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FORM A

APPLICATION COVER SHEET
LANDFILL ALTERNATIVES GRANT PROGRAM

Iowa Department of Natural Resources
Waste Management Authority Division

1. **Applicant Name:**	ENVIRONMENTAL RECYCLING COMPANY, INC.
2. **Street Address:**	Highway 92
3. **City/State/Zip:**	Massena, Iowa 50853
4. **Mailing Address:** (If different from Street Address)	
	P.O. Box 106
5. **City/State/Zip:**	Massena, Iowa 50853
6. **Telephone No.:**	(712) 779-2024
7. **Contact Person:**	Dwight Oglesbee, President
8. **County:**	Cass
9. **Applicant Type:**	[ ] Local Government
	[X] Private For Profit
	[ ] Private Not-For-Profit
10. **Project Description:**	Purchase machinery and expand building to accommodate value added manufacturing process of recycled plastic
11. **Type of Grant Project:**	[ ] Waste Reduction
	[X] Recycling/Reuse/Composting
	[ ] Combustion With Energy Recovery
	[ ] Combustion For Volume Reduction
12. **Amount of Funding Requested:**	$ 150,000
13. **Amount of Matching Funds Committed:**	$ 150,000
14. **Total: (Lines 12+13)**	$ 300,000
15. **Signature:** Kathryn A. Oglesbee	**Date:** 6-01-94

PROJECT NARRATIVE

The Environmental Recycling Company, Inc., (ERCI) has been operating its plastic recycling plant in Massena, Iowa since September of 1991. The firm buys recycled plastic and value adds to the product by chipping, cleaning, pelletizing and/or utilizing the rough product to manufacture goods for pre-consumer or post-consumer use. Although the material can be resold by ERIC at any time during the process, the company's goal is to manufacture and market consumer goods (the final product).

Since ERCI has evolved from the early 1990's, the company has accomplished some pretty startling results. In addition to creating and manufacturing several of its own products, the company has shown the ability of producing raw material or value-added components for use by other manufacturing concerns.

The bottom line is that ERCI has created a market place for recyclers of plastic to sell their product thereby reducing the amount of material ending up in our landfills. Over the last two years, ERCI has purchased and further processed the following amount of product:

Year	Amount	Tons
1992	6,040,450 #'s	3,020 tons
1993	8,461,599 #'s	4,231 tons
1994 (1st qtr)	3,000,000 #'s	
1994 (Projected)	12,000,000 #'s	6,000 tons

ERCI has maintained a proactive posture in its recycling/manufacturing business. The firm is constantly looking for new adapted use of recycled plastic and has carried on a fairly active R&D program even though it remains a small firm. Because of this ability the owner of the company discovered that by modifying an existing machine, ERCI had created a process to manufacture fence posts that had the suspected strength and durability of wooden posts now on the market. The post has already been produced in a limited manufacturing process and sold to consumers for practical use. Results of this limited market experience are highly favorable. Additionally, a back-log demand now exists for the product. You can nail, staple or screw into in without shattering, splitting or breaking it. Also, the post is rigid enough to keep it from twisting or warping. The post does not drive very well in hard ground and the post will bend slightly when forced.

Each fence post is extruded from pre-consumer and/or post-consumer plastic resin. Each post is approximately 4#'s per foot. ERCI is marketing 7' lengths and approximately 3 1/2" in diameter. ERCI has presently sold over 7,500 posts in its limited experience. Because of the applicability of the product in the rural setting in which ERCI is located and because of the competitive pricing structure of the product, ERCI expects to serve a market as great as its ability to

produce the product. ERCI is working with the materials suppliers noted on the enclosed listing. The company is also working with the By-product and Waste Search Service recently set-up at the Iowa Western Community College, and is continually working with manufacture of plastic containers so that future containers are more easily recyclable. Additionally, ERCI expects to create additional FTE positions because of the increased material handling and process this project will create.

PROJECT DESCRIPTION

ERCI's present facility is to small too handle the additional plastic product it needs in order to supply this new manufacturing process. ERCI purchases pre-consumer plastic fluff, post-consumer recycled plastic in raw baled form or material that has been chipped and shipped in boxes. The first portion of the project would be to construct a 6,000 sf , post and beam, steel building for additional receiving, sorting, handling, storage and manufacturing space. The building would be an addition to ERCI's present facility.

ERCI would also purchase and install the following equipment:

- Plastic Granulator-Model 37B Cumberland (or equivalent)
  Rated at 2,500 #'s/hour. Operation 16 hours/day

- Extruder-Egan Extruder with 4 1/2" screw (or equivalent)
  Rated at 1,000 #'s/hour. Operation 16 hours/day

ERCI is presently producing 100 posts per each 8 hour shift or 200 posts per day per 2 sift day. 200 posts would consume about 5,600 #'s of raw plastic per day. The proposed extruder has the capacity to produce the amount of posts presently being manufactured while allowing for some growth due to better personnel efficiency and machine capacity. The machine could also be utilized for pelletizing.

The company also proposes the purchase of the following equipment to enhance its supply of recycled plastic and allow it to distribute the end product with greater proficiency.

- Purchase used diesel tractor

- Purchase used trailer

- Purchase use forklift