



## COMMONWEALTH of VIRGINIA

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December 1, 2008

To: The Honorable Timothy M. Kaine  
  
The Honorable Harvey B. Morgan, Chair  
House Committee on Agriculture, Chesapeake and Natural Resources  
  
The Honorable Patricia S. Ticer, Chair  
Senate Committee on Agriculture, Conservation and Natural Resources

From: David K. Paylor 

Date: December 1, 2008

Subject: Progress of Waste Tire Pile Cleanups in Virginia

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I am pleased to provide you with a copy of the "Progress of Waste Tire Pile Cleanup in Virginia." This report has been prepared pursuant to the 2003 and 2008 Acts of Assembly and sets forth the progress of the Department of Environmental Quality's (DEQ's) efforts and progress at cleaning up waste tire piles in Virginia.

This report provides details regarding DEQ's cleanup activities during 2008, reviews the work and quantifies results achieved since 2003, and presents a plan on the work to be achieved before the tire fee reverts to \$0.50 (from \$1.00) on July 1, 2011.

This report is being made available at [www.deq.virginia.gov/regulations/reports/html](http://www.deq.virginia.gov/regulations/reports/html). If you have any questions concerning this report or if you would like a hard copy of this report, please contact Angela Jenkins, Assistant Director of Legislative and Legal Affairs at (804) 698-4268.

# **PROGRESS OF WASTE TIRE PILE CLEANUPS IN VIRGINIA**



***A Report to the Honorable Timothy M. Kaine, Governor  
and the House Committee on Agriculture, Chesapeake and Natural Resources  
and the Senate Committee on Agriculture, Conservation and Natural  
Resources***

**Virginia Department of Environmental Quality**

**December 2008**

## **EXECUTIVE SUMMARY**

This report is being provided to the Chairman of the Senate Committee on Agriculture, Conservation and Natural Resources and the Chairman of the House Committee on Agriculture Chesapeake and Natural Resources pursuant to the 2003 and 2008 Acts of Assembly.

### **I. INTRODUCTION**

Chapter 101 of the 2003 Acts of Assembly included a provision that increased the Virginia tire recycling fee from \$0.50 to \$1.00 per tire sold at retail from July 2003 through June 2006, with all the additional revenue dedicated solely for the removal and recycling of tires from waste tire piles. This legislation also directed the Virginia Department of Environmental Quality (DEQ) to provide an annual report by December 1 of each year to the chairmen of the Senate Committee on Agriculture, Conservation and Natural Resources and the House Committee on Agriculture Chesapeake and Natural Resources. The \$1.00 tire recycling fee was extended through June of 2008 by legislation adopted in 2006 and was later continued through June 2011 by Chapter 32 of the 2008 Acts of Assembly. The annual reporting requirement was also extended through 2011.

This report represents the sixth in a series of annual reports to the General Assembly on the progress made by DEQ in cleaning up waste tire piles. The report provides details on activities conducted during 2008, summarizes the work and results achieved since 2003, and presents a plan for the work to be completed through 2012.

### **II. HISTORICAL REVIEW**

Following the tire fire in Roanoke County in 2002, where 3 million tires burned for over a month, the 2003 General Assembly increased the tire recycling fee from \$0.50 per tire sold at retail (the level since enactment of the fee in 1989) to \$1.00 per tire to clean-up the approximately 4.5 million tires in the 339 tire piles that had been identified at that time. The additional revenues were to be spent only on waste tire pile remediation.

DEQ first implemented a “Big 5” Plan to clean-up the five largest tire piles because those piles would likely result in the most significant environmental damage if ignited. After completing the Big 5 Plan in late 2004, DEQ implemented the “Clean Sweep” plan, a region-by-region, multi-contractor effort to clean-up the remaining tire piles. Clean Sweep continued through 2007. With the extension of the additional funding through June of 2011, a revised plan, Clean Sweep II, was developed and implemented in 2008, and will continue through 2012.

### III. CLEANUP ACTIVITIES

#### A. 2008 Activities

Pursuant to the Clean Sweep Plan, DEQ entered into two regional pile cleanup contracts during 2008 and is currently in the process of executing a third:

<u>DEQ Region</u>	<u># Piles</u>	<u># Tires</u>	<u>Contract Value</u>
WCRO- Roanoke/Lynchburg	31	230,000	\$ 875,000
SWRO- Southwestern Va.	12	165,000	\$ 700,000
NRO- Northern Virginia (in procurement)	23	217,000	\$ 900,000

Progress in 2008 was slower than expected due to the complexities of some of the tire removal activities. Due primarily to difficult terrain, some piles had to be addressed in two stages. For these types of piles, a local excavating company was hired to move the tires to a more level site to provide for easier access by a traditional waste tire recycling company. While this process takes longer and involves more contracts, it lowers costs by utilizing the specialized expertise of two different types of companies. These additional contracts and longer time frames are now incorporated as each regional contract is issued.

<u>2008 Activities</u>	<u>Tires Removed</u>	<u>Cost</u>
19 piles in the WCRO and SWRO	54,700	\$ 185,582

It should be noted that all 2008 expenditures were made to businesses certified by the Virginia Department of Minority Enterprises (DMBE) as Small, Women and Minority (SWAM) vendors. In support of the Governor's SWAM initiative, DEQ has a policy of contracting tire pile cleanup services with SWAM-certified vendors whenever possible. All regional tire processing and excavation companies hired since 2007 were SWAM certified in addition to being the low bidders.

DEQ continues to receive reports of tire dumps, each of which is investigated by DEQ staff. All such "new finds" that qualify for the DEQ tire pile cleanup program (meaning they were created prior to 1994 or they are the result of illegal dumping after 1994) are added to each regional contract before it is awarded. In 2008, DEQ investigated and certified 16 newly discovered tire piles containing an estimated 202,000 tires. A similar number of piles, containing an estimated 260,000 tires, were investigated and certified in 2007. These piles have been added to each regional tire pile database and are included in each regional contract. However, DEQ may not be able to continue this practice in the future. (See Section V. Conclusions below for more details.)

B. 2003-2008 Results

The 2003 Report to the General Assembly documented DEQ's previous 10-year history of tire pile cleanups. The 2003 fee increase provided DEQ with additional resources to take more aggressive actions. As noted above, 2003 and 2004 saw the implementation and conclusion of the Big 5 Plan. Statewide implementation of Clean Sweep I concluded in 2007 with the continuing work referred to as Clean Sweep II.

Together, these activities and projects have had the following results:

<u>Year</u>	<u>Program</u>	<u>Tires Removed</u>	<u>Cost</u>
2003	Big 5	1,657,000	\$ 1,349,525
2004	"	369,000	\$ 369,128
2005	Clean Sweep I	4,149,200	\$ 8,896,711
2006	" I	344,600	\$ 881,755
2007	" I	290,500	\$ 431,358
2008	Clean Sweep II	<u>54,700</u>	<u>\$ 185,582</u>
TOTAL		6,865,500	\$12,114,050

C. Plans Through 2012

Based on the anticipated rate of collection of revenue, DEQ plans to continue the region-by-region cleanups by issuing subsequent contracts as sufficient funds become available in the Waste Tire Trust Fund. The tentative schedule is as follows:

<u>DEQ Region</u>	<u># Piles</u>	<u># Tires</u>	<u>Estimated Time Frame</u>
NRO-Northern	23	217,000	January-March 2009
VRO- Valley area	15	308,000	April-June 2009
TRO-Tidewater area	29	864,000	January-December 2010
PRO- Richmond/Central	69	872,000	April-December 2011

**IV. FINANCIAL MANAGEMENT**

Due to the low fund balance in the Waste Tire Trust Fund (WTF) in recent years, the DEQ has implemented several financial management techniques to avoid adverse financial situations experienced in the past. In 2006, work had to be suspended on several cleanup contracts as the rapid pace of cleanup work exceeded the inflow of revenue. Afterwards, DEQ separated the WTF into two accounts, a Base Program account to fund all service, administrative and End User

Reimbursement Program costs and a Cleanup Projects account to fund only the costs of tire pile cleanup activities. In addition, DEQ now issues cleanup contracts only after cash for full payment has been received and encumbered to avoid delayed payments. Lastly, DEQ developed a forecasting spreadsheet to better plan and manage payments for existing contracts and base program expenditures. The spreadsheet allows for forecasts of revenue and disbursements in both accounts through 2012 so that DEQ can develop implementation schedules such as that provided in III.C. above. These techniques have resulted in better control of cash balances and have avoided any payment or contractual problems.

## **V. CONCLUSIONS**

Since 2003, DEQ has utilized the additional \$0.50 in tire recycling fee revenue to support only the cleanup of legacy tire piles. To date, just over \$12.1 million has been spent to recover and beneficially use 6.8 million tires from these types of piles. At this time, 2.6 million tires in 170 piles remain. With the 2008 extension of the \$1 fee to 2011, there should be sufficient funds to cleanup the piles that have been identified to date. Accommodating the cleanup of any significant level of newly discovered piles, however, could become problematic as all available funds may already have been committed.