

**VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL
JUNE 18, 2002**

10:00 A.M.

VDOT MATERIALS DIVISION CENTRAL OFFICE, ELKO

MEETING MINUTES – APPROVED/FINAL

1. Welcome and Introductions:

Mike Benedetto, RMDC Chairman, called the meeting to order and welcomed the members of the Virginia Recycling Markets Development Council and members of the public to the meeting.

RMDC:	Representing:	Staff:	Representing:
Philip Abraham	Plastics Industry	Allan Lassiter	VDEQ
Michael Benedetto	Paper Industry	Bill Norris	VDEQ
B. Paige Holloway	Public-At-Large	Dan Gwinner	VDEQ
Diane Jones	Rural PDC		
John Kline	Tire Industry	Visitors:	Representing:
Richard Lerner	Metals Industry	Matt Brow	Kemper Consulting
Brian Salmon	Aluminum Industry	Mark Friedrich	Shoosmith Brothers, Inc.
Eddie Schneider	Waste Industry	Chip Goyette	Arlington County
Thomas Smith	VACO	Heather Hays	Troutman Sanders
Michael Ward	Oil Industry	Phil Loar	Arlington County
Douglas Wine	VML	Karyn Sper	Fairfax County
Bill Bailey	VDOT		
Georgiana Ball	VDGS		

2. Determining Quorum:

A quorum for the Virginia Recycling Markets Development Council has been established as a simple majority of the appointed members to the Council. The Council is fully represented by 15 appointed members. Therefore a minimum of 8 members must be present to establish a quorum. A total of 8 of the appointed members were in attendance at the start of the meeting, therefore a quorum was established. A total of 11 of the appointed members were present for the majority of the meeting.

3. Approval of Minutes:

Chairman Mike Benedetto called for the Council's pleasure with regard to the Minutes for the April 30, 2002 Council Meeting. Doug Wine moved that the minutes be approved. Eddie Schneider seconded the motion. The Minutes were approved as presented.

4. Commodity Recycling Survey Presentation:

Georgiana Ball and Diane Jones presented the results of the Summary of Recycling Industries Survey that had been conducted on behalf of the Council. The survey was distributed to all of the 19 VRMDC Council members. A total of 18 responses were

received. The results of this survey should provide basic baseline information. The survey respondents noted that there were tremendous market fluctuations at different times for each of the 9 commodities examined. The commodities included in the survey were aluminum, compost, glass, oil, paper, plastics, scrap metal, and tires. The greatest market concerns identified by the survey were: 1) the need to increase infrastructure, 2) low market pricing, 3) price fluctuations/market stability, 4) the need to increase markets, 5) the need to increase volumes collected, 6) the lack of recycling leadership or resources, and 7) contamination issues. Recommendations to the Council included: developing and providing funding for recycling projects and for a statewide recycling position; growing recycling markets and evaluating barriers; providing tax incentives; hosting business seminars; developing efficient processing systems; and, providing for education and program promotion.

It was noted that due to the diverse nature of recycling commodities and markets, that it might be better for the Council to narrow its focus to a few commodities and develop recommendations on the basis of that examination.

5. Presentation - TREX Company, LLC:

Council members and staff had been unable to arrange for a presentation by a TREX representative for today's meeting. (Information regarding the TREX Company winning the EFFIE Award for the second year in a row was distributed.)

6. Presentation - Recycling Equipment Tax Credits:

Dan Gwinner from DEQ's Waste Division provided the Council with a brief overview of the Recycling Equipment State Income Tax Credit process. He noted that to qualify for the credit, the process/equipment had to divert material from the waste stream and turn it into a marketable product and that the equipment must operate exclusively on the applicant's property. In addition, making something that is burned for fuel is generally not counted as recycling. He noted that a total of 71 recycling tax credits applications were received in 1999; 28 in 2000; and 35 in 2001. At the current rate of applications it is anticipated that approximately 36 applications will be received in 2002. He also noted that there was a Waste Motor Oil Tax Credit Program and a Local Property Tax Exemption Credit Program that were also available.

The Council discussed the general lack of knowledge about the tax credit programs and the need to consider taking an active role in the promotion of the programs, especially the recycling equipment tax credit program. The members also discussed that the Council might want to consider the possibility of promoting the increase of the current rate of 10% of the equipment cost and capitalized expense to 20% and supporting legislative changes that would eliminate or modify the "on premises" requirement of the current tax credit.

7. Subcommittee Reports:

Waste Disposal Surcharge: Tom Smith, Chair of the Waste Disposal Surcharge Subcommittee presented the following Meeting Summary for the May 24, 2002 meeting of the subcommittee:

The subcommittee met to discuss the issues with the waste surcharge legislation proposed by the Governor.

Mr. Smith met with Dave Paylor, Deputy Secretary of Natural Resources, to discuss the Governor's goal with this legislation. Mr. Paylor stated that the administration desires to support and fund a variety of environmental programs and to raise funds of natural resources with this surcharge. Mr. Paylor also stated that a surcharge would also help raise inexpensive tipping fee rates in Virginia to be more compatible with surrounding states. The Governor is a supporter of preserving open space, funding the water quality improvement fund, and brownfields redevelopment.

Pennsylvania currently has a surcharge of \$3.25 per ton, with \$1.00 going to the host landfill community, and \$0.25 for Growing Greener. Pennsylvania is considering an increase in this rate and is paying close attention to any surcharge proposed in Virginia.

The committee listed the following issues with any surcharge legislation:

- Proper mechanism for money to be returned to localities and/or solid waste planning districts for recycling and waste reduction programs. There is lack of trust with local governments with the state on this issue.
- Should construction and demolition debris be included in the tonnages to be surcharged?
- Should waste-to-energy facilities be charged the surcharge?
- This fee would impact the competitiveness of private and public solid waste facilities potentially reducing host fees and revenues to local governments who rely on solid waste flow for funding.
- The proposed \$5.00 per ton surcharge may be too high.
- The distribution of the funds should focus on solid waste and recycling issues and mandates, such as recycling and waste reduction, solid waste management and planning, landfill closure, and brownfields.

The subcommittee agreed that the focus of our recommendations should be to ensure funding of recycling and waste reduction programs are included in any proposed bill. The committee will focus in on this issue, and how the money should be distributed for these programs, at future meetings.

He noted that the Subcommittee was holding a scheduled meeting today at 1:00 P.M. to continue their discussions and planned to have a report and to make recommendations by the August 13, 2002 meeting.

Recycling Rate Subcommittee: Richard Lerner, Chair of the Subcommittee, noted that all of the recycling rate reports had not been received by DEQ and that the data should be available for analysis by the August meeting of the Council. Bill Norris distributed "as reported" recycling rate data to the Council as information and noted that 89% of Virginia Localities had reported their recycling rates. The statewide average recycling rate for those reporting was 36.56%. He noted that DEQ had sent letters to all localities that had failed to report asking for their Recycling Rate Report.

Recycling Coordinator Subcommittee: Will Vehrs, Chair of the Subcommittee, was unable to attend today's meeting and no report was filed.

8. Old Business:

Bill Norris mentioned the "Clippings" packet that had been distributed to the Council. All members indicated that they had received the mailing.

Mike Benedetto requested that DEQ prepare a letter to the Glass Industry, requesting a nomination to fulfill the position recently vacated by Dean Harris on the Council.

9. New Business:

Bill Norris discussed the Interested Parties List that had been developed for the Council. He noted that there was currently a lot of interest in the activities of the Council and that there had been a number of recent requests for information.

Georgiana Ball, as the new President of the Virginia Recycling Association, distributed a copy of the upcoming VRA Conference to be held in Williamsburg on October 21 and 22, 2002. She noted that the RMDC would be meeting on Monday, October 21 from 10:00 to 1:00 at the conference facility. She encouraged all members of the Council to consider planning on staying for the conference. Mike Benedetto noted that there would be a Recycling Markets Panel on Tuesday. He encouraged members of the Council to participate in that session. He also noted that there would be a charge to VRA for the RMDC meeting space and meal and encouraged contributions and sponsors to cover the associated costs.

10. Public Comment:

No comments were received from the general public.

11. Meeting Schedule:

- August 13, 2002 from 10:00 A.M. to 1:00 P.M. at the VDOT Materials Division, Sandston
- October 21, 2002 from 10:00 A.M. to 1:00 P.M. at the Clarion Hotel & Conference Center, Williamsburg

12. Adjourn:

Diane Jones made a motion to adjourn. Doug Wine seconded the motion. The meeting was adjourned at 11:30 A.M.