



Florida Tire Recycling, Inc.

September 19, 1994

Joseph Kahn, P.E.
Florida Department of Environmental Protection
Southeast District
P.O.Box 15425
West Palm Beach, FL 33416

Re: Waste Tire Processing Pending Permit #WT56-252068
(Renewal Application for Permit WT56-165345)

Dear Mr. Kahn,

I am writing to reply further to Ms. Janet Bowman's letter of September 8, 1994 to Mr. James R. Brindell of Gunster, Yoakley and Stewart, FTR's legal counsel.

At this time FTR has not received any communication from Orange Waste or Reliable Wood indicating their intent to terminate a business relationship that has existed for nearly two years. Although we would appreciate it if DEP would share whatever written correspondence Ms. Bowman has received from either party, we have no cause to doubt the veracity of her statements.

There are a multitude of trucking companies that can be called upon to transport shredded tires in the event of closure. Reliable Wood was merely one such company. Others were named in our permit application. Likewise there are many permitted disposal sites to which the shreds can be directed. We have obtained current letters from Waste Management's Keene Road Landfill and from Preferred Sand and Gravel, Inc. to replace Orange Waste and Reliable Wood. The net effect of the change is to raise the closure cost estimate by \$1.00 per ton for disposal and \$2.40 per ton for transportation. The \$3.40 per ton increase totals \$32,980.00 as reflected in the revised closure cost estimate submitted with this letter.

Ms. Bowman questions in her letter how FTR can reduce the volume of tires on site below 9,700 tons without access to Orange Waste and Reliable Wood. She also appears to question why FTR has not hauled any material to Waste Management's Keene Road Landfill since May, 1994.

I'll answer the last question first. FTR has not hauled to Keene Road because is has had no need to do so. You will note from the

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9675 Range Line Road • Port St. Lucie, Florida 34987 • (407) 465-0477 • FAX (407) 489-2124

reports supplied weekly and monthly that FTR met its reduction targets having used Keene Road only a few weeks out of the six month period.

Moreover, FTR has no need to haul shreds to Keene Road, Orange Waste or any other site for the foreseeable future with the exception of the reject material taken to Chamber's Okeechobee landfill. At this writing FTR has next to no "tires" at the site. What we do have is an inventory of partially processed TDF for which we hold purchase orders to ship to two separate fuel accounts. As a recycling company, FTR is shipping an annualized 20,000 tons of TDF to one fuel account and is about to start deliveries to a second account in a matter of weeks that will double output to an annualized 40,000 tons. This represents a significant portion of the waste tires being generated in the state. To help meet increased demand FTR has retrofitted one shredding plant with a highly proprietary series of improvements that has increased TDF production by 75%. We are in the process of retrofitting a second unit. We are also adding a third shift.

Ms. Bowman's letter refers to the date of May 1, 1995 as though it were an agreed upon target for reduction of the inventory below 9,700 tons. FTR has never agreed to such a date and has in fact proposed December 31, 1995 as a target date. (See Jim Brindell's September 9, 1994 letter to Ernest Fry.) The May 1, 1995 date was derived from the chart prepared as documentation for discussions on financial assurance. It was never meant to be cast in concrete as a date when the inventory would drop below 9,700 tons. Despite all the positive events that are occurring, there are a number of factors that have altered or will likely alter this date:

1. Delivery of the equipment being fabricated to handle incoming TDF at our new fuel account has already been delayed. By pushing back the start date by one month, the delivery of 2,000 tons of TDF for the test burn is similarly delayed.
2. The Georgia EPA may order additional stack tests or otherwise delay granting the emissions permit.
3. Either account may experience mechanical problems or may shut down for maintenance for a variety of reasons.
4. Fluctuations in plant production may cause the demand for steam to rise or fall which in turn has a domino effect on fuel requirements.

Conversely, if FTR proceeds to ship as estimated on the referenced chart, and does nothing to increase the flow of incoming waste tires, we will be out of inventory and out of business by mid-summer. Thus we have a great need to begin recovering the +12% decline in collections experienced during the last nine months and find additional accounts at the same time. The success or failure

of this effort will also determine when FTR reaches the benchmark 9,700 ton inventory.

Thus we have a highly dynamic scenario with five variables all of which add up to a very unpredictable situation. Jim Brindell spoke nothing less than the truth when he stated in his September 9, 1994 letter that FTR cannot afford to play Russian roulette with all its assets which would be the case if a target date of May 1, 1995 were forced on FTR or if we were put into a position where we would have to resume hauling recyclable materials to landfills.

In conclusion, as I stated in my memo of September 9, 1994 (copy attached) to Jim Brindell, I believe the root of our failure to communicate may lie with the fact that FTR has always seen scrap tires as a recyclable commodity while DEP has viewed them as a disposal problem. I suggest that DEP might focus on the fact that FTR will soon be shipping 40,000 tons per year of TDF while continuing in conversation with additional prospective customers. With a change of view points, from one of disposal to one of recycling, many perceived problems are considerably diminished.

Sincerely



David L. Quarterson
FLORIDA TIRE RECYCLING, INC.

DLQ:ms
Att.

Copies to: James Brindell
Susan Wilson
Jack Wilson
Skip Robinson



Florida Tire Recycling, Inc.

September 9, 1994

To: Jim Brindell
Gunster Yoakley and Stewart
Fax 407/832-3563

From: Dave Quarterson *DW*

Re: Site Closure Costs

Dear Jim,

As requested in our meeting with DEP of August 25, 1994, we have revisited the subject of site closure costs. This subject was one of the items on which DEP commented in its request for additional information on FTR's application for an operating permit. Attached is the "Estimated Cost of Closure" (signed and stamped by our engineer) submitted to DEP under our letter of July 20, 1994. The estimate totals \$197,875 for removal and disposal of 9,700 tons of shredded tires and 230 tons of whole tires.

The various cost components used in building the estimate (loading, transport, disposal, etc.) were all documented with written quotations from the several potential contractors. Those quotations were included with the permit application. After further review, we believe no further revision to those costs is necessary or required.

Contrary to conditions that might exist with an abandoned tire pile; were FTR to cease operations, the waste tire material would be in fully accessible, reasonably organized piles with appropriate security and with 95% of the material already shredded. Moreover, the site is the source of supply for two major TDF users and a reasonable assumption can be made that any contract in place would continue until all material is removed from the site.

From FTR's viewpoint, it appears DEP's regulations governing waste tire processing and storage are an extension of those regulations dealing with landfill disposal. Therein lies the problem because the regulations do not perceive TDF as a commodity. What is being overlooked is the fact that FTR is producing a commodity that has market value. Scrap tires are being recycled into TDF netting FTR an average gross margin of \$7.46 per ton after payment of transportation and handling costs.

FTR previously "course shredded" incoming tires not knowing the ultimate sizing requirements of the TDF customers we were attempting to develop. These course shreds are now being reprocessed to one inch cubes. The inventory of course shreds is

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being depleted. All future stockpiles will be processed to the one inch size. As the inventory of course shreds decreases and the inventory of TDF grows, the potential closure costs diminish. By December 31, 1995 FTR's entire inventory of stored material will be readily saleable TDF.

Should there be a default on FTR's part after the time the inventory is entirely reprocessed to TDF, the closure costs would change dramatically and would appear as follows:

1. Post closure notice	\$ 250.00
2. Notify DEP and board of county commissioners.	30.00
3. Remove resalable waste tires.	0.00
4. Ship TDF to Georgia Pacific.	
a. Loading at \$1.00 per ton.	9,700.00
b. Net revenue from sale.	(72,362.00)
5. Dispose of whole tires at an FDEP permitted landfill.	
a. Load and transport at \$3.50 per ton x 230 tons	805.00
b. Disposal at St. Lucie County landfill: \$80 x 230 tons.	18,400.00
6. Clean and scrape stabilized areas.	17,650.00
NET INCOME	+\$25,527.00

Because the inventory will be in the form of a readily saleable, recycled product with existing markets it would be counter to all logic as well as the stated objectives of the comprehensive plan of the State of Florida to dispose of the TDF in a sanitary landfill. Consider what would happen if FTR were manufacturing footwear from recycled tires. Would DEP order the footwear inventory to be landfilled? Recognizing the recycled product as a saleable commodity makes it possible to yield a profit from closure rather than incur an expense.

In the interim, FTR is not suggesting a revision in the closure cost estimates for permitting purposes. However, based on the scenario outlined above, we believe the closure cost financial requirements should be reduced as we move away from course shreds to a stockpile of saleable TDF.

DLQ:ms

D. For reporting quantity of tires, _____ tons, _____ will be weighed on site ☒ weighed off site _____ weights will be calculated ☐

E. Facilities that will not be disposing of processed tires or processing residual on the facility site must indicate the permitted solid waste management facility where processed tires or residuals will be disposed.

1. Name of facility KEENE ROAD LANDFILL, INC.

2. Street address 255 W. KEENE ROAD

3. City APOPKA County ORANGE Zip 32703

F. Facilities that will be delivering processed tires to consuming facilities must describe the existing or proposed markets for those processed tires.

THE COMPANY HAS A RENEWABLE ONE YEAR PURCHASE ORDER TO SUPPLY T.D.F. TO
GEORGIA PACIFIC CORPORATION.

THE COMPANY IS ALSO STARTING SHIPMENTS TO A SECOND GEORGIA
PACIFIC PLANT IN OCTOBER, 1994.

Part III-Attachments:

SEE ADDENDUM AND EXHIBITS

A. Facility design

NOTE: All maps, plan sheets, drawings, isometrics, cross sections, or aerial photographs shall be legible; be signed and sealed by a registered professional engineer responsible for their preparation; be of appropriate scale to show clearly all required details; be numbered, referenced to narrative, titled, have a legend of symbols used, contain horizontal and vertical scales (where applicable), and specify drafting or origination dates; and use uniform scales as much as possible, contain a north arrow and use NGVD for all elevations.

1. A topographic or section map of the facility, including the surrounding area for one mile, no more than one year old, showing land use and zoning within one mile of the facility.
2. A plot plan of the facility on a scale of not less than one inch equals 200 feet. At a minimum, the plot plan shall include:
 - a. The facility design, including the location and size of all storage and processing areas for used tires, unprocessed waste tires, processed waste tires, and waste tire processing residuals;
 - b. All wetlands and water bodies within the facility or within 200 feet of any storage area;
 - c. Stormwater control measures, including ditches, dikes, and other structures;
 - d. Boundaries of the facility, legal boundaries of the land containing the facility, and any easements or rights of way that are within the facility or within 200 feet of any storage area;
 - e. Location, size, and depth of all wells within the facility or within 200 feet of any storage area;
 - f. All structures and buildings that are, or will be, constructed at the facility; include those used in storage and processing operations;
 - g. All areas used for loading and unloading;
 - h. All access roads and internal roads, including fire lanes;
 - i. Location of all fences, gates, and other access control measures; and
 - j. Location of all disposal areas within the facility.

B. Facility operation.

1. A description of the facility's operation, process and products including how waste tires will be received and stored.
2. A description of the equipment used for processing tires. This description shall include the make, model, and hourly capacity of each piece of equipment.
3. Description of the waste from the process, the amount of waste expected and how and where this waste will be disposed of.
4. Statement of the maximum daily throughput and the planned daily and annual throughput.
5. A description of how the operator will maintain compliance with each of the storage requirements of Rule 17-711.540, F.A.C.
6. A copy of the emergency preparedness manual for the facility with a statement of the on site and off site locations where that manual will be maintained.
7. A copy of the fire safety survey.
7. A description of how 75% of the annual accumulation of waste tires will be removed for disposal or recycling.

ESTIMATED COST OF CLOSURE

In accordance with 17-711.510 F.A.C., FLORIDA TIRE RECYCLING, INC. submits the following estimate for the Cost of Closure for its facility at 9675 Range Line Road, Port St. Lucie, FL.

ESTIMATE FOR COST OF CLOSURE FOR WASTE TIRES AS DEFINED IN 17-711.200 (14) TO BE STORED AT THE SITE IN ACCORDANCE WITH PENDING PERMIT APPLICATION WT56-252056 AS AMENDED ON SEPTEMBER 20, 1994:

- | | | |
|---|----|------------|
| 1. Post notice of closure at an alternate disposal site. | \$ | 250.00 |
| 2. Notify the FDEP and the Board of County Commissioners of St. Lucie County. | | 30.00 |
| 3. Remove resaleable waste tires to retreating or resale locations. | | 0.00 |
| 4. Dispose of processed waste tires at an FDEP permitted landfill (Keene Road Landfill, Inc.) | | |
| a. Loading at \$1.00 per ton x 9700 tons
(See Triple E - Exhibit J.) | \$ | 9,700.00 |
| b. Transportation at \$10.00 per ton. | | 97,000.00 |
| c. Disposal at Keene Road Landfill, Inc.
at \$9.00 per ton. | | 87,300.00 |
| SUB-TOTAL - ITEM 4 | | 194,000.00 |
| 5. Dispose of whole waste tires at an FDEP permitted landfill (St. Lucie County Landfill) | | |
| a. Load and transport at \$3.50/ton
x 230 tons. | | 805.00 |
| b. Disposal at St. Lucie County
@ \$80/ton x 230 tons. | | 18,400.00 |
| SUB-TOTAL - ITEM 5 | | 19,205.00 |
| 6. Clean and scrape stabilized areas used for above ground storage of processed tires. | | 17,650.00 |
| TOTAL ALL ITEMS | \$ | 231,135.00 |

**Keene Road Landfill, Inc.**

P.O. Box 498
Clarcona, Florida 32710
407/886-2920

September 12, 1994

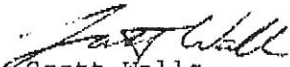
Florida Tire Recycling
9675 Range Line Road
Port St. Lucie 34987
Attn: Dave Quarterson

Dear Dave,

Please accept this letter as a firm price quote for Florida Tire Recycling to continue disposing shredded tires at Keene Road Landfill at a price of \$4.50 per cubic yard. Some of our customers use a conversion factor of 2.0 cubic yards per ton if you would like to convert our price to a per ton amount.

Thanks for your business and we look forward to serving you in the future. If you have any questions, please call me at (407) 843-7370.

Sincerely,


Scott Walls
Controller

Preferred Sand & Gravel, Inc.

PHONE: (912) 477-3993
1-800-535-8015

P.O. BOX 1087

GRAY, GEORGIA 31032-1087

September 16, 1994

Florida Tire Recycling Inc.
9675 Rangeline Rd.
Port St. Lucia, FL 34987

RE: Verbal Quote for Contract Haul

Dear Mr. Quarterson:

Per our conversation of September 14, 1994. Preferred Sand and Gravel will haul shredded tires from Fort Pierce Florida to Orlando Florida for a fee of \$250.00 per load.

For any further information, please feel free to give us a call at 1-800-240-7733 or local at 1-407-656-4221.

Sincerely,

Cecil Leach

ksl/CL