



RECYCLING CERTIFICATION INSTITUTE



LAUTENBACH INDUSTRIES, INC.

CORR PROTOCOL EVALUATION REPORT

October 23, 2015
Evaluation Body: RCI



Executive Summary

This report corresponds to the evaluation of the application for CORR Certification submitted to the Recycling Certification Institute (RCI or Institute) by Lautenbach Industries, LLC, on behalf of its Lautenbach Recycle Park LLC Mixed Construction & Demolition (C&D) recycling operation (LRP) located at 13084 Ball Road, Mt. Vernon, WA. Lautenbach Industries is a multifaceted business and is the operating name for several affiliated businesses including T&T Recovery Inc., Louts Inc., Lautenbach Recycle Park LLC, and Lautenbach Industries LLC. Lautenbach Industries is owned by Troy and Torrey Lautenbach.

This Evaluation was conducted by RCI and represents an independent review of LRP data and information provided to the Institute. Due diligence was followed to ensure Duty of Care and Duty of Loyalty to the Institute and to manage any Conflict of Interest.

RCI Evaluators Manual 2.0 (EM) and RCI General CORR Protocol 1.9 (GCP) were used to guide the evaluation process as is standard practice for all Evaluations.

The evaluation found neither material or immaterial misstatements nor deviations from the described process train for the operations at the LRP site. RCI uses a 95% confidence level as its Minimum Quality standard when calculating recovery or recycling rates using the weights of materials recovered and recycled. The twelve months of recovery and recycling data submitted by LRP was within the quantitative materiality threshold of 95% (less than 5% error) per EM Section 2.2.3.

Overview of Lautenbach Recycle Park C&D Recycling Facility and Operations

Lautenbach Industries owns and operates the LRP Mixed C&D recycling facility located at 13084 Ball Road, Mt. Vernon, WA. The LRP facility is permitted by Skagit County Public Health Department, Washington and operates under a Solid Waste Handling Permit and Conditional Use Permit (Heavy Industrial Zoning). The facility is permitted to accept and store up to 10,000 cubic yards of processed/unprocessed C&D materials (other than wood and/or wood-derived fuel) and up to 14,000 cubic yards of wood and/or wood-derived fuel. Additional conditions apply to the storage of specific materials such as residual waste, sorted recyclables, pre-sorted recyclables, sheetrock, and concrete/asphalt. The facility is open Monday through Friday from 7:00 am to 6:00 pm and on Saturday from 9:00 am to 3:00 pm where it accepts loads from the public as well as its sister companies, T&T Recovery Inc. and Louts Inc.. The two sister companies are licensed General Contractors who provide demolition, collection, and transportation services of recyclable C&D to the LRP. LRP may also operate outside of the public hours according to its permit.

LRP receives loads of recyclables from self-haul and its sister companies. These materials are either source-separated single commodity loads or commingled C&D. All incoming loads are inspected and the weight is recorded. All demolition loads must

accompany a good faith Asbestos Survey and remediation report if applicable. LRP also restricts the acceptance of lead. If a lead survey is not provided, painted surfaces are tested for the presence of lead using a Nitron XRF analyzer. Lead based painted wood or chemically treated wood is rejected for use as a fuel source. The loads must not include “Garbage” and other “Unacceptable Materials”. Loads containing garbage and unacceptable materials are directed to the county-owned transfer station located on the neighboring property.

Per Chapter 4 of the Skagit County Comprehensive Solid Waste Management Plan, the facility may only accept, sort, process and stockpile source separated or comingled loads of construction and demolition solid wastes designated as “recyclable materials”. LRP may not accept food waste, yard debris, motor oil, Freon or fluid containing appliances, tires, vehicle parts, insulation, linoleum and similar synthetic flooring and floor coverings unless they are an incidental portion of an otherwise acceptable load. Customers and staff are notified when changes are made to the Acceptable Materials List.

Some of the incidental materials received along with the residuals from the sorting process are not recyclable and are separated out for disposal. Residuals consist primarily of recyclable materials and dirt along with a much smaller percentage of materials that are not recyclable in the current market. Skagit County’s Flow Control Ordinance requires this material be disposed within the County System.

Load Inspection and Acceptance

The scale house operator weighs and logs all loads on a computerized system upon their arrival at the facility. All loads are inspected for unacceptable materials by the Scale House Operator and again by the Tip Floor Manager during the untarping process. If the load is a clean single commodity load, it is directed to the appropriate tip location. Comingled loads may be accepted or provisionally accepted by the Scale House Operator and sent to the tip floor. The Tip Floor Supervisor is notified of any provisionally accepted loads that may require further inspection prior to tipping the load on the floor. The Tip Floor Supervisor is responsible for acceptance or rejection of questionable loads or for determining if testing should be conducted prior to tipping the load. Drop-box loads delivered by Lautenbach drivers are pre-approved as the Lautenbach driver visually inspected the box prior to accepting and tarping the load for transport.

Material Handling and Processing

Materials may be directed to several tip areas at the LRP depending on the load type and quality. Only clean single commodity loads are directed to tip areas other than the covered C&D Tipping Area. The single commodity locations are the Clean Wood Pile, the Concrete/Inert storage area and the Metal storage area. To be directed to these areas, the loads must be essentially free of other materials. This material is again screened for contaminants prior to comingling with the piled material. Single commodity loads of sheetrock and roofing are directed into the covered C&D Tipping Area for temporary dry storage prior to off-site transport. All other loads are directed to the covered C&D Tipping Area where they are consolidated into a pile. A Komatsu

excavator with a grapple feeds the materials from the pile onto a sort line for manual sorting. The sorters pull out wood, cardboard, metal, plastic, and inerts, and drop them into bunkers and containers where they are later moved to the proper storage areas before offsite transport or further processing (such as inerts and wood). The remaining materials travel off the end of the sort line as residual.

Mechanical processing at the facility consists of grinding of wood waste for hog fuel and the crushing of concrete, bricks and ceramics (inert materials) to be used for structural base materials. Several times a day wood waste is ground directly into walking floor transport trailers and delivered to market. Inert waste is stockpiled and crushed on a yearly or biyearly basis and utilized on site or delivered to market.

Delivery of Recyclable Materials and Recycling

Following cleaning and sorting, all loads of recyclable material not utilized onsite are transported by Lautenbach to facilities that utilize the commodity in as-is condition or who further process the materials for recycling purposes. All outbound loads are weighed and recorded.

Mixed C&D and Source Separated

Aggregates (Concrete, bricks, and ceramics) are received as clean single commodity loads and placed in the Concrete/Inert Storage Area (outside). Aggregates are also picked from the sorting line and dropped into the appropriate bunker, then moved to the Concrete/Inert Storage Area as appropriate. The aggregate material stockpile is processed on an annual or semiannual basis and utilized onsite or delivered to market.

Cardboard (OCC) is received as a clean single commodity material and stored under the covered Tipping Area. It is also removed from the sorting line via manual separation and dropped into the appropriate bunker. A dedicated loader operator moves the cardboard to the proper storage area under the covered Tipping Area as necessary.

Carpets may be accepted as a clean single commodity material with special restrictions when markets are available and is stored under the covered Tipping Area.

Gypsum Drywall is received as a clean single commodity material and directed to the covered Tipping Area. It is also removed from the sorting line via manual separation and dropped into the appropriate bunker. A dedicated loader operator moves the drywall to the proper storage area under the covered Tipping Area as necessary until offsite transport.

Metals (ferrous & non-ferrous) are high value items and among the materials that will interfere with the operation of the sort line, thus will be ground sorted. Metals that come off the sort line will be placed on the metals pile in the appropriate storage area before offsite transport.

Roofing is directed into the C&D Tipping Area for temporary dry storage prior to off-site transport. Roofing frequently requires a ground sort to remove contaminants such as metal rakes, vent caps and wrapping paper.

Wood Clean loads of wood are directed to the Clean Wood Pile outside the building where they are further screened before commingling with the existing pile. Wood from the sorting line bunker is added to the Clean Wood Pile where it is ground with a Diamond Z grinder several times a day directly into walking floor trailers for offsite transport.

Residuals from the sorting activities at the LRP are primarily the result of a negative sort performed on the sort line, but may include some incidental materials that came in via single commodity loads. The loads are hauled to a County Disposal facility.

Development of Evaluation Plan

LRP initiated the Certification process by first Registering its Mixed C&D line on RCI's Registration webpage: <https://www.recyclingcertification.org/registration/> and subsequently submitted an Application for Certification. The application included monthly and annually detailed and summarized tonnage reports, lists of markets (material recipients and their contact info), and a variety of other background documents. Other information provided through the intake process includes:

- Name of the facility
- Street address of the facility (P.O. Box not acceptable)
- Name of the city/state where the facility is located
- Facility type
- Scale(s) certified (required)
- Permits – indication of state/local Registration or state/local permit
- Hours of facility operation
- Current tons of Inbound and Outbound materials
- Name of company contact person, their position/title, and contact information
- Website address

RCI conducted an interview with Mr. Troy Lautenbach, LRP's Co-Owner, regarding submittal of documents that would be used in preparation for the Evaluation. Key elements of this information can be found in the CORR Protocols Edition 1.9, Appendices A and B, viewable on the RCI website Resources page. RCI also provided an overview of the Evaluation process to aid in the streamlining and completion of activities on the day of the site visit. On-site review would include:

- Tour of the facility
- Verify process train of materials as stated in Application for Certification
- Verify proper sorting and storage of the materials
- Verify use and calibration frequency of certified scales
- Observe and verify weighing of materials and electronic storage of information
- Observation and verification of load/material sorting and accuracy
- Observe and verify QC measures are in place to ensure accuracy in recovery and uploading of facility data
- Review of recyclables sales records
- Confirmation of permits
- Interviews with key personnel
- Review of employee training/safety manuals
- Calculation of variance in recovery and recycling rates

- Other materials/documentation that may aid in preparation of a Facility Evaluation Report and Evaluation Opinion.

LRP submitted twelve prior months' data for RCI's review to determine accuracy of the mass-balance calculations. LRP provided Excel spreadsheets that allowed for calculations and data review as well as determination of random sampling to occur during the site visit including weight tags, days, dates, materials, tons, etc. RCI noted areas of potential risk on which to follow-up during the site visit.

SITE VISIT

On September 16, 2015, RCI performed an on-site evaluation of the LRP Mixed C&D line operations. Mr. Troy Lautenbach and Mr. David Bader (Environmental and Regulatory Compliance Officer) conducted the tour of the facility. Troy Lautenbach served as LRP's lead contact throughout the Evaluation process and was responsible for submitting the initial application and responding to subsequent inquiries as well. RCI did a full walk-through of the facility, examining where materials enter, are measured, deposited, processed/sorted, and eventually leave the facility.

The review included the follow-up questions from the initial review of data. Interviews of staff associated with the key areas of the operations, in particular, those staff that have access authority and responsibility for maintaining, reviewing, and overall integrity of LRP's data, were conducted. RCI also reviewed the training manuals to determine if adequate QC existed for those staff with the potential to directly affect the recycling and recovery rates reported by the facility and determined adequate and ongoing training exists in these key positions to maintain QC of processes and data.

The facility and work site was observed to be clean, well-maintained, and maintenance logs are kept. Adequate signage was observed for safety, hazards, material identification, as well as indicating directions for traffic and where materials should be placed. All personnel were observed to be wearing appropriate personal safety equipment. Due to its Pacific Northwest location and anticipated higher than average rainfall, LRP gives significant consideration to the onsite and offsite management of water, which was observed as design and operational elements of the facility. LRP established and continuously maintains onsite grading channels and bio-swales to minimize, control, and clean any water that has the potential to flow offsite. Other design features allow water to be captured and reused for onsite dust control.

Regulatory Compliance Test

Lautenbach Recycle Park possesses the necessary permits to operate.

LRP operates under a Solid Waste Handling Permit issued by Skagit County Department of Public Health in conformance with State of Washington WAC 173-350-700. The permit allows for the storage and/or treatment of Solid Waste and is renewed

annually. Skagit County also issued a Conditional Use Permit for activities in an area zoned Heavy Industrial.

There has been no substantiated non-compliance with permitted operations or other regulations governing the operations of this facility in the past twelve months. No irregularities were found involving management or employees who have a significant role in internal controls, or that could have a material effect on the reporting of LRP's recovery and recycling rates.

Use of Scales

RCI concludes that the Lautenbach Recycle Park facility satisfies the requirements for use of scales.

LRP utilizes one 80' scale for weighing inbound and outbound loads that is electronically connected to the scale house and main office. All inbound and outbound transactions are tracked through LRP's scale operating system (SMS Turbo) and managed by certified weighmasters as verified by RCI.

Materials In

All incoming loads are assessed by the Scale House Operator to determine acceptability of material. After weighing, the driver is directed to the appropriate location in the facility to empty the vehicle where the Tip Floor Manager observes the load. Non-conforming loads may be directed offsite or re-coded based on the determination of the Tip Floor Manager.

Materials Out

All outbound transactions are weighed. Each scale ticket contains a numeric ticket number, date, time, customer ID, commodity type, comments (if applicable), tare, gross and net weights and measurement units (tons, cubic yard, each, etc.) as appropriate.

All Inbound and Outbound data is automatically entered into LRP's electronic data management system (EMS) which is connected to the offices onsite. LRP's scales are calibrated at least once per year (the CORR minimum, but quarterly is recommended) by a scale contractor licensed by the State of Washington. The inspection and calibration reports are filed with the Department of Agriculture, Weights and Measures. RCI reviewed a sample of weight tags in the main office to verify accuracy of the EMS as well as the process for any subsequent manual adjustments.

Supporting Data for Rate Estimates

RCI concludes Lautenbach Recycle Park maintains required supporting data as required by the EM for recycling and recovery rate estimates.

LRP uses SMS Turbo for its EMS system and retains electronic receipts for incoming and outgoing materials/markets and produces hardcopy receipts for customers and on an as-needed basis. LRP's Accounting/Data Manager (Ms. Nicole Dewey) provided a

demonstration of this capability for RCI during the site visit. LRP provided twelve months of electronic reports (mass balance) for RCI's inspection. RCI sampled from twelve months of transaction records to substantiate and crosscheck entries in the electronic reports to ensure accuracy. A sampling of customers was selected to further confirm the disposition of materials recorded as having left LRP.

Data Transcription and Management

Sufficient QC exists for creation of reuse and recycling rate tables from EMS data.

RCI interviewed LRP's Accounting/Data Manager (Ms. Dewey) regarding the SMS Turbo Scale EMS and the generation of all reports as well as supporting mass balance spreadsheets. Material data is automatically entered into the system for accounting purposes. These reports are reviewed to verify accuracy as well as hand enter and/or correct any manual adjustments as determined through the normal course of business.

LRP's Accounting/Data Manager manages the billing and any adjustments that may affect the data in SMS Turbo. Mr. Torrey Lautenbach (Co-Owner) generates the monthly spreadsheets and reports and cross-checks them before uploading to RCI. RCI observed LRP's procedure and observed competencies of the individuals involved in the data entry and concludes that sufficient QC exists for data transcription and management.

Individuals Properly Trained for Functions They Perform

Lautenbach Recycle Park employees receive adequate in-house initial and recurring training, including training from outside sources.

LRP regularly conducts/receives training on PPE requirements, hazard identification, hazardous waste, load checking, local, state, and federal laws, equipment, tools, sorter safety, emergency procedures, etc. and employees sign the log sheets. RCI reviewed logs of the training and modules/materials as well as conducted interviews with key employees during the site visit. Adequate signage was observed for safety, hazards, and material identification, and all personnel were observed to be utilizing appropriate personal safety equipment.

Based on the observations of staff, the work areas, and the initial and ongoing training of LRP employees, RCI concludes that LRP provides employees with the requisite training per the EM.

Performance Standard Test

Reported recovery and recycling rates are within 5% allowed threshold.

LRP provided electronic copies of mass balance spreadsheets and RCI reviewed these before scheduling its site visit, noting areas requiring clarification. Several phone meetings with LRP's Co-Owners (Mr. Troy Lautenbach and Mr. Torrey Lautenbach) and


Environmental and Regulatory Compliance Officer (Mr. David Bader) were conducted to review RCI's questions related to the twelve-month mass-balance and monthly entries, as well as to discuss how LRP would upload the information into RCI's web-based reporting system.

Formulas were reviewed and their validity tested. RCI reviewed select transactions during the site visit. During the site visit, LRP's Account/Data Manager demonstrated LRP's use of SMS Turbo to retrieve information and generate reports. The recycling and recovery rates information submitted by LRP fell within the Quantitative Materiality threshold (95 percent or better accuracy) as defined in the EM. RCI concludes that LRP's reported reuse and recycling rates satisfy the Performance Standard Test required per the EM.


Evaluation Statement Overview

RCI's extensive review of data from LRP's Mixed C&D Recycling operation, the findings according to RCI protocols via the evaluation process, and the on-site visit and interviews with key staff, RCI finds that LRP's Mixed C&D Recycling operation meets RCI's eligibility requirements, is in compliance with all measurement and record-keeping requirements, and has no existing material or significant immaterial non-conformances or misstatements in its reported data. RCI hereby certifies the Recovery and Recycling rates submitted by LRP as Real Rates as outlined in the EM and per RCI CORR protocol.

The undersigned hereby certify that the information provided herein is true, complete, and accurate; they have read and understand the protocols developed by RCI, and are familiar with the requirements of RCI. Furthermore, they also certify that any signatories duly elected, qualified, and acting officers of their respective organizations and that their organizations agree to be bound to the protocols of RCI.



By
Stephen M Bantillo
Print Name
Executive Director
Title
October 23, 2015
Date

For Lautenbach Industries, Inc.


By
Troy Lautenbach
Print Name
Co-Owner
Title
October 23, 2015
Date