting Program
City of Leavenworth	Leavenworth	FY 98	5	Public/N.P.	\$25,000	Wood Chipper and Chainsaws
Waubaunsee County	Waubaunsee	FY 98	5	Public/N.P.	\$25,000	Equipment to Implement Recycling Program
City of Lawrence	Douglas	FY 98	5	Public/N.P.		Skid Loader
Marshall County/Marysville	Marshall	FY 98	5	Public/N.P.	\$20,137	Equipment of Enhance Current Recycling Program
City of Halstead	HV	FY 98	5	Public/N.P.		Equipment to Implement Composting Program
Sedgwick County	Sedgwick	FY 98	5	Public/N.P.		Skid Loader/Auger
Jewell County Solid Waste	Jewell	FY 98	5	Public/N.P.		Chipper/Glass Crusher/Public Education
City of Parsons	LB	FY 98	5	Public/N.P.		Wood Chipper
City of Bennington	ОТ	FY 98	5	Public/N.P.		Recycling Trailer
Meadows Elementary School	Shawnee	FY 98	5	Public/N.P.		Materials/Tools for Outdoor Environmental Classroom
Doniphan County	Doniphan	FY 98	5	Public/N.P.	\$8,200	Trailer/Sign/Public Education for Paper Recycling
City of Udall	Cowley	FY 98	5	Public/N.P.		Bin Trailer for Recycling
Pittsburg State University	Crawford	FY 98	5	Public/N.P.		Solid Waste Environmental Fair
City of Overland Park	Johnson	FY 98	5	Public/N.P.		Design & Constr. of Composting Demo Site
City of Olathe	Johnson	FY 98	5	Public/N.P.		Educational Materials for Curbside Recycling Program
City of Edwardsville	Wyandotte	FY 98	5	Public/N.P.		Wood Chipper/Public Education
Dodge City	FÓ	FY 98	5	Public/N.P.		Semi-Trailer for Recycling Program
Bethpage Mission	Ellsworth	FY 98	5	Public/N.P.	\$5,000	Floor Repair/Bins/Public Education for Recycling
Nemaha County	Nemaha	FY 98	5	Public/N.P.		Public Education
City of Kiowa		FY 98	5	Public/N.P.	\$1,445	Carts/Recycling Bins for Schools
•				29	\$749,980	•
D&R Enterprises	MI	FY99	6	Private	\$150,000	Purchase Mulcher to Recycle Constr. Waste
** Leoti Echoboard, LLC (canceled)	WH	FY99	6	Prvate	\$150,000	End Use Market for Waste Plastics - Plastic Lumber
Reno Construction	Johnson	FY99	6	Prvate	\$100,000	Purchase Wood Waste Processor
Republic Recycling Company	Shawnee	FY99	6	Prvate	\$90,000	Purchase Equipment for New Recycling Facility
City of Olathe	Johnson	FY99	6	Public/N.P.	\$60,750	Purchase Compost Turner & Equipment for Recycling
Morris County	Morris	FY99	6	Public/N.P.	\$60,000	Purchase Equipment for Recycling Facility
Thomas County Landfill, City of Colby	Thomas	FY99	6	Public/N.P.	\$40,000	Purchase Equipment for Compost Facility
Creative Composting Concepts	Cedar Rapids, IA	FY99	6	Public/N.P.	\$37,500	Backyard Compost Bin Distribution in Sedgwick County
Crawford County Citizens for Recycling	Crawford	FY99	6	Public/N.P.	\$32,500	Purchase Baler for Recycling Program
Bourbon County	Bourbon	FY99	6	Public/N.P.		Purchase Recycling Trailer
Garden City	Finney	FY99	6	Public/N.P.	\$30,000	Purchase Equipment for Recycling Program
Unified Gov't - Wyandotte	Wyandotte	FY99	6	Public/N.P.		Site Improvements to expand drop-off recycling program
Lane County Conservation District	Lane	FY99	6	Public/N.P.	\$28,320	Equipment and Building Renovation

	9
11	1
/	1
	•
E	X

Project								
Applicant	County	Date	Rnd#	Type	<b>Grant Amount</b>	Activity		
Wichita County Road & Bridge	Wichita	FY99	6	Public/N.P.	\$25,775	Purchase Equipment for Recycling Program		
Grant County Transfer Station	Grant	FY99	6	Public/N.P.	\$25,000	Purchase Equipment for Composting		
Kansas Surplus Exchange, Inc.	Shawnee	FY99	6	Public/N.P.	\$24,000	Purchase Vehicle for Recycling		
Bethpage/2nd Chance	Ellsworth	FY99	6	Public/N.P.	\$21,992	Purchase of Forklift for Recycling Facility		
Chase County Commissioners	Chase	FY99	6	Public/N.P.	\$21,000	Purchase of Wood Chipper		
City of Haysville	Sedgwick	FY99	6	Public/N.P.	\$17,500	Purchase of Wood Chipper		
City of Paola	Miami	FY99	6	Public/N.P.	\$17,500	Purchase of Wood Chipper		
City of Florence	MN	FY99	6	Public/N.P.	\$7,200	Purchase Equipment/Supplies for Compost Facility		
Pleasant Hill Elementary School	Shawnee	FY99	6	Public/N.P.		Equipment for Recycling, Composting, Education Program		
				22	\$1,000,122			
Poly Proximates, Inc.	Johnson	FY99	7	Private	\$120,000	Design and Construct Molds for Producing Virtual Shake		
City of Lawrence	Douglas	FY99	7	Public/N.P.	\$100,000	Purchase Tub Grinder for Composting Program		
City of Hayes	Ellsworth	FY99	7	Public/N.P.	\$80,000	Construct Building and Purchase Equipment for Recycling Program		
Thomas County Conservation District	Thomas	FY99	7	Public/N.P.	\$60,000	Constr. Building and Purchase Equipment to Enhance Recycling		
Osage City	OS	FY99	7	Public/N.P.	\$50,000	Constr. Building and Purchase Equipment to Implement Recycling		
City of Liberal	SW	FY99	7	Public/N.P.	\$50,000	Purchase Equipment and Public Education for Recycling Program		
Home Lumber	WS	FY99	7	Private	\$50,000	Purchase Rotochopper to recycle wood pallets		
R&S Recycling, Inc.	Blue Spgs, MO	FY99	7	Private	\$50,000	Purchase Truck & Trailer to Enhance Paper Waste Pickup		
Clay County	CY	FY99	7	Public/N.P.	\$41,000	Purchase Equipment to Establish Recycling Program		
City of Emporia	LY	FY99	7		\$40,000	Purchase Horizontal Baler for Recycling Program		
KT Wood Products	PL	FY99	7	Private	\$37,000	Purchase Equipment for Pallet Recycling Business		
Bourbon County	Bourbon	FY99	7	Public/N.P.	\$36,000	Purchase Chipper & Skid Loader to Implement Compost Program		
Christian Car Care	RO	FY99	7	Public/N.P.	\$35,000	Purchase Equipment to Enhance White Goods Program		
*** Village Presbyterian Church	Johnson	FY99	7	Public/N.P.	\$35,000	Purchase Truck and Pallet Jack for Food Collection Program		
City of Clay Center	CY	FY99	7	Public/N.P.	\$30,000	Purchase Wood Chipper and Compost Turner to Enhance Compost		
Republic County	Republic	FY99	7	Public/N.P.	\$29,000	Purchase Wood Chipper and Skid Loader for Compost Facility		
City of Fredonia	WL	FY99	7	Public/N.P.	\$25,700	Purchase Equipment to Expand Recycling Program		
Jaaam Enterprises	HS	FY99	7	Private	\$25,000	Construct Building and Purchase Equipment for Recycling		
Greeley County	Greeley	FY99	7	Public/N.P.	\$25,000	Purchase Glass Tumber, Chipper & Building Improvements for Recycling		
City of Chanute	NO	FY99	7	Public/N.P.	\$25,000	Purchase Skik Loader With Auger for Compost Facility		
2nd Chance Woods	Shawnee	FY99	7	Private	\$20,000	Purchase Equipment to Recycle Trees into Lumber & Usable Products		
Hunter Recycling	Shawnee	FY99	7	Private	\$20,000	Purchase Truck & Recycling Bins to Enhance Recycling Program		
Trees N More	Shawnee	FY99	7	Private	\$20,000	Purchase Equipment to Recycle Trees Into Lumber		
Park City	Sedgwick	FY99	7	Public/N.P.	\$17,500	Purchase Brush Chipper		
City of Andover	Butler	FY99	7	Public/N.P.	\$17,500	Purchase Brush Chipper for Compost Facility		
Riley Counter	Riley	FY99	7	Public/N.P.		Purchase Trailers for Recycling Program		
City of Buhler	RN	FY99	7	Public/N.P.	\$10,256	Purchase Recycling Trailer		
Wallace County Recycling	Wallace	FY99	7	Public/N.P.	\$10,000	Construct Building for Recycling Program		
City of El Dorado	Butler	FY99	7	Public/N.P.	\$8,500	Outdoor Education Center for Recycling and Composting Program		
Ottawa County Health Center	Ottawa	FY99	7	Public/N.P.		Purchase Recycling Equipment and Implement Compost Equipment		
City of Bennington	OT	FY99	7	Public/N.P.		Purchase Storage Building, Glass & Can Crushers for Recycling Program		
Dodge City	FO	FY99	7	Public/N.P.		Purchase a Glass Crusher for the Recycling Program		

13
1
0
16

Applicant Pleasant Hill Elementary School Clifton-Clyde Junior College	County Shawnee CY	Date FY99 FY99	<b>Rnd #</b> 7 7	Project Type Public/N.P. Public/N.P. 24		Purchase Steel Can Crusher and Supplies to Construct Compost Bins Purchase Recycling Bins
Total Number of Grants:	152			Total:	\$6,676,948	100%
Total Number of Grants to Private Sector: Total Number of Grants to Public/N.P. Sector: Avg. Magnitude of Private Sector Grant: Avg. Magnitude of Public/N.P. Sector Grant:	\$85,330			Private: Public/N.P.	\$2,389,236 \$4,287,712	36% 64%

#### DATA SOURCES:

- 1.) "Kansas Solid Waste Program Report, An Assessment of State Needs and Program Expenditures", prepared for the 1998 Legislature by The Bureau of Waste Management, KDHE
- 2.) "Solid Waste Update", Volume 2, Number 1, The Bureau of Waste Management, KDHE
- 3.) KDHE World Wide Web Page, http://www.kdhe.state.ks.us/waste/
- 4.) summary tables of grants awarded during Round #6 and Round #7, The Bureau of Waste Management, KDHE

#### NOTES:

Grants designated as "Private" are based on the name of the grant applicant only and may not be inclusive of all grants awarded to private sector entities.

- \* The grant to Dickerson Recycling Center awarded during Round #1 was identified by KDHE as "currently under review due to questionable expenditures made with grant funds" see page D-3 of Source 1. above
- \*\* The grant to Leoti Ecoboard, LLC awarded during Round #6 was indentified by KDHE as being "canceled", why?? see Source 4. above
- \*\*\* The grant to Village Presbyterian Church awarded during Round #7 was identified by KDHE as "purchase truck and pallet jack for food collection program" does this activitiy have sufficient nexus to solid waste and recycling issues?? see Source 4. above



### **Environmental Finance Center Network**

### EPA Region 9 - California State University at Hayward

# Financing Environmental Technology: A Funding Directory for the Environmental Entrepreneur

The Environmental Finance Center, Region 9 at California State University, Hayward has produced the document Financing Environmental Technology: A Funding Directory for the Environmental Entrepreneur. The report contains seven sections including a discussion of the environmental technology industry, barriers to financing, and financing options from both the public and private sectors. There are also charts and appendices.

The <u>Table of Contents</u> for the report and the <u>Introduction</u> are provided on this page. For further information, please contact Sarah Diefendorf, Region 9 EFC Assistant Director at (415) 561-6000/1.

Note: This report has not been reviewed for approval by the U.S. Environmental Protection Agency and hence, the views and opinions expressed in the report do not necessarily represent those of the Agency or any other agencies in the Federal Government.

# FINANCING ENVIRONMENTAL TECHNOLOGY A FUNDING DIRECTORY FOR THE ENVIRONMENTAL ENTREPRENEUR

Produced by
The Environmental Finance Center, Region IX
and
The Alameda Center for Environmental Technologies

**Table of Contents** 

INTRODUCTION

State of the Industry in This Report

Section I: BARRIERS TO DEVELOPMENT

House Environment 3-18-99 ATTACK MENT 30 Path to Development Barriers to Obtaining Financing - Technology Producers Barriers to Obtaining Financing - Technology Users

#### Section II: FUNDING OPTIONS

Debt or Equity
Bootstrapping
New Partners
Angels
Lenders, Loans and Credit
Private Placements
Closed-end Investment Companies
Corporate Capital Services
Other Opportunities

#### SECTION III: VENTURE CAPITAL

Venture Capital
Venture Capital Fund Structure
The Nature of the Firm
Due Diligence
Venture Capital Industry Models
Stages of Investment
The Market
And Finally......Management! Management! Management!
Prospects: Venture Capital and the Environmental Industry
Filling the Gap
Facilitating Technology Transfer - A Model
Educating the Market
A Financial Model

#### SECTION IV: PRIVATE FUNDING SOURCES

Capital Source Networks
Online Networks
Forums and Fairs
Other Networks
Socially Responsible/Environmental Investment Funds
Environmental Investment Management Firms
Environmental Venture Capital
Other Opportunities
Socially Responsible Banks and Credit Unions
Private Programs

#### SECTION V: FEDERAL GOVERNMENT PROGRAMS

U.S. Small Business Administration

Other Federal Programs

Department of Energy

**Environmental Protection Agency** 

Department of the Interior

National Oceanic and Atmospheric Administration

Department of Agriculture

National Ocean Service

Department of Defense

Department of Commerce

Other Opportunities

Technology Demonstration for the DOE

#### SECTION VI: CALIFORNIA GOVERNMENT PROGRAMS

California Business Environment Assistance Center (BEAC)

California Council on Science & Technology (CCST)

California Dept. Of Commerce California Loans for Environmental Assistance Now

California Energy Commission Energy Technology Advancement Program

California Franchise Tax Board (FTB) R&D Exemption

California Franchise Tax Board (FTB) R&D Tax Credit 92 Sunset Idea to Market

Office of Small Business Hazardous Waste Reduction Loan Guarantee Program

California Air Resources Board Small Business Assistance Program

California State Department of Toxic Substances Control Office of Pollution Prevention and

**Technology Development** 

California Remedial Technology Assessment Program

California Environmental Technology Center

#### SECTION VII: INTERNATIONAL OPPORTUNITIES

Why Take the Chance?

The International Market for Environmental Technology

US Competitiveness

Federal Programs

United States-Asia Environmental Partnership (USAEP)

Department of Commerce

Export-Import Bank of the U.S.

Small Business Administration

United States Agency for International Development

U.S. Environmental Protection Agency

California State Programs

Private Funds and Programs

Other Opportunities

#### APPENDIX A:

CALIFORNIA EXPORT ASSISTANCE LISTINGS

#### APPENDIX B:

KEY CONTACTS WITHIN THE U.S. DEPARTMENT OF COMMERCE

APPENDIX C:

MAJOR ENVIRONMENTAL TECHNOLOGIES INDUSTRY ASSOC.

APPENDIX D:

RESOURCE GUIDE FOR SMALL BUSINESSES

APPENDIX E:

**GLOSSARY OF TERMS** 

APPENDIX F:

SELECTED FEDERAL PROGRAMS RELATED TO ENVIRONMENTAL TECHNOLOGIES

APPENDIX G: BIBLIOGRAPHY:

**INDEX** 

# INTRODUCTION FINANCING ENVIRONMENTAL TECHNOLOGY

As a technology developer moves along the successive stages of growth, capital needs rise substantially, but capital availability does not. The initial sources of funding are usually depleted before the entrepreneur has a final model, plunging the entrepreneur on the "Valley of Death". (Bridging the Valley of Death. Environmental Protection Agency, 1994)

#### The State of the Industry

The following report provides a discussion of the environmental technology industry, barriers to financing, and financing options from both the public and private sectors. There are a great many options presented in this report from environmentally minded ventue capitalists to socialy responsible investors and bankers. There are a good number of public sector programs and a variety of private individuals and institutions who are interested in the environmental industry. This does not mean, however that money is easy to come by. The environmental technology industry suffers from a number of barriers to financing that have put a hold on growth and innovation. For the most part, the environmental technology industry in the United States is slowing while other countries, namely Germany, the UK, France and Japan, may quickly pass us by.

Both the Federal and State government have recognized the value of the environmental technology industry, and have implemented a variety of programs to help finance entrepreneurs hoping to "Bridge the Valley of Death." Unfortunately, many of the problems that the industry faces stem from regulations which offer no incentive to invest in new and innovative technology. In addition, the official testing and permitting procedures for environmental technology are costly and time consuming, and a drain on an industry that already faces a dearth of investment dollars.

This should not, however, discourage the determined entrepreneur, because there *are* financial resources available with diligence, hard work and a willingness to innovate. The competition is stiff, but the market is large and growing worldwide. In the Bay Area, environmental technology is a

growth industry, and in California there are numerous environmental technology incubators and small business development facilities to help the entrepreneur achieve his goals. The industry is by no means poised for take-off. Environmental technology will not capture the venture capital industry in the near future. There are a great many barriers at the governmental level which need to be dismantled, but there are options and opportunities as presented in this report.

#### In This Report

Section I proceeds with an overview of the barriers facing the industry from poorly enforced regulations, to reluctant buyers and fearful bankers. Section II presents a variety of funding options for the small environmental business. Starting with the concept of bootstrapping (or "sweat equity"), Section II leads the entrepreneur through a host of standard alternative including angels, venture capital, loans, factoring and private placements. This section then concludes with a few less conventional opportunities such as investment clubs and margin accounts. Section III concludes the discussion of funding options with an in-depth look at venture capital.

If you consider yourself well versed in the types and options for funding, you may want to jump immediately to Section IV which introduces the small business owner to the real meat of this report, actual funding sources. Section IV includes names and addresses for capital source networks, venture and investor fairs, online capital opportunities, environmental investment funds and managment firms, environmental venture capital firms and socially responsible banks and credit unions. Section V continues with Federal Government Programs from the Small Business Administration, Department of Energy, Environmental Protection Agency, and so on.

If you are looking for financing from the State of California, Section VI introduces you to a variety of California Government Programs such as the California Environmental Technology Center, the California Council on State and Technology and the California Department of Commerce Loans for Environmental assistance. In Section VII, this report offers an overview of International Exporting Opportunities sponsored by both the State and Federal programs. Finally, if you're looking for special contacts or a definition for a specific banking term, check out the Appendices where you will find a useful Glossary of Terms, A Resource Guide for Small Businesses, Major Environmental Technologies Industy Associations, Key Contacts Within the US Department of Commerce, and California Export Assistance Listings.

[ EFP Home | Search EFP | Browse | Search EPA | EPA Home ]

Send Comments to: efin@epamail.epa.gov

11/12/97

URL: http://www.epa.gov/efinpage/reg9fet.htm



# A Financing Guide for **Recycling Businesses:**

Investment Forums, Meetings and Networks

Printed on paper that contains at least 20 percent postconsumer fiber.

## **Table of Contents**

CHAPTER 1: INTRODUCTION AND OVERVIEW	1
The Value of Recycling Businesses	1
Access to Capital: A Small Business Concern	
The Need to Finance Recycling Innovation	
How This Guide Can Help	
110 / 1110 Out 110 p	
CHAPTER 2: RECYCLING BUSINESS PLANNING	4
Executive Summary	4
Company Mission	
Company Overview	6
Management Team	
Marketing Strategy	
Operations Design	
Financial Overview	
Contingency Options	
Confidentiality	11
Conclusion	11
Business Planning Resources	13
CHAPTER 3: BUSINESS FINANCING STRATEGIES	12
Debt and Equity Financing—Multiple Options	
Debt Financing Tips	
Individual Investors—Family, Friends, and "Angels"	16
Financing Strategies	
Legal Structures for Equity Investments	
Equity Financing and Securities Laws	
Regulation A Offerings	
Private Offering under Section 4(2), Securities Act and Regulation D, Rule 506	
Regulation D, Rule 505 Offerings	
Regulation D, Rule 504 Offerings/Small Corporate Offering Registrations (SCORs) or U-7 Offerings  The Pacific Stock Exchange's SCOR Marketplace	
SCOR Offering Limitations	
Conclusion	
Financing Resources	
I III III III E TOSOUI COS	/1

### Table of Contents (continued)

CHAPTER 4: RECYCLING INVESTMENT FORUMS	25
Background	25
The Potential Benefits of Recycling Investment Forums	
Recruiting Presenting Businesses	
Selecting "Presenting" and "Displaying" Businesses	
Polishing Company Presentations	29
Recruiting Investor Attendees	30
Forum Agenda and Logistics	
Forum Registration and Attendance	32
Forum Sponsorships	33
Sample Recycling Investment Forum Budget	33
Legal Precautions	33
Forum Evaluation	34
Limitations of Recycling Investment Forums	35
Conclusion	35
DIRECTORY	
Investment/Entrepreneurial Meetings	
Investment Networks	
National Finance and Business Development Organizations and Federal Finance Programs	40
Value to Recycling Businesses	
Using the Directory	
Region 1: New England	43
Region 2: New Jersey and New York	45
Region 3: Mid-Atlantic	48
Region 4: Southeast	51
Region 5: Great Lakes	
Region 6: Southwest	60
Region 7: Midwest	
Region 8: The Great Plains	65
Region 10: Northwest	
Region 10. Horimwest	/0
National Finance and Business Development Organizations	
Federal Government Business Financing Programs	74

## Acknowledgments

A Financing Guide for Recycling Businesses: Investment Forums, Meetings and Networks (EPA 530-R-96-012) was commissioned by the Recycling Advisory Council of the National Recycling Coalition (NRC), sponsored by the United States Environmental Protection Agency (EPA) and prepared by KirkWorks. The National Recycling Coalition is a national non-profit organization committed to the common goal of maximizing recycling in order to achieve the benefits of resource conservation, solid waste management, environmental protection, energy conservation, and social and economic development. KirkWorks is an economic development firm which conducts research and programs to foster entrepreneurial growth in the recycling and environmental industries. David Kirkpatrick of KirkWorks is the author of this publication.

Many individuals contributed to this project. Ken Sandler at the EPA and Edgar Miller at the NRC provided excellent collaboration for the publication. Sally Fessler and Stephanie Finn conducted primary research and writing for the directory and were essential to the Guide's completion. David Buchholz of Good Works, Amy Schoch and Will Ferretti of the New York State Office of Recycling Market Development, Mary Ann Remolador and Ed Boisson of the Northeast Recycling Council, Truett DeGeare at the U.S. Environmental Protection Agency, Gregory Dean at the U.S. Small Business Administration, Walter Daniels of Daniels and Daniels, Bill Wetzel of the Center for Venture Research at University of New Hampshire, Rollie Tillman of the UNC Kenan Flagler School of Business, and Loch McCabe of the Environmental Capital Network all graciously assisted with reviewing sections of the Guide. Finally, the organizations listed in the directory in Chapter 5 provided information on their programs as well as useful referrals and suggestions.

The U.S. Environmental Protection Agency (EPA) provides this document for informational purposes. Provision of this guide by EPA does not constitute endorsement or recommendation for use of the businesses, products or services listed or described in this document.

For more information on the details of this publication, please contact:

National Recycling Coalition 1727 King Street Alexandria, VA 22314 Tel (703)683-9025 Fax (703)683-9026 KirkWorks
P. O. Box 15062
Durham, NC 27704-0062
Tel (919)220-8065
Fax (919)220-9720
Email: Dkirkwks@igc.apc.org

## **Chapter 1: Introduction and Overview**

Access to capital is a significant barrier to the growth of new and expanding recycling enterprises. This publication is designed to make the process of identifying and securing new sources of capital for these ventures more efficient.

The Value of Recycling Businesses

Fostering recycling entrepreneurship can strengthen our country's economy and environment. New recycling companies are inventing ways of recovering and reusing more and more of the materials that we previously wasted. In the process, they are creating jobs and wealth in our communities. They are ensuring that all of the materials collected from our homes and businesses are productively remanufactured. They are also making all of our industries and nation more self-reliant and efficient.

Helping recycling ventures succeed is a worthy goal, which can be achieved through many different strategies. This Guide is designed to help these businesses identify and obtain the capital needed for growth.

#### Access to Capital: A Small Business Concern

Recycling companies are not unique in having difficulty finding the funds to start up and expand. Indeed, "improving capital formation" is a perennial top priority of small and entrepreneurial business participants in the ongoing White House Conferences on Small Business. The 1995 Survey of Small and Mid-Sized Businesses by Arthur Andersen's Enterprise Group and National Small Business United found that 23% of existing small and mid-size companies could not obtain adequate financing in 1995. The survey further

documented that new or growing companies face financing problems at every phase of their expansion. The Federal Reserve Bank also has documented that the existing financing system in the United States ranges from limited financing options for small businesses to a well organized system for large businesses.<sup>2</sup>

#### The Need to Finance Recycling Innovation

Access to capital is often even more difficult for small and emerging companies in the recycling industry. Financiers are wary of any venture in a relatively new or unfamiliar industry and for which standardized bench marking data is not available. Some investors also may be concerned about the volatility of the markets for certain recovered materials and the ability of unproven recycling companies to ensure reliable and growing profitability. Finally, potential providers of capital may assume that recycling companies are relying for business success on governmental regulations that may be changed or weakened at the whim of the legislative process.

Although these concerns have been addressed by many recycling, composting, reuse and remanufacturing enterprises,<sup>3</sup> they still represent obstacles to the entrepreneurial growth of this industry. In a 1994 survey of recycling enterprises in North Carolina, 38% of responding companies cited "limited access to capital" and 29% listed "cash flow problems" as their main obstacles to growth.<sup>4</sup> Similar research in other states has

composting of recovered materials.

1

<sup>&</sup>lt;sup>1</sup> The White House Conference on Small Business—Issues Handbook, Office of Advocacy, U.S. Small Business Administration, April 1994, p. 17.

 <sup>&</sup>lt;sup>2</sup> Smith, Brad, WBS&A, Ltd. Strategic Consulting Services, "Capitalizing a Small Business Using SCOR Seminar" speech, Houston, Texas, January 25, 1995.
 <sup>3</sup> Throughout this document, "recycling company" is used to refer to a business involved with the reuse, recycling or

<sup>&</sup>lt;sup>4</sup> Kirkpatrick, David, *North Carolina Business Study*, NC Office of Waste Reduction and Self-Help, 1995, p. 15.

identified enhancing access to capital as a key to fostering the growth of recycling companies, especially start-up and small expanding companies developing new products, services, and markets.

Fostering access to capital is particularly important for those start-up and small firms that provide much of the innovation in the emerging recycling industry. Raising smaller amounts of funds for young companies is often more difficult than raising larger amounts for more established firms. However, recycling innovators can take tips from other successful business sectors on capitalizing their businesses.

Entrepreneurs and economic developers can utilize a portfolio of approaches to meet business financing needs. As this Guide explains, these can include thorough business planning, the Small Corporate Offering Registrations (SCORs) and other financing structures, and investment forums and networks. Other sources not extensively discussed in this Guide, but which have an important role to play, include: banks, recycling loan funds and governmental finance programs. Together, these strategies and resources can ensure that sufficient capital allows the recycling industry to sustain its growth and innovation.

#### How This Guide Can Help

This guide was developed to be a resource for recycling entrepreneurs and economic developers who work to foster the recycling industry. It presents new strategies that have been developed to make capital markets work more efficiently for small companies in general and recycling companies specifically.

This publication is not intended to serve as a stand alone business financing manual. However, the Guide does provide references to several excellent publications that effectively serve that purpose, in the "Resources" section at the end of Chapters 2 and 3. In the end of Chapter 5, the Guide also lists associations of small business centers, financial associations, incubators and other service providers that can provide business

planning and financing assistance in a company's region.

The particular contribution of this Guide is to highlight innovative approaches to fostering capital formation for emerging companies that have developed recently and are not widely known. These include investment forums, meetings and networks, as profiled in Chapters 4 and 5, as well as new equity financing structures, such as the SCORs profiled in Chapter 3.

This guide does not focus extensively on debt financing. However, the reader is directed to some of the U.S. Small Business Administration's fine resources on this topic in Chapter 3.

A summary of the contents of each chapter is provided below.

Chapter 2: Recycling Business Planning, focuses on the building and documenting of business strengths necessary for a recycling enterprise to attract significant investment. The chapter is addressed to the entrepreneur who is writing a business plan. Areas that should be addressed in the plan include the company's mission and history, the management team, marketing, operations and financing.

**Chapter 3: Business Financing Strategies** provides entrepreneurs and economic developers ways to identify a wide range of potential financial partners for recycling companies. The important role that individual "angel" investors can play in meeting the equity demands of expanding companies is highlighted. Costeffective methods for capitalization are also reviewed, including sales of company securities complying with Securities and Exchange Commission (SEC) small business exemption regulations. Small Corporate Offering Registrations (SCOR offerings), in particular, are highlighted as one increasingly popular means for entrepreneurs raising less than one million dollars per year to attract a broad range of smaller, private investors.

Chapter 4: Recycling Investment Forums provides recommendations for economic developers and prospective forum organizers on the design of recycling-specific investment forums, based on the earlier *Recycling Venture Forum Study*, the Southeast Recycling Investment Forum conducted in November 1995 and the Northeast Recycling Investment Forum conducted in May 1996.

Chapter 5: Investment Forum, Meeting, Network and Association Directory provides a listing of more than 100 investment forums, meetings and networks that have developed across the country to help entrepreneurs, investors and service providers find compatible partners. Contact information and brief descriptions are provided for each organization. The event descriptions help to give entrepreneurs and economic developers an understanding of the many strategies that have evolved for fostering small business capital formation and entrepreneurship across the country. The chapter concludes with a listing of national financial and entrepreneurial trade associations and federal government finance agencies.

### **Chapter 2: Recycling Business Planning**

A good business plan is important to obtaining financing for a new or growing recycling company. A written plan can help an entrepreneur explain to a financier how a loan or investment will be repaid and rewarded. In addition, the plan can be a document that the management team, advisers, board and staff work together to develop. The business plan can continue to provide strategic focus and coordination for the marketing, operating, financing and staffing activities of the growing business. While some recycling entrepreneurs have been able to succeed while making decisions based only on their business instincts, having a written plan can help to ensure sustained and continued success.

The business' founder, owner or chief executive should write the business plan, with input from other company team members. Consultants, government agencies and software programs can provide suggested templates and advice on different sections. However, just as the founder "owns" the company, he or she should "own" and take responsibility for writing and carrying out its plan for success. By developing the plan, the entrepreneur can make some of the potential mistakes on paper, instead of in practice. The plan and its projections can become yardsticks for measuring the progress of the company.

Finally, the business plan should be a living document, in a loose-leaf notebook and computer files that are revised annually or more frequently as circumstances change. Staff hiring, fixed asset purchases, marketing activities, new facilities, financing actions and budgets should all be consistent with the business plan. If the entrepreneur is making decisions that are out of step with the plan, he or she may indeed be on the right track, given a change in the company's environment. However, the discipline of going

back and revising the plan will help to point out unforeseen effects of a change in company strategy.

Ask for advice about your business plan from your accountant, lawyer, business partners, board members and consultants. Several books and software packages have been developed to help entrepreneurs in writing their plans. A few are listed in the Resources section at the end of this chapter.

Provided below is a brief overview of the important sections of a recycling business plan and some of the questions each section should answer. Depending on the size, type and stage of a business, some sections of the plan can be more or less extensive. Developing the business plan should not be seen as a big task separate from starting or running a business. Rather, developing the plan should involve compiling the market, management, operational and financial information necessary to the business into one well-organized document.

The remainder of this chapter is written as if addressed to an entrepreneur who is compiling and writing the business plan for his or her recycling company. The business plan sections are divided as shown in Figure 2-1.

#### Executive Summary

In the executive summary, you should concisely communicate the nature of your business and why investors or partners should want to be involved. Investors sometimes receive stacks of business plans each week. You have to quickly catch their interest and convince them that your company deserves a second look.

Write the executive summary after all other sections of the plan are completed, highlighting:

#### Figure 2-1 Recycling Business Plan Sample Table of Contents

## Executive Summary Company Mission

Mission Statement Goals and Objectives

#### Company Overview & Management Team

Legal Business Description
Management Team
Board of Directors, Strategic
Partners
Products and Services
Upcoming Product Developments
Proprietary Technologies or
Processes

#### Marketing Strategy

Market Definition, Customer Profile Competition, Risk Factors Market Research and Testing Sales, Distribution, Promotions Sales Projections

#### Operations Design

Facilities and Equipment Personnel Information and Quality Systems

#### Financial Overview

Historical Financial Statements
Projected Financials and
Assumptions
Capital Requirements
Exit and Payback Strategy

#### **Contingency Options**

Worst Case Scenarios Potential Company Responses

#### Conclusion

Supporting Documents

- Business Mission and Description—What business are you in? Why? What unique products or services do you offer?
- Marketing—Who will be your customers? How will you increase your sales to them?

- Operations—What facilities, equipment and personnel resources will allow you to fulfill these sales?
- Management Team—Who are the founders and owners? How will this team be strengthened as the growing business demands new skills?
- ♦ Finances—How have you and how will you perform financially? What do you need from lenders or investors to meet your business goals?

#### Company Mission

What is your business? You should be able to answer this question succinctly enough to pass the "elevator test." That is, can you tell an investor or banker what your business is while you are riding the elevator to his or her office?

Remember that just being in the recycling or environmental business is not enough. Indeed, for some financiers, your being a recycler may initially be a drawback. Instead, explain why your company is or will be successful with its customers. For example,

- "We supply automotive rubber product manufacturers with above-spec crumb rubber at below market prices."
- "We provide integrated janitorial and recycling services to office property managers that are the most cost-effective in the metropolitan region."
- "We market ecological, recycled-content, trendy apparel to Generation X'ers through mall retail outlets."

Many nonprofit organizations develop a mission statement to provide guidance for their board of directors and staff and to ensure that decisions are consistent with their charitable or educational mission. Private businesses may not think a mission statement is really important—after all, isn't the real mission just to be profitable? Yes, but most businesses achieve profitability by following a founding vision or mission that

provides a unique service to their customers and society. Most small business owners don't put this in writing, but they intuitively run their business in concert with their purpose, vision or mission.<sup>5</sup>

Writing out the mission statement allows for investors, employees and even customers to help buy into the excitement of the founder and entrepreneur. An example could be:

Clean and Green's mission is to provide excellent and inexpensive janitorial and recycling services to office property managers thoughout the New York metropolitan region. We make offices clean and green by providing efficient, integrated services that ensure that all discarded paper, cardboard, bottle, can and organic materials are recycled or composted. By using only nontoxic, natural cleansers, we ensure that each morning, our clients arrive in offices that are clean and healthy work environments.

#### Company Overview

The company overview can include basic information on:

- Company history—founding date, achievements, predecessor companies
- Company legal status—sole proprietorship, partnership, corporation or limited liability company
- ♦ Company founders, managers, investors and board of directors
- ♦ Current and projected facility locations
- Company products and services, including descriptions and diagrams, benefits, stage of development and patent or other proprietary protections (A more thorough, separate

Products and Services section can be included in the business plan, as well.)

#### Management Team

When equity investors are asked what is most important in their decision to invest in a company, they usually start off with the people—the owners, founders or management team. Indeed, as noted in Figure 2-2, some of the primary reasons that individual investors reject deals involve management. For bankers and lenders, also, the company's leadership team and its track record are critical in deciding to make a loan.

## Figure 2-2 Deal Rejection Reasons for Individual Investors<sup>6</sup>

Rank: Reason:

- 1) Venture's chances for growth seemed limited
- 2) Inadequate personal knowledge of firm's principals or key personnel
- 3) Firm's management lacked experience or talent necessary for success
- 4) Proposed value of firm's equity was unrealistic
- 5) Did not coincide with Angel's long-term investment objectives
- 6) Venture concept needed further development
- 7) Not enough time for adequate appraisal
- 8) Insufficient information provided
- 9) Unable to assess technological aspects

Many business plans try to address the strengths of management by providing pages and pages of resumes. Although resumes are important, and can be included in an appendix, it is more vital to give the reader a feel for yourself and your team and your commitment to the business. Try to

<sup>&</sup>lt;sup>5</sup> For an eloquent description of mission-driven businesses, see *Growing a Business* by Paul Hawken, 1987, Fireside, Simon & Schuster.

<sup>&</sup>lt;sup>6</sup> Responses from nationwide survey of individual investors as reported in Gaston, Robert J., *Finding Private Venture Capital For Your Firm*, John Wiley & Sons, 1989, p. 91.

answer the following questions in a unique and persuasive manner:

- Who are the founders, active investors, key managers, directors and important advisors for the company? What experience do these people have in starting up and expanding companies in your industry?
- Why did you get into this business? What excites you and your team about the opportunities in this market?
- How will your company be organized? What roles will the directors and key managers play? What organizational structure best matches the needs of the company at this stage of development?
- Why is an investor likely to reap rewards and minimize risks by going with your company's team instead of somebody else's?

If you have not recruited and employed all of the managerial talent you will need to carry out the next immediate phase of your business plan, explain your plan for doing so. That is, assume that you are planning to market a recycled-content retail product to mass merchandisers and do not yet have experienced marketing staff. Then, lay out a plan for hiring a marketing manager with the appropriate experience or for contracting for these marketing services. Similarly, demonstrate that you have or will recruit and pay for the necessary expertise in the finance and operations areas.

Finally, how about the CEO? Who will make sure the business meets and exceeds business plan and financial targets? If you are the founder, inventor or visionary for the company, don't necessarily assume that you should always be the chief executive officer. Often very different personalities and skills are needed to have the vision to invent a unique product or service and to manage a company's successful growth. If you are initially successful, your company can outgrow your talents.

Take a management and vocational aptitude test and objectively assess whether you are the best person to lead the company. If not, recruit a CEO or business manager with the requisite skills, or show in the business plan at what stage such talent will be recruited. Even if it means giving up some of your ownership stake in the company, such humility and realism in assessing your strengths and weaknesses can help to ensure long-term success for a venture.

Succinctly communicating the skills, experience and motivation of the founders and management team does not just happen in the business plan alone. When seeking investors or lenders, nothing can substitute for direct personal contact. A young entrepreneur whose experience looks thin on paper may have such drive and determination in person that she or he inspires an investor to become a partner.

Referrals are essential to widening your realm of contacts. Always try to have a referral source when contacting a financier, rather than making a cold call. Venture capital partners and active individual investors often get so many business plans, that they do not give them a second look unless the company has been referred to them by a reputable attorney, accountant, entrepreneur or investor.

#### Marketing Strategy

After your management team, the market for your company's products or services is the most important concern for many investors. You may be tempted to focus on a unique technology or service strategy you are using, without paying enough attention to how you are serving your customers. If you have invented an automated container sorting device that is technically elegant, but too expensive for processors to purchase, you will not have a successful business. Rather, the focus of your marketing and business plan should be on the unique value you provide to your customers, i.e., a cost-effective system for generating marketable commodities from commingled recyclable streams. Your marketing and business strategy should be built around providing your current and new customers with a

unique value that they cannot get from your competitors.

Some of the specific questions the marketing section of your business plan should cover include:

- How are your products and services uniquely suited to meet customer needs?
- What market research or testing have you done to verify customer interest in buying your products or services? How many current or prospective customers have been interviewed? What directions did this research indicate for future offerings?
- What is the strategy behind your choices of product or service design, pricing, locations and marketing activities?
- What are your competitors' strengths and weaknesses vis-à-vis your company's, and how will your marketing efforts exploit your advantages and minimize disadvantages?
- How much are you relying on the "green" or "recycled" features of your products or services to sell them? Are your offerings better than those of competitors without considering environmental benefits?
- What is the total market for your product and service? How is this total market segmented? Which particular market segments will your company pursue?
- What are the marketing expansion plans for the company? Will you keep the same product or service and offer it to a broader range of customers? Or will your company develop new products and services to offer to existing customers? Will you try to do both, and if so, how will you keep from becoming overextended?
- What are the sales projections for the company in the coming years? That is, how much of which products and services will be sold to how many customers in each period? What market share does this represent and

- how does this compare to your existing share and those of your competitors?
- What assumptions are your sales projections based on? What are worst and best case scenarios—i.e., if your products gain wider acceptance more quickly or if an unexpected, tough competitor enters your market?

These questions are just a few of those addressed in thorough market analyses and marketing plans. These sections can address more detailed issues of marketing and sales strategies, distribution channels, advertising and promotions, and public relations. As the company grows, management will need to continue to develop its marketing expertise and planning.

#### Operations Design

Once you have told your reader who you are, what you do and to whom you are going to sell, the next question is: Can you do it? That is, can the company deliver the products and services to the customer on time, at the right price, in the quantities desired and of a quality that meets or exceeds the customer's expectations?

Managing a growing recycling operation requires expertise in personnel, equipment, facilities, information systems, shipping and materials flow. Your plan should demonstrate that your team has thought through what will be needed to meet the anticipated customer demands projected in the marketing section. If you have successfully managed complex operations before, financiers can be assured that you can do so again. If you have not, your operations section must assure them that you have anticipated the challenges, and will be tapping into appropriate expertise to ensure that products and services are produced within projected budgets.

Readers will be looking for answers to the following questions about your new or expanded operations:

What facilities and equipment will be needed to meet your production or service schedule? Are existing buildings and equipment adequate, or have new sites and machinery been identified? Is the capital budget for these new fixed assets sufficient? Have quotations been obtained for these items?

- ♦ What will be the *staffing plan* for the company? What skill levels, compensation and benefits are anticipated? How will employees be motivated to help provide value to your company's customers?
- What management and information systems will be instituted? What systems will help assure the quality of the product or service provided? How will production expenses and components be tracked? How will the critical information get back to employees and the management team to help inform continuous improvement?
- What risk management and insurance plan does the company have in the case of a mishap—equipment failure, natural disaster, labor stoppage, shipping problem, etc.?
- What strategies will the company use to manage materials and product flows? How will a regular supply of feedstock or raw materials be obtained, transported and stored? Has the production flow and process been designed to maximize efficiency and quality? How will finished products inventory be stored and distributed on a timely basis to customers?
- ♠ As the company grows, how will multiple sites maintain the operational procedures developed at the home location? How will product and service consistency be maintained while allowing for continued innovation and improvement?

#### Financial Overview

Finally, you need to tell the story of your company in numbers. Some business plans go overboard in the financial section, printing page after page of spreadsheets with little explanation. It is more important that the reader understands the assumptions behind your financial projections. Your marketing section should explain how you arrive at your sales projections. Likewise, your operations section should describe what is behind the operating expense budget. Make sure to reiterate key assumptions or refer the reader back to the pages where they are explained in more detail.

If your company has historical and current financial statements, be sure to include them. Note whether they have been prepared, reviewed or audited by an outside accounting firm or prepared internally. (If you have not yet done so, hire an accounting firm to assist in the preparation of your financial section and move toward having an annual financial audit done on the company.)

# Figure 2-3 Business Plan Sections and Their Relative Importance to Individual Investors<sup>7</sup>

#### Rank: Business Plan Information:

- 1) Clear description of proposed financing needed from start to maturity
- Marketing plans, including segment on market sought or controlled by company, data on market size and characteristics, present and potential market competition, and future market strategy
- 3) Summary statement of the purpose and goals of the enterprise
- 4) History of the firm, financial statements and backgrounds (resumes) of key personnel
- 5) Clear description of the technical aspects of the proposed project
- 6) Direct personal knowledge about firm's principals and key personnel
- 7) Names of principal suppliers and customers

<sup>&</sup>lt;sup>7</sup> Gaston, Robert J., Finding Private Venture Capital For Your Firm, John Wiley & Sons, 1989, p. 85.

"Entrepreneurs believe that profit is what matters most in a new enterprise. But profit is secondary. Cash flow matters most. Growing bodies need to be fed, and a business that grows fast devours cash. You have to make constant investments just to keep even with it. This is totally predictable, so getting caught in a cash crunch is totally unnecessary."

Peter Drucker, Clarke Professor of Social Science and Mgmt., Claremont Graduate School

Your projected financial statements should cover at least the time period for which you are seeking a loan or equity investment, and illustrate how these capital infusions will be repaid. The statements should include:

- Balance sheets for the beginning of the company's fiscal year and the end of each year covered by the plan, listing all assets, liabilities and company equity.
- ♦ A fixed asset budget, showing the anticipated schedule of investments in plants and equipment.
- ♦ Projected income statements for each year of the plan, broken down on a monthly basis for at least the first two years. The income statement should incorporate revenues consistent with the marketing section and expenses consistent with the operations, financing and marketing sections.
- ◆ Cash flow statements for the same time periods as the income statements, showing how cash levels will be affected by operating income, interest and financing charges, fixed asset purchases, changes to current liabilities and assets, depreciation, and anticipated capital infusions from equity sales or loans. Even if the company achieves a positive monthly net income according to the projected income statements, if cash flow is not monitored closely according to projections, a

business can easily fail. This is especially true for recycling companies reliant on materials markets that are slow to pay for shipments and whose prices fluctuate widely with commodity prices.

Be sure to explain how each statement is derived such that the anticipated results will be achievable by the company. The cash flow statement, particularly, will be essential in predicting the amount of outside financing you will be needing to meet your start-up or expansion goals. Some of the questions your financial section should answer include:

- When will the company first achieve a net monthly income and a positive cash flow?
- What are the greatest expense items for the company—labor, equipment or material supplies? How will these expenses be managed and minimized?
- ♦ What levels of equity investment and debt are needed for the company to carry out its business plan? When and in what amounts will the financing be needed? What will the funds be used for—research and development, marketing, facilities, equipment or working capital? Are some of these uses more appropriate for debt financing and others for long-term equity investment?
- How much has been invested in the company to date and by whom? What are the total assets currently? What level of sales and income have been already achieved? How will these prior results be improved?
- How will debt financing be repaid? Is cash flow sufficient to more than cover anticipated principal and interest payments? What assets will collateralize the loan? Does the company have a secondary source of repayment if the primary revenue source falls through?
- How might new equity investors be repaid and what appreciation can they expect on their investment? Does the company anticipate

<sup>&</sup>lt;sup>8</sup> Drucker, Peter, "Flashes of Genius," *Inc. Magazine*, May 21, 1996, p. 30.

repaying investors who wish to cash out in a few years through an internal refinancing, a merger with or acquisition by another company, an initial public offering, or a private equity placement of stock?

♦ How will the company deal with commodity price fluctuations? What recycled material price levels are assumed for the financial projections? How much would prices have to fall (or rise, if recovered material is used as a feedstock) before the business would have negative cash flow? How will the company protect itself against such commodity price fluctuations?

#### Contingency Options

For the entrepreneur and investor, it is important to think through what may go wrong. As an entrepreneur, you are probably by nature optimistic about the prospects for your business and may have been a bit generous in even your most "conservative" projections. The contingency section forces you to think about the worst case and how you would respond to save the business and safeguard investor or creditor capital. Some risks you should consider include:

- Sharp decreases in recycled commodity prices if you are a collector, processor or supplier of materials (or sharp increases if you are a buyer and manufacturer).
- Price cuts or service or product expansions by strong competitors in your market.
- Natural disasters, equipment breakdowns, employee injuries, labor difficulties or working capital shortfalls.
- Government procurement or recycling mandate rollbacks that reduce the demand for your product or service.
- Difficulties with getting new technologies to operate effectively at desired production levels.

 Inability to penetrate markets dominated by established virgin materials manufacturers or waste management companies.

Develop creative and viable responses to the most likely setbacks your company could face. In so doing, you can demonstrate that in the negative scenarios you may be able safeguard investors' principal, while in the positive scenarios financial partners will share handsomely in the company's success.

#### Confidentiality

Entrepreneurs are often concerned about giving away proprietary information about their companies in a business plan. Many investors will likely be hesitant to sign a confidentiality agreement before looking at your business plan. Do not reveal any specific technical or competitive information in your plan that would weaken your business if a competitor obtained it. If revealing such information is necessary to persuade an interested investor to consider your company, it can be included later in an offering circular for which the investor must sign a confidentiality agreement to obtain.

The title page of the business plan can state "This document contains confidential and proprietary information belonging exclusively to [Company]," and the further disclaimer "This is a business plan. It does not imply an offering of Securities." The business plan copies should also be numbered, so that you can track their distribution and limit circulation.

#### Conclusion

Wrap up the business plan by reminding the reader why your company is a good partner for them. Touch on all of your key competitive strengths and invite the reader to contact you to talk further and to arrange a meeting.

<sup>&</sup>lt;sup>9</sup> Franklin, Burke et. al., Write a Winning Business Plan— Reference Guide for BizPlan Builder, 1995, JIAN Tools for Sales, Inc., p. 1-3.

#### Figure 2-4—What Investors Look for in Companies 10

- ◆ Management team—Company management has been successful in managing other business ventures or corporate departments, preferably in the same industry area. In addition to a CEO or owner, the company has recruited a CFO or controller, a COO or operations manager, and has significant technical, engineering and marketing staff expertise suited to its business. If this broader management team has not been recruited, the business plan lays out a timeline and budget for recruiting and hiring necessary financial, operational, technical and marketing management and staff.
- ◆ Market opportunity and strategy—The company's products or services have a strategic advantage over competitors in the marketplace—they are of better quality, lower price, unique or proprietary design, or offer some other advantage to customers. The company has opportunity for expansion either geographically, through partnerships or licensing, or through offering a broader range of services or products to existing customers. The company is not excessively reliant on only one product, customer or contract. The company has a strategy for insulating itself from commodity price risk fluctuations, manufactures products with significant added value or has service contract revenue.
- ◆ <u>Current and projected financial statements</u>—The company has kept thorough and accurate financial records since inception, with annual financial reports prepared and preferably audited by a reputable accounting firm. Financial projections are reasonable for the company's industry segment and project investment returns for outside investors commensurate with the investment risk. Margins allow for near-term profitability at realistic sales levels.
- ♦ Company stage and status—Business strengths needed at different stages of company development include:
- ⇒ Start-up, needing seed financing—Strong founding management, unique and tested product or service, significant untapped market potential, weak or nonexistent competition.
- ⇒ Early stage, needing expansion financing —Existing sales with current or near-term profitability, new capital will allow company to serve a larger market more efficiently; building a management team, 1+ years of operations.
- ⇒ Growth company, seeking mezzanine financing—Annual sales over \$3 million, current profitability, capital will allow for more efficient operations, expanded sales, or stronger capital structure, experienced management team, 3+ years of operations.
- → Mature company, seeking initial public stock offering, merger, or acquisition financing—Annual sales over \$10 million, strong sustained profitability and cash flow, strategic market advantage, proven management team, 5+ years of operations.

<sup>&</sup>lt;sup>10</sup> Kirkpatrick, David, *Recycling Venture Forum Study, Final Report, June 1995*, KirkWorks, sponsored by U.S. EPA, the Northeast Recycling Council, the National Recycling Coalition, and the New York State Office of Recycling Market Development, p. 14.

#### **Business Planning Resources**

Check your community or business school library for books on business planning and entrepreneurship. Some useful books to look for include:

- Allen, Kathleen, Launching New Ventures, 1995, Upstart Publishing.
- Baty, Gordon B., Entrepreneurship for the Nineties, 1990, Prentice-Hall, Inc.
- ◆ Franklin, Burke et. al., Write a Winning Business Plan—Reference Guide for BizPlan Builder, 1995, JIAN Tools for Sales, Inc.
- ♦ Hawken, Paul, *Growing a Business*, 1987, Fireside, Simon & Schuster.
- ♦ Kotler, Phillip, *Marketing Management*, Prentice-Hall, Inc.
- Siegel, Eric, Brian Ford and Jay Bornstein, The Ernst & Young Business Plan Guide, 1993, John Wiley & Sons, Inc. (Many large accounting and law firms publish similar business planning and start-up guides.)
- ♦ State and regional recycling market development offices and state recycling organizations sometimes publish recycling business guides. For example: A Guide to Starting a Recycling Business, 1994 & Funding Opportunities for Recycling Business Enterprises, 1992 [California Department of Conservation, (916)445-1490] and North Carolina Resource Guide for Recycling Businesses, 1994 [NC Recycling Association, (919)851-8444.] For a guide to all state recycling market development contacts, order the Market Development Directory from the National Recycling Coalition at (703)683-9025.

U.S. Small Business Administration offers a range of business and financial planning publications, software and resources. Contact the SBA Answer Desk at (800)8-ASK-SBA and ask for the Resource Directory for Small Business Management publication guide as well as the phone number for your SBA District Office. The district office can put you in touch with a local Small Business Development Center (SBDC) or Service Corps of Retired Executives (SCORE) where small business counselors can help with business planning. If you have a computer modem, access SBA's home page on the world wide web at http://www.sbaonline. sba.gov/ or dial in to their electronic bulletin board at (800)697-4636. Information on SBA-guaranteed loans and local lenders, Small Business Innovative Research (SBIR) grants, and Small Business Investment Companies (SBICs) can also be obtained from the SBA.

#### **Chapter 3: Business Financing Strategies**

New and expanding recycling, reuse and composting companies need capital to grow. New facilities, equipment, product development and marketing campaigns all often demand more funds than are available internally to the business.

A good business plan should predict the amount of money needed for each of these specific uses during the different stages of the business's growth. The next step for attaining financing is to match each intended use of funds with the appropriate source of financing at the different stages of the company's development.

This chapter briefly reviews the range of financing options and then focuses particularly on individual "angel" investors as a source to fill the equity financing gap faced by many recycling companies. The chapter concludes by summarizing the range of exempt security offerings allowed by U.S. and state securities regulators, especially Small Corporate Offering Registrations (SCORs) that help to streamline small company equity financing.

#### Debt and Equity Financing—Multiple Options

The most basic distinction between financing sources is between debt and equity. Debt financing is essentially borrowing money for a fee. Typically, regular payments are required and interest rates are charged based on the perceived risk to the lender. Often the funds are used for fixed assets that have a collateral value that can allow the lender to recoup losses if the business fails. Sources of debt can include commercial banks, governmentally guaranteed loan providers, credit unions, suppliers, customers, factor companies, leasing companies, credit card companies and governmental loan funds.

Equity financing, on the other hand, involves selling partial ownership in the company for an investment of funds. Typically, company founders are the first equity investors through their own "sweat equity" and personal savings.

Other equity sources can include friends and family, private individual investors, venture capital funds, corporate partners, employee stock ownership plans or investment partnerships. Equity sources of funds are used for purposes that lenders will typically not finance in young companies—including research and development, marketing, working capital and the equity share of fixed asset purchases.

Traditionally, banks have been viewed as the primary source of debt financing and owners or venture capitalists as the main sources of equity financing. However, entrepreneurial companies often tap into a much wider range of financing sources during their start-up and growth. Several of the business financing books listed in "Resources" at the end of this chapter provide an eye opening catalog of the types of business financing sources and options. A sample list of potential business funding sources is shown in Figure 3-1. Contacts at financial trade associations and federal government finance programs for many of these sources are listed at the end of the directory in Chapter 5.

#### Figure 3-1 Business Funding Sources11

#### Self-funding

- ◊ Personal savings and equity
- ◊ Moonlighting
- ♦ Home equity loans
- Insurance policies
- ◊ Credit cards
- Customers
- Trade credit with suppliers
- Trade or barter
- Stock purchases and options to employees
- Employee stock ownership plans (ESOPS)

Franklin, p. A-1—A-45.

#### Figure 3-1 (continued)

#### Private resources

- Investment from friends and family
- ◊ Angel investors
- ◊ Previous or present employer
- ◊ Individual partners
- ◊ Corporate partners
- ♦ Strategic alliances
- ◊ Private foundations
- ◊ Private placements
- ◊ Limited partnerships

#### Commercial funding

- ◊ Commercial banks
- ◊ Venture capital
- ♦ Investment banking firms and boutiques
- ◊ State venture capital funds
- ◊ Franchising
- ◊ Institutional term lenders
- ◊ Insurance companies, pension funds
- ◊ Commercial finance companies
- ♦ Credit unions, savings and loan associations
- ♦ Community development financial institutions
- ◊ Factoring companies, leasing
- ◊ Warehouse receipts financing
- ◊ Procurement assistance programs
- Surety bonding companies

#### Government financing programs

- ♦ State business and industrial development corps
- ♦ Veterans Administration guaranteed loans
- ♦ Farmers Home Admininistration guaranteed loans
- ♦ Small Business Administration guaranteed loans
- ♦ Small Business Innovative Research (SBIR) grants
- ♦ State or local recycling grants and loans
- ♦ Community Development Block Grants (CDBG) & loans

Recycling companies have had success with some of the governmental funding sources listed above. In particular, SBA 504 and 7A loans, CDBG loans, and state recycling loans and grants have been tapped by reuse, composting and recycling enterprises.

However, the listing of "moonlighting," "credit cards," "trade or barter" and "home equity loans" as business funding sources in Figure 3-1 is not meant to be flippant. Rather, they are realistic ways that many new recycling ventures have been bootstrapped into existence—through the sacrifices and personal risks of the entrepreneurs. Indeed, even among 500 of the fastest growing companies in 1995, most started with capital from nontraditional sources. The primary sources of start-up capital for the 1995 Inc. 500 companies were as follows: 12

•	Personal savings	54%
•	Family members	10%
•	Partners	9%
•	Angels and friends	6%
•	Bank loans	6%
•	Personal charge cards	4%
•	Venture capital	4%
•	Mortgaged property	3%

#### **Debt Financing Tips**

Although debt financing is not the primary focus of this Guide, it is an important element to consider as part of an overall financing strategy. Banks remain the primary source of debt capital for small businesses, but not every financial institution is geared toward small business lending, and even fewer institutions make loans to high technology companies. Recycling businesses are advised to target lenders who have familiarity or expertise with that industry, where possible.

Traditionally, community bankers have played the most important role in small business lending. As interstate banking and branching become more

<sup>&</sup>lt;sup>12</sup> "The 1995 Inc. 500 Almanac," Inc. 500 1995, p. 39.

prevalent, however, some large national and regional financial institutions are putting more emphasis on small business loans. The U.S. Small Business Administration has published a state-by-state report, *Small Business Lending in the United States*, which rates banks within each state on whether they are "small business friendly." (See citation at the end of this chapter.)<sup>13</sup>

## Individual Investors—Family, Friends and "Angels"

Once companies have tapped internal sources for equity financing, they often cannot meet all of their remaining financing needs with debt. For example, even for profitable businesses, bank and SBA guaranteed loans often require at least at a 25% or greater equity share in financing packages. Additional equity investment can become critical to pulling the total financing deal together. New companies often do not qualify for traditional loans in any amount, forcing them to rely wholly on equity or nonconventional financing.

Venture capital firms are rarely the source for this needed equity investment. Venture capitalists have demonstrated minimal interest in recycling companies that do not often fit their profile of enterprises with the potential for explosive growth and multiple returns on investment. Entrepreneurial activity in the communications, biotechnology, medical, information and internet fields has captured most venture firms' interest in recent years, leaving only a very few that may invest in environmental, manufacturing or recycling companies.

Fortunately, private individual investors invest approximately three times as much as professional venture capital firms into private U.S. companies on an annual basis. These "angel" investors are estimated to invest about \$3 billion or more annually. They are typically high net worth

individuals who invest in private companies to achieve investment returns and to participate in an entrepreneurial venture.

Angel or informal individual investors have been studied in detail by some business finance researchers. These studies have documented significant private equity and debt investment activity among a wide variety of individual investors.

## Figure 3-2 "Keep Your Eye on Angels"

"... We're going to have to pay a lot more attention to the availability of early-stage risk capital. Entrepreneurs just don't fit into what debt providers are designed to do. And venture-capital funds have left the start-up field, particularly when we're talking about less than \$1 million..."

"The participation of the growing population of 'angels' is going to become more visible. The market mechanism right now for deal financing is really very inefficient and random: who knows whom, who mentioned something on the golf course, who talked to his or her accountant lately about who's looking for money. The marketplace is also horribly time-consuming. Next to capital, time is the scarcest resource entrepreneurs have." 14

Dr. William Wetzel
Director Emeritus
Center for Venture Research
University of New Hampshire

A nationwide survey of individual investors was conducted in 1987 by Dr. Robert Gaston, sponsored in part by the Office of Economic Research of the Small Business Administration. Based on median responses from the survey, a

<sup>&</sup>lt;sup>13</sup> Gregory Dean, Assistant Chief Counsel for Banking and Finance, Office of Chief Counsel for Advocacy, U.S. SBA, comments, August 28, 1996.

Wetzel, Dr. William, "Keep Your Eye on Angels," Inc. Magazine, May 21, 1996, p. 22.

composite profile of the U.S. angel investor was developed, as follows:<sup>15</sup>

- Business owner/manager is principal occupation
- ♦ Has professional entrepreneurial experience
- ♦ Has a \$90,000 annual income
- ♦ Has a \$750,000 net worth
- Friends and associates are primary information source
- ♦ Accepts 3 out of 10 investment opportunities
- Rejects deals mostly due to insufficient growth potential
- ♦ Invests every 18 months
- ♦ Has 3.5 firms in portfolio
- ♦ Two other co-investors per deal
- ♦ \$131,000 informal equity invested in portfolio
- ♦ \$75,000 more via loans/guarantees to portfolio firms
- Minimum return on investment target 22%/year
- Active as a consultant, board member or employee
- Does not seek voting control on company board
- Wants to invest 35% more than opportunity permits

(Note that these statistics were compiled in the late 1980's, and the current composite profile of individual investors is likely different, particularly with respect to the financial information.)

In addition to objective investment criteria, angels usually invest based on their "affinity" for a company, its founders, its technology or business activity. In recycling, for example, angel investors include recycling entrepreneurs and managers who have been financially successful in the industry. High net worth individuals who support recycling for its social and environmental values are also likely candidates. Finally, business executives from the waste management, commodity, and manufacturing industries provide

capital and expertise to new recycling ventures that they see as the next generation of companies in their fields.

One report, based on a survey of 328 new firms that achieved between one and \$50 million in sales, suggests that the affinities of private capital sources for businesses change for different stages of company investment. For example, for investments up to \$150,000 during the seed and start-up stages, the investor's affinity for the *entrepreneur* is most important. For investments up to \$210,000 for the business survival/commercialization phase, the investor's affinity for the *technology or venture* becomes more critical. Finally, for investments of up to \$450,000 during the initial market growth stage, the investor's affinity for the *investment deal* becomes most vital. <sup>16</sup>

The investment networks, meetings and forums as listed in Chapter 5 provide an excellent means for recycling entrepreneurs to contact angels and other financing sources that they could not identify through their own personal contacts. These organizations are helping to make the fragmented market for private investment in companies operate somewhat more efficiently.

#### Financing Strategies

The entrepreneur's goal in securing financing should be to identify the appropriate mix of funds with the least cost to the business and the fewest restrictions on business operations. The founder(s) usually seeks to retain as large a share of ownership in the firm as possible, so as to realize returns on the investment and innovation and to maintain business control. Sometimes, however, it is important to realize that equity investors can contribute much more to the business than money—including management expertise, contacts, marketing channels, and business partners.

<sup>&</sup>lt;sup>15</sup> Gaston, Robert J., Finding Private Venture Capital for Your Firm, John Wiley & Sons, 1989, p. 16.

Benjamin, Gerald A., "Correlation of Stage of Development with Private Capital Source," *Earth Angels: Finding Hard-to-Find Private Investors*, Gold Rush Press, International Capital Resources, (415)296-2519.

Debt providers can also be valuable resources to a recycling company. For example, even before a young company is "bankable," it can be useful to recruit a commercial banker as a business advisor. The banker may be interested in helping the venture achieve a level of profitability that will allow for bank debt to be placed in the future.

As noted in Figure 3-3, fund raising is an ongoing process for the entrepreneur, in partnership with his or her board members, management and professional advisors. No single source or amount of capital will be appropriate for all of a company's financing needs during its development. Rather, the financing of the company should be seen as an incremental process, as with the expansion of staffing, manufacturing or marketing efforts. At each stage of company development, the firm only needs to attain the funds to achieve the next milestone, while laying the groundwork for future financing rounds. This staged approach limits the risk for the entrepreneur and the investor. It also ensures that the founder has to give up smaller shares of his or her company's equity early on, when the company's valuation is lower. As success is achieved on progressive milestones, the company will be worth more and future equity financing rounds will yield more dollars for each ownership share in the company.

#### Legal Structures for Equity Investments

Whether identifying potential equity investors through networks, associations, forums or other methods, the entrepreneur needs to structure the investment offering with assistance from appropriate counsel. Legal, accounting and investment banking advice should be obtained from professional firms that have experience working with entrepreneurial companies and securities laws. Early advice on structuring financing for the start-up and growth of a company can avoid many headaches later. This publication is intended to illustrate innovative approaches for identifying and structuring business financing, but it cannot replace direct professional advice from qualified counsel.

## Figure 3-3 21 Ways to Make (or Break) Financing Success<sup>17</sup>

"Most of those in search of capital mistakenly think 'the process is all about finding the right sources,' according to Bruce Blechman, coauthor of Guerrilla Financing and president of the Capital Institute based in San Mateo, Calif. Actually, only two steps of Blechman's 21-step blueprint for financing involve finding sources of capital. Blechman points out that his financing process is carefully orchestrated, and the steps follow a logical progression. He advises entrepreneurs to 'take one step at a time, master it and then go on to the next step.'"

- 1) Business Strategy
- 2) Business Plan
- 3) Financial Projects and Modeling
- 4) Business Plan Review
- 5) Executive Summary
- 6) Valuation of Business
- 7) Financing Strategy
- 8) Guerrilla Financing Techniques
- 9) Financial Source Data Base
- 10) Target Marketing
- 11) Initial Mailing of Executive Summary
- 12) Investor Follow-Up
- 13) Schedule Appointments
- 14) Personal Introductions
- 15) Face-to-Face Oral Presentation
- 16) Questions and Answers
- 17) Due Diligence
- 18) Structure Terms
- 19) Obtain a Financing Commitment
- 20) Negotiation Terms
- 21) Closing

<sup>&</sup>lt;sup>17</sup> Ammerman, Peggy, "21 Ways to Make (or Break) Financing Success," *Indianapolis CEO*, June 1994, pp. 56-57.

#### Equity Financing and Securities Laws

Debt financing through banks, SBA lenders, leasing agents or other sources are relatively standardized transactions. However, equity financings (or equity/debt financing combinations) are often more customized to the priorities of the company and the investor. When financiers invest in a company, they are purchasing company securities, whether shares of common or preferred stock, warrants or notes. Such securities transactions are regulated by federal and state securities laws. Public offerings of company stock typically must be registered with the U.S. Securities and Exchange Commission (SEC), which involves costly filing and reporting requirements. For most small and emerging companies, equity financing is usually structured so as to be exempt from full SEC registration requirements.

All securities transactions, even those that are exempt from registration, are subject to anti-fraud

provisions of federal law that hold issuers responsible for false or misleading statements. Securities laws are designed to ensure that accurate and complete information regarding a company and its financial status and prospects are provided to potential investors so as to promote efficient capital markets. A misrepresentation or omission of a material fact regarding a security offering is considered securities fraud.

The types of exempt securities offerings permitted by federal securities laws vary according to the number and sophistication of investors, the aggregate amount allowed for the offering, how the securities are marketed and sold, and other factors. Small businesses should be aware that state securities laws may differ, and that businesses are required to comply with both federal and state securities laws and regulations.

Figure 3-4
Summary Characteristics of Types of Small Company Equity Offerings<sup>18</sup>

SEC Regulation	Regulation A	Reg. D, Rule 506	Reg. D, Rule 505	Reg. D, Rule 504 (SCOR, U-7)
Total Offering Amount Limit:	\$5 million	Unlimited	\$5 million	\$1 million
Investor Qualifications:	No restrictions	Accredited investors and not more than 35 non-accredited, sophisticated investors	Accredited investors and not more than 35 non-accredited investors	No restrictions
General Solicitation for Investors:	Limited solicitation allowed	Not allowed	Not allowed	Allowed
SEC Registration and Reporting:	Offering circular must be filed with & "qualified" by the SEC	Form D must be filed, SEC reports may be required	Form D must be filed, SEC reports may be required	Form D must be filed, no reports required to SEC

<sup>&</sup>lt;sup>18</sup> Office of Public Affairs, U.S. Securities and Exchange Commission, Q&A: Small Business and the SEC (Washington, DC, June 1994) 13-22 & Walter E. Daniels and Linda Markus Daniels, Legal Considerations for Start-Up Companies (Durham, NC: Daniels & Daniels, P.A., 1995), pp. 29-33.

This section will focus primarily on Small Corporate Offering Registrations (SCORs) as permitted under SEC Regulation D, Rule 504, since they are a relatively new approach for costeffective small company financing. Before covering SCORs, however, some of the other types of exempt equity offerings allowed by SEC regulations are reviewed below. (For more detailed information, refer to *Q&A: Small Business and the SEC* and other publications available from the SEC at (202)942-4040 and contact state securities administrators and a securities attorney.)

## Figure 3-5 The First Digital Public Stock Offering

On February 26, 1996 the Spring Street Brewing Company completed the first stock offering on the internet. The company raised \$1.6 million through a Regulation A offering. The firm also received SEC approval in March to allow internet trading of the stock. Wit Capital Corporation was established to host the trading site and to provide investment banking services for other public offerings of securities through the World Wide Web. For further information, visit the WWW site www.witcap.com/caphub.htm.<sup>19</sup>

#### Regulation A Offerings

Under Regulation A, offerings are limited to \$5 million within a 12-month period. However, there are no limitations on the number of investors or their qualifications, securities may be resold and traded, and limited advertising is allowed. Regulation A offerings are usually more expensive than Regulation D offerings since an offering circular must be prepared, filed with and qualified by the SEC before the sale of securities. The circulars must be provided to purchasers.

Mamis, Robert A., "Andy Klein interview," *Inc. Magazine*, July 1996, p. 39.

In contrast to full registration of a public offering of stock with Form S-1, SB-1 or SB-2, however, simpler and unaudited financial statements are allowed and there are no periodic SEC reporting requirements under Regulation A. Finally, a short written statement may be distributed to potential investors under a provision of the regulation, to allow the issuer to assess whether the full cost of proceeding with a securities offering is worthwhile. This "test the water" provision is allowed by state securities laws in some but not all states.

## Private Offering under Section 4(2), Securities Act, and Regulation D, Rule 506

Section 4(2) provides an exemption for "transactions by an issuer not involving any public offering." Securities sales must be to persons who are "sophisticated investors," that is, those who have sufficient knowledge in financial and business matters to evaluate business risks and who are able to bear the economic risks of the investment. The offering must not be advertised or be a general solicitation, and securities cannot be resold or distributed.

Regulation D, Rule 506 provides more clarification than Section 4(2) by stating that offerings are exempt if they are sold to only accredited investors and not more than 35 nonaccredited but sophisticated investors. "Accredited investors" are defined by securities laws as financial institutions and organizations with assets exceeding \$5 million or natural persons whose net worth exceeds \$1 million or who have a regular individual annual income of \$200,000 or a regular joint income of \$300,000. There is no ceiling on the aggregate amount that can be raised through Section 4(2) or Regulation D, Rule 506 offerings. They are typically used for larger equity transactions with a small number of investors, especially when the investors are institutional or venture capital firms.

20

#### Regulation D, Rule 505 Offerings

Rule 505 offerings have all of the restrictions that apply to Rule 506 except that in addition to selling to accredited investors, the issuer can sell to up to 35 non-accredited investors who do not have to meet the definition of a sophisticated investor. In addition, the total offering price of the securities during any 12-month period cannot exceed \$5 million. Both Rules 505 and 506 require that specified business and financial information be provided to non-accredited investors. Form D must be filed with the SEC. Most states will accept Form D, a filing fee and an "Issuers Statement" for Rule 505 or 506 offerings, in lieu of a separate state registration or approval process.

#### Regulation D, Rule 504 Offerings/Small Corporate Offering Registrations (SCORs) or U-7 Offerings

All of the exempt offerings described above involve significant legal and accounting expense and restrictions on contacting potential investors. There is another option for start-up or small expanding businesses requiring smaller amounts of equity capital and seeking to attract investment from a wider range of potential small-scale investors. Regulation D, Rule 504 of the federal securities law and companion Form U-7 state registration filings may be better suited to these small business financing needs. These offerings are called Small Corporate Offering Registrations (SCORs). They are also called Direct Public Offerings, since securities can be sold by the company or its agents directly to prospective shareholders as versus the Initial Public Offering in which SEC-registered securities are sold through a managing underwriter.

Regulation D, Rule 504 provides an exemption from SEC registration for companies making securities sales of less than \$1 million in a 12-month period. No limitation is placed on the number or qualifications of the persons purchasing the securities and the offering may be made through a general solicitation and advertising. The SCOR securities can be traded

and, as with all Regulation D offerings, a Form D must be filed with the SEC within 15 days of the first sale of securities.

These smaller offerings are not exempt from state securities registration requirements. However, most states have adopted a standardized Form U-7 registration statement requirement and almost all states recognize SCOR offerings. Only Alabama, Delaware, Florida, Hawaii and Nebraska state securities regulators did not allow SCOR offerings to be sold in their states as of March 1996. Regulation D, Rule 504 / U-7 requirements include:

- The company issuing the stock must be a corporation.
- The corporation must be involved in a specific business activity—no "blind offerings" are allowed. The company must not be an investment company or involved in an extractive industry such as mining or petroleum.
- The offering price for the stock must be equal to or greater than \$5 per share.
- ♦ Financial statements are required. They must be audited unless the company has not previously sold securities through a general solicitation, the company has not been previously required to file audited statements, the aggregate amounts of previously sold securities do not exceed \$1 million and the amount of securities being registered does not exceed \$500,000.
- Either the corporate issuer or selling agents may sell the securities, with commissions or fees paid only to properly registered agents.
- No "bad actors" may be involved with the company. That is the owners, management or brokers must not have been convicted of securities violations or been subject to a restrictive court order regarding a securities offering.
- Form U-7 may not be used to register securities for resale by a selling securityholder.

- An attorney's opinion must be obtained on the validity of the securities offering and financial statements should be prepared and preferably audited by a certified public accountant.
- Unlike purchasers of securities issued under Regulations 505 and 506, investors do not have to sign a letter demonstrating their intent to hold the securities as an investment and not to resell them.

Form U-7 is available in hard copy and on computer disk from the North American Securities Administrators at (202)737-0900. Send a \$10 cashier's check or money order and request for SCOR software to: NASAA, 1 Massachusetts Ave N.W. Suite 310, Washington, DC 20001.

Eight Western states now coordinate their U-7 filing process and provide the publication *The Western Region Issuer's Manual on How to Complete the Question and Answer Disclosure Document for Your SCOR or Reg. A Filing.* The states are Alaska, Arizona, California, Colorado, Idaho, Oregon, Utah and Washington. Contact the appropriate state securities examiner to request the above publication, such as the California Department of Corporations at (213) 736-2731.

As with any equity offering, the issuing corporation should have a complete business plan to demonstrate to investors its plans for growth and how new capital will be utilized to achieve that growth. The business plan will be invaluable in completing the U-7 registration form, which must include the following sections:

- The Company
- Risk Factors
- Business and Properties
- Offering Price Factors
- ♦ Use of Proceeds
- ♦ Capitalization
- Description of Securities
- Plan of Distribution

- Dividends, Distributions and Redemptions
- Officers and Key Personnel of the Company
- ♦ Directors of the Company
- Principal Stockholders
- Management Relationships, Transactions and Remuneration
- ♦ Litigation
- ♦ Federal Tax Aspects
- Miscellaneous Factors
- Financial Statements
- Management Discussion and Analysis of Certain Relevant Factors

U-7 or SCOR offerings are particularly attractive because they are beginning to allow capital markets to develop for small companies in a way that mirrors the liquidity and access of public capital and stock markets for large companies. The use of SCORs for business financing is escalating rapidly. More than one-third of all companies registering SCOR offerings to date are estimated to have raised more than their escrow requirements, an indication of at least the partial success of those offerings.

SCOR financing lends itself to raising capital through "affinity groups" that are interested in and supportive of the business. These can include customers, vendors, suppliers, business associates, friends or family. For a recycling company making a SCOR offering, solicitations could be sent to individuals with a particular interest in recycling, conservation, or environmental or socially responsible investing.

## The Pacific Stock Exchange's SCOR Marketplace

In April of 1995, the Pacific Stock Exchange (PSE) received approval from the Securities and Exchange Commission to provide a market for SCOR and Regulation A securities. The SCOR Marketplace allows listed companies and current or prospective shareholders to buy and sell company securities in a public market. By making these securities more liquid and tradable,

the marketplace makes SCOR and Regulation A offerings more attractive to prospective investors.

To be listed on the SCOR Marketplace, a company must meet quantitative and qualitative criteria of the PSE. Quantitatively, the company must have a minimum of:

- ♦ \$500,000 in net tangible assets
- ♦ \$750,000 in net worth
- ♦ 150,000 publicly held shares
- ♦ \$5 offering price per share
- ♦ 250 public beneficial holders

Qualitative requirements cover issues of financial condition, operations, management, asset composition, bond and credit ratings, competition, government policies impacting the company and the use of offering proceeds. More rigorous requirements must be met by companies to be listed by the PSE as "Tier 1" and "Tier 2" companies. The application processing fee for the SCOR Marketplace is \$500. This fee can be applied toward the original listing fee of \$5,000. Annual maintenance fees for a traded SCOR stock are \$1,000. Finally, the conversion fee to Tier 1 or Tier 2 listing is \$15,000.<sup>20</sup> See the "Resources" section for publications on SCOR offerings and the PSE SCOR Marketplace.

#### SCOR Offering Limitations

SCOR offerings have several drawbacks, however. Separate U-7 forms must be approved in each state from which investors are recruited. New capital investment is limited to \$1 million per year. If larger scale venture capital investors will be needed at a later stage of company growth, they may be less interested in investing in a company that started with a large number of individual SCOR shareholders. As with any equity or debt financing structure, SCOR offerings should be pursued only after consulting

<sup>20</sup> Pacific Stock Exchange, SCOR Marketplace brochure, San Francisco, CA, September 1995.

appropriate legal, accounting or investment banking counsel.

#### Conclusion

A host of alternative financing sources and strategies are available to entrepreneurial companies. Recycling, reuse and composting companies must be innovative in selling their products or services. Similarly, they must be creative in marketing the company and its capital demands to equity and debt partners.

#### Financing Resources

- Benjamin, Gerald A., Earth Angels: Finding Hard-to-Find Private Investors, Gold Rush Press, 1995, International Capital Resources, (415)296-2519.
- Blechman, Bruce and Levinson, Jay Conrad, Guerrilla Financing—Alternative Techniques to Finance Any Small Business, Houghton Mifflin Company, 1991.
- Blum, Laurie, Free Money for Small Businesses and Entrepreneurs, John Wiley & Sons, 1995. (Information on foundation and government grant sources for business ventures.)
- Bridging the Valley of Death: Funding Technology for a Sustainable Future, prepared by the U.S. SBA for the U.S. EPA, Interagency Agreement #DW73936877-01, December 1994.
- Diener, Royce, How to Finance a Growing Business: An Insider's Guide to Negotiating the Capital Markets, Merritt Publishing, 1995, (800)638-7597.
- Financial Resources for Recycling and Waste Management Entrepreneurs, Resource Recycling Magazine, 1994, (503)227-1319.
- Gaston, Robert J., Finding Private Venture Capital for Your Firm, John Wiley & Sons, 1989, Seed Capital Network, (423)573-4655.
- Lewis, Michael et al., Financing Recycling-Related Ventures, 1995 and Manufacturing from Recyclables: 24 Studies of Successful Enterprises, 1994, Institute for Local Self-

- Reliance, (202)232-4108. (Ask for their full publications list.)
- ♦ Q&A: Small Business and the SEC, Small Business Offering Package and other SEC publications, Office of Public Affairs, U.S. Securities and Exchange Commission, Washington, DC, June 1994, (202)942-4040. (Also contact state securities regulators and securities attorneys for their publications on capital formation.)
- ♦ SCOR Marketplace Information Packet, Pacific Stock Exchange, 301 Pine Street, San Francisco, CA 94104, (415)393-4160.
- SCOR Report—Capital Formation
   Alternatives for Small Companies and the Do
   It Yourself Capitalization Handbook, SCOR
   Report, 1996, (214)406-1838.

- ♦ Small Business Lending in the United States, U.S. SBA, Washington, DC, 1995 (Send request for a report on any state with your name, address and phone number to (202)205-6928; also available at http://www.sba.gov/SmallBusinessLending1995/)
- ♦ Other SBA resources may be obtained at the SBA's Internet site, http://www.sba.gov, or by calling (800)8-ASKSBA. A small business owner can call this number to locate the closest SBA District Office, through which the 7(a) Guaranteed Loan Program, the 504 Certified Development Program and the SBIC programs are administered.
- ♦ Other SEC resources may be obtained at the SEC's Internet site, http://www.sec.gov.

### **Chapter 4: Recycling Investment Forums**

Recycling investment forums are events designed to bring recycling entrepreneurs together with investors, financiers and economic development officials for their mutual benefit. The design can be similar to those of the conventional investment forums or meetings documented in Chapter 5. Recycling investment forums, however, are unique in their focus on recycling-related companies—ventures that collect, process, remanufacture, reuse or compost recovered materials.

As of mid-1996, two such forums had been conducted. The Southeastern Recycling Investment Forum was organized by the South Carolina Recycling Market Development Advisory Council, within the state's Department of Commerce, and KirkWorks and primarily sponsored by U.S. EPA Region IV.21 The forum was held on November 15 and 16, 1995, in Charleston, SC, immediately prior to Dare to Deal, an annual venture capital conference. (See Figure 4-1 below.) The Northeast Recycling Investment Forum was held in Boston on May 6 and 7, 1996, organized by the Northeast Recycling Council (NERC) and primarily sponsored by the EPA New England regional office.<sup>22</sup> Coorganizers included the Environmental Business Association of New York State, KirkWorks and the Technology Capital Network at MIT. Future recycling investment forums are being planned for the Northeast in the spring of 1997, the Southeast in February 1997 and the Midwest in early 1998. (See Chapter 5 for contact information.)

This chapter provides suggestions on designing and implementing recycling investment forums. It is based in part on organizing experience from the two forums noted above. The chapter also includes sections from the *Recycling Venture Forum Study* published in June of 1995 and conducted by KirkWorks. The Study was sponsored by the Recycling Advisory Council of the National Recycling Coalition, the Northeast Recycling Council, EPA New England and the New York State Office of Recycling Market Development.

#### Background

Just as with most small and start-up businesses, recycling entrepreneurs are discovering that the market for private equity investment or nontraditional debt is inefficient. Although there are many individual investors, investment firms, finance companies, intermediaries or other capital sources that are interested in financing strong recycling ventures, reaching these investors is a costly and difficult proposition. Similarly, investors are looking for efficient ways to find new investment opportunities and accurate information on companies, so as to reduce their marketing and due diligence costs.

Recycling investment forums promise to help make this financial market for growing recycling businesses more efficient. Financiers are familiar with forums and fairs as a means of learning about a range of selected companies in a particular region. Numerous recycling enterprises are in the market for new financing, ranging from a hundred thousand to a few million dollars. Often these companies already are generating sales but have not yet achieved the history of profitability or track record necessary for bank financing. They may also be seeking equity capital for aggressive expansion. Forums can facilitate capital access for recycling companies by bringing them together with an audience of targeted investors potentially interested in the size, stage and nature

25

Additional sponsors for the Southeastern Recycling Investment Forum included the American Plastics Council, the Environmental Capital Network and the National Recycling Coalition.

Additional sponsors for the Northeast Recycling Investment Forum included the American Plastics Council, the Steel Recycling Institute, Boxborough, MA, Waste Age's Recycling Times, Price Waterhouse LLP, the Rhode Island Solid Waste Management Corporation and the New York State Office of Recycling Market Development.

# Figure 4-1 South Carolina Department of Commerce Press Release—Excerpts November 16, 1995

Charleston, SC-More than 100 entrepreneurs, investors, economic development officials and other interested parties participated in the Southeastern Recycling Investment Forum in downtown Charleston on November 15 and 16. 1995. Nine entrepreneurial recycling companies presented their business plans to forum attendees and another three ventures provided displays. Investment perspectives on the recycling industry were provided by representatives of Edison Venture Fund and Self-Help Ventures Fund. Wellman, Inc. was highlighted as a plastics recycling business success story with major operations in the Southeast. The forum provided opportunities for recycling entrepreneurs to meet investors and economic development officials who could assist the ventures with their financing and business development needs. Forum evaluations completed by attendees indicated that 78% found the forum "very valuable" to them, 17% found it "somewhat valuable" and only 5% found it "not at all valuable."

The presenting companies, which were selected from a larger pool of applying businesses to be featured at the forum, were as follows: Consource Plastic Recycling, Tampa, FL; Metretec, Pensacola, FL; Environmental Processing Systems, Great Neck, NY; Recycling Environmental Specialists, Hollywood, FL;. Holston Companies, Chattanooga, TN; Waste Reduction Products Corporation, Research Triangle Park, NC; Filter Recall, Sanford, FL; GreenCycle of Georgia, Atlanta, GA; and Waste Tire Management, Lawrenceville, GA. Three additional companies provided displays: Blackbird Rubber, Lebanon, IN; Fisher Recycling, Charleston, SC; and Rutech, Sewickley, PA.

of the investments that the enterprises are offering.

### The Potential Benefits of Recycling Investment Forums

Recycling investment forums offer a range of potential benefits for the recycling and financial industries by helping to:

- 1) Heighten the interest in recycling firms among investors and financial institutions.
- Educate investors on the variety of recycling investment opportunities, and distinguish these opportunities from solid waste, environmental and other types of ventures.
- 3) Educate recycling entrepreneurs and officials about the priorities of investors.
- 4) Highlight barriers to recycling business expansion that public and private policy or procedural changes could remedy.
- 5) Assist participating recycling firms in raising capital for business growth and expansion.

#### Recruiting Presenting Businesses

Most of the investment forums and meetings described in Chapter 5 are focused in a geographic or metropolitan region but are open to entrepreneurial ventures from any type of industry. By focusing on only recycling companies, recycling investment forums significantly narrow the field of potential business participants. For this reason, the recycling investment forums that have been conducted to date have been for regions comprising up to ten states instead of for a single state or metropolitan area. By broadening the geographic range for the company presenter applicant pool, forum organizers can help to ensure that enough good quality companies can be selected to be of interest to attending investors and economic developers. In addition to expanding the geographic range, forums could be organized for a broader set of industries including recycling companies, such as the manufacturing or environmental industries. Again, this would provide a larger population of firms from which the strongest companies seeking new capital could be chosen.

Recycling investment forums should recruit the strongest recycling companies with unmet capital demands in their geographic service area. In particular, those states with active loan or grant programs should have a good sense of the growing and reputable recycling firms within their borders that are ready for an infusion of private capital. Promotional forum brochures and presenting company applications can be disseminated through a range of networks, including:

- State and regional recycling market development officials.
- State and local economic development agencies.
- National, regional and state trade associations for recycling companies and related materials industries.
- Investor participants, sponsors and networks.
- Business newspapers and publications in the targeted region.
- Accounting and law firms that serve entrepreneurial companies.
- Entrepreneurial, investor and business associations.

In addition to mailings to these businesses and associations, direct phone contact should be made with the chief executive officers of those companies identified as "hot prospects" by forum organizers. Start-up companies in formation may not be on existing mailing lists but may offer exciting emerging investment opportunities. Some enterprises may need to be encouraged to apply if they are already actively raising capital. The forum should be marketed as one component of a company's capital-raising strategy, helping to facilitate face-to-face meetings with financiers and providing contacts for future financing rounds.

From the experience of the first two recycling investment forums, it appears that the company application rate is higher if application forms are distributed along with forum brochures, rather than asking that companies specifically request an application form. By receiving the application

form, an entrepreneur can immediately see the level of detail required of the business and ascertain whether the forum may be an appropriate activity for the firm.

The recruitment process for businesses and investors, especially for a new event, will inevitably be an iterative process. That is, businesses will be attracted by the investors that may be present and vice versa. As business presenters are identified, some anonymous descriptions of these businesses and their capital demands may be helpful to attract new investor attendees interested in these business profiles. Similarly, businesses will be encouraged to participate if they know that the event will be attended by the types of financiers appropriate to their capital needs.

### Selecting "Presenting" and "Displaying" Businesses

If businesses are allowed ten to fifteen minutes each to present and four hours of business presentations are scheduled for a one day recycling venture forum, up to sixteen businesses can be selected. The first Southeastern forum had nine business presentations while the Northeast event had twelve. Increasing the number of presentations beyond this range could result in less attention paid to each presentation by the audience.

Aggressive recruitment and a rigorous selection process are necessary to ensure that the best quality recycling ventures are presented at the forum. As noted in the excerpts from the NERC brochure in Figure 4-2, some of the initial screening criteria for applicants can include:

- 1. Do the company's activities qualify as "recycling" as defined by the host organization?
- 2. Is the company located in or committed to opening a facility in the targeted geographic area for the forum?
- 3. Is the enterprise seeking new outside capital for start up or expansion of operations?

# Figure 4-2 Northeast Recycling Investment Forum Northeast Recycling Council Business Recruitment Brochure—Excerpts January 1996

#### ABOUT THE FORUM...

Securing adequate capital can be difficult for both new and expanding recycling businesses. These difficulties are compounded by the financial community's unfamiliarity with the recycling industry's evolving markets and technologies.

The goal of the Northeast Recycling Investment Forum is to assist recycling businesses in obtaining equity capital. The Forum is a one-day event where recycling enterprises formally present their business plans to an audience of prospective investors.

Recycling businesses are invited to apply for participation in the Forum. The most qualified applicants will be selected to present at the Forum by a committee of financial professionals. Their decisions will be based on the business' completed application forms and business plans.

#### WHAT ARE THE BENEFITS TO PARTICIPATING BUSINESSES?

- Exposure to a diverse investor audience including: individual "angel" investors, venture capital firms, corporations, investment partnerships, government finance agencies and other financiers.
- Business plan consultation and presentation skills training from Price Waterhouse's Environmental Services and Technologies Groups.
- Enhanced understanding of how to identify, approach and market to investors.
- Positive media attention for your company.

#### WHO SHOULD APPLY?

Start-up and expanding recycling businesses seeking equity capital should apply to participate in the Forum. To be eligible to participate, businesses should be able to answer "YES" to the following questions:

- Does your company operate or plan to operate a facility in the Northeast?
- Is the primary purpose of your business to collect or process recycled materials, and/or manufacture or sell products incorporating recycling materials?
- Does your company seek equity investments between \$100,000 and \$5,000,000, and do you
  offer potentially strong investment returns?
- Does your company offer unique products or services with documented market opportunities and competitive advantages?
- Does your company have strong, proven management or a plan for completing the management team?
- Does your company have a complete business plan?

31-32

4. Has the company fully completed the application and attached a comprehensive business plan or summary?

The business presenter application form can be provided on paper or on computer disk for the company to return to the forum organizer with a completed business plan. The sections of the application for the Southeastern forum included questions regarding:

- ♦ Company and Management Information
- Historical and Projected Financial and Employment Information
- ♦ Company Products and Services
- Professional Advisors

Assuming the applicants meet these initial criteria, applications and business plans must be reviewed to select the companies most likely to be attractive to investor attendees. Some existing forums have developed formalized selection criteria. For example, the criteria and evaluation weights by which submissions are judged for the Utah Venture Capital Conference include:

<b>♦</b>	Market and Marketing Strategy	35%
•	Management	25%
•	Products and Services	15%
•	Company History and Status	15%
•	Financial Summary	10%

The selection committee should be composed of individuals representative of the target audience, so that the companies selected will likely be of interest to attendees. Candidates would include representatives of individual investor networks, investment partnerships, governmental finance agencies, banks and other financiers who regularly review business plans. Committee members must agree to recuse themselves from recommendations in which they have a potential financial interest and to keep information about company applicants confidential.

If the goal of the forum is to be successful in fostering access to capital for the broad recycling

industry, then the potential for investment success should be the primary selection standard. Public policy goals, such as the need for increased recovery of certain difficult-to-recycle materials, should take a back seat in the selection process.

In addition to selecting "presenting" companies, the selection committee may also decide to identify other companies not ready for center stage at the forum but with promising investment potential. These "displaying" companies could be allowed one page descriptions in the conference booklet (see below) or table top displays at the forum event. Allowing displaying as well as presenting companies to attend provides financiers with a wider portfolio of ventures to review, including more early stage and small deals. However, it is important to give the presenting companies the greatest focus and access to investors.

Several important business characteristics to look for in company applications were suggested by the investor interviews conducted as a part of the *Recycling Venture Forum Study*, as presented in the "What Investors Look for in Companies" list included as Figure 2-4 in Chapter 2, p. 12.

#### Polishing Company Presentations

Once presenting firms have been selected, forum organizers need to work with the presenters to ensure the quality of their presentations.

Organizers should convene a training meeting to preview company presentations and make suggestions prior to the forum.

This preparation, though demanding of company management's time, provides excellent training for other presentations to investors, bankers, and potential business partners. Presentations should cover some key areas such as:

- ♦ Business Description
- Market Opportunity and Strategy
- ♦ Management Team
- New Capital Needed

- Intended Use of Funds
- Current and Projected Company Sales and Profitability

The first Northeast Recycling Investment Forum organizers conducted a special presentation training session for all company presenters three weeks prior to the forum. The training session was organized by NERC and the Environmental Business Association of New York State and hosted by Price Waterhouse in Boston. The session began with a review of key business presentation skills. Then, each company made a trial business plan presentation. Following their presentations, they were critiqued by an investor network representative, an accountant, an investment banker and other company participants. Feedback covered a range of areas including:

- ♦ Time length of presentation
- Contact and engagement with the audience
- Content of the presentation—suggested additions and deletions
- ♦ Improvements to the audiovisual presentation

Each of the companies also received a videotape of its presentation and critique session.

By the time of the Northeast forum, companies had significantly improved their presentations as a result of the training session. Indeed, several of the entrepreneurs remarked that even if they did not find an investment match at the event, the training session alone made their participation in the forum worthwhile.

Both the forum presentations and the executive summaries of business plans in the forum booklet will make important first impressions on the audience. Forum organizers and presentation committee members should review company materials for concerns such as the following:

Is the presentation overly focused on a technology that will bore or confuse investors?

- Is the verbal and audiovisual presentation concise, legible and professionally prepared?
- Are the essential investor questions regarding company history, management, markets, financial projections and capital needs answered?
- ♦ Is the founder the best person to make the presentation? Should another management member assist or conduct the presentation?

#### Recruiting Investor Attendees

One measure of the success of a recycling investment forum is the number and types of registrants. Two categories of investor invitees are recommended. The *first priority invitees* are those whose investment interests seem to most closely match the capital demands of recycling companies. The *second priority invitees* may be more appropriate for later stage financing or are already easily accessible to the business through local contacts

#### **First Priority Invitee Categories**

- ♦ Community Development Financial Institutions
- Corporate Joint Venture or Acquisition Managers
- ♦ Early Stage Venture Capital Funds
- Economic and Recycling Market Development Agencies
- Individual Investor Networks or Intermediaries
- ♦ Individual Investors
- ♦ Investment Banking Service Firms
- ♦ Investment Partnerships

#### **Second Priority Invitee Categories**

- Commercial Banks
- Equipment Finance Funds
- ♦ Later Stage Venture Capital Funds
- Recycling and Environmental Agencies

- SBA, EDA, HUD, and FHA Lenders or Officials
- State and Local Financing Program Officials

Contacts at targeted financial institutions can be obtained through finance trade associations, existing venture forum lists, investment networks and direct referrals.

Attracting strong attendance from targeted financial institutions and investors is a challenge. For a new recycling investment forum, it is important to establish credibility with investors through the name recognition of hosting and sponsoring organizations, professionally printed materials and referral from other peers in the field. Media coverage of the upcoming forum in recycling, finance and business periodicals can also help to establish credibility. Recognized keynote speakers who can address financier interests, perhaps in regard to recycling and environmental industry trends, could also be important. Finally, recruitment of top-notch presenting businesses will help establish the forum as the "place to be" to see the best recycling investment opportunities in the region.

Recruitment efforts for the two recycling investment forums conducted as of the date of this publication included:

- Compilation of investor and financier databases from multiple sources
- Mailing of a "Save the Date" card three or more months before the forum
- Mailing of a registration brochure two months prior to the forum
- Joint mailing and publicity with companion events
- Joint mailing and distribution of the forum flyer through existing venture networks and clubs
- Direct telephone contact to a "hot list" of potential investor attendees

- Fax of selected company descriptions and forum information sent to a subset of the database two weeks prior to the forum
- Media coverage sought and advertising purchased in publications read by the target audience

The experience of the first two recycling investment forums indicates that attracting sufficient investor attendance is the greatest challenge in conducting a successful forum. The Southeast and Northeast forums attracted 100 and 150 attendees, respectively. These attendee totals were approximately evenly divided among three categories:

- "Presenting" and "displaying" company officials
- Investors and financial institution representatives
- Recycling, governmental and economic development officials and service providers

In each of these first two recycling investment forums, investor attendance was lower than hoped for by forum organizers, but sufficient for many fruitful contacts to be made by entrepreneurs that may result in new investments. In evaluations of the forums, company officials also mentioned the benefit of the contacts they made with state recycling and economic development officials and the other participating companies.

However, as new forums are organized, particularly in regions of the country with a lower concentration of active investors in entrepreneurial companies, special attention should be paid to the target audience. If strong attendance by investors is not anticipated, the event can be more designed to highlight its entrepreneurial training and economic development educational features. With such a design and understanding by all parties, a forum can be successful even if no new investments are a direct result of the event.

#### Forum Agenda and Logistics

The venture forums and fairs and meetings listed in Chapter 5 vary in length from a half-day to two days. Typically, those events with nearby attendees have shorter schedules while the multistate regional forums may run longer, including receptions and dinners. A recycling investment forum could be scheduled as a one- or two-day event, perhaps beginning with an evening registration, reception and open display area, followed by a full day of business presentations, meetings and the keynote speaker, as shown in Figure 4-3.

Sample Rec	Figure 4-3 cycling Investment Forum Agenda
DAY ONE	
5-7 PM	Arrivals, Registration
6-9 PM	Reception with Company Displays
DAY TWO	
9 AM	Welcome, Sponsor Recognition, Business Presenter Introductions
9:30 AM -12:30 PM	Recycling Venture Presentations (12 @ 15 min. each)
12:30 -1:30 PM	Lunch, Keynote Speaker
1:30-4 PM	Ongoing Reception and Displays

Attendance may be enhanced if the recycling investment forum is conducted in conjunction with another event that investors may be interested in attending. For example, the first Southeastern Recycling Investment Forum was scheduled immediately preceding the annual Dare to Deal venture capital conference in Charleston. Few investors ended up attending both events, since the programs and presenting companies were quite different. However, the

joint publicity and mailings helped lend credibility to the first recycling investment event for the region.

The Northeast Recycling Investment Forum was held in conjunction with the New England Environmental Expo. Forum attendees received free passes to visit the expo's trade show with its hundreds of environmental and recycling companies displaying.

The space for the forum should allow for a large enough meeting room or auditorium for company presentations to the entire audience. A display area, with refreshments, should allow for attendees to examine company products and information at their leisure. This reception area should be near but not in the same room as the presentation area, to allow company representatives and attendees to talk informally at times while other presentations are being made.

#### Forum Registration and Attendance

Venture forums and fairs charge between \$50 and \$500 per registrant, depending on the length of the event and the venue. The first Southeastern Forum charged attendees \$125 while the first Northeastern Forum charged \$250. The registration fee should help defray costs and communicate the value of the event, yet not be prohibitively expensive for interested parties.

Presenting businesses could be charged an application fee to help cover the costs of reviewing the application and business plan and to help screen for serious ventures. This initial fee can be deducted from the registration fee if the company is selected to present or display.

The primary attendees at the recycling forum should be presenting company representatives and interested investors, financing sources and economic developers. Inevitably, other parties will be interested in attending, including finance intermediaries, lawyers, accountants, other businesses and recycling officials. Most venture fairs do not restrict admittance. Some use color-

coded name tags or ribbons and conference materials to help identify presenting companies, sponsors, and investors. Seeking to exclude interested observers could engender ill will and may also reduce positive networking opportunities for businesses and investors. An open door policy would also help the recycling forums to move toward sustainability based on registration fees and sponsorships. However, certain securities law precautions should be taken regarding attendees, as noted below.

A conference booklet should be printed for the forum and given to attendees at registration. The booklet could include recognition of forum organizers and sponsors. Summaries of any keynote talks could also be included. Short business plan executive summaries for each presenting company in a standard format should make up the bulk of the booklet. A schedule for presentations should be included so that investors can easily follow the presentations and have further details at hand. Short descriptions of the displaying companies present at the forum could also be included. Finally, general business or investment analysis reports regarding the recycling industry can be included. Consistent with securities laws, after the forum the booklet may also be made available to financiers who could not attend the event, to widen the potential financing impact of the forum.

#### Forum Sponsorships

Forum sponsors can help fund the event and make it sustainable on an annual basis. Well-known sponsors can also provide credibility for a first-time venture forum. In addition to recognition in the forum booklet, printed materials and at the event, sponsors at certain donation levels can be provided with limited complimentary registrations to the forum. Sponsorship levels at existing forums and fairs range from a few hundred dollars for smaller events to \$10,000 or more. Potential recycling investment forum sponsors would include:

- ♦ Accounting firms
- Economic development agencies

- Federal agencies
- Financial institutions and banks
- Foundations
- Insurance companies
- Law firms
- Nonprofit recycling organizations and associations
- Recycling and commodity trade associations
- Recycling corporations
- Recycling market development agencies
- Recycling trade publications
- Utilities

#### Sample Recycling Investment Forum Budget

A sample forum budget is in Figure 4-4. The budget assumes that the forum host has access to significant volunteer assistance through the recycling and financial industries. Volunteers could assist with company and investor recruitment, business selection and presentation training. A start-up grant is assumed for the first year of a forum. Registration and sponsorship revenues could cover an increasing share of costs in future years, if the forum is conducted annually.

The budget shown in Figure 4-4 is only an estimate. Costs will vary based on the location for the event, its duration, staffing and contract costs. If forum organizers and sponsors are able to supply significant in-kind expertise and resources, costs can be reduced. If a forum is the first event of its kind for a region or a hosting organization, expenses will likely be higher.

#### Legal Precautions

Federal and state securities laws and regulations place restrictions on individuals or organizations offering company securities for sale. A securities lawyer should be consulted to provide guidelines for the organization of any recycling investment forum or event so as to ensure that the event is conducted in compliance with all applicable federal and state laws. (See Chapter 3 for some of the restrictions placed on company's or their agents regarding contact with investors,

Figure 4-4 Sample Recycling Investment Forum Budget			
Budget:			Assumptions:
Registration Fees		16,500	16 presenting or displaying businesses with two attendees per company
		l	100 investor and other attendees at \$125/person
Presenter Application Fees		1,000	40 company applicants (not selected) @ \$25
Sponsorships		5,000	5 sponsors at \$1,000
In-Kind Support		10,000	Forum organizer and partner in-kind services
Start-Up Grant		37,500	Start-up grant
Total Revenue	\$	70,000	
Printing		7,500	Forum brochures and booklets
Postage/ Travel/ Communications		5,500	Mailings, calls, faxes, speaker travel
Reception/ Lunch/ Facilities		13,000	Evening reception, lunch, conference space
Securities Attorney		5,000	Legal opinion on forum organizing guidelines
Presentation Training		5,000	Travel and training expenses
Staff, Office and Contract Costs		34,000	Forum coordination, business recruitment and selection, investor recruitment, presentation training
Total Expenses	\$	70,000	

depending upon the legal structure of the equity investment they are seeking.) The information provided in this publication is not meant to take the place of appropriate legal and accounting advice for either forum organizers or participating companies or investors.

Several existing venture forums and fairs were surveyed for the *Recycling Venture Forum Study*. Organizers of those events that were marketed toward professional venture capital investors had fewer concerns about securities laws because they expected a level of sophistication from their accredited investors. Most had their own or a sponsor's attorney familiar with securities law review their event plans and suggest safe operating guidelines. Those forums that involved individual investors took even greater

precautions to assure compliance with securities laws and regulations.

The Northeast Recycling Council received probono advice from a law firm specializing in securities law for the Northeast forum. The firm recommended that NERC include the statement shown in Figure 4-5 in its forum booklet and included a similar statement in the registration brochure. Figure 4-5 is not meant to take the place of appropriate legal and accounting advice for either forum organizers or participating companies or investors.

#### Forum Evaluation

Recycling investment forums can be evaluated based on the direct and indirect benefits they may offer to participants and the recycling and

investment industries. Direct benefits result from the forums if new investments are made in presenting and displaying companies as a result of the forum. Organizers should make sure that companies agree on the application form to disclose to the host organization their financing results for one year after the event. With these disclosures, the direct financing benefits of the forum can be evaluated.

Indirect benefits of the forums could occur if financiers become more active in financing recycling firms, in general. Business applicants could also benefit if through the application, presentation training and forum process they develop a greater sense of investor priorities and how their company can best access new capital. Finally, all attendees and the general public, via press coverage and publications, can achieve a greater understanding of the opportunities in financing innovative recycling businesses.

These direct and indirect benefits can be measured through written surveys of forum participants immediately at the end of the event and telephone surveys of business presenters and forum attendees six months to a year after the forum.

#### Limitations of Recycling Investment Forums

Recycling-specific investment forums are only one of many strategies for fostering capital formation and entrepreneurial development in the recycling industry. Forums as described in this chapter are most appropriate when conducted for a relatively large area with significant numbers of active recycling companies and interested equity investors. Prospective forum organizers should

team up with firms or organizations with experience working with private investors, such as some of those listed in Chapter 5.

The start-up costs of organizing a new forum for an organization that has not conducted such an event are significant. Significant work must go into ensuring compliance with state and federal securities laws, as well as into ensuring strong recycling company and investor participation. Recycling market development officials should also focus on "mainstreaming" recycling companies by connecting them with capital sources, investment networks and events as summarized in Chapters 3 and 5.

Finally, for the recycling entrepreneur, participating in a recycling investment forum is only one component of a capital-raising strategy. Developing a complete business plan, assembling a management team and business advisors, and beginning to build a viable company are all essential. The opportunity to present at a recycling investment forum provides the entrepreneur with one way to contact a new circle of potential equity investors efficiently.

#### Conclusion

Venture forums and meetings are effective means of fostering investments in new and expanding companies. If designed properly, recycling investment forums promise to be an excellent vehicle for financing well managed recycling companies. The forums also can educate the investment and economic development communities about trends, challenges and opportunities in the growing recycling industry.

# Figure 4-5 Northeast Recycling Investment Forum Northeast Recycling Council Forum Booklet—Excerpt May 7, 1996

#### DISCLAIMER

- 1. The Northeast Recycling Investment Forum is an opportunity for recycling businesses searching for financing to present their business plans to an audience of investors. The Northeast Recycling Council, its consultants and sponsors for the Forum, herein referred to as NERC, as the coordinators of this event, are not functioning as securities broker/dealer or investment advisers, and are not registered as such with the Securities & Exchange Commission.
- 2. THE COMPANY PROFILES IN THIS FORUM BOOKLET WERE PROVIDED BY THE PARTICIPATING FORUM BUSINESSES. NERC ACCEPTS NO RESPONSIBILITY FOR AND HAS NOT CONFIRMED THE ACCURACY OR DETERMINED THE LEGAL ADEQUACY OF ANY DISCLOSURES OR OTHER STATEMENTS (INCLUDING THE COMPANY PROFILES), WHICH MAY BE MADE, EITHER ORALLY OR IN WRITING, BY ENTREPRENEURS OR INVESTORS PARTICIPATING IN THE FORUM.
- 3. NERC has not examined and does not endorse or recommend any security which may be offered for sale by entrepreneurs at the Investment Forum. NERC makes no assurances to companies or investors regarding financing or other outcomes of the Forum. Both entrepreneur and investor participants agree to assume full responsibility for their representations and actions in conjunction with the Forum.
- 4. All investors are encouraged to seek legal and other professional counsel prior to making investments in the participating businesses at the Northeast Recycling Investment Forum.
- The information provided in Figure 4-5 is not meant to take the place of appropriate legal and accounting advice for either forum organizers or participating companies or investors.

## Chapter 5: Investment Forum, Meeting, Network and Association Directory

New strategies have been developed in the last several years to bring entrepreneurial companies together with prospective investors and others who can assist in business growth. The events and organizations listed in the directory in this chapter can help to foster access to capital for new and expanding recycling ventures in a variety of ways. The directory entries can be categorized as either investment forums, investment meetings and investment networks, or associations, as defined below:

#### **Investment Forums**

*Investment forums* tend to be annual events in which 10 to 40 businesses selected from a larger

pool of applicants make presentations for a group of attending investors and service providers. Networking opportunities are often arranged for presenting entrepreneurs and investors in these one- to three-day events. Special keynote talks of particular interest to private equity investors are also often featured. The annual forums typically select for high growth companies that may have appeal to professional venture capital, corporate or private individual investors. They generally serve an entire state or a multi-state region. Of the 104 directory entries, the 23 events best meeting this description, in the geographic order in which the are listed in the directory, include:

Figure 5-1: Investment Forums				
Event	City	Page		
1) Northeast Recycling Investment Forum	Brattleboro, VT	44		
2) New Jersey Venture Fair	Princeton, NJ	45		
3) The Upstate NY & Canada Inv. Conference	Rochester, NY	46		
4) Mid-Atlantic Venture Fair	Timonium, MD	49		
5) Pittsburgh Growth Capital Conference	Pittsburgh, PA	50		
6) Central Florida Venture Capital Conference	Orlando, FL	51		
7) Florida Venture Forum	Coral Gables, FL	51		
8) NC Venture Conference	RTP, NC	53		
9) Dare to Deal—Southeast Capital Connection	Charleston, SC	53		
10) Southeast Recycling Investment Forum	Columbia, SC	54		
11) Great Midwest Venture Capital Conference	Indianapolis, IN	55		
12) Michigan Growth Capital Symposium	Ann Arbor, MI	57		
13) Innovest	Cleveland, OH	58		
14) Wisconsin Venture Fair	Madison, WI	59		
15) Oklahoma Investment Forum	Tulsa, OK	60		
16) Southwest Venture Forum	Dallas, TX	62		
17) Texas Venture Capital Conference	Austin, TX	62		
18) Midwest Recycling Investment Forum	Lincoln, NE	64		
19) Venture Capital in the Rockies	Denver, CO	65		
20) Utah Venture Capital Conference	Salt Lake City, UT	65		
21) Arizona Venture Capital Conference	Phoenix, AZ	66		
22) Bay Area Venture Forum	San Francisco, CA	66		
23) Los Angeles Technology Venture Forum	Los Angeles, CA	67		

#### Investment/Entrepreneurial Meetings

Investment and entrepreneurial meetings tend to be more frequent monthly or quarterly breakfast or lunch meetings of investors and others interested in new ventures with a single topic or speaker. Often the speakers address investment opportunities in a particular industry sector and may themselves be entrepreneurs. Several such meetings have very short (one to five minute) prepared presentations from selected entrepreneurial ventures. The investment meetings tend to serve smaller in-state regions and involve fewer venture capitalists and more

individual investors than the venture forums. Presenting companies are usually local enterprises seeking capital and other resources for business start-up and growth. Some of the organizations provide services either solely to entrepreneurs or solely to investors. See the directory descriptions for details on each group's mission, services and programs. Of the 104 directory entries, the 65 organizations that conduct investment or entrepreneurial meetings, sorted in the geographic order in which they appear in the directory, are as follows:

Organization	City	Page
1) Connecticut Venture Group	Fayetteville, CT	43
2) MIT Enterprise Forum of Connecticut, Inc	Hartford, CT	43
3) MIT Enterprise Forum of Cambridge	Cambridge, MA	43
4) MIT Enterprise Forums	Cambridge, MA	43
5) Vermont Venture Network	Burlington, VT	44
6) New Jersey Entrepreneurial Network	Princeton, NJ	45
7) Venture Assoc. of New Jersey	Morristown, NJ	45
8) Long Island Venture Group	Brookville, NY	46
9) MIT Enterprise Forum of New York City	New York, NY	46
10) New York Venture Capital Forum	New York, NY	46
11) New York Venture Group	New York, NY	47
12) Western New York Venture Association	Amherst, NY	47
13) Delaware Entrepreneurs' Forum	Wilmington, DE	48
14) Baltimore Washington Venture Group	College Park, MD	48
15) Delaware Valley Venture Group	Philadelphia, PA	49
16) MIT Enterprise Forum of Pittsburgh	Trafford, PA	49
17) Pennsylvania Innovation Network	Malvern, PA	49
18) Pennsylvania Private Investors Group (PPIG)	Wayne, PA	50
19) Venture Investment Forum of Central PA	Camp Hill, PA	50
20) MIT Enterprise Forum of WashBaltimore	Arlington, VA	50
21) Richmond Venture Capital Club	Midlothian, VA	50
22) First Coast Venture Capital Group	Jacksonville, FL	51
23) The Founders Forum	Melbourne, FL	51
24) Gainesville Area Innovation Network, Inc.	Gainesville, FL	52
25) Tampa Bay Venture Forum	Tampa, FL	52
26) Atlanta Venture Forum	Atlanta, GA	52
27) The Venture Club of Louisville	Louisville, KY	53
28) MIT Enterprise Forum of Chicago	Chicago, IL	55
29) Venture Club of Indiana	Indianapolis, IN	56

Figure 5-2: Investment/Entrepren	neurial Meetings (cont.)	
<u>Oganization</u>	City	Page
30) Capital Enterprise Forum	Lansing, MI	56
31) Michiana Investment Network	South Bend, IN	57
32) Mid-Michigan Venture Capital Forum	Bay City, MI	57
33) New Enterprise Forum	Ann Arbor, MI	57
34) The Southeastern Michigan Venture Group	Detroit, MI	58
35) Traverse Bay Enterprise Forum	Traverse City, MI	58
36) West Michigan Business/Finance Forum	Grand Rapids, MI	58
37) The Collaborative	Minneapolis, MN	58
38) Greater Cincinnati Venture Association	Cincinnati, OH	59
39) Miami Valley Venture Association	Dayton, OH	59
40) Wisconsin Venture Network	Milwaukee, WI	59
41) The Venture Network	New Orleans, LA	60
42) Entrepreneurs of Tulsa	Tulsa, OK	60
43) Oklahoma Venture Forum	Oklahoma City, OK	60
44) Central Texas Venture Capital Group	Waco, TX	61
45) Dallas Venture Capital Forum	Dallas, TX	61
46) Houston Venture Capital Association	Houston, TX	61
47) MIT Enterprise Forum of Dallas-Fort Worth	Dallas, TX	62
48) MIT Enterprise Forum of Texas	Houston, TX	62
49) Venture Network of Iowa	Des Moines, IA	63
50) Missouri Innovation Center	Columbia, MO	63
51) Missouri Venture Forum	St. Louis, MO	63
52) The Rockies Venture Club	Denver, CO	65
53) Enterprise Network	Phoenix, AZ	66
54) California Capital Access Forum	Santa Monica, CA	66
55) Cal Tech/MIT Enterprise Forum	Pasadena, CA	67
56) Central Coast MIT Enterprise Forum	Agoura Hills, CA	67
57) Los Angeles Venture Association	Santa Monica, CA	67
58) MIT Enterprise Forum of San Diego	San Diego, CA	68
59) MIT Enterprise Forum of the Bay Area	Santa Clara, CA	68
60) Orange Coast Venture Group	Laguna Hills, CA	68
61) San Diego Venture Group	San Diego, CA	69
62) Hawaii Venture Capital Association	Kailua, HI	69
63) Oregon Enterprise Forum	Portland, OR	70
64) MIT Enterprise Forum of the Northwest	Seattle, WA	70
65) Northwest Venture Group	Seattle, WA	70

#### **Investment Networks**

Investment networks are services that match investors' interests with companies seeking additional capital. The matchmaking process usually has four steps:

1) Companies submit executive business summaries, financial projections and an entrepreneur's profile application. Investors submit an investment preference profile. Both

- investors and companies typically pay a fee to be listed on the network.
- 2) The data are entered into a computer database, interest matches are made, and investors are sent the summaries of those companies that meet their requirements. At this stage, the names of investors and companies are confidential.
- 3) The investor reviews the summaries and contacts the network if it is interested in meeting an entrepreneur. The network then provides both parties with information on how to contact one another.
- 4) Once introductions have been made, investment negotiations can occur directly between the two parties.

A few of the networks, such as the Western Investment Network and the Environmental Capital Network, provide all business profiles to all network investors, instead of conducting the matchmaking service described above. Most of the networks are statewide or regional. The Technology Capital Network at MIT, the Seed Capital Network, the Investors' Circle, the Environmental Capital Network and the Capital Network are national in scope. The 16 investment networks identified for the directory, in the geographic order in which they are listed, are as follows:

	ent Networks	
Network	City	Page
1) Technology Capital Network at MIT	Cambridge, MA	44
2) Mid-Atlantic Investment Network	College Park, MD	48
3) Kentucky Investment Capital Network	Frankfort, KY	52
4) North Carolina Investor Network	Raleigh, NC	53
5) Private Investor Network	Aiken, SC	54
6) Seed Capital Network	Knoxville, TN	54
7) Investors' Circle	West Chicago, IL	55
8) Private Investors Network	Bloomington, IN	56
9) Environmental Capital Network	Ann Arbor, MI	56
10) The Capital Network	Austin, TX	61
11) Capital Resource Network	Kansas City, MO	63
12) Montana Private Capital Network	Poulson, MT	65
13) Pacific Venture Capital Network	Irvine, CA	68
14) Silicon Valley Capital Network	Sunnyvale, CA	69
15) Alaska InvestNet	Juneau, AK	70
16) Western Investment Network	Seattle, WA	71

#### National Finance and Business Development Organizations and Federal Finance Programs

At the end of the directory, a listing of national financial and entrepreneurial associations is provided. These associations can provide member directories and guides to accessing financial or business development resources. A list of contacts for federal financing programs is also provided.

#### Value to Recycling Businesses

Recycling, reuse and composting entrepreneurs and the economic developers that serve them can benefit from participating in the organizations listed in this directory. A recycling venture seeking capital may want to present its business through one of the forums, meetings or networks. Even if not selected to present, involvement in these organizations will help to connect

entrepreneurs and economic developers with investors and resources that can benefit the recycling industry. Some groups, such as the MIT Enterprise Forums, provide entrepreneurs help in refining their business plans and presentations.

"Networks, however, will not solve all problems... They have no role in quality control, nor in pricing, structuring or monitoring any deal, all of which are significant factors determining the ultimate success or failure of an enterprise.

Despite these limitations, networks such as VCN (Venture Capital Network, Inc. now Technology Capital Network, Inc.) have a potentially important role in increasing market efficiency, and thus in reducing the equity financing gap. They provide a confidential means of drawing from a wider geographical area to bring entrepreneurs and investors together, and of offering investors a reasonable flow of investment opportunities. Further, they provide the means to expand the informal venture capital market by lowering barriers to the entry into the market of potential new individual investors."<sup>23</sup>

John Freear, Jeffrey E. Sohl and William E. Wetzel, "The Private Investor Market for Venture Capital"

However, not all of these events or organizations will be useful to all recycling entrepreneurs in their region. Some of the forums, for example, are focused exclusively on high growth and high technology companies attractive to venture capital firms. As such, they have rarely, if ever, featured recycling companies. Nevertheless, participation in innovative entrepreneurial and investment events can help recycling business owners and managers learn how they need to strengthen their companies to achieve success and attract capital.

#### Using the Directory

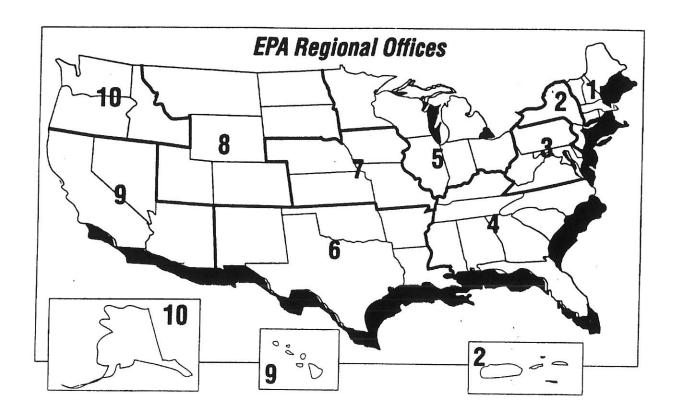
Note that the names of the events or organizations do not necessarily correspond to this publication's characterization of their activities. For example, some "venture forums" and "networks" conduct investment meetings as defined above. Many of the organizations listed conduct a range of activities designed to foster entrepreneurial development and private equity investing. The directory descriptions listed below focus primarily on the business finance-related programs. However, it is important to note that participating entrepreneurs, in addition to seeking to identify potential investors, often also benefit by finding service providers or new management members, receiving business and marketing plan feedback, and learning about economic development or governmental programs.

The directory lists organizations and events together geographically since several serve adjacent multi-state areas. The directory sections are sorted by the ten EPA-defined regions for the United States. Within each region, entries are sorted alphabetically by state, and then alphabetically by name of organization or event. The map preceding the directory entries will assist the user in locating areas of interest.

An address and phone number are provided for all entries with a short description. Fax number, email address and internet URL for WWW home page or reference are provided where available. This directory is not exhaustive and lists only those organizations or events for which information was obtained for this publication. New organizations or entrepreneurial services in each region can be identified by contacting the active regional groups listed in the directory. Descriptions in quotes have been excerpted directly from organization brochures or materials.

41

<sup>&</sup>lt;sup>23</sup> Freear, John, Jeffrey E. Sohl and William E. Wetzel, Jr., "The Private Investor Market for Venture Capital," *The Financier: ACMT*, Vol. 1, No. 2, May 1994, pp. 13-14.



### GEOGRAPHIC REGIONS USED IN THIS DIRECTORY

(Use this map to locate your area of interest):

#### Region 1: New England

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

### Region 2: New York and New Jersey

New Jersey, New York, Puerto Rico

#### Region 3: Mid-Atlantic

Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia

#### Region 4: Southeast

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

#### Region 5: Great Lakes

Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

#### Region 6: Southwest

Arkansas, Louisiana, New Mexico, Oklahoma, Texas

#### Region 7: Midwest

Iowa, Kansas, Missouri, Nebraska

#### Region 8: The Plains

Montana, North Dakota, South Dakota, Wyoming, Utah, Colorado

### Region 9: California, Nevada, Arizona, & Hawaii

Arizona, California, Hawaii, Nevada

#### Region 10: Northwest

Alaska, Idaho, Oregon, Washington

42

31-46

#### **REGION 1: NEW ENGLAND**

#### CONNECTICUT VENTURE GROUP

Mr. Mike Roer 425 Catona Drive Fayetteville, CT 06430 Tel (203)333-3284 Fax (203)676-0405 The Connecticut Venture Group "is a voluntary professional organization dedicated to the support of the venture investment process by providing a network and forum for those directly involved in creating new, high growth enterprises."

Hosts monthly and bimonthly meetings in Bridgeport, Hartford, New Haven, and Stamford. Investors, entrepreneurs, service professional and governmental officials participate. Investment speakers and short business presentations are featured at meetings.

### MIT ENTERPRISE FORUM OF CONNECTICUT

Mr. Frank Marco 151 New Park Avenue Hartford, CT 06106 Tel (860)251-5939 Fax (203)251-5900 Email: conforum@mit.edu The MIT Enterprise Forum of Connecticut "is a non-profit educational organization designed to service and support the entrepreneurial community by assisting companies in key phases of development, growth and change." See MIT Enterprise Forum, Cambridge, MA for further information.

### MIT ENTERPRISE FORUM OF CAMBRIDGE

Mr. Jack Derby 201 Vassar Street Building W59-219 Cambridge, MA 02139 Tel (617)253-8240 Fax (617)258-7264 Email: mitefcmb@mit.edu "The MIT Enterprise Forum of Cambridge hosts two monthly sessions or 'case presentations' that address the separate needs of 'start-ups' and more established companies. In both meetings, the company's CEO presents a twenty-minute summary of his/her company's current business operations, objectives, and issues." Presenters receive feedback from a panel of experts and have exposure to entrepreneurs, managers, technologists, investors, service providers, and students. The Forum also organizes workshops and seminars useful to entrepreneurs.

### MIT ENTERPRISE FORUM

Ms. Kathleen Hagan
201 Vasser Street
Cambridge, MA 02139-4310
Tel (617)253-0015
Fax (617)258-0064
Email: bolton@mit.edu
Internet URL:
http://web.mit.edu/entforum/www/

"The MIT Enterprise Forum promotes the formation and growth of innovative and technologically-oriented companies through a series of specialized executive education programs. Founded in 1978, the MIT Enterprise Forum operates through an enterprise network of 18 chapters based in the U.S. (also listed in this directory) and overseas."

"The typical chapter offers advice, support and educational services for local area emerging technology-based companies....Among the most valuable uses of the many Forum activities is as a networking tool. Forum members have the opportunity to meet with a broad spectrum of the local business community, including venture capitalists, private investors, industry experts and other successful entrepreneurs."

### TECHNOLOGY CAPITAL NETWORK AT MIT

Ms. Betty Kadis 290 Main Street-Building E-39 Cambridge, MA 02142 Tel (617)253-7163 Fax (617)258-9375 "Technology Capital Network at MIT (TCN) provides entrepreneurs with cost-effective services for finding sources of seed and start-up capital, and in turn, provides investors with convenient, confidential methods for uncovering early stage or high growth companies as potential investments." Investor members are provided with profiles of ventures that match their interests. At the investor's request, TCN introduces them to participating entrepreneurs.

TCN was founded in 1984 and is one of the oldest investment networks. Today it has over 90 angel investors and 170 entrepreneurs in its network. There are no geographic restrictions on either entrepreneurs or investors. Capital seeking companies which work with TCN typically come from the computer, high technology, biotechnology, pharmaceutical and health/medical fields. Companies most likely to benefit from TCN will be seeking between \$50K and \$1 million in equity financing. In 1994, TCN helped 22 early stage companies obtain \$6.67 million in capital.

There is a \$300 registration fee for entrepreneurs for one year. Individual investors pay a \$300 fee for one year and receive a maximum of 100 leads. Venture capital funds, corporate investors, and institutional must pay a \$600 membership fee per year (unlimited leads). TCN also organizes Venture Capital Forums for the Massachusetts Office of Business Development and is a co-organizer of the Northeast Recycling Investment Forum. *q.v.* 

The Northeast Recycling Investment Forum is organized by

### THE NORTHEAST RECYCLING INVESTMENT FORUM

The Northeast Recycling Council Ms. Mary Ann Remolador 139 Main Street, Suite 401 Brattleboro, VT 05301 Tel (802)254-3636 Fax (802)254-5870 Email: NERC@sover.net

# the Northeast Recycling Council (NERC) with assistance from the Environmental Business Association of New York, TCN at MIT, and KirkWorks. The Forum features presentations by selected recycling companies from NERC's ten member states in the Northeast, along with keynote speakers on investment opportunities in the recycling industry. The May 1996 Forum was held in Boston and sponsored by EPA New England, New York State Office of Recycling Market Development and other parties. The next Forum is being planned for spring of 1997. NERC offers several other programs and services to foster recycling market development.

### VERMONT VENTURE NETWORK

c/o Merritt & Merritt Mr. H. Kenneth Merritt P.O. Box 5839 Burlington, VT 05402 Tel (802)658-7830 Fax (802)658-0978 "The Vermont Venture Network is a not-for-profit organization which holds a monthly forum created to stimulate interaction among entrepreneurs, venture investors and managers seeking roles with new companies and professionals whose services are available to venturers. During (monthly) breakfast(s), attendees can introduce themselves and their businesses to the group."

### **REGION 2: NEW JERSEY AND NEW YORK**

### NEW JERSEY ENTREPRENEURIAL NETWORK

Mr. Robert D. Frawley 600 College Road East Suite 4200 Princeton, NJ 08540 Tel (609)279-0010 Fax (609)987-6651 "The New Jersey Entrepreneurial Network is a non-profit organization providing educational and informational services to entrepreneurs, investors, persons in related fields and the public in general...A recent survey indicated that of the companies which attended (NJEN) meetings for the purpose of securing outside investment, 11% found an investor through NJEN."

#### NEW JERSEY VENTURE FAIR

New Jersey Technology Council Ms. Maxine Ballen 500 College Road East, Suite 201 Princeton, NJ 08540 Tel (609)452-1010 Fax (609)452-1007 "The ... Annual (New Jersey) Venture Fair is an exposition designed to bring emerging businesses together with investors and entrepreneurial supporters. Selected exhibitors display their products, are judged by a distinguished panel, and gain valuable exposure. Venture capitalists and other financing professionals receive an opportunity to evaluate new products and personally meet entrepreneurs. Many past entrepreneurs have used the Venture Fair as a stepping stone to increase growth and new sources of financing." In addition to sponsoring the Venture Fair in the spring, the New Jersey Technology Council helps organize the North Jersey Venture Fair in the fall, the New Jersey Capital Conference, and offer a range of services and programs for entrepreneurs.

### VENTURE ASSOCIATION OF NEW JERSEY

c/o Trien, Rosenberg, Felix Ms. Clara Stricchiola P.O. Box 1982 Morristown, NJ 07962-1982 Tel (201)267-4200 Fax (201)984-9634 Internet URL: http://www.thevine.com/ "The Venture Association of New Jersey is a monthly forum created to stimulate interaction among business founders and managers, equity investors and leaders, executives seeking new positions, professionals whose services are helpful to company managers and founders, and representatives of major corporations. During lunch, attendees mingle, exchange information, and introduce themselves and their businesses to the group."

### THE UPSTATE NEW YORK & CANADA INVESTMENT AND PARTNERING CONFERENCE

High Technology of Rochester Ms. Cindy Garry 5 United Way Rochester, NY 14604 Tel (716)327-7920 Fax (716)327-7931 Email: HTRgary@aol.com The Upstate New York & Canada Investment And Partnering Conference is held every other year to bring western New York business ventures together with potential investors. Typically, 30-40 venture capitalists and investors attend the Fair and 30-40 entrepreneurs present their business plans. The Fair promotes growth in Western New York State. The next Fair will be held in 1997.

### LONG ISLAND VENTURE GROUP

C.W. Post Campus/Long Island University Mr. Jeffrey Bass Roth Hall, Room 309 Northern Blvd. Brookville, NY 11548 Tel (516)299-3004 "The Long Island Venture Group (LIVG) provides a single forum for all those involved in entrepreneurial pursuits to communicate, to strategize, and to act on business opportunities and offerings....LIVG activities center around monthly breakfast meetings structured to encourage effective networking and dealmaking. In addition to a full breakfast, each meeting features a guest speaker on a topic of importance to entrepreneurs and the One Minute Forum, during which attendees introduce their business or service to the group." LIVG promotes business growth on Long Island.

### MIT ENTERPRISE FORUM OF NEW YORK CITY

Mr. David Godfrey c/o MIT Alumni/ae Center of New York 505 Fifth Avenue, Suite 2500 New York, NY 10110 Tel (212)354-1122 Fax (212)354-3688 Email: nycforum@mit.edu The MIT Enterprise Forum of New York fosters the entrepreneurial process by offering business plan presentations, symposia, programs and workshops. For further information see MIT Enterprise Forums, Cambridge, MA 02139 listing.

### NEW YORK VENTURE CAPITAL FORUM

c/o Warburg, Pincus Ms. Linda Bernstein 466 Lexington Avenue New York, NY 10017 The New York Venture Capital Forum provides educational and networking opportunities for venture capitalists in the New York metropolitan area.

46

### **REGION 2: NEW JERSEY AND NEW YORK**

Tel (212)878-0618 Fax (212)878-9361

ny.com/nyvg/

### NEW YORK VENTURE GROUP

Ms. Arlene West 605 Madison Ave., Suite 300 New York City, NY 10022-1901 Tel (212)832-7365 Fax (212)832-7338 Email: info-nyvg@virtual-ny.com Internet URL: http://www.virtual"The New York Venture Group presents a monthly breakfast forum for financiers and businesspeople whose common interest is middle-market and emerging companies." Meetings feature prominent investors or successful entrepreneurs and announcements from attendees. Monthly attendance averages 250-400 people with meeting announcements and entrepreneurial information circulated to 22,000 contacts.

### WESTERN NEW YORK VENTURE ASSOCIATION

Western NY Technology Development Center Mr. John A. McGowan Baird Research Park 1576 Sweet Home Dr. Amherst, NY 14228 Tel (716)636-3626 Fax (716)636-3630 "The Western New York Venture Association (WNYVA) is a non-profit organization dedicated to providing a business opportunity and investment forum to Western New York. ... WNYVA meetings provide entrepreneurs an opportunity to present their business plans to interested investors." Five to six meetings are held per year.

### DELAWARE ENTREPRENEURS' FORUM

Mr. Richard P. Eckman 1201 Market Street, Suite 1401 Wilmington, DE 19801 Tel (302)652-4241 The Delaware Entrepreneurs' Forum conducts monthly educational meetings and the annual fair which "features a select group of area companies involved in new technologies, products or services. The companies make formal presentations to the audience and there are exhibitions and demonstrations."

### BALTIMORE WASHINGTON VENTURE GROUP

Dingman Center for Entrepreneurship Ms. Sandra Nola The Maryland Business School The University of Maryland College Park, MD 20742-1815 Tel (301)405-2144 Fax (301)314-9152 The Baltimore Washington Venture Group is a membership organization that hosts breakfast meetings six times per year. Investment presentations are featured, along with opportunities for investors, entrepreneurs, and service providers to introduce themselves and their active projects. A quarterly newsletter is published. The Group is coordinated by the staff of the Dingman Center for Entrepreneurship which also hosts the Mid-Atlantic Investment Network q.v.

### MID-ATLANTIC INVESTMENT NETWORK

Dingman Center for
Entrepreneurship
Ms. Sandra Nola
The Maryland Business School
The University of Maryland
College Park, MD 20742-1815
Tel (301)405-2144
Fax (301)314-9152
Email:dingman@bmgtmail.umd.edu
InternetURL:http://www.inform.umd
.edu:8080/EdRes/Colleges/BMGT/
.WWW/Dingman/MAIN/MAIN.html

The Mid-Atlantic Investment Network's (MAIN) purpose "is to facilitate the introduction of companies seeking funding with individual, corporate, and venture capital investors interested primarily in early-stage financing." The network currently has 54 active investors and 103 entrepreneurs. The annual membership fee for investors is \$300. Company membership is \$150 for the first year and \$75 for the second year. Although there are no geographic restrictions, most applicants come from the Mid-Atlantic region, with a majority in the Washington-Baltimore region. MAIN has assisted companies from a diverse selection of industries including biotechnology, computer-related, industrial and consumer products, communications, and environmental services.

Member investors receive profiles of all companies listed with MAIN and are introduced to those companies in which they express an interest. The Dingman Center for Entrepreneurship operates MAIN and also offers other programs to foster new enterprise growth in the Mid-Atlantic region, including the Baltimore Washington Venture Group q.v., mentoring programs, seminars, and business plan reviews.

#### **REGION 3: MID-ATLANTIC**

### MID-ATLANTIC VENTURE FAIR

Mid-Atlantic Venture Association Ms. Mary Ann Gray 9690 Deereco Road, Suite 800 Timonium, MD 21093 Tel (410)560-5855 Fax (410)560-1910 The Mid-Atlantic Venture Fair is an annual fall event in which more than 50 emerging growth companies from the mid-atlantic region make business and product plan presentations. Early, expansion and later-stage companies from the Mid-Atlantic region are featured. Keynote speakers address entrepreneurial and technological trends. The fair is organized by the Mid-Atlantic Venture Association (MAVA), an organization of venture capital firms in Maryland, Pennsylvania, Washington, D.C. and Northern Virginia. MAVA also hosts frequent educational and networking meetings for investors and service providers. The Delaware Valley Venture Group q.v. works with MAVA in organizing the annual venture fair.

### DELAWARE VALLEY VENTURE GROUP

Greater Philadelphia Chamber of Commerce Ms. Carolyn Keim 1234 Market Street, Suite 1800 Philadelphia, PA 19107-3718 Tel (215)972-3960 Fax (215)972-3900 "The Delaware Valley Venture Group is the umbrella organization for Greater Philadelphia's venture capital firms. Its primary goal is to foster the growth of entrepreneurial companies through education and networking events that help entrepreneurs obtain venture capital funding and related professional services. The DVVG, whose members have \$2.7 billion under management, serves Eastern PA, Southern NJ and Delaware and is a council of the Greater Philadelphia Chamber of Commerce." The DVVG is a partner in organizing the annual Mid-Atlantic Venture Fair q.v.

### MIT ENTERPRISE FORUM OF PITTSBURGH, INC.

Mr. David Castaldo R.J. Lee Investments Ltd. 515 Pleasant Valley Road Trafford, PA 15085 Tel (412)744-0104 Fax (412)744-0506 Email: pitforum@mit.edu See MIT Enterprise Forum, Cambridge, MA entry.

### PENNSYLVANIA INNOVATION NETWORK

Ms. Helen Petruska
The Farmhouse
12 Great Valley Parkway
Malvern, PA 19355
Tel (610)647-6633
Internet URL:
http://www.libertynet.org/~pin/

The Pennsylvania Innovation Network's mission is to "provide information, resources, services, and networking opportunities to assist individuals and emerging companies address the challenges they encounter in our competitive global economy." PIN co-sponsors venture fairs and offers a range of other entrepreneurial development programs and services. Program topics include technology transfer, SBIR research funding, venture capital and marketing. PIN has published the Greater Philadelphia Financing Manual. PIN currently has 130 members concentrated in Chester and Montgomery counties. Membership is \$85 for individuals and \$300 for companies.

### PENN. PRIVATE INVESTORS GROUP

Technology Council of Greater Philadelphia 435 Devon Park Drive, Suite 803 Wayne, PA 19087-1945 Tel (215)975-9430 Fax (215)975-9432 The Pennsylvannia Private Investors Group (PPIG) provides a forum for entrepreneurs to present their business plans to sophisticated individual investors interested in investing in small, privately held companies. One or two entrepreneurs present their business plans at breakfast meetings held on the first Tuesday of every month. Business plans are reviewed prior to the meeting and only select companies are allowed to present to the full membership.

### PITTSBURGH GROWTH CAPITAL CONFERENCE

The Enterprise Corp. of Pittsburgh Ms. Dori Ortman 4516 Henry Street Pittsburgh, PA 15213 Tel (415)578-3481 The Pittsburgh Growth Capital Conference is held every two years to feature approximately 30 entrepreneurial ventures. Companies are selected based on the following criteria: "sales potential of at least \$10 million in the next five years, a strong innovative product or service versus the competion's, an outstanding managment team, located in the tri-state area (PA, OH, WV), and limited prior exposure to the investment community." Venture capitalists, other financiers, entrepreneurs and service providers participate.

### VENTURE INVESTMENT FORUM OF CENTRAL PA

Mr. John Lori c/o CREDC 214 Senate Ave., Suite 605 Camp Hill, PA 17011 Tel (717)730-9818 "The Venture Investment Forum of Central PA consists of a group of investors, entrepreneurs and business leaders who meet every other month in a breakfast meeting format to hear and consider investment opportunities by aspiring or established entrepreneurs."

### MIT ENTERPRISE FORUM OF WASHINGTON-BALTIMORE

Ms. Beth Duston P.O. Box 26203 Arlington, VA 22215 Tel (703)741-3509 Fax (703)521-2955 Email: dcbforum@mit.edu See MIT Enterprise Forum, Cambridge, MA entry.

### RICHMOND VENTURE CAPITAL CLUB

Mr. John Clark 1407 Huguenot Road Midlothian, VA 23113 Tel (804)379-1770 The Richmond Venture Capital Club conducts meetings every two months to foster the interaction between entrepreneurs and investors.

#### **REGION 4: SOUTHEAST**

### CENTRAL FLORIDA VENTURE CAPITAL CONFERENCE

The Central Florida Innovation Corporation Mr. Ted Fluchradt 12424 Research Parkway, Suite 350 Orlando, FL 32826 Tel (407)277-0544 Fax (407)277-2182

## The Central Florida Venture Capital Conference and Exposition is an annual event co-hosted for the Central Florida Innovation Corporation(CFIC) and the Small Business Development Center of Central Florida. "The Conference ... provide(s) both sides of the equity financing equation with a forum in which to come together, present ideas, and investigate opportunities for funding/investments."

CFIC is an Innovation Partnership with Enterprise Florida and offers a range of other services to entrepreneurs in central Florida.

### FIRST COAST VENTURE CAPITAL GROUP

Mr. Paul C. Porter 2532 Park Street Jacksonville, FL 32204 Tel (904)389-7798 Fax (904)389-9480 "First Coast Venture Capital Group is a not-for-profit volunteer organization whose purpose is to bring together and stimulate interaction between those interested in the venture process. ... The common interest (of members) is to promote a high level of 'networking' that supports entrepreneurial ventures with qualified funding sources and professional service providers." The group holds monthly meetings featuring investment and entrepreneurial presentations and also sponsors the First Coast Venture Capital Forum, "an all-day event highlighting entrepreneurs, individual investors and venture capital firms."

### FLORIDA VENTURE FORUM

Ms. Jeanne Becker 2600 Douglas Road, Suite 311 Coral Gables, FL 33134 Tel (305)446-5060 Fax (305)443-4607 "The Florida Venture Forum holds at least nine presentations a year attended by investors, bankers, accountants, lawyers and entrepreneurs. The presentations showcase a young company which has been selected by the Executive Committee after reviewing the company business plan."

"In addition to the monthly presentations, since 1992, the Florida Venture Forum has hosted the annual Ernst & Young LLP Florida Venture Capital Conference. The purpose of the conference, held every year in January/February, is to showcase high growth companies looking for equity financing before a nationwide audience of venture capitalists and investment bankers."

### THE FOUNDERS FORUM

The Innovation Center of Brevard Mr. Harry Brandon 1900 S. Harbor City Blvd. Melbourne, FL 32901 Tel (407)984-1900 Fax (407)951-4227 The Founders Forum's mission is "to provide introductions and needed contacts to educate entrepreneurs and provide information and guidance." Approximately six dinner meetings are held each year at which entrepreneurs are given three minutes to present their business plans. These meetings are attended by 75-100 investors, service providers, and entrepreneurs. One meeting per year is devoted to a detailed critique of one business plan by bankers, executives, and other professionals. The Founder's Forum serves the Central East Coast region of Florida.

### GAINESVILLE AREA INNOVATION NETWORK, INC.

Ms. Carol Ann Dykes P. O. Box 13442 Gainesville, FL 32604 Tel (904)455-4387

### TAMPA BAY VENTURE FORUM

The Enterprise Corp. of Tampa Bay Mr. Mike J. Landis 1111 N. Westshore Blvd., Suite 200-B Tampa, FL 33607 Tel (813)288-0445

### ATLANTA VENTURE FORUM

Vista Resources, Inc. Mr. John J. Huntz, Jr. 1201 West Peachtree St., N.W. Suite #5000 Atlanta, GA 30309 Tel (404)815-2000 Fax (404)815-4529

### KENTUCKY INVESTMENT CAPITAL NETWORK

Mr. Norris Christian Capitol Plaza Tower, 23rd Floor Frankfort, KY 40601 Tel (800)626-2930 Tel (502)564-7140 "The Gainesville Area Innovation Network is a network of inventors, entrepreneurs, business people, professionals, investors, professors and service providers who share ideas, energy and talents. GAIN was formed in 1985 to 'provide networking and educational opportunities to assist and encourage the entrepreneurial interests of its members." The network hosts monthly meetings and other activities to foster entrepreneurial efforts. The GAIN Venture Network "seeks to match viable investment opportunities with interested investors."

"The Tampa Bay Venture Forum is a private not-for-profit organization that brings together investors with selected investment opportunities. The Forum holds six annual dinner meetings where selected entrepreneurs present their business concepts to Forum members. ...Forum members prefer deal sizes between \$350,000 and \$2.5 million." The Forum is an affiliate organization of The Enterprise Corporation of Tampa Bay, which offers a range of other services for entrepreneurs

The Atlanta Venture Forum provides programs for investors geared toward issues specific to investing but does not address specific investments or companies.

The Kentucky Investment Capital Network's purpose "is to introduce entrepreneurs to individual investors and to investment capital firms interested in start-up and early-stage financing. ICN maintains a confidential database on investment opportunity profiles submitted by entrepreneurs and investment interest profiles submitted by investors." Through blind matching services, entrepreneurs are introduced to investors who are interested in their ventures.

The network seeks a diverse group of companies in the manufacturing, service, medical/health, communications, publishing, and computer software sectors. Environmental services companies are also accepted, but not classified separately. ICN serves Kentucky businesses but includes investors from other regions as well. Entrepreneurs most likely to benefit from this network will be seeking between \$50K and \$750K of equity financing. The network includes some investors willing to invest up to \$1 million and venture capital firms willing to invest more than \$1 million. There is no charge for ICN's services.

#### **REGION 4: SOUTHEAST**

### THE VENTURE CLUB OF LOUISVILLE

Mr. Bob Ogden Suite 301, 304 W. Liberty Street Louisville, KY 40202 Tel (502)583-1260 Fax (502)893-2077 The Venture Club of Louisville conducts regular meetings with speakers, presentations, and networking opportunities. Special events to assist in entrepreneurial education are conducted.

### NORTH CAROLINA INVESTMENT NETWORK

P.O. Box 20161 Raleigh, NC 27619-0161 Tel (919)981-4310 (entrepreneurs) Tel (919)755-5202 (investors) http://ncin.i40.com.ncin The North Carolina Investment Network utilizes the internet, CD-ROM and VHS videotape to bring together entrepreneurs and investors in an efficient and cost effective manner. It is sponsored by the Council for Entrepreneurial Development, based in the Research Triangle Park, N.C. NCIN investors must be interested in start up and expanding, growth oriented companies and be willing to invest \$25,000 or more in high risk ventures.

Entrepreneurs must first complete an "NCIN Entrepreneur Kit" which explains NCIN's requirements, selection criteria and fees. If selected, the entrepreneur will receive "The NCIN Cookbook" which walks the entrepreneur through all the steps necessary to present the business plan in a multi-media format. The investor receives the "NCIN Investor Kit" which includes a VHS tape with ten business plans, a CD-ROM with ten business plans and multi-media sound and video clips, and a World Wide Web password.

### VENTURE CONFERENCE

Council for Entrepreneurial Development Ms. Monica Doss P. O. Box 13353 RTP, NC 27709-3553 Tel (919)544-4642 Fax (919)544-2341

### DARE TO DEAL -SOUTHEAST CAPITAL CONNECTION

College of Charleston
Dr. Perry Woodside
Center for Entrepreneurship
310 Meeting Street
Charleston, SC 29424-0001
Tel (803)723-7450
Fax (803)577-3480

The annual spring **Venture Conference** is an opportunity for up to 15 selected high growth North Carolina businesses to make featured presentations to an audience of venture capitalists, financiers, and service providers. The conference is organized by the Council for Entrepreneurial Development (CED) and cosponsored by the North Carolina Venture Capital Association. The CED offers a range of other entrepreneurial development programs for the Research Triangle region and works with entrepreneurial council across North Carolina. The CED is also collaborating on the development of a new investment network for NC (see North Carolina Investment Network above).

The Dare to Deal - Annual Southeast Capital Connection is held each fall in Charleston, SC. Investment speakers and company presentations are featured, along with a company expo. Entrepreneurial companies from SC and the Southeast submit business plans which are screened to select presenters. The first annual Southeastern Recycling Investment Forum *q.v.* was held immediately preceding and in conjunction with the Dare to Deal conference in November of 1995.

### PRIVATE INVESTOR NETWORK

Economic Enterprise Institute Ms. Judy Clements University of South Carolina -Aiken 171 University Parkway Aiken, SC 29801 Tel (803)648-6851

### SOUTHEAST RECYCLING INVESTMENT FORUM

South Carolina Department of Commerce Mr. Ted Campbell P. O. Box 927 Columbia, SC 29202 Tel (803)737-0477 Fax (803)737-0418

#### SEED CAPITAL NETWORK

Dr. Robert Gaston 8905 Kingston Pike, Suite 12 Knoxville, TN 37923 Tel (423)573-4655 Fax (423)577-9989 The Private Investor Network (PIN) is a nonprofit matching service linking South Carolina companies with private investors. Companies range from those seeking start up funds to established companies seeking growth capital. To join PIN, entrepreneurs are required to submit a 2-4 page summary of their business plan with a one page pro-forma financial statement. Investors also complete an application indicating their interests and investment goals. PIN provides monthly and bi-monthly reports to the entrepreneur on the status of his/her application. Subscription fees are \$100 for entrepreneurs and \$200 for investors, entitling them to 12 months and 36 months of service, respectively.

The Southeast Recycling Investment Forum features entrepreneurial recycling companies selected from the southeast region. Keynote speakers address investment and business trends and opportunities in the recycling field. Financiers, economic developers and service providers attend the event to learn about new and expanding ventures in a variety of industry sectors. The November 1995 Southeastern Forum, held in Charleston, SC, included presentations by nine recycling ventures and displays by three additional companies. More than 100 investors, entrepreneurs and other attendees participated. A second forum for southeastern recycling companies is planned for February of 1997.

"Seed Capital Network is a seven year old company that introduces entrepreneurs to wealthy, private individuals who belong to the Network's client-investor pool. Seed Capital Network provides a computer based screening service that makes fast, confidential link-ups between entrepreneurs and interested investors." The average investment made is \$600K in loan/loan guarantees, and \$400K in cash equity. SEED investors are looking to invest between \$5,000 and \$1.5 million in companies with growth potential. Entrepreneurs can send in their finance proposal and find out how many potential matches there are at no charge. If the entrepreneur decides to proceed, a one time \$260 fee is charged. There is no charge to the investor for using this service.

#### **REGION 5: GREAT LAKES**

#### **INVESTORS' CIRCLE**

Ms. Susan Davis 31W007 North Avenue, Suite 101 West Chicago, IL 60185 Tel (708)876-1101 Fax (708)876-0187 The Investors' Circle's mission "is to build an increasingly active and committed network of investors who invest based on a personal set of values in order to achieve a globally accountable and sustainable economy." The Investors' Circle operates a network through which executive summaries on socially responsible ventures are circulated to its membership. There is a \$300 fee to companies for this service. Profiled ventures are typically from across the U. S. and sometimes other countries.

The Investors' Circle also hosts a semi-annual Social Venture Fair at which about a dozen companies selected from the network listings make featured presentations. Presenting companies are charged \$900 for participation in the fair. The Fairs also offer educational programs for members on value-based private equity investing. Members include venture capitalists and fund managers who pay annual dues of \$1,500 and qualified private investors who pay \$1,000 annual dues. More than 150 investors are members of Investors' Circle. Investment interest areas include community development, health, international development, women and minority-led business, consumer products, education, energy, environment and recycling.

### MIT ENTERPRISE FORUM OF CHICAGO

Mr. Jerry R. Mitchell 8 South Michigan Ave. Suite #1000 Chicago, IL 60603 Tel (312)782-4951 Email: Chiform@mit.edu The MIT Enterprise Forum of Chicago seeks to "promote and strengthen the process of starting and growing companies which have a strong technology orientation by providing services with educate and inform entrepreneurs." Monthly meetings are held at which "we normally use a case presentation/panel discussion approach to focus on a single company in a critical stage of development." Entrepreneurs are given professional feedback in the improvement of their business plans and presentations.

### GREAT MIDWEST VENTURE CAPITAL CONFERENCE

Indiana Small Bus. Dev. Corp. Mr. John Ridder One North Capitol Avenue Suite 1275 Indianapolis, IN 46204 Fax (317)264-2806 Tel (317)264-2820 The Great Midwest Venture Capital Conference is a two-day fall event presented by the Indiana Small Business Development Corporation, Ernst & Young, and other sponsors, including venture groups in the midwest. The conference features a keynote investment speaker and business presentations and displays of selected entrepreneurial companies.

The conference brochure states that "more than 25 presenting companies are the highest caliber candidates for venture investments in the Midwest. These companies have well-defined market niches, experienced management teams, potentially high returns on investment, and offer both early and later stage deals. Venture capitalists and private investors from across the United States will again be in attendance."

#### PRIVATE INVESTORS NETWORK

Indiana Small Bus. Dev. Center Seema Pawar 216 W. Allen Street Bloomington, IN 47403 Tel (812)339-8937 Fax (812)335-7352 The Private Investors' Network includes about 25 investors, most of whom are located in Bloomington, Indiana. The network has reviewed approximately 10 business plans in the last year from entrepreneurs in Indiana. There are no fees for participation in this network, but entrepreneurs must cover the costs of copying and mailing their business plans to potential investors.

### VENTURE CLUB OF INDIANA, INC.

Ms. Margo Jaqua P. O. Box 40872 Indianapolis, IN 46240-0872 Tel (317)253-1244 "The Venture Club of Indiana creates a unique environment in which business investors and entrepreneurs can make valuable contacts, exchange information and create mutual business opportunities." Monthly luncheon meetings are held which include five-minute business presentations and guest venture investment or entrepreneurial speakers.

### CAPITAL ENTERPRISE FORUM

Ms. Patricia Cook P. O. Box 14030 Lansing, MI 48901 Tel (517)487-6340 Fax (517)484-6910 The Capital Enterprise Forum meets in the evenings on the third Monday of February, March, April, May, September, October, and November to encourage entrepreneurship and capital formation.

### ENVIRONMENTAL CAPITAL NETWORK

Center for Environmental Policy, Economics, and Science Mr. Loch McCabe 416 Longshore Dr. Ann Arbor, MI 48105 Tel (313)996-8387 Fax (313)996-8732 Email: ecn@bizserve.com URL: http://bizserve.com/ecn/ The Environmental Capital Network's mission is to "foster economic wealth and planetary health through facilitating the finance, development and commercialization of tomorrow's environmental and green technologies, products and services. The Environmental Capital Network (ECN) provides company profiles of recycling and other environmental firms to investors nationwide, many of whom are particularly interested in and knowledgeable about environmental industries. Company Profiles are sent twice per month to more than 80 individual, professional and corporate investors. Company registration fees are \$350 per year. Each company may revise their Company Profile two times per year at no additional charge. Investor fees are \$250-350 per year."

"ECN also provides a specialized Business Plan Review service for environmental companies raising capital. ECN research shows that investors strongly consider a firm's business plan, but that the business plans of many environmental firms do not get a very positive response. The Business Plan Review service provides firms with detailed feedback and suggestions about their business plan from actual investors in their industry. This service can be particularly valuable for firms who want to enhance their investor response. ECN was a co-sponsor of the Southeast and Northeast Recycling Investment Forums and is researching the venture capital market for the pollution prevention industry."

#### **REGION 5: GREAT LAKES**

### MICHIANA INVESTMENT NETWORK

Small Business Development Center Ms. Carolyn Anderson 300 N. Michigan South Bend, IN 46601 Tel (219)282-4350 Fax (219)236-1056 "The Michiana Investment Network helps match entrepreneurs with investors in the Michiana business community." The network hosts quarterly luncheon meetings featuring short presentations from entrepreneurs as well as investment speakers.

### MICHIGAN GROWTH CAPITAL SYMPOSIUM

The University of Michigan
Dr. David J. Brophy
3241 Business Administration Bldg.
Ann Arbor, MI 48109-1234
Tel (800)964-9714
Fax (313)763-5688
Internet URL: http://www.umich.
edu/~ospef/gcs.html/

"The annual Michigan Growth Capital Symposium provides investors and companies which seek growth capital investments, strategic alliances and joint ventures access to sources of such transactions. The symposium has proven itself to be effective in bringing growing companies with investors. In its 15-year history, the Symposium has helped over 350 growing companies raise nearly \$200 million in growth capital."

### MID-MICHIGAN VENTURE CAPITAL FORUM

Mr. Clifford Van Dyke P. O. Box 369 Bay City, MI 48707-0369 Tel (517)893-5596 The Mid-Michigan Venture Capital Forum hosts monthly meetings including featured company presentations, keynote speakers, and three-minute business introductions. The Forum's purpose is "putting people who need money and business advice together with people who have money and business expertise."

### NEW ENTERPRISE FORUM

Mr. Thomas S. Porter 912 N. Main Street Ann Arbor, MI 48104 Tel (313)662-0580 The New Enterprise Forum hosts monthly meetings to link entrepreneurs, potential managers, joint venture partners, service providers, and capital providers.

### THE SOUTHEASTERN MICHIGAN VENTURE GROUP

Greater Detroit Chamber of Commerce Mr. Carl Meyering 600 West Lafayette Blvd. Detroit, MI 48226 Tel (313)596-0402 The Southeastern Michigan Venture Group meets monthly to provide networking opportunities for private and public investors, service providers and entrepreneurs and educational programs. The Group is a program of the Greater Detroit Chamber of Commerce.

### TRAVERSE BAY ENTERPRISE FORUM

c/o NW Michigan Council of Gov'ts Mr. Richard Beldin P. O. Box 506 Traverse City, MI 49685-0506 Tel (616)929-5017 "The Traverse Bay Enterprise Forum exists to bring together entrepreneurs and investors in the northwest lower Michigan area. The organization's goal is the creation of new businesses through innovative networking of area resources and expertise." Quarterly meetings are held at which several companies present venture opportunities.

### WEST MICHIGAN BUSINESS/FINANCE FORUM

Mr. Raymond De Winkle 17 Fountain Street, NW Grand Rapids, MI 49500 Tel (616)771-0328 The West Michigan Business/Finance Forum conducts semiannual meetings to present featured businesses.

#### THE COLLABORATIVE

Mr. Daniel Carr 10 South 5th Street, Suite 415 Minneapolis, MN 55402-1004 Tel (612)338-3828 Fax (612)338-1876 "The Collaborative is a member organization of entrepreneurs, managers, investors, and professionals involved in developing new and emerging companies." The organization provides publications, workshops and monthly meetings to help build Minnesota companies.

#### **INNOVEST**

Mr. Charles Burkett
Enterprise Development Inc.
11000 Cedar Ave.
Cleveland, OH 44106
Tel (216)229-9445
Fax (216)229-3236

**Innovest** is an annual conference which brings together high technology growth ventures with investors and business development actors.

#### **REGION 5: GREAT LAKES**

### GREATER CINCINNATI VENTURE ASSOCIATION

Greater Cincinnati Chamber of Commerce Ms. Rachel Ganim 300 Carew Tower, 441 Vine Street Cincinnati, OH 45202-2812 Tel (513)579-3128 Fax (513)579-3101 Email:rganim@gccc.com The Greater Cincinnati Venture Association is a not-for-profit corporation whose "purpose is to provide a link for entrepreneurs seeking business assistance with sources of capital/business expertise." The GCVA hosts monthly luncheon meetings which include 10 minute presentations by entrepreneurs seeking equity capital or management support, keynote speakers, and networking opportunities.

### MIAMI VALLEY VENTURE ASSOCIATION

Ms. Karrie Stock 137 North Main Street, Suite 702 Dayton, OH 45402-1729 Tel (513)228-1141 "The Miami Valley Venture Association provides a support mechanism for entrepreneurs, raises the awareness of the region's venture capital and promotes the interaction between emerging businesses and financial resources." Bi-monthly meetings are conducted and business plan review services are provided.

### WISCONSIN VENTURE FAIR

Wisconsin Innovation Network Mr. Ken Syke P.O. Box 71 Madison, WI 53701-0071 Tel (608)256-8348 Fax (608)256-0333 "The annual Wisconsin Venture Fair showcases Wisconsin's most promising emerging growth companies to an audience of out-of-state and in-state venture capitalists and other investors." The Fair is organized by the "the Wisconsin Innovation Network (WIN) Foundation (which) supports and encourages high-tech entrepreneurs throughout the State of Wisconsin by linking them with the management, technical and financial assistance needed to start and successfully operate a new enterprise."

### WISCONSIN VENTURE NETWORK

Mr. Paul Sweeney P.O. Box 92093 Milwaukee, WI 53202-0093 Tel (414)224-7070 Fax (414)271-4016 The Wisconsin Venture Network "actively supports both new and established businesses by providing a means for investors, entrepreneurs, and business advisors to make mutually beneficial contacts and to promote and contribute to the formation and growth of specific enterprises." Monthly luncheons with business presentations, educational programs, and newsletters are offered.

### THE VENTURE NETWORK

ure.html

The New Orleans/ New River
Region Chamber of Commerce
601 Poydras Street
New Orleans, LA 70130
Tel (504)527-6935
Fax (504)527-6950
Email: chamber@gnofn.org
Internet URL:
http://www.gnofn.org/chamber/vent

The Venture Network, a program of the New Orleans Chamber, provides a forum for entrepreneurs, as well as established companies, to present investors with the investment needs of their business. Approximately eight breakfast meetings are held per year at which 12-15 entrepreneurs give one minute summaries of their business plans. There is no prescreening of business plans; entrepreneurs are selected on a first-come, first- served basis.

### ENTREPRENEURS OF TULSA

Ms. Margot Arnold 18th Floor, Mid Continent Tower 401 South Boston, Suite 1810 Tulsa, OK 74103-4018 Tel (918)582-6131 Fax (918)584-4213 "The mission of Entrepreneurs of Tulsa is to foster the successful creation and growth of new and young businesses in Northeastern Oklahoma." Monthly meetings providing networking opportunities and entrepreneurial educational programs.

### OKLAHOMA INVESTMENT FORUM

Tulsa Chamber of Commerce Ms. Sue Bennett 616 South Boston, Suite 100 Tulsa, OK 74119 Tel (918)585-1201 Fax: (918)585-8386 The Oklahoma Investment Forum is an annual event at which selected high growth companies from the state make featured presentations to a national audience of venture capitalists. In the last three years, forum organizers estimate that entrepreneurs have obtained \$150 million as a result of the Forum.

### OKLAHOMA VENTURE FORUM

Mr. Jim Ratchford P.O. Box 2176 Oklahoma City, OK 73101-2176 Tel (405)636-9736 Fax (405)842-0795 "The Oklahoma Venture Forum provides a forum for the exchange of information and ideas between entrepreneurs, private and professional investors and other professionals providing services to individuals and organizations in Oklahoma." Monthly meetings and a newsletter on financing and fostering new ventures are offered.

### **REGION 6: SOUTHWEST**

### THE CAPITAL NETWORK

Mr. David Gerhardt
3925 West Braker Lane, Suite 406
Austin, TX 78759-5321
Tel (512)305-0826
Fax (512)305-0836
Email: mail@icc.utexas.edu
Internet URL: http://www.utexas.edu:80/depts/ic2/c2e/tcn.html

The Capital Network (TCN) is a non-profit economic development organization which operates a nationwide venture capital network. The TCN program is "designed to introduce investors to entrepreneurs based on their mutual business interests...TCN's computerized networking service matches investors and entrepreneurs based on six criteria: industry, size of venture, age of venture, amount of funding, location of venture and type of investment." TCN has facilitated investments ranging from \$10,000 to \$4 million, with the typical investment falling in the \$100K to \$1 million range. In total, TCN has helped arrange nearly \$30 million in investments. The six month membership fee for entrepreneurs is \$450. Individual investor membership is \$450 for one year. Institutional investors pay a \$950 membership fee.

TCN also coordinates the Texas Venture Capital Conference, q.v., and co-sponsors seminars in topics such as business planning and deal structuring. TCN coordinates the "Know-How Network," a network of experienced business service providers who can assist the new venture often at a reduced rate.

### CENTRAL TEXAS VENTURE CAPITAL GROUP

c/o Waco Chamber of Commerce Mr. Curtis Cleveland P.O. Box 1220 Waco, TX 76703 Tel (817)752-6551 The Central Texas Venture Capital Group meets every three months to foster entrepreneurship in the region.

### DALLAS VENTURE CAPITAL ASSOCIATION

Ms. Traci Levin 2121 San Jacinto, Suite 500 Dallas, TX 75201 Tel (214)969-8641 The Dallas Venture Capital Association is an organization for venture capital investors in the Dallas region and offers information programs for their membership. The DVCA provides "a forum for sharing ideas, providing updates and fostering cooperation." The Association meets six times per year.

### HOUSTON VENTURE CAPITAL ASSOCIATION

c/o Ernst & Young Entrep. Services Ms. Lynn Gentry 1221 McKinney, Suite 2400 Houston, TX 77010 Tel (713)750-8451 Fax (713)750-8613 The Houston Venture Capital Association "is an organization for venture capital investors in the Houston region and offers information programs for their membership." The Association meets five or six times per year. Referrals and communication requests can be directed to: Sally I. Evans, (713)660-7990.

### MIT ENTERPRISE FORUM OF DALLAS-FORT WORTH

Rauscher Pierce Refsnes, Inc. Mr. Joseph R. Mannes Plaza of the America 700 North Pearl St. Dallas, TX 75201-2859 Tel (214)978-5437 Fax (214)978-5293 Email: dalforum@mit.edu See MIT Enterprise Forum, Cambridge MA entry.

### MIT ENTERPRISE FORUM OF TEXAS

Smith International, Inc. Mr. Michael C. Steen 16740 Hardy Street Houston, TX 77205 Tel (713)233-5234 Fax (713)233-5998 Email: houforum@mit.edu See MIT Enterprise Forum, Cambridge MA entry.

### SOUTHWEST VENTURE FORUM

Edwin L. Cox School of Bus., SMU Ms. Lois Adams P.O. Box 750333 Dallas, TX 75275-0333 Tel (214)768-3689 Fax (214)768-3604 Email: ladams@mail.cox.smu.edu "The Southwest Venture Forum is a non-profit forum where entrepreneurs seeking to start or build a business can meet with sources of capital and professional services to facilitate the acquisition of financing and to obtain advice and information. Breakfast meetings are held every two months including short presentations from competitively selected entrepreneurs."

### TEXAS VENTURE CAPITAL CONFERENCE

The Capital Network
Mr. David Gerhardt
3925 West Braker Lane, Suite 406
Austin, TX 78759-5321
Tel (512)305-0826
Fax (512)305-0836

The Texas Venture Capital Conference presents selected venture investment opportunities in the state. The conference "provides each presenting company a team of professionals to assist them in developing, improving and honing their presentations and business plans."

#### **REGION 7: MIDWEST**

#### VENTURE NETWORK OF IOWA

Iowa Department of Economic Development 200 E. Grand Ave. Des Moines, IA 50309 Tel (515)242-4700 "Every other month, Venture Network of Iowa (VNI) meetings are held to bring together entrepreneurs and investors. The gatherings afford individual entrepreneurs a 'Two-Minute Forum' in which they can introduce themselves and their companies to the investors and business leaders who make up the VNI membership."

#### CAPITAL RESOURCE NETWORK

The Center for Business Innovation Ms. Hazel Mauro 4747 Troost Avenue Kansas City, MO 64110 Tel (816)931-6688 Fax (816)756-1530 The Capital Resource Network's mission is "to provide entrepreneurs seeking capital from 'angel' investors with a means to present their business ventures to potential investors. Accordingly, the Network serves investors by providing information on opportunities for investment, acquisition or joint ventures." CRN uses a blind matching system in which investors can request introductions to entrepreneurs after screening executive summaries.

CRN serves companies in Kansas and Missouri. There are approximately 100 investors in this network and more than 140 entrepreneurs. In 1995 participating companies received \$330,000 in known investment. CRN expects to facilitate over \$1 million in investment in 1996. Although there are no restrictions on industry type, CRN has noted that most of the companies which have sought its assistance are in the manufacturing, biotechnology, and computer technology sectors. There is a \$250 one year membership fee for investors and entrepreneurs.

### MISSOURI INNOVATION CENTER

Mr. Chip Cooper 5650 South Sinclair Road Columbia, MO 65203-8611 Tel (573)446-3100 Fax (573)443-3748 Email:CCooper285@aol.com The Missouri Innovation Center (MIC) is a not-for-profit corporation that supports entrepreneurs in the mid-Missouri region. MIC has developed the Missouri SCOR Market Maker program to help educate entrepreneurs and investors in cost-effective means of financing small, growing companies. The Market Maker publication is distributed quarterly, listing SCOR company stocks. (See Chapter 3 for information on SCOR offerings.)

### MISSOURI VENTURE FORUM

Mr. James Weber 222 S. Meramec, Suite #303 St. Louis, MO 63105 Tel (314)432-7440 Fax (314)863-6457 The Missouri Venture Forum's mission is "to facilitate entrepreneurial activity and access to capital through networking, education and information exchange." Monthly meetings include featured speakers and two-minute forums in which business venture ideas are presented to the membership.

### MIDWEST RECYCLING INVESTMENT FORUM

Ms. Kimberly Newell
Nebraska Dept. of Econ. Dev.
P.O. Box 94666
Lincoln, NE 68509-4666
Business (402)471-3766
Fax (402)471-3788
Email: kimberly@ded1.ded.

state.ne.us

The Midwest Recycling Investment Forum is being organized by the Nebraska Department of Economic Development in partnership with the Mid-Continent Recycling Association, nine Region 7 states and two Canadian provinces. The forum, planned for early 1998, will feature entrepreneurial recycling companies from the Midwest region. The event is intended to foster capital formation and entrepreneurial development for the recycling industry in the region.

#### **REGION 8: THE GREAT PLAINS**

### THE ROCKIES VENTURE CLUB

Ms. Maita Lester 1900 East 9th Avenue, Suite 320 Denver, CO 80203 Tel (303)831-4174 The Rockies Venture Club is a volunteer, non-profit organization that "provides a unique open forum where emerging businesses can network with qualified funding sources and professional service providers, and where potential investors can learn of growing businesses through RVC's presentation series and monthly forums."

### VENTURE CAPITAL IN THE ROCKIES

c/p KPMG Peat Marwick LLP Mr. Gary Powell 707 Seventeenth Street, Suite 2300 Denver, CO 80202 Tel (303)296-2323 Venture Capital in the Rockies features presentations by emerging growth companies from the Rocky Mountain region at an annual conference in February. Start-up, early stage, and expanding companies are selected to present to the audience of investors. The conference is co-sponsored by the Venture Capital Association of Colorado and KPMG Peat Marwick LLP.

### MONTANA PRIVATE CAPITAL NETWORK

Mr. Jon Marchi P.O. Box 437 Poulson, MT 59860 Tel/Fax (406)883-5470 Tel/Fax (406)883-3051 "The Montana Private Capital Network is a nonprofit organization sponsored by both public sector and private sector donors. Managed by a state Board of Directors, the MPCN's primary purpose is to introduce entrepreneurs to individual investors interested in financing early stage and existing Montana businesses."

MPCN utilizes a computerized database to match investors with entrepreneurs. MPCN serves a variety of businesses including agriculture, timber, tourism, medical/health care, high technology manufacturing, and services. MPCN has 47 active investors, including 13 venture capitalists. 26 of these investors have indicated that they were interested in environmental services/waste management companies. MPCN is targeted at start up and growth Montana companies with investment needs of between \$100K and \$1M. Entrepreneurs can enroll in the database for six months for \$50. Investors pay a \$100 membership fee good for two years.

### UTAH VENTURE CAPITAL CONFERENCE

Wayne Brown Institute Mr. Brad Burtash P.O. Box 2135 Salt Lake City, UT 84110-2135 Tel (801)595-1141 Fax (801)595-1181 The Utah Venture Capital Conference is an annual event at which high growth companies present their business plans to venture capital investors. The Conference recruits applicants which are start-up or early-stage companies with less than \$20 million a year in sales, which are ready to expand with a strong management team and which have expectations of achieving at least \$50 million in sales per year after 5 to 7 years. The Conference is organized by the Wayne Brown Institute, a non-profit educational organization.

### ARIZONA VENTURE CAPITAL CONFERENCE

Phoenix Chamber of Commerce Ms. Patti Thomas 201 N. Central Ave., 27th Floor Phoenix, AZ 85073 Tel (602)495-6461 Fax (602)495-8913 "The Arizona Venture Capital Conference is held annually in mid-December in Phoenix. The conference includes 10-12 company presentations, investment speakers, and educational sessions for the venture capital industry. Companies are screened by panel of investment professionals and provided assistance in improving business plans and presentations."

### ENTERPRISE NETWORK

Ms. Jackie Bowers P.O. Box 15210 Phoenix, AZ 85060-5210 Tel (602)912-5381 Fax (602)957-4828 Internet URL: http://www.en.org/ "The Enterprise Network is a non-profit corporation established to help promote and support entrepreneurship in Arizona. ... Business Strategy Forums are presented on the third Thursday of the month and provide contacts, ideas, education and information to help entrepreneurs grow and prosper." Other educational programs and services are provided to foster entrepreneurship.

### BAY AREA VENTURE FORUM

Mr. Gerald A. Benjamin International Capital Resources 388 Market Street, Suite 500 San Francisco, CA 94111 Tel (415)296-2519 Fax (415)296-2529 The Bay Area Venture Forum "produces seminars to educate entrepreneurs to the capitalization process with presentations by private investors, and nationally recognized experts in securities law, business planning, financial forecasting, valuation, due diligence, deal structuring, public relations and alternate financing." Monthly meetings are held with featured business presentations. International Capital Resources also hosts a Private Investor Network and publishes the *California Investment Review*.

### CALIFORNIA CAPITAL ACCESS FORUM, INC.

Mr. Clay H. Womack 350 25th Street Santa Monica, CA 90402 Tel (310)395-1949 Fax (310)395-0458 Email: ccafi@scor-net.com Internet URL: http://www.scor-net.com/ccafi "California Capital Access Forum, Inc., is a tax-exempt, nonprofit, public benefit corporation that promotes public policy changes to remove obstacles facing entrepreneurs in their quest for equity and long term debt capital. The Forum seeks to create new and efficient capital markets for emerging ventures. It is a unique organization that addresses the systemic problems impeding access to growth and expansion capital, a major issue with highest priority for small business legislative and policy agendas."

#### REGION 9: CALIFORNIA, NEVADA, ARIZONA & HAWAII

### CAL TECH/MIT ENTERPRISE FORUM

Mr. Gaylord E. Nichols, Jr. Industrial Relations Center 1-90 Pasadena, CA 91125 Tel (818)395-4049 Fax (818)795-7174 Email: calforum@mit.edu Internet URL: http://www.scornet.com/

"The mission of the Caltech/MIT Enterprise Forum is to encourage the growth and success of technology-based entrepreneurial ventures in Southern California. The Forum offers CEO's of emerging technology-based companies the opportunity to present their business plans to a panel of experts selected by the Forum's Executive Committee. The Forum also offers programs which focus on specific topics of critical interest to technology entrepreneurs. Topical sessions have included overviews of financing alternatives, sessions on making the transition from corporate employee to entrepreneur, and sessions on using the Internet in all aspects of business. Meetings are held on the 3rd Tuesday of the month from 5:30 until 9:00 p.m."

### CENTRAL COAST MIT ENTERPRISE FORUM, INC.

Mr. Donald J. King The Marden Group, Inc. 30423 Canwood St., No. 215 Agoura Hills, CA 91301 Tel (818)879-2577 Fax (818)879-1015 See MIT Enterprise Forum, Cambridge MA entry.

### LOS ANGELES TECHNOLOGY VENTURE FORUM

Economic Development Corporation Ms. Judith Share Lapin 515 S. Flower Street, 32nd Floor Los Angeles, CA 90071 Tel (213)622-4300 Fax (213)622-7100

### LOS ANGELES VENTURE ASSOCIATION

Ms. Christyne Buteyn
626 Santa Monica Blvd., Suite 129
Santa Monica, CA 90401
Tel (310)450-9544
Fax (310)395-0657
Email: Cbuteyn@aol.com
Internet URL: http://www.scornet.com/

The Los Angeles Technology Venture Forum "is designed to assist technology-based companies in emerging industries secure venture capital and alternative forums of finance. Participation in the Forum is based upon a competitive selection process made by the Forum Venture Capital Panel and will result in formal presentation by early to mid-stage companies." The forum is an annual spring event featuring about twelve companies and is organized by the Economic Development Corporation of Los Angeles County.

The Los Angeles Venture Association supports "emerging growth companies by providing access to financial, professional and educational resources." The Association organizes the Investment Capital Conference - Sources of Capital for Emerging Growth Companies.

### MIT ENTERPRISE FORUM OF THE BAY AREA

Mr. Christopher Lynch c/o BATS, Inc. 2650 San Tomas Expressway Santa Clara, CA 95051 Tel (408)653-0201 Fax (408)654-9663 Email: bayforum@mit.edu See MIT Enterprise Forum, Cambridge MA entry.

### MIT ENTERPRISE FORUM OF SAN DIEGO, INC.

Mr. Kenneth P. King
Signal Consulting
12780 High Bluff Drive, Suite 250
San Diego, CA 92130
Tel (619)793-2123
Fax (619)793-2122
Email: sndforum@mit.edu

See MIT Enterprise Forum, Cambridge MA entry.

### ORANGE COAST VENTURE GROUP

Ms. Renee Wagner 23011 Moulton Parkway, F2 Laguna Hills, CA 92653 Tel (714)859-3646 Fax (714)859-1707 The Orange Coast Venture Group sponsors luncheon meetings featuring speakers relevant to the entrepreneurial process. The Group serves entrepreneurs, capital providers and advisors with educational and networking opportunities.

### PACIFIC VENTURE CAPITAL NETWORK

University of California, Irvine ACCELERATE Technology SBDC P.O. Box 4949 Irvine, CA 92716 Tel (714)509-2990 The Pacific Venture Capital Network (PACNET) provides a computerized matchmaking service between entrepreneurs and investors. PACNET is open to investors and entrepreneurs from any part of the U.S. Currently, 30 investors and 150 entrepreneurs belong to the network. Ventures most likely to benefit would require between \$50,000 and \$1 million in equity financing for early stage opportunities with the potential for generating substantial capital gains. Entrepreneurs pay a \$250 fee for six months of membership. Investors pay \$200 for a one year of membership.

PACNET is conducted under the auspices of the ACCELERATE Technology Small Business Development Center. ACCELERATE also provides business counseling (business planning, strategic planning, accounting, etc.), technical assistance, and financial counseling.

#### REGION 9: CALIFORNIA, NEVADA, ARIZONA & HAWAII

### SAN DIEGO VENTURE GROUP

Ms. Kim Schaeffer 750 B Street, Suite 2400 San Diego, CA 92101 Tel (619)595-0284 Fax (619)231-8055 "The San Diego Venture Group is a non-profit organization designed to bring together the people in San Diego who are interested in new enterprise and the process of creating it." Monthly breakfast meetings feature venture speakers and "one minute forums" for participants to announce their plans and interests.

### SILICON VALLEY CAPITAL NETWORK

Mr. Dennis Laudermilch 155A Moffert Park Drive, Ste. 104 Sunnyvale, CA 94089 Tel (408)541-7627 The Silicon Valley Capital Network's (SVCN) is a networking service that matches entrepreneurs with investors. Its mission is to "provide San Francisco Bay area ventures seeking \$100,000 to \$2 million of capital a concentrated source for potential early stage investors from around the world, and to provide these investors with a concentrated, quality stream of Silicon Valley deal flow..."

SVCN is a new network and has 75 investors and 85 companies participating. Although, technology based companies currently dominate the network, there are no industry restrictions. Entrepreneurs pay \$300 for a six month membership. Individual investors and institutional investors pay \$300 and \$500, respectively, for a one year membership.

### HAWAII VENTURE CAPITAL ASSOCIATION

Mr. Joseph Megna 805 Kainui Drive Kailua, HI 96734 Tel (808)262-7329 Internet URL: http://www.scor-

net.com/ Email: venture@htdc.org "The Hawaii Venture Capital Association's mission is to assist in developing the infrastructure of service providers necessary to support Hawaii's entrepreneurs. HVCA will provide a service that broadens and diversifies Hawaii's economy in recognition of the vulnerability of a state economy dependent on tourism, military, and real estate ventures."

"HVCA's monthly meetings serve three primary functions: education, business plan exposure and networking. A speaker or panel, experienced in business start-ups, financing or venture capital is featured. Past topics have included franchising, intellectual property rights, venture capital formation, and local entrepreneurial success stories. After the formal presentations are completed, members have the opportunity to introduce themselves and develop new contacts."

#### ALASKA INVESTNET

Juneau Economic Development Council Mr. Charles M. Northrip 400 Willoughby, Suite 211 Juneau, AK 99801-1724 Tel (907)463-3662 Fax (907)463-3929 Internet URL: http://www.ptialaska.net/~jedc/ "Alaska InvestNet is a service of J.E.D.C. providing potential investors with a convenient, confidential mechanism for examining opportunities to invest in entrepreneurial ventures in Alaska. InvestNet also serves professional venture capital funds and corporate investors. InvestNet provides entrepreneurs and new or growing businesses with a cost-effective process for reaching wealthy individuals and others interested in investing in early-stage or high-growth private companies."

InvestNet currently has 12 investors and 15 entrepreneurs in its network. Businesses seeking between \$25 K and \$500K in equity will benefit most from participation in this network. Entrepreneurs must submit an executive summary of their business plan and P&L statement, along with a two page application. Entrepreneur's pay a \$100 fee for participation for one year. Investors pay a one-time \$100 membership fee.

### OREGON ENTERPRISE FORUM

Mr. Carl F. Flipper 2611 SW Third Ave. - Suite 200 Portland, OR 97201 Tel (503)222-2270 Fax (503)241-0827 Email: oreforum@mit.edu See MIT Enterprise Forum, Cambridge MA entry.

### MIT ENTERPRISE FORUM OF THE NORTHWEST

Ms. Carmen L. Smith 217 Ninth Avenue North Seattle, WA 98109 Tel (206)623-8632 Fax (206)340-9599 Email: seaforum@mit.edu "The MIT Enterprise Forum of the Northwest is part of an 18-chapter international network of MIT Forums that promote technology industries in local economies. ... Our primary focus is on helping entrepreneurial businesses develop and refine strategic plans through participation in our monthly Enterprise Forum."

#### NORTHWEST VENTURE GROUP

Mr. Mike Zahler P.O. Box 21693 Seattle, WA 98111-3693 Tel (206)746-1973 "The Northwest Venture Group brings together entrepreneurs, investors, and service providers; guides entrepreneurs in how to be profitable; and provides education on how to acquire funding and on the investment process." The group organizes monthly breakfast meetings at which the five-minute forum allows small, growing companies to make presentations. Venture Advisory Panels are also provided to review business plans and strategies and offer recommendations. Finally, the Group also organizes Venture Forums at which selected growing Northwest companies make presentations to private investors. A newsletter covers a range of issues relevant to new and expanding enterprises.

#### **REGION 10: NORTHWEST**

### WESTERN INVESTMENT NETWORK

Mr. Steven Lloyd 411 University Street Suite 1200 Seattle, WA 98101 Tel (206)441-3123 Fax (206)463-6386 The Western Investment Network (WIN) provides a means for entrepreneurs to distribute their business plan summaries to a large group of potential investors. WIN does not do any preliminary matching and distributes all summaries to all member investors. WIN collaborates with the University of Washington Business School and the Institute of Applied Environmental Technology.

WIN contains approximately 760 investors and 100 entrepreneurs. The network primarily serves ventures in Oregon, Washington, Idaho and British Columbia seeking one million dollars or less in financing. Entrepreneurs pay \$650 for six months of membership. Individual and corporate investors pay \$100 and \$750 respectively for one year of service.

### ASSOCIATION OF VENTURE CLUBS

265 East 100 South, Suite 300 Salt Lake City, UT 84110 -3358 Tel (801)364-1100 The Association of Venture Clubs publishes a national list of venture clubs. This list provided some of the contacts for this publication.

### THE COALITION OF COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

924 Cherry Street, 2nd Floor Philadelphia, PA 19107-2405 Tel (215)923-5363 Fax (215)923-4764

COUNCIL OF STATE
COMMUNITY
DEVELOPMENT
AGENCIES

444 North Capital Street NW Washington, DC Tel (202)393-6435

### INTERNATIONAL VENTURE CAPITAL INSTITUTE

Mr. Carroll Greathouse P.O. Box 1333 Stamford, CT 06904 Tel (203)323-3143

NATIONAL ASSOCIATION OF SMALL BUSINESS INVESTMENT COMPANIES (SBICS)

1199 N. Fairfax Street, Suite 200 Alexandria, VA 22314 Tel (703)683-1601 The CDFI Coalition promotes financial institutions that serve community development needs. Members include the Association for Enterprise Opportunity (415)415-2333 representing microenterprise lenders, the Community Development Venture Capital Alliance (218)722-0861, the National Association of Community Development Loan Funds (215)923-4754, the National Congress for Community Economic Development (202)234-5009, and the National Federation of Community Development Credit Unions (212)809-1850.

The Council of State Community Development Agencies and the National Association of State Development Agencies (202)898-1302 provide contacts for state economic developers.

The International Venture Capital Institute offers three publications:

- The IVCI Directory of Venture Networking Groups (Clubs) and Other Resources (includes some of the same organizations profiled in this directory, as well as SBA, Economic Development and Small Business Center listings)
- The IVCI Directory of Business Incubators and University Research and Science Parks
- The IVCI Directory of Venture Capital Seed and Early-Stage Funds

The National Association of Small Business Investment Companies publishes a national guide to SBICs. SBICs are privately owned investment and venture capital firms that are licensed, regulated, and provided supplementary financing by the U.S. Small Business Administration.

### NATIONAL FINANCE AND BUSINESS DEVELOPMENT ORGANIZATIONS

### NATIONAL BUSINESS INCUBATION ASSOCIATION

20 East Circle Drive, Suite 190 Athens, Ohio 45701 Tel (614)593-4331

### NATIONAL COUNCIL FOR URBAN ECONOMIC DEVELOPMENT

1730 K Street, NW Suite 915 Washington, DC 20006 Tel (202)223-4735

### NATIONAL VENTURE CAPITAL ASSOCIATION

1655 North Fort Myer Drive Suite 700 Arlington, VA 22209 Tel (703)351-5269 Fax (703)525-8841

### SOCIAL INVESTMENT FORUM

Ms. Lauren Valenti P.O. Box 2234 Boston, MA 02107 Tel (617)451-3369 Fax (617)451-3447 The National Business Incubation Association provides support to business incubator and entrepreneurial groups around the country.

The National Council for Urban Economic Development provides educational programs and publications to foster economic development in U.S. cities.

The National Venture Capital Association provides conferences and services to venture capital firms.

"The Social Investment Forum is a national membership association dedicated to promoting the concept and practice of socially and environmentally responsible investing. The Forum is a not-for-profit organizations made up of over 1,000 professionals, individuals and institutions seeking ways to use their investment dollars to encourage positive growth and change in society." The Forum publishes an annual guide to its members and hosts regional chapters around the country which conduct conferences and educational programs. Members include brokers, community development banks and loan funds, financial planners, investment managers, money market funds and mutual funds.

### FEDERAL GOVERNMENT BUSINESS FINANCING PROGRAMS

#### U. S. SMALL BUSINESS ADMINISTRATION (SBA)

U.S. SBA, (800)8-ASKSBA (This number can direct callers to their nearest SBA District Office, from which the 504 Loan Program, 7(a) Guaranteed Loan Program and the Small Business Investment Company (SBIC) Program are administered.)

The Small Business Innovative Research (SBIR) Program, Office of Innovation Research and Technology, (202)205-6540. (Research and technology development grants.)

SBA Online, Direct modem connection via (800)697-4636, or internet connection to site http://www.sbaonline.sba.gov. (Full description of SBA programs, SBIR solicitations, regional offices, SBA lenders.)

#### U.S. FARMERS HOME ADMINISTRATION (FMHA)

Intermediary Relending Program, Community Facilities Program, (202)720-1490. Business and Industrial Loan Program, B&I Loan Program, (202)690-4100. General FmHA information, (202)720-4323.

#### U.S. HOUSING AND URBAN DEVELOPMENT (HUD) FINANCING

Section 108 Loan Guarantees, Community Development Block Grants (CDBG), Economic Development Initiatives

Contact information: HUD Community Planning Division, (202)708-1871, General HUD information line (202)708-1422.

#### U.S. ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

Public Works and Development Facilities Program, Title IX Economic Adjustment Program, Additional Assistance Programs, Economic Development Administration (202)482-4067 in DC, Regional Offices: Philadelphia (215)597-4603, Atlanta (404)730-3002, Chicago (312)353-7706, Austin (512)482-5461, Denver (303)844-4714, Seattle (206)220-7660, Oakland (510)637-2988.

#### **U.S. SECURITIES AND EXCHANGE COMMISSION**

Main information line, Securities and Exchange Commission, (800)SEC-0330. Publications Department, (202)942-4040. (Request Small Business financing information.)

Office of Small Business Policy, (202)942-2950.

(Also contact state Secretary of State offices for information on state security regulations and "blue sky" laws.)

Internet site: http://www.sec.gov



### GREGORD J. ROPPES

2489 12th Road Greenleaf, Kansas 66943



March 15, 1999

State Representative Sharon Schwartz State Capitol 300 Southwest 10th St Room 110 South Topeka KS 66612-1504

Dear Representative Schwartz:

It is my understanding The House Environmental Committee is going to be receiving public comment on March 18, 1999 at 3:30 pm, relative to HB 2484 relating to raising the tipping fee from \$1.00 to \$1.50 per ton. This letter may be used in lieu of my coming to Topeka to testify before the committee.

The issue of <u>raising</u> the tipping fee seems to catch each of your attention. It is obvious to me the <u>purpose</u> of raising the tipping fee could be the most important factor. The smaller counties and businesses in the state have been the bulk of recipients of these grant monies in the past. These counties and businesses have used these monies to enhance their recycling, household hazardous waste, and used oil programs to save landfill space and to be environmentally responsible. Pure and simple, without these grant monies the capital would not have been available to save landfill space and be environmentally responsible.

I have had 11 years of first hand experience with the recycling, used oil, and household hazardous waste grant program. These experiences have been on both the free enterprise side and the governmental side. KDHE has been firm and yet fair with the participants of this program. Folks, this program needs the money from this extra 50 cents per ton tipping fee to be used for grants. I do advocate and want this money to be used only for waste stream reduction, saving landfill space, and end use of recycling product. The monies from this tipping increase should not be used to fund general operating day to day expenditures of KDHE. That should be made quite clear.

HOUSE ENVIRONMENT RECEIVED FROM: 913+325 2775 3-18-99 P.82 Attachment 32

Most counties and cities that have close proximity to landfills for their trash makes it feasible for them to be of the "throw-away your trash" mind set. In the cities and counties which are rural or located miles away from a landfill, it only makes sense to be innovative and recycle the product that can be recycled, thus saving landfill space and miles of travel expense. Again, the grant monies for capital expenditures are a vitally important part of the overall Solid Waste issue of the above mentioned.

I encourage you to vote yes for HB 2484 to allow capital expenditures to promote recycling, recycling end use, household hazardous waste, and save landfill space.

Thanks for your consideration. I am.

Respectfully,

Greatry J. Koppes,

Director of Solid Waste Household Hazardous Waste and Recycling Department

812 B Street

Washington KS 66968



March 15, 1999

Representative Joann Freeborn Capitol Building Room 155 East Topeka, KS 66612

Post-it® Fax Note 7671	Date 3-15-99 pages 2
TO Rep. Freeborn/	From Jose Glasel
Co./Dept. Mary arr	Co. Bethphage
Phone #	Phone # 785-472-4081
Fax * 785-368-6365	Fex # 185 -477 - 385

Dear Representative Freeborn and Fellow Committee Members;

Please accept this written letter as testimony for your upcoming hearing regarding HB2484. Due to scheduling conflicts I am unable to attend in person, but did not want miss this opportunity to highlight the importance of this bill and the work that is able to be accomplished through this legislation.

Bethphage (Beth-fuh-gee) is a national organization that serves and advocates for people with developmental disabilities so that they may achieve their full potential. Nationally, we serve more than 1,900 individuals and employ more than twice that number. In Kansas, Bethphage programs are located in Kansas City, Topeka, Ellsworth, Garden City and Liberal. The Ellsworth program, through the clients in our care, operates the only recycling center in the county. Annually, we process more than 450 tons of recyclables. This material is collected at more than 80 pick up sites on routes in a three county area. All the material is then sorted, processed and shipped for sale and final processing to the Manhattan area.

None of this activity would be possible if it were not for being awarded three competitive grants through the Kansas Department of Health of Environment Burcau of Waste Management. The grant monies that were awarded to us allowed the program to renovate an abandoned warehouse in Kanopolis, Ks to use as the main recycling site. It paid for a route truck that is utilized for pickup and delivery of the materials. It replaced a worn-out forklift and has been instrumental in creating community awareness regarding the need and availability of recycling in Ellsworth County. Community members have increased the amount of recycling that can be processed and the students of Ellsworth High School have voluntarily made recycling the 1998-1999 focus of the Student Council. All of this progress has been made possible by funding through the solid waste tipping fee.

The state department that administers this program conducts itself in a fair and appropriate manner regarding accessing the grant funding. They publish frequent and understandable guidelines for competing for the assistance, and the staff is willing to help agencies interested in promoting a better environment in any way that they can.

The benefits from this funding are critical to the citizens of this area. The impact can be measured in a number of ways.

- The immediate improvement to the environment is evidenced by moving annually more than 450 tons of waste out of the solid waste stream and into a secondary use market.
- The extension of current landfill life is an additional impact that has both monetary and social ramifications. Finding a location for yet another landfill is difficult at best. By recycling materials that can be recycled, the life of the existing facilities can be extended.

102 E. 2ND STREET, P.O. BOX 169, ELLSWORTH, KS 67439-0169 • (785) 472-4081 • FAX (785) 472-3851 A serving arm of the Evangelical Lutheran Church in America helping persons with developmental disabilities.

Nationally Accredited by the Accreditation Council

17:26

HOUSE ENVIRONMENT
RECEIVED FROM: 3083816520 3-18-99

Attachment 33

- In Ellsworth County employing individuals with developmental disabilities provides a winning situation for the state, the residents of the county, and for those served by Bethphage. Honest work is often times the best tool for assisting these individuals into greater independence and self esteem. While grant dollars have never been used for salaries, the availability of working opportunities for those we serve is invaluable.
- Finally, the community impact of establishing a recycling habit as evidenced through the recycling efforts of the students in the USD #327 School District. The long-term effect is hard, if not impossible, to measure currently. Raising environmentally responsible children into adults is probably the greatest lasting effect that funding from the tipping fee will realize.

Please legislate to return the solid waste tipping back to the original \$1.50 per ton. The monies that are available are used for the betterment of Kansas citizens and their individual communities. If I can be of further assistance, please call. Thank you for your positive consideration in this matter.

Sincerely,

Joni Glaser

Community Development Manager

Bethphage at Ellsworth

### LAKE REGION AUTHORITY

121 East Second Street Ottawa, Kansas 66067

Telephone 785/242-2073

March 15, 1999

Representative Joann Freeborn Chairperson, Committee on Environment Capital Building Room 155 East Topeka, KS 66612

**RE:** HB 2484

Dear Representative Freeborn:

The Lake Region Authority is comprised of Anderson, Coffey, Franklin, Linn, Miami and Osage Counties in east central Kansas. We would like to take this opportunity to express support for the referenced HB 2484, which would return the solid waste tipping fee back to the original \$1.50 per ton. We are supporting this increase because we feel it is important to continue the grant programs made possible by the solid waste tonnage fee fund.

Our counties have actively participated in various waste reduction programs since 1989. Our goals have been structured first on conserving landfill space which would prolong the life of existing landfills and cause delays in the siting of new landfills in Kansas. Additionally, we feel our household hazardous waste and agricultural waste pesticide collection programs, also made possible by grants from the state, have contributed significantly to the protection of our state's surface and ground waters. We would like to think those landfills on the receiving end of waste from our counties appreciate the expense and efforts that go into these programs.

To put this increase in perspective, I'd like you to consider my family of four. I'll estimate that I put out 35 pounds of non-recyclable waste each week (this estimate is on the high end and includes at least 5 pounds of used cat litter). In one year's time, this amounts to 1,820 pounds of garbage or 45.5 cents per year of the proposed 50 cent increase. I think you'd be hard pressed to find a single citizen in Kansas who would oppose it knowing the valuable programs which will continue to be funded by this fee. I would also like to mention that most of us did not see any decrease in the amount we paid our solid waste haulers when the tipping fee was reduced to \$1.00 ton.

Unfortunately, I will not be able to attend the public hearing for this bill on March 18th, but we will be following its progress. Thank you for your consideration.

Sincerely,

Regional Coordinator

Anderson\*Coffey\*Franklin\*Linn\*Miami\*Osage House Environment
3-18-99

RECEIVED FROM: 9132942753

Attachment: 02 34



## TESTIMONY concerning House Bill No. 2484 Solid Waste Landfill Tipping Fee Presented by Judy Moler House Environment Committee March 18, 1999

Madam Chair and members of the Committee, my name is Judy Moler, Legislative Services Director and General Counsel for the Kansas Association of Counties. I appreciate the opportunity to comment on House Bill 2484, concerning the solid waste landfill tipping fee.

The current landfill tipping fee is \$1.00 per ton, which is the same level it has been since the 1996 Kansas Legislature reduced it from \$1.50 per ton. The tipping fee supports the entire solid waste program of the Kansas Department of Health and Environment (KDHE), including staff salaries and operations, public education and contracted work to remediate old closed or abandoned dumps. In addition, the tipping fee also finances a competitive grant program which provides funds for counties, cities, and regional entities with state-approved solid waste management plans, "for any project related to the development and operation of recycling, source reduction, waste minimization and solid waste management public education programs" (K.S.A. 65-3415).

Our primary purpose for supporting HB 2484 is based on the high value counties place on the competitive grant program funded by the tipping fee revenue. Statewide, these grants have been awarded to waste reduction, recycling, composting, household hazardous waste collection, agricultural pesticide collection, or solid waste public education programs in nearly all Kansas counties - urban and rural. When the fee was reduced from \$1.50 to \$1.00 per ton, the Department of Health and Environment was reporting a significant fund balance. Over the past year, however, KDHE has indicated that current revenue will only maintain the

700 SW Jackson Suite 805 Topeka KS 66603 785 • 233 • 2271 Fax 785 • 233 • 4830 email kac@ink.org

House Environment 3-18-99 Attachment 35 department's current waste management programs and the grant program through State FY 2000. Without additional revenue beyond that date, the grant programs will no longer be possible.

Although substantial progress has been made in solid waste reduction throughout Kansas in the past decade, there is still much work to do. One of the important aspects of HB 2484 is that it would broaden the potential use of the grant funds to include "the implementation of innovative waste processing technologies which demonstrate *nontraditional* methods to reduce waste volume by recovering materials or energy by converting the waste into useable byproducts through chemical or physical processes."

Some counties are particularly interested in encouraging innovation and creativity in waste reduction technology, as well as research and development of ways to re-use waste which is currently landfilled. We think the counties, cities, and the State could and should work together to more aggressively push for advancements in waste reduction technology. This proposed change to the scope of permitted uses of the grant funds is a crucial element of HB 2484.

County commissioners are here today to express the viewpoints of their respective counties. By action of our Association's membership in adopting our 1999 legislative policy statements, we urge the committee to give your support to HB 2494 and recommend it favorably for passage by the full House.

Thank you for the opportunity to offer testimony on this bill. I am available to answer any questions you might have.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its members. Inquiries concerning this testimony can be directed to the KAC by calling (785) 233-2271.

35-2

BRENDA CARY

#### **HOUSE BILL 2484**

#### THURSDAY, MARCH 18, 1999

3:30 P.M.

#### CITY OF HAYS, KS PRESENTATION

#### **Competitive Solid Waste Plan Implementation Grant**

The City of Hays has been recycling and composting since 1995. Our Residential Recycling Blue Bag Program has been extremely successful with an overwhelming 80% participation rate on this voluntary program. Some benefits derived from the KDHE Competitive Solid Waste Plan Implementation Grant:

1. Round #2 Grant (1996) was for Public Education in the amount of \$26,647.50 (75% of original request). This grant enabled us to have an aggressive advertising campaign through television, radio and newspaper advertising. Also, refrigerator magnets were purchased and brochures about the program were distributed.

Our tonnage rate increased during that year from 800 tons to approximately 900 tons, and our participation rate increased from about 75% to 80%. No other changes in the program were introduced, so we attribute the success to having grant monies to promote recycling.

- 2. Round #4 Grant (1997) was for composting equipment; a windrow turner and a used tractor. This grant was for \$35,987.25 (75% of original request). With the old method of turning yardwaste with a front-end loader once a week, it took us 16 months to produce compost. Now, with the new equipment and a larger, permitted compost site, we produce finished compost in a four-month period. We return all the compost to the public (any citizen of Ellis County) free-of-charge. This has become an extremely popular program in Hays.
- 3. Round #7 (1999) is for helping us to build a recycling facility and some baling equipment. This grant is for \$80,000.(approx. 30% of original request).

Through recycling and composting efforts, the City of Hays is diverting approximately 40% from the wastestream. It is my understanding that state-wide, we are diverting about 13% of solid waste from the landfill.

Many other communities in Kansas have benefited from these solid waste grants. We are seeing partnerships being formed between cities, counties, private businesses, and local entities to be able to promote the recycling effort. By working together, we can move mountains.

These grants are also used to help fund the end-use provider. Without new products being made from recycled materials, there's no use to recycle.

The KDHE Competitive Solid Waste Plan Implementation grants are making a difference all across Kansas. You are encouraged to promote House Bill 2484 to increase the solid waste tipping fee back to \$1.50 per ton.

House Environment 3-18-99 Attachment 36

HB2484-bac

### LEGISLATIVE TESTIMONY



835 SW Topeka Blvd. • Topeka, KS 66612-1671 • 785-357-6321 • Fax: 785-357-4732 • E-mail: kcci@kansaschamber.org • www.kansaschamber.org

HB 2484

March 18, 1999

#### KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Committee on Environment

by

Terry Leatherman
Executive Director
Kansas Industrial Council

Madam Chairperson and members of the Committee:

I am Terry Leatherman. I am the Executive Director of the Kansas Industrial Council, a division of the Kansas Chamber of Commerce and Industry. Thank you for considering the concerns of the members of the Kansas Chamber regarding HB 2484.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 47% of KCCI's members having less than 25 employees, and 77% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

HB 2484 presents a paradox for the members of our organization. KCCI does support the development of innovative technology that would reduce the volume of our waste stream and produce a viable end use. Further, KCCI understands that development and implementation of such a

House Environment 3-11-99 Attachment 37 logy often is not economically viable in its infancy. As a result, grant programs are often necessary to make technology development possible.

However, KCCI is concerned about the proposed 50% increase in the state's tonnage fee in HB 2484. Prior to the start of the 1999 session of the Kansas Legislature, the question of increased tipping fees to fund recycling and waste reduction grants was presented to the members of KCCI's Energy and Natural Resources Committee. The Committee strongly felt the Kansas Chamber should maintain its opposition to tipping fee tax increases, since Kansas business and industry pays a significant share of tipping fee revenue the state currently generates.

Thank you for considering the concerns of the Kansas Chamber regarding HB 2484.