



For Immediate Release

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SBWMA FACILITY OPERATOR CONTRACT RECEIVES APPROVAL FROM EIGHT AGENCIES
Purchase Agreement for New Shoreway Single Stream Processing Equipment Also Approved

SAN CARLOS, CA - October 8, 2009 - South Bay Recycling (SBR) has received the two-thirds approval needed from the South Bayside Waste Management Authority's (SBWMA) Member Agencies on its operations agreement as the future operator of the SBWMA's Shoreway Environmental Center. The city of East Palo Alto was the eighth city to approve the contract during its regular city council meeting on October 6th. The final operations agreement, which was approved by the SBWMA's Board of Directors in July, required approval by two-thirds of its 12 Member Agencies by November 30, 2009.

In addition to East Palo Alto, the other Member Agencies who have approved the operations agreement consist of the cities of Belmont, Foster City, Menlo Park, Redwood City, San Carlos and San Mateo; and the town of Hillsborough. The SBWMA anticipates that the remaining Member Agencies will consider the agreement in the upcoming weeks.

"We are extremely proud and pleased with the end result of our two-year procurement effort to now have an approved final contract in place with such an outstanding operator," said Kevin McCarthy, Executive Director of the SBWMA. "We have also filled in the last remaining piece to our Shoreway master plan capital improvement effort with approval of an agreement with BHS."

SBR, a joint venture between privately owned Community Recycling & Resource Recovery, Inc. and Potential Industries, Inc., was selected by the SBWMA as its future facility operator following an extensive request for proposal process that was initiated in November 2007. Allied Waste of San Mateo County currently operates SBWMA's Shoreway Recycling and Disposal Center in San Carlos under a contract until December 31, 2010. SBR will assume operations of the facility starting January 1, 2011. SBR's estimated annual first year operating revenues, exclusive of pass-through costs (such as landfill disposal), is estimated to be over \$13 million.

"South Bay Recycling is pleased to have received two-thirds of the Member Agency votes for the operations contract. We look forward to commencing work on this important project which will provide tremendous benefits to the community," said Tony Fan, Executive Vice President of SBR.

In another significant milestone for the SBWMA, its Board also approved at its meeting on October 7th a purchase agreement with Bulk Handling Systems (BHS) for single stream processing equipment design, fabrication and installation. The equipment will be used by SBR to process recyclables at the Shoreway facility and was imbedded into the facility operator contractor selection process. BHS was ultimately selected as being the most capable equipment manufacturer for the SBWMA's sorting system specifications and needs.

The new equipment is a key component of the SBWMA's master plan to guide much-needed facility improvements, including retrofitting the existing Shoreway transfer station and constructing a new materials recovery facility (where the BHS equipment will be installed to process recyclables), to transform the Shoreway Recycling and Disposal Center into the Shoreway Environmental Center. The Shoreway facility serves as a central location for receiving, transferring and/or process all garbage, recyclables, yard trimmings and food scraps collected in the SBWMA service area.

Bulk Handling Systems was founded in 1976 and is one of the leading and most innovative manufacturers of recycling processing equipment in the world. With headquarters in Eugene, Oregon, the company is currently constructing an over \$10 million manufacturing plant that will be L.E.E.D certified.

The Shoreway improvements are the outcome of a two-year planning process to modernize the facilities for the future solid waste, recycling and organics collection programs. The plan includes \$25.42 million for building and traffic improvements, and \$16.87 million for the recycling processing equipment. Construction is currently underway for the improvements, and upon completion, will result in increased waste diversion and improved customer safety and convenience. The improvements are being funded through the sale of \$53.5 million in tax-exempt solid waste revenue enterprise bonds which closed in September and a \$3 million loan from the City of Burlingame. The SBWMA also used the bonds to pay off a previously existing tax-exempt debt of \$13.7 million over 10 years early. Construction is expected to be completed in early 2011.

"Approval of the SBR and the BHS agreements mark another important milestone in SBWMA's ongoing work to upgrade and modernize solid waste collection and operation of the Shoreway Center. The new Shoreway Center will bring the convenience of single stream recycling to residents and businesses in the 12 agency SBWMA service area," said Brian Moura, SBWMA Vice Chair and Assistant City Manager for San Carlos. "It is also estimated to boost recycling by an additional 15% - 20% which will have a major effect on improving the environment and addressing the region's climate change and green program goals. This is going to be a project and program which everyone can be proud of."

Future services will include weekly single stream (commingled bottles, cans, papers) recycling and food scraps and yard trimmings collection for most of the SBWMA service area, which are slated to begin by January 1, 2011.

For additional information on the future services and Shoreway construction updates, visit www.RethinkWaste.org. In addition, SBR's presentation to the SBWMA, which includes an animated video of the BHS equipment, can be found at <http://www.rethinkwaste.org/rfps/rfqs/facility-presentations/south-bay-video>.

SBWMA

Formed in 1982, the SBWMA is a joint powers authority comprised of 12 member agencies (Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, the County of San Mateo and the West Bay Sanitary District) in San Mateo County and is a leader in implementing innovative waste reduction and recycling programs. The SBWMA also owns and manages the Shoreway Recycling and Disposal Center in San Carlos consisting of a permitted solid waste transfer station and a recycling processing facility. For more information on the SBWMA, please visit our website at www.RethinkWaste.org.