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9 **STATE OF CALIFORNIA**
10 **DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

11 **IN THE MATTER OF:**
12 **Golden By-Products, Inc.,**
13 **PROPERTY OWNER AND OPERATOR**
14
15 **RESPONDENT.**
16 **TPID NO.: 1003314**

Case No. IH14-008-TIR
**SUPPLEMENTAL ADMINISTRATIVE
DECISION IN RESOLUTION TO THE
FEBRUARY 8, 2017, NOTICE OF
DEFAULT OF THE ADMINISTRATIVE
DECISION FOR WASTE TIRE STORAGE
PENALTIES**

AGENCY NO. 2014-011166-ADC

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20 **INTRODUCTION**

21 The California Department of Resources Recycling and Recovery (hereafter,
22 "CALRECYCLE") has authority to regulate and conduct enforcement actions regarding
23 waste tire facilities and waste tire haulers within the State of California pursuant to
24 Public Resources Code (PRC) sections 42800 et seq., 42950 et seq., and attendant
25 regulations contained in Title 14 of the California Code of Regulations ("CCR").

26 In accordance with PRC section 42851, CALRECYCLE served an Administrative
27 Complaint For Waste Tire Storage Penalties (hereafter, "Administrative Complaint") on
28 Golden By-Products, Inc., Property Owner and Operator (hereafter, "RESPONDENT" or

1 "Golden By-Products") on June 27, 2014. RESPONDENT requested a hearing July 3,
2 2014. In lieu of litigating the case at an administrative hearing, RESPONDENT and
3 CALRECYCLE (hereafter, collectively "the Parties") negotiated a Stipulation For Waste
4 Tire Storage Administrative Penalties (hereafter, "2014 Stipulation") on October 13,
5 2014. An Administrative Decision For Waste Tire Storage Administrative Penalties
6 (hereafter, "underlying Administrative Decision") was issued on October 13, 2014.¹

7 On February 8, 2017, CALRECYCLE issued a Notice of Default Of The
8 Administrative Decision For Waste Tire Storage Penalties (hereafter, "Notice of
9 Default") to RESPONDENT. The Notice of Default stated the reasons why
10 RESPONDENT was in default of the 2014 Stipulation and Administrative Decision, the
11 amount of penalties assessed for the default, and notified RESPONDENT of the right to
12 refute the allegations contained in the Notice of Default within 30 days. On May 11,
13 2017, Karen Barstow and Brett Barstow signed a Stipulation (hereafter, "Stipulation")
14 on behalf of RESPONDENT to resolve the violations stated in the February 8, 2017,
15 Notice of Default.

16 Pursuant to the Stipulation and Decision, and good cause appearing therefore,
17 the following Factual Findings and Conclusions of Law are made, and the following
18 Order is issued.

19 FINDINGS OF FACT

20
21 1. RESPONDENT is in possession of a Major Waste Tire Facility Permit
22 ("Permit"), Tire Program Identification ("TPID") Number 1003314, for its waste tire
23 ("WT") facility located at 13000 Newport Dr., Ballico, California, 95303, Assessor's
24 Parcel Number 041-120-019 ("the site").

25 2. As described above, on February 8, 2017, CALRECYCLE issued the
26 Notice of Default, notifying RESPONDENT that it was in default for failing to comply with
27

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¹ The Administrative Decision containing corrected typographical errors was subsequently served on the Parties on October 28, 2014.

1 the underlying Administrative Decision.

2 3. Paragraph 16 of the underlying Administrative Decision states:

3 ... In the event that CALRECYCLE discovers a default of this [sic] Stipulation,
4 CALRECYCLE shall notify [RESPONDENT] by issuing a Notice of Default.
5 [RESPONDENT] will have 30 days from the date of issuance of the Notice of
6 Default to respond to CALRECYCLE's allegations and provide evidence refuting
7 CALRECYCLE's claim of default. CALRECYCLE will review all
8 counterarguments and evidence provided by [RESPONDENT] and will make a
9 determination as to whether a default occurred, and if appropriate, shall issue a
10 Supplemental Administrative Decision ordering the remaining abeyance penalty
11 amount due and payable. [RESPONDENT] may appeal CALRECYCLE's
12 determination within 30 days of the issuance of the Supplemental Administrative
13 Decision. Any and all appeals shall be heard by CALRECYCLE's Director or the
14 Director's designee.

11 **CONCLUSIONS OF LAW**

13 4. Based on the terms set forth in the underlying Administrative Decision,
14 RESPONDENT is liable for the full penalty amount of \$765,000.00, for the violations
15 described in the Notice of Default. RESPONDENT was given 30 days from the date of
16 receipt of the Notice of Default to provide CALRECYCLE with evidence refuting the
17 allegation; RESPONDENT provided no such evidence.

18 5. Based on all available evidence, CALRECYCLE has determined that a
19 default of the underlying Administrative Decision did occur, and that, therefore, the full
20 default amount of \$765,000.00 is immediately due and payable. However, in the
21 interests of both Parties and the State of California, CALRECYCLE and RESPONDENT
22 hereby agree to resolve all matters set forth in the Notice of Default through the terms
23 set forth in the Stipulation.

24 **ORDER**

26 CALRECYCLE approves of, and adopts the terms of the Stipulation resolving the
27 Febraury 8, 2017, Notice of Default and hereby orders RESPONDENT to comply with
28 the following terms, in accordance with the Stipulation:

1 6. RESPONDENT shall remove all waste and used tires, tire derived
2 product, or other waste tire material, including fluff and crumb, and any products made
3 from tires, such as but not including berms and ramps, located anywhere on the
4 property, including inside trucks and buildings (herein collectively referred to as “the
5 waste and used tires”) from the site.

6 7. RESPONDENT’S removal of the waste and used tires shall follow the
7 schedule attached hereto and incorporated herein as reference as Attachment A, or a
8 revised clean-up schedule that as been submitted to CALRECYCLE. All waste and
9 used tires shall be removed by the date stated in the schedule but no later than July 1,
10 2017. The attached Revised Projected Inventory Timeline, or a future revised timeline
11 submitted to and approved by CalRecycle, shall serve in lieu of the closure plan
12 required by Title 14 of the California Code of Regulations (CCR) section 18440(b).

13 (Note RESPONDENT’s original waste tire removal plan is also attached as reference.)

14 8. RESPONDENT shall immediately cease accepting waste and used tires at
15 the site.

16 9. RESPONDENT shall deliver the waste and used tires only to the Merced
17 County Regional Waste Management Authority (“MCRWMA”) landfill. RESPONDENT
18 shall not deliver the waste and used tires to any other location without prior approval
19 from CALRECYCLE. RESPONDENT may obtain approval for another delivery location
20 via email.

21 10. RESPONDENT shall report the failure of any equipment occurring at the
22 site to CALRECYCLE’s enforcement division.

23 11. RESPONDENT shall comply with all of CALRECYCLE’s statutes and
24 regulations regarding the hauling of waste and used tires. RESPONDENT shall provide
25 CALRECYCLE with manifests documenting the removal of waste and used tires from its
26 waste tire facility and documenting the delivery to the MCRWMA landfill.

27 RESPONDENT shall provide CALRECYCLE with weekly reports of the waste and used
28 tires onsite. RESPONDENT shall provide CALRECYCLE’s enforcement division

1 monthly with an End of the Month Statement from the MCRWMA documenting the
2 material received from RESPONDENT for the month and also with the monthly report
3 required by section 15.h of its Major Waste Tire Facility Permit.

4 12. Once all of the waste and used tires have been removed from the site,
5 RESPONDENT shall:

6 (a) Cease accepting waste and used tires at its waste tire facility;

7 (b) Post a notice at the entrance to the waste tire facility indicating to the public
8 that the waste tire facility is closed and a location of another site where waste tires can
9 be deposited;

10 (c) Remove any additional debris to a recycling facility or a permitted solid waste
11 facility.

12 13. Once all of the actions required in paragraph 12 above have been
13 performed RESPONDENT shall notify CALRECYCLE that all activities are complete,
14 that all of the waste and used tires are removed, and that the site is ready for
15 inspection. The terms set forth in the Stipulation shall serve in lieu of the closure
16 requirements set forth in 14 CCR section 18440 and 18441.

17 14. After receiving notice by RESPONDENT as required by paragraph 13
18 above, CALRECYCLE may inspect the site. Once CALRECYCLE has determined that
19 all of the above-listed procedures and requirements have been met and that no waste
20 or used tires remain at the site, CALRECYCLE shall approve the pendent closure of
21 RESPONDENT's Major WT Facility and advise RESPONDENT that the Permit is
22 suspended. CALRECYCLE may approve the pendent closure and advise
23 RESPONDENT of the suspension via a Waste Tire Survey and Inspection Report.

24 15. Notwithstanding separate terms within the Stipulation, should the bond
25 currently in place to secure RESPONDENT's Permit expire, the Permit shall
26 automatically be deemed suspended.

27 16. The Permit shall remain suspended until RESPONDENT no longer owns
28 the property on which the site is located, but no later than August 31, 2017. If the

1 property has not been sold to a new owner by August 31, 2017, the Permit shall be
2 deemed automatically surrendered by RESPONDENT. RESPONDENT may surrender
3 the Permit to CALRECYCLE prior to August 31, 2017, by remitting the Permit along with
4 a written notice of intent to surrender the Permit.

5 17. If the property on which the site is located is sold to a new owner, or
6 becomes bank owned, the Permit may be transferred to the new owner or bank once all
7 of the conditions of 14 CCR section 1828 have been met, including but not limited to,
8 the new owner or bank showing proof of operating liability complete with liability for
9 environmental damages and financial assurances. The Permit shall not be transferred
10 after August 31, 2017, at which time the Permit shall be deemed automatically
11 surrendered to CALRECYCLE.

12 18. RESPONDENT shall comply with all terms set forth within its Permit, and
13 all statutes and regulations related to the storage of waste tires, up to the date the
14 Permit is suspended or surrendered. Once CALRECYCLE has advised RESPONDENT
15 that the Permit is suspended, RESPONDENT may no longer operate under any of the
16 terms set forth in the Permit, but will instead be considered an unpermitted WT facility.


17 19. If RESPONDENT fails to remove all of the waste and used tires from its
18 site within the time set forth in the attached or revised removal schedule, and no later
19 than August 31, 2017, RESPONDENT hereby grants CALRECYCLE, and its contractors
20 or representatives, access to the site for the purposes of cleaning up the remainder of
21 the waste and used tires.

22 20. **Default:** If RESPONDENT defaults under any of the terms of the
23 Stipulation, CALRECYCLE shall send a Notice of Default to RESPONDENT; said
24 Notice of Default shall state the paragraphs or provisions of the Stipulation of which
25 RESPONDENT is in default. RESPONDENT shall have 30 days from the date of the
26 issuance of the Notice of Default to provide evidence refuting CALRECYCLE's claim of
27 default. After a review of the evidence provided by RESPONDENT, CALRECYCLE
28 shall make a determination regarding the default and, if appropriate, shall issue a

1 Supplemental Decision regarding the \$765,000.00 owed by RESPONDENT as stated in
2 the Notice of Default. Should CALRECYCLE make the determination that a default of
3 the Stipulation did occur, the full penalty amount of \$765,000.00 shall be immediately
4 due to CALRECYCLE.

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6 This Supplemental Administrative Decision shall become effective as of the date signed
7 below.

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10 Dated: May/26/2017



11 MARK DE BIE
12 Deputy Director
13 DEPARTMENT OF RESOURCES,
14 RECYCLING AND RECOVERY
15 (CALRECYCLE)

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ATTACHMENT A

TIMELINE PROJECTION

Shipped to MCRWMA
 Cum Shipped to MCRWMA

DATE

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Total
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est	Est	EST	Est	Est
495.21	359.36	525.75	565.24	498.33	210.40	459.95	524.94	443.52	304.21	0.00	160.00	400.00	453.09	5400.00
495.21	854.57	1380.32	1945.56	2443.89	2654.29	3114.24	3639.18	4082.70	4386.91	4386.91	4546.91	4946.91	5400.00	
2/18/2017	2/25/2017	3/4/2017	3/11/2017	3/18/2017	4/1/2017	4/8/2017	4/8/2017	4/15/2017	4/22/2017	4/29/2017	5/6/2017	5/13/2017	5/20/2017	

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Totals
Beginning Balance										
Whole Tire	3170	3170	2695	2220	1745	1270	795	320	125	
Shreds/Srips	300	300	315	330	345	360	375	390	125	
Total Starting Balance	3470	3470	3010	2550	2090	1630	1170	710	250	
Incoming Tons										
SNIP		125	125	125	125	125	125	125	125	1000
Shred 12 ton*8 *5		350	350	350	350	350	350	70		2170
Shipped to MCRWMA		460	460	460	460	460	460	460	250	3470
Ending Balance Shreds	300	315	330	345	360	375	390	125	0	0
Ending Balance Whole Tires	3170	2695	2220	1745	1270	795	320	125	0	0
combined Ending Balance	3470	3010	2550	2090	1630	1170	710	250	0	

I have used the CalRecycle Estimate BEFORE 20% reduction to be safe.

WE CAN ACTUALLY SHRED 450 TON/WEEK WITH THIS SHREDDER, I HAVE REDUCED IT TO 350 TO GIVE A SAFETY OF MARGIN FOR ANY DOWN TIME THE MAJORITY OF COSTS RELATED TO DOWN TIME ARE LABOR WHICH IS INCLUDED HOWEVER I ADDED AN ADDITIONAL 500/WEEK FOR MISCELLANEOUS REPAIR COSTS.

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