

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

SUMMARY OF FEES - 2013 to 2014

	2013	2014	% Increase
Cost per Ton			
Transfer Station	\$ 11.76	\$ 12.39	5.3%
MRF (net residue)	\$ 74.00	\$ 76.74	3.7%
Transportation (cost / ton-mile)	\$ 0.983	\$ 1.002	1.9%
Transportation (cost / ton)	\$ 17.614	\$ 17.952	1.9%
Cost Estimate by LOB			
Transfer Station	\$ 4,208,489	\$ 4,430,873	5.3%
MRF (net residue)	\$ 5,477,303	\$ 5,680,286	3.7%
Transportation	\$ 6,300,946	\$ 6,421,734	1.9%
Total Operating Cost	\$ 15,986,738	\$ 16,532,892	3.4%
Pass-Through Costs			
Total Interest	\$ 255,077	\$ 226,505	-11.2%
Construction Management Cost			
Interim Ops			
Buyback Payment (estimate)	\$ 1,322,230	\$ 1,322,230	
Total Pass-Through Cost	\$ 1,577,307	\$ 1,548,735	-1.8%
Total Compensation	\$ 17,564,045	\$ 18,081,627	2.9%

**Adjusted Transportation Fees
Cost/Ton-Mile**

	Year 3 2013	Year 4 2014	% Increase
MSW to OX	\$ 1.177	\$ 1.194	1.5%
Inert to OX	\$ 1.212	\$ 1.230	1.4%
C&D to Zanker Road	\$ 0.801	\$ 0.894	11.6%
Plant Materials to Newby	\$ 0.713	\$ 0.723	1.4%
Plant Materials to Grover	\$ 0.445	\$ 0.451	1.3%
Organics to Newby	\$ 0.870	\$ 0.883	1.5%
Organics to Grover	\$ 0.498	\$ 0.504	1.3%
Biofuel to Livermore	\$ 0.580	\$ 0.589	1.5%
Plant Materials to Zanker	\$ 0.713	\$ 0.723	1.5%

SOUTH BAY RECYCLING, LLC

COST DETAIL - 2014

1. TRANSFER STATION

357,725		2013	%	2014
		Cost / Ton	Adjustment	Cost / Ton
1.	Direct Labor - CBA			
	Wages	\$ 4.34	8.6%	\$ 4.71
	Benefits	\$ 2.25	5.1%	\$ 2.37
	W/C	\$ 0.63	1.9%	\$ 0.64
	PR Tax	\$ 0.38	8.6%	\$ 0.41
	Total CBA Labor Cost	\$ 7.60	7.0%	\$ 8.13
2.	Power	\$ 0.65	4.5%	\$ 0.68
3.	Fuel	\$ 0.40	-0.8%	\$ 0.40
4.	Depreciation	\$ 0.29	0.0%	\$ 0.29
5.	Other O&M	\$ 1.70	1.3%	\$ 1.72
6.	Clerical CBA Wages & Benefits	\$ 0.36	1.0%	\$ 0.36
	Total Operating	\$ 11.00	5.3%	\$ 11.58
	Profit	\$ 0.76	5.3%	\$ 0.80
	Total Operating Cost	\$ 11.76	5.3%	\$ 12.39

2. MATERIAL RECOVERY FACILITY (MRF)

74,022		2013	%	2014
		Cost / Ton	Adjustment	Cost / Ton
1.	Direct Labor - CBA			
	Wages	\$ 16.48	7.6%	\$ 17.73
	Benefits	\$ 8.86	5.0%	\$ 9.30
	W/C	\$ 2.49	1.9%	\$ 2.53
	PR Tax	\$ 1.58	7.7%	\$ 1.70
	Total CBA Labor Cost	\$ 29.40	6.3%	\$ 31.27
2.	Non-CBA Wages	\$ 14.84	1.9%	\$ 15.11
3.	Power	\$ 3.80	4.5%	\$ 3.97
4.	Fuel	\$ 0.87	-0.8%	\$ 0.86
5.	Depreciation	\$ 1.91	0.0%	\$ 1.91
6.	Other O&M	\$ 16.19	1.3%	\$ 16.41
7.	Clerical CBA Wages & Benefits	\$ 1.72	1.0%	\$ 1.74
	Total Operating	\$ 68.72	3.7%	\$ 71.26

SOUTH BAY RECYCLING, LLC

COST DETAIL - 2014

Profit	\$	5.28	3.7%	\$	5.47
Total Operating Cost	\$	74.00	3.7%	\$	76.74

SOUTH BAY RECYCLING, LLC

COST DETAIL - 2014

TRANSPORTATION

	2013	%	2014
	Cost / Ton Mile	Adjustment	Cost / Ton Mile
Solid Waste Transport Fee	\$ 1.177	1.5%	\$ 1.194
Inert Transport Fee	\$ 1.212	1.4%	\$ 1.230
C&D Transport Fee	\$ 0.801	11.6%	\$ 0.894
Plant Matls Trans Fee - Newby	\$ 0.713	1.4%	\$ 0.723
Plant Matls Trans Fee - Grover	\$ 0.445	1.3%	\$ 0.451
Organic Matl Trans Fee - Newby	\$ 0.870	1.5%	\$ 0.883
Organic Matl Trans Fee - Grover	\$ 0.498	1.3%	\$ 0.504
Organic Matl Trans Fee - BioFuel	\$ 0.580	1.5%	\$ 0.589
Plant Matls Trans Fee-Zanker	\$ 0.713	1.5%	\$ 0.723
Blended Total	\$ 0.983	1.9%	\$ 1.002
Total Operating Cost	\$ 6,300,946		\$ 6,421,734
Cost / Ton	\$ 17.61		\$ 17.95
Total Cost Increase %	5.4%		1.9%

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Transfer Station

SUMMARY OF ANNUAL FEE ADJUSTMENTS

	Year 3		Year 4	
	2013		2014	
	Cost / Ton		Cost / Ton	
1. Direct Labor - CBA				
Wages	\$	4.34	\$	4.71
Benefits	\$	2.25	\$	2.37
W/C	\$	0.63	\$	0.64
PR Tax	\$	0.38	\$	0.41
Total CBA Labor Cost	\$	7.60	\$	8.13
2. Power	\$	0.65	\$	0.68
3. Fuel	\$	0.40	\$	0.40
4. Depreciation	\$	0.29	\$	0.29
5. Other O&M	\$	1.70	\$	1.72
6. Clerical CBA Wages & Benefits	\$	0.36	\$	0.36
Total Operating	\$	11.00	\$	11.58
Profit	\$	0.76	\$	0.80
Profit %		6.9%		6.9%
Total Operating Cost	\$	11.76	\$	12.39
% Increase		5.75%		5.31%
Total Cost	\$	4,208,489	\$	4,430,873

Note: cost / ton is fixed; change in tonnage changes total cost

DETERMINE PERCENTAGE CHANGE IN COSTS (Attachment 13-A, Section 1)

Labor Cost Component Adjustment Factors (if collective bargaining agreements in effect in 2010 are still in effect)

Wages for Direct Labor

Updated direct labor cost per ton	\$	4.34	\$	4.71
Adjustment Factor for Wages Direct Labor		1.035		1.086
% Increase		3.5%		8.6%

Benefits for Direct Labor

Updated annual benefit cost per ton	\$	2.25	\$	2.37
Adjustment Factor for Benefits		1.080		1.051
% Increase		7.96%		5.14%
		8.00%		5.1%

Workers Compensation Insurance for Direct Labor

Updated annual benefit cost per ton	\$	0.63	\$	0.64
Adjustment Factor		1.034		1.019

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Transfer Station

SUMMARY OF ANNUAL FEE ADJUSTMENTS

	Year 3	Year 4
	2013	2014
	Cost / Ton	Cost / Ton

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A).

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Transfer Station

SUMMARY OF ANNUAL FEE ADJUSTMENTS

	Year 3	Year 4
	2013	2014
	Cost / Ton	Cost / Ton
Payroll Taxes for Direct Labor		
Updated Paryoll Tax cost per Ton	\$ 0.38	\$ 0.41
Adjustment Factor for payroll taxes shall equal the ch	8.70%	8.70%
in Federal Social Security & Medicare Tax Cost	7.65%	7.65%
Adjustment Factor	1.000	1.000
2. Fuel and Power Cost Component Adjustment Factors		
Power Adjustment		
Updated Power cost per ton	\$ 0.65	\$ 0.68
Adjustment Factor	1.197	1.045
Fuel Adjustment		
Updated Fuel cost per ton	\$ 0.40	\$ 0.40
Adjustment Factor	1.256	0.992
 <i>Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303).</i>		
3. Depreciation		
Updated Depr cost per ton	\$ 0.29	\$ 0.29
Adjustment Factor (No adjustment after Year 1)	1.000	1.000
There is no adjustment to depreciation cost after Year 1		
4. Other Other Operating & Maintenance		
Updated Other cost per ton	\$ 1.70	\$ 1.72
Adjustment Factor @ 80% of Index	1.026	1.013

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

SUMMARY OF ANNUAL FEE ADJUSTMENTS	MRF	
	Year 3	Year 4
	2013 Cost / Ton	2014 Cost / Ton
1. Direct Labor - CBA		
Wages	\$ 16.48	\$ 17.73
Benefits	\$ 8.86	\$ 9.30
Workers Comp	\$ 2.49	\$ 2.53
PR Tax	\$ 1.58	\$ 1.70
Total CBA Labor Cost	\$ 29.40	\$ 31.27
2. Third Party Wages & Benefits (VRS)	\$ 14.84	\$ 15.11
3. Power	\$ 3.80	\$ 3.97
4. Fuel	\$ 0.87	\$ 0.86
5. Depreciation	\$ 1.91	\$ 1.91
6. Other O&M	\$ 16.19	\$ 16.41
7. Clerical CBA Wages & Benefits	\$ 1.72	\$ 1.74
Total Operating	\$ 68.72	\$ 71.26
Profit	\$ 5.28	\$ 5.47
Profit %	7.7%	7.7%
Total Operating Cost Per Ton (excluding residue)	\$ 74.00	\$ 76.74
% Increase	4.92%	3.70%
Total Operator Cost (excluding residue)	\$ 5,477,303	\$ 5,680,286
MRF Residue Tons	6,800	6,800
Disposal Tip Fee	\$ 38.73	\$ 39.50
Disposal Fees	\$ 3.56	\$ 3.63
Transfer & Haul	\$ 0.99	\$ 1.01
Total MRF Residue expense	\$ 4.55	\$ 4.63
Total Cost with MRF Residue	\$ 78.55	\$ 81.37

Note: cost / ton is fixed; change in tonnage changes total cost

Determine Percentage Change in Costs (Attachment 13-A, Section 1)

1. Labor Cost Component Adjustment Factors (if collective bargaining agreements in effect in 2010 are still in effect)

Wages for direct labor - When collective bargaining agreements in effect in 2010 are still in effect, use CBA Wages & Benefits form

	2013 Cost / Ton	2014 Cost / Ton
Updated annual labor for direct labor	\$ 16.48	\$ 17.73
Adjustment Factor	1.039	1.076
% Increase	3.9%	7.6%

Benefits for Direct Labor

Updated annual benefit cost per ton	\$ 8.845	\$ 9.30
Adjustment Factor	1.080	1.051
% Increase	7.96%	5.14%

Workers Compensation Insurance for Direct Labor

Updated annual benefit Costs	\$ 2.49	\$ 2.53
Adjustment Factor	1.034	1.019

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

SUMMARY OF ANNUAL FEE ADJUSTMENTS	MRF	
	Year 3	Year 4
	2013	2014
	Cost / Ton	Cost / Ton
Payroll Taxes for Direct Labor		
Updated Payroll Tax cost per ton	\$ 1.58	\$ 1.70
Total Payroll Tax Rate %	9.6%	9.6%
Federal Social Security & Medicare tax rates	9.61%	9.61%
Adjustment Factor	1.000	1.000
2. Labor & Benefits Component Adjustment Factor - non-CBA labor (VRS)		
Updated annual costs	\$ 14.84	\$ 15.11
Adjustment Factor	1.034	1.019
<p><i>Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. Ecs12102i replaced with cis201s0000000000i)</i></p>		
3. Fuel and Power Cost Component Adjustment Factors		
Power Adjustment		
Updated Power cost per ton	\$ 3.80	\$ 3.97
Adjustment Factor	1.197	1.045
Fuel Adjustment		
Updated Fuel Costs	\$ 0.87	\$ 0.86
Adjustment Factor	1.256	0.992
<p><i>Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303).</i></p>		
4. Depreciation		
Updated Depr cost per ton	\$ 1.91	\$ 1.91
Adjustment Factor (No adjustment after Year 1)	1.000	1.000
5. Other Operating & Maintenance		
Updated Other cost per ton	\$ 16.19	\$ 16.41
Adjustment factor for Other O&M Component = 1 + 0.80 x [(Average CPI-U for 12-month period for then-current Rate		
	1.026	1.013
% Change	3.25%	1.69%

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

TRANSPORTATION COST SUMMARY	Year 3		Year 4	
	2013		2014	
	Cost/Ton-Mile	Adjustment	Cost/Ton-Mile	
Solid Waste Transport Fee	\$ 1.18	1.5%	\$ 1.19	
Inert Transport Fee	\$ 1.21	1.4%	\$ 1.23	
C&D Transport Fee	\$ 0.80	11.6%	\$ 0.89	
Plant Matls Trans Fee - Newby	\$ 0.71	1.4%	\$ 0.72	
Plant Matls Trans Fee - Grover	\$ 0.45	1.3%	\$ 0.45	
Organic Matl Trans Fee - Newby	\$ 0.87	1.5%	\$ 0.88	
Organic Matl Trans Fee - Grover	\$ 0.50	1.3%	\$ 0.50	
Biofuel - Livermore	\$ 0.58	1.5%	\$ 0.59	
Plant Matls Trans Fee-Zanker	\$ 0.71	1.5%	\$ 0.72	
Blended Total	\$ 0.98	1.9%	\$ 1.00	
Total Cost	\$ 6,300,946	1.9%	\$ 6,421,734	
Cost / Ton	\$ 17.61		\$ 17.95	
Total Cost Increase %		5.4%		1.9%

Adjust Transportation Fees (Attached 12-A, Section 4)

	2013		2014
Note: The labor components for each of the six transport fees shall be adjusted using the	Adjusted Cost	Adjustment Factor	Adjusted Cost
Direct Labor Component for Solid Waste Transport Fee			
Wages for CBA Labor	\$ 1,541,123	1.019	\$ 1,570,856
Benefits for CBA Labor	\$ 658,363	1.019	\$ 670,662
WC Insurance	\$ 164,988	1.019	\$ 168,070
Payroll Taxes	\$ 130,336	1.000	\$ 132,898
Total	\$ 2,494,810	1.019	\$ 2,542,486
Tons/Year			
Cost/Ton	\$ 9.57	\$ 0.00	\$ 9.75
Adjusted Labor for MSW Transport Fee (cost/ton-r)	\$ 0.736	1.019	\$ 0.750

MSW Transport Fee (OX)

Labor component	\$ 0.736	1.019	\$ 0.750
Fuel	\$ 0.067	0.992	\$ 0.067
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.085	1.000	\$ 0.085
Other O&M Component	\$ 0.171	1.013	\$ 0.173
Clerical CBA wages & benefits	\$ 0.024	1.010	\$ 0.025
Total Operating Cost	\$ 1.084		\$ 1.100
Profit per Operating Ratio (Form 3-G)	\$ 0.093		\$ 0.094
Total SW Transportation Fee	\$ 1.177	1.5%	\$ 1.194

Inert Transport Fee (OX)

Labor component	\$ 0.702	1.019	\$ 0.715
Fuel	\$ 0.074	0.992	\$ 0.074
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.085	1.000	\$ 0.085

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Other O&M Component	\$ 0.215	1.013	\$ 0.218
Clerical CBA wages & benefits	\$ 0.031	1.010	\$ 0.031
Total Operating Cost	\$ 1.107		\$ 1.123
Profit per Operating Ratio (Form 3-G)	\$ 0.105		\$ 0.107
Total Inert Transportation Fee	\$ 1.212	1.4%	\$ 1.230

C&D Transport Fee (Zanker Road)

Labor component	\$ 0.502	1.019	\$ 0.563
Fuel	\$ 0.062	0.992	\$ 0.068
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.048	1.000	\$ 0.053
Other O&M Component	\$ 0.107	1.013	\$ 0.119
Clerical CBA wages & benefits	\$ 0.015	1.010	\$ 0.017
Total Operating Cost	\$ 0.734		\$ 0.819
Profit per Operating Ratio (Form 3-G)	\$ 0.067		\$ 0.075
Total C&D Transportation Fee	\$ 0.801	11.6%	\$ 0.894

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Plant Materials Transport Fee - Newby Is	2013		2014
Labor component	\$ 0.434	1.019	\$ 0.442
Fuel	\$ 0.057	0.992	\$ 0.057
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.044	1.000	\$ 0.044
Other O&M Component	\$ 0.104	1.013	\$ 0.106
Clerical CBA wages & benefits	\$ 0.015	1.010	\$ 0.015
Total Operating Cost	\$ 0.655		\$ 0.664
Profit per Operating Ratio (Form 3-G)	\$ 0.058		\$ 0.059
Total Plant Material Transportation Fee	\$ 0.713	1.4%	\$ 0.723

Plant Materials Transport Fee - Grover			
Labor component	\$ 0.258	1.019	\$ 0.263
Fuel	\$ 0.057	0.992	\$ 0.056
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.029	1.000	\$ 0.029
Other O&M Component	\$ 0.057	1.013	\$ 0.058
Clerical CBA wages & benefits	\$ 0.008	1.010	\$ 0.008
Total Operating Cost	\$ 0.409		\$ 0.414
Profit per Operating Ratio (Form 3-G)	\$ 0.037		\$ 0.037
Total Plant Material Transportation Fee	\$ 0.445	1.3%	\$ 0.451

Organic Material Transport Fee - Newby Is			
Labor component	\$ 0.543	1.019	\$ 0.553
Fuel	\$ 0.063	0.992	\$ 0.062
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.044	1.000	\$ 0.044
Other O&M Component	\$ 0.113	1.013	\$ 0.115
Clerical CBA wages & benefits	\$ 0.016	1.010	\$ 0.016
Total Operating Cost	\$ 0.779		\$ 0.790
Profit per Operating Ratio (Form 3-G)	\$ 0.091		\$ 0.093
Total Organic Material Transportation Fee	\$ 0.870	1.5%	\$ 0.883

Organic Material Transport Fee - Grover			
Labor component	\$ 0.281	1.019	\$ 0.286
Fuel	\$ 0.062	0.992	\$ 0.062
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.031	1.000	\$ 0.031
Other O&M Component	\$ 0.062	1.013	\$ 0.063
Clerical CBA wages & benefits	\$ 0.009	1.010	\$ 0.009
Total Operating Cost	\$ 0.446		\$ 0.451
Profit per Operating Ratio (Form 3-G)	\$ 0.052		\$ 0.053
Total Organic Material Transportation Fee	\$ 0.498	1.3%	\$ 0.504

Self-Haul Biomass to Biofuel (Livermore)			
Labor component			
Fuel			
Depreciation (Att. 8-B / Form 3-C Equipment)			
Other O&M Component			
Clerical CBA wages & benefits			
Total Operating Cost	\$ 0.519		\$ 0.527
Profit per Operating Ratio (Form 3-G)	\$ 0.061		\$ 0.062

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Total Biofuel Material Transportation Fee	\$ 0.580	1.5%	\$ 0.589
--	-----------------	-------------	-----------------

Plant Materials Transport Fee - Zanker Road

Labor component	\$ 0.434	1.019	\$ 0.442
Fuel	\$ 0.057	0.992	\$ 0.057
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.044	1.000	\$ 0.044
Other O&M Component	\$ 0.104	1.013	\$ 0.106
Clerical CBA wages & benefits	\$ 0.015	1.010	\$ 0.015
Total Operating Cost	\$ 0.654		\$ 0.664
Profit per Operating Ratio (Form 3-G)	\$ 0.058		\$ 0.059
Total Plant Material Transportation Fee	\$ 0.713	1.5%	\$ 0.723

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

TRANSPORTATION COST SUMMARY	Year 3		Year 4	
	2013		2014	
	Cost/Ton-Mile	Adjustment	Cost/Ton-Mile	
Solid Waste Transport Fee	\$ 1.18	1.5%	\$ 1.19	
Inert Transport Fee	\$ 1.21	1.4%	\$ 1.23	
C&D Transport Fee	\$ 0.80	11.6%	\$ 0.89	
Plant Matls Trans Fee - Newby	\$ 0.71	1.4%	\$ 0.72	
Plant Matls Trans Fee - Grover	\$ 0.45	1.3%	\$ 0.45	
Organic Matl Trans Fee - Newby	\$ 0.87	1.5%	\$ 0.88	
Organic Matl Trans Fee - Grover	\$ 0.50	1.3%	\$ 0.50	
Biofuel - Livermore	\$ 0.58	1.5%	\$ 0.59	
Plant Matls Trans Fee-Zanker	\$ 0.71	1.5%	\$ 0.72	
Blended Total	\$ 0.98	1.9%	\$ 1.00	
Total Cost	\$ 6,300,946	1.9%	\$ 6,421,734	
Cost / Ton	\$ 17.61		\$ 17.95	
Total Cost Increase %	5.4%		1.9%	

Adjust Transportation Fees (Attached 12-A, Section 4)

	2013		2014
Note: The labor components for each of the six transport fees shall be adjusted using the	Adjusted Cost	Adjustment Factor	Adjusted Cost
Direct Labor Component for Solid Waste Transport Fee			
Wages for CBA Labor	\$ 1,541,123	1.019	\$ 1,570,856
Benefits for CBA Labor	\$ 658,363	1.019	\$ 670,662
WC Insurance	\$ 164,988	1.019	\$ 168,070
Payroll Taxes	\$ 130,336	1.000	\$ 132,898
Total	\$ 2,494,810	1.019	\$ 2,542,486
Tons/Year			
Cost/Ton	\$ 9.57	\$ 0.00	\$ 9.75
Adjusted Labor for MSW Transport Fee (cost/ton-r)	\$ 0.736	1.019	\$ 0.750

MSW Transport Fee (OX)

Labor component	\$ 0.736	1.019	\$ 0.750
Fuel	\$ 0.067	0.992	\$ 0.067
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.085	1.000	\$ 0.085
Other O&M Component	\$ 0.171	1.013	\$ 0.173
Clerical CBA wages & benefits	\$ 0.024	1.010	\$ 0.025
Total Operating Cost	\$ 1.084		\$ 1.100
Profit per Operating Ratio (Form 3-G)	\$ 0.093		\$ 0.094
Total SW Transportation Fee	\$ 1.177	1.5%	\$ 1.194

Inert Transport Fee (OX)

Labor component	\$ 0.702	1.019	\$ 0.715
Fuel	\$ 0.074	0.992	\$ 0.074
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.085	1.000	\$ 0.085

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Other O&M Component	\$ 0.215	1.013	\$ 0.218
Clerical CBA wages & benefits	\$ 0.031	1.010	\$ 0.031
Total Operating Cost	\$ 1.107		\$ 1.123
Profit per Operating Ratio (Form 3-G)	\$ 0.105		\$ 0.107
Total Inert Transportation Fee	\$ 1.212	1.4%	\$ 1.230

C&D Transport Fee (Zanker Road)

Labor component	\$ 0.502	1.019	\$ 0.563
Fuel	\$ 0.062	0.992	\$ 0.068
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.048	1.000	\$ 0.053
Other O&M Component	\$ 0.107	1.013	\$ 0.119
Clerical CBA wages & benefits	\$ 0.015	1.010	\$ 0.017
Total Operating Cost	\$ 0.734		\$ 0.819
Profit per Operating Ratio (Form 3-G)	\$ 0.067		\$ 0.075
Total C&D Transportation Fee	\$ 0.801	11.6%	\$ 0.894

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Plant Materials Transport Fee - Newby Is	2013	Adjustment Factor	2014
Labor component	\$ 0.434	1.019	\$ 0.442
Fuel	\$ 0.057	0.992	\$ 0.057
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.044	1.000	\$ 0.044
Other O&M Component	\$ 0.104	1.013	\$ 0.106
Clerical CBA wages & benefits	\$ 0.015	1.010	\$ 0.015
Total Operating Cost	\$ 0.655		\$ 0.664
Profit per Operating Ratio (Form 3-G)	\$ 0.058		\$ 0.059
Total Plant Material Transportation Fee	\$ 0.713	1.4%	\$ 0.723

Plant Materials Transport Fee - Grover			
Labor component	\$ 0.258	1.019	\$ 0.263
Fuel	\$ 0.057	0.992	\$ 0.056
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.029	1.000	\$ 0.029
Other O&M Component	\$ 0.057	1.013	\$ 0.058
Clerical CBA wages & benefits	\$ 0.008	1.010	\$ 0.008
Total Operating Cost	\$ 0.409		\$ 0.414
Profit per Operating Ratio (Form 3-G)	\$ 0.037		\$ 0.037
Total Plant Material Transportation Fee	\$ 0.445	1.3%	\$ 0.451

Organic Material Transport Fee - Newby Is			
Labor component	\$ 0.543	1.019	\$ 0.553
Fuel	\$ 0.063	0.992	\$ 0.062
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.044	1.000	\$ 0.044
Other O&M Component	\$ 0.113	1.013	\$ 0.115
Clerical CBA wages & benefits	\$ 0.016	1.010	\$ 0.016
Total Operating Cost	\$ 0.779		\$ 0.790
Profit per Operating Ratio (Form 3-G)	\$ 0.091		\$ 0.093
Total Organic Material Transportation Fee	\$ 0.870	1.5%	\$ 0.883

Organic Material Transport Fee - Grover			
Labor component	\$ 0.281	1.019	\$ 0.286
Fuel	\$ 0.062	0.992	\$ 0.062
Depreciation (Att. 8-B / Form 3-C Equipment)	\$ 0.031	1.000	\$ 0.031
Other O&M Component	\$ 0.062	1.013	\$ 0.063
Clerical CBA wages & benefits	\$ 0.009	1.010	\$ 0.009
Total Operating Cost	\$ 0.446		\$ 0.451
Profit per Operating Ratio (Form 3-G)	\$ 0.052		\$ 0.053
Total Organic Material Transportation Fee	\$ 0.498	1.3%	\$ 0.504

Self-Haul Biomass to Biofuel (Livermore)			
Labor component			
Fuel			
Depreciation (Att. 8-B / Form 3-C Equipment)			
Other O&M Component			
Clerical CBA wages & benefits			
Total Operating Cost	\$ 0.519		\$ 0.527

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Profit per Operating Ratio (Form 3-G)	\$	0.061		\$	0.062
Total Biofuel Material Transportation Fee	\$	0.580	1.5%	\$	0.589

Plant Materials Transport Fee - Zanker Road

Labor component	\$	0.434	1.019	\$	0.442
Fuel	\$	0.057	0.992	\$	0.057
Depreciation (Att. 8-B / Form 3-C Equipment)	\$	0.044	1.000	\$	0.044
Other O&M Component	\$	0.104	1.013	\$	0.106
Clerical CBA wages & benefits	\$	0.015	1.010	\$	0.015
Total Operating Cost	\$	0.654		\$	0.664
Profit per Operating Ratio (Form 3-G)	\$	0.058		\$	0.059
Total Plant Material Transportation Fee	\$	0.713	1.5%	\$	0.723

SOUTH BAY RECYCLING, LLC

Annual Compensation Adjustment Schedule for 2014

Indexes

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private

- 1 *Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. (CIU2030000000000i)).*

Workers Compensation & Outside Contracted Workers (VRS)

	2013	2014
Use- Factor	1.034	1.019

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private

- 2 *Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. (cis201s0000000000i))*

Direct Labor (after CBAs expire)

	2013	2014
Use- Factor	1.022	1.019

Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer

- 3 *Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. (wpu057303)).*

Fuel

	2013	2014
Use- Factor	1.256	0.992

Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer

- 4 *Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. (cuur0000sa0)).*

Other O&M

	2013	2014
Use- Factor	1.032	1.017