



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
RICHARD A. LEOPOLD, DIRECTOR

MEMO

TO: BEVERAGE CONTAINER REDEMPTION CENTERS
FROM: BILL BLUM, IDNR LAND QUALITY BUREAU
CC: AL GOLDBERG, JIM BODENSTEINER, SHARON TAHTINEN, ANGIE CLARK,
IOWA RECYCLING ASSOCIATION, IOWA BOTTLE BILL COALITION, IOWA LEAGUE OF
WOMEN VOTERS
DATE: JULY 22, 2008

SUBJECT: GRANTS PROGRAM FOR INDEPENDENT REDEMPTION CENTERS - **UPDATE**

You will recall from our previous June 26, 2008 Memo that the DNR was to draft formal Administrative Rules to establish criteria and procedures for the grant application process and the awarding of grants. Beginning on the next page then, is a copy of the "Notice of Intended Action" (NOIA) that features the proposed Rules.

The NOIA is due to be published in the Iowa Administrative Bulletin on July 30, 2008, which triggers the official 20-day public comment period. Note those parts of the NOIA, highlighted in gray, that describe how public comments are to be made, including especially the public hearing scheduled for August 19, 2008, at 2:00 p.m. in the Fifth floor West Conference Room of the Wallace State Office Building, 502 East Ninth Street, in Des Moines.

In addition to the official public comment period, we are offering the opportunity for you to provide your input on the proposed Rules starting as soon as you get this Memo. In any event, please follow those highlighted guidelines stated in the NOIA.

It remains the DNR's intent to make awards as soon as we can. As the NOIA indicates, the Administrative Rules process takes time. Still, we intend to have grant applications ready to mail to redemption centers by early October.

If you have questions, please contact me at (515) 281-8176, e-mail address - bill.blum@dnr.iowa.gov. If you have access to the Internet, you should be able to monitor the status of the Grants Program at <http://www.iowadnr.com/waste/recycling/bottle.html>.

ENVIRONMENTAL PROTECTION COMMISSION[567]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1) "b."

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 455C.9, the Environmental Protection Commission hereby gives Notice of Intended Action to amend Chapter 107, "Beverage Container Deposits," Iowa Administrative Code.

This amendment is being proposed to establish criteria for awarding grants to independent redemption centers for making improvements to such centers. The grant program is the result of recently passed legislation, 2008 Iowa Acts, House File 2700, sections 78 and 88, that dedicates \$1 million from the general fund of the state to an independent redemption center grant fund for improvements to independent redemption centers in existence prior to July 1, 2008. Up to 3.5 percent of the fund can be used to pay administrative costs relating to the management of the grant program.

Any interested person may make written suggestions or comments pertaining to the proposed amendment on or before 4:30 p.m. on August 19, 2008. Such written materials should be directed to Bill Blum, Land Quality Bureau, Iowa Department of Natural Resources, 502 East 9th Street, Wallace State Office Building, Des Moines, Iowa 50319-0034; fax (515)281-8895; or E-mail bill.blum@dnr.iowa.gov. Persons wishing to convey their views orally should contact Bill Blum by telephone at (515)281-8176.

When submitting comments, stakeholders are encouraged by the Department to utilize the following guidelines. These guidelines aid the Department in accurately understanding and creating a record of your input.

1. Include your mailing address and contact information.
2. Please state if you are submitting comments on behalf of a business or organization or as an individual.
3. Cite the specific rule(s) on which you are commenting.
4. Explain your views as clearly as possible by describing any assumptions, data, or technical information you utilized.
5. Provide specific examples to illustrate your concerns.
6. Offer alternative language to improve the specific rule(s) and explain why.

A public hearing will be held on August 19, 2008, at 2 p.m. in the Fifth Floor West Conference Room of the Wallace State Office Building, 502 East Ninth Street, Des Moines, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendment.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department of Natural Resources to advise of specific needs.

It is the current intent of the Department to file the final rule making as an Adopted and Filed Emergency After Notice in compliance with Iowa Code section 17A.5(2) "b" (2).

This amendment is intended to implement 2008 Iowa Acts, House File 2700, sections 78 and 88.

The following amendment is proposed.

Adopt the following **new** rule 567—107.16(82GA, HF2700):

567—107.16(82GA, HF2700) Independent redemption center grant program. An independent redemption center grant program is established in the department, with funds provided from the independent redemption center grant fund established in the state treasury and under the authority of the natural resources department. The purpose of the program is to award grants for improvements to independent redemption centers. No grant shall exceed \$15,000 for any redemption center. The department shall issue awards in accordance with the availability of moneys in the independent redemption center grant fund.

107.16(1) Goals. The goals of the program are to enable independent redemption centers to become more:

a. Sustainable. This goal includes measures that help independent redemption centers continue to operate and succeed. Such measures include, but are not limited to, physical improvements to sites owned by independent redemption centers or equipment purchases that can help reduce operational costs.

b. Convenient. This goal includes measures that help independent redemption centers better serve customers.

c. Accessible. This goal includes measures that enable customers to more easily use independent redemption centers' services.

107.16(2) Application. The department shall develop an application for redemption centers to complete and submit to the department in order to apply for a grant under this program. The application shall include, but not be limited to:

a. An explanation of how the grant will enable the redemption center to become more sustainable, convenient or accessible.

b. A statement and substantiation of the specific amount of grant funds that will be expended to pay for the improvement or improvements.

c. If the applicant's beverage container redemption function is one part of a business enterprise that includes one or more other commercial activities that are not beverage container redemption, a clear explanation must be provided as to how the proposed grant-funded improvement or improvements will be implemented exclusively for the beverage container redemption function.

107.16(3) Eligibility. To be eligible for the independent redemption center grant program, a redemption center must meet both of the following criteria:

a. Have no affiliation with or in any way be a subsidiary of a dealer, a distributor, or a manufacturer.

b. Have been in business prior to July 1, 2008. A redemption center registered with the department as an approved redemption center, unapproved redemption center, redemption center for a dealer or registered redemption center prior to July 1, 2008, meets this criterion. A redemption center that was not registered with the department prior to July 1, 2008, must provide documentation that the redemption center was in business prior to July 1, 2008.

107.16(4) Evaluation of applications. The department will evaluate all eligible grant applications submitted in the manner prescribed in the application. The applications will be evaluated based on their compatibility with the goals of the program.

a. Physical improvements to a site owned by an independent redemption center or equipment purchases that will improve the sustainability, convenience, or accessibility of a redemption center will receive highest consideration. Although a cash match is not required, applications that include statements of cash match will be evaluated more favorably.

b. Labor costs associated with improving the sustainability, convenience or accessibility of a redemption center will receive secondary consideration.

c. Direct cash payments for general compensation will not be considered.

107.16(5) Grant denial. An application may be denied for reasons that include, but are not limited to, the following:

a. The applicant does not meet the eligibility requirements set forth in subrule 107.16(3).

b. The applicant does not provide sufficient information requested for the application proposal.

c. The project is not consistent with the goals of the program.

- d. Funds are insufficient to award financial assistance to all qualified applicants.
- e. The applicant has not met contractual obligations of previous grant awards.
- f. The department received the application after the deadline stated in the application.

107.16(6) *Grant contracts, reporting and accountability.* Each grant awarded under this program shall be conveyed by means of a contract with each grantee. The department shall develop and provide the form of the grant contracts, which shall include, at a minimum:

- a. A description and explanation of the improvement or improvements being funded, including a statement of cash match, if any, that will be expended by the grantee.
- b. The dollar amount of the grant award and the manner in which funds will be transferred.
- c. The requirement for the grantee to submit to the department a report following the implementation of the funded improvement or improvements. The report shall state how the grant funds, and cash match, if any, were expended in the execution of the contract and shall include copies of any supporting documents.
- d. The department's remedies in the event of a grantee's breach of contract.