



BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 22, 2010 at 2:00 p.m.

San Carlos Library
Conference Room A/B
610 Elm Street, San Carlos, CA 94070

1. **Roll Call**

2. **Public Comment**

3. **Approval of Consent Calendar:**

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Adopt the March 25, 2010 BOD Meeting Minutes
- B. Resolution Approving Calendar Year 2009 Transfer from Cash Reserves
- C. Resolution Accepting the Calendar Year 2009 Annual Financial Statements
- D. Receipt of Allied Monthly Metrics

4. **New Business:**

- A. Resolution Approving Agreements for Plant and Organic Materials Processing Services with Browning-Ferris Industries of California and Recology Grover Environmental Products
- B. Resolution Approving Commercial Recycling Agreement between Recology San Mateo County and Republic Services
- C. Resolution Recommending SBWMA Member Agencies Approve the Recology San Mateo County Residential and Commercial Cart Delivery and Recovery Plan

5. **Staff Updates**

- a) Update on Allied Contract Compliance
- b) Update on Public Education Campaign for Rollout of New Collection Services
- c) Recycling and Outreach Programs Update
- d) Facility Operations Update
- e) Preview of Upcoming Board meetings

6. **Board Member Comments**

7. **Adjourn**

Next Regular meeting scheduled for May 27, 2010, San Carlos Library at 2 pm

MEMBER AGENCIES

ATHERTON * BELMONT * BURLINGAME * EAST PALO ALTO * FOSTER CITY * HILLSBOROUGH * MENLO PARK * REDWOOD CITY *
SAN CARLOS * SAN MATEO * COUNTY OF SAN MATEO * WEST BAY SANITARY DISTRICT



CONSENT CALENDAR

DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
March 25, 2010 – 2:00 p.m.
San Carlos Library, Conference Room A
610 Elm Street, San Carlos, California**

1. **Roll Call:** CTO 2:02 p.m.

2. **Public Comment**

3. **Approval of Consent Calendar:**

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Adopt the February 25, 2010 BOD Meeting Minutes
- B. Resolution Approving an Appropriation Transfer for the Floor Resurfacing Project
- C. Receipt of Allied Monthly Metrics

M/S Ekers/Moura approve Consent Calendar

Motion Passed 8-0-0-4 (Absent: Burlingame, EPA, Hillsborough and San Mateo)

Resolution 2010-09

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park	X			
Belmont	X				Redwood City	X			
Burlingame				X	San Carlos	X			
East Palo Alto				X	San Mateo				X
Foster City	X				County of San Mateo	X			
Hillsborough				X	West Bay Sanitary Dist	X			

Hillsborough present at 2:06pm

4. **New Business:**

- A. Resolution Approving License Agreement with Recology San Mateo County for use of the Shoreway Recycling and Disposal Center

Discussion:

Member Fil requested clarification on term "licensing agreement" versus "lease"

Legal Counsel stated that it was preference of the authoring attorney without distinction.

Chair Porter requested clarification how the interrelations of the contractors work with SBR's use of the facilities

Staff Feldman stated that those provisions are called out in the Operations Contract and that other items will be handled administratively.

M/S Fil/Moura approve Resolution 2010-10

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park	X			
Belmont	X				Redwood City	X			
Burlingame				X	San Carlos	X			
East Palo Alto				X	San Mateo				X
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist	X			

- B. Quarterly Update on Bond Proforma Key Financial Metrics
- C. Calendar Year 2009 Annual Financial Statements

Items 4B and 5C presented together.

Discussion:

Chair Porter questioned if Recyclable Sales have improved and what the trend is in commodity pricing.

Staff Moran confirmed that there has been improvement and that average price continues to increase monthly.

5. Staff Updates

- a) Update on Allied Contract Compliance
- b) Recycling and Outreach Programs Update
- c) Facility Operations Update
- d) Preview of Upcoming Board meetings

6. Board Member Comments

Chair Porter stated that Foster City had a presentation on the AB939 fee increase on March 15th, and is offering same presentation to other Member Agencies.

7. Adjourn - 2:23pm



Board Members/Staff SIGN IN SHEET

March 25, 2010

BOARD MEMBER

PRESENT	NAME	JURISDICTION
	Jerry Gruber	Atherton
	Lisa Costa Sanders	Atherton
	Thomas Fil	Belmont
	Jesus Nava	Burlingame
	Alvin James	East Palo Alto
	Anthony Docto	East Palo Alto
	Jim Hardy	Foster City
	Ray Towne	Foster City
	Laura Galli	Foster City
	Martha DeBry	Hillsborough
	Kent Steffens	Menlo Park
	Lisa Ekers	Menlo Park
	Larry Barwacz	Redwood City
	Mike Gibbons	Redwood City
	Brian Moura	San Carlos
	Larry Patterson	San Mateo
	Jim Porter	County of San Mateo
	Joe LaMariana	County of San Mateo
	Phil Scott	West Bay Sanitary District
	John Simonetti	West Bay Sanitary District

STAFF

PRESENT	NAME	TITLE
	Kevin McCarthy	Executive Director
	Cathy Hidalgo	Board Secretary
	Marshall Moran	Finance Manager
	Hilary Gans	Facility Operations Manager
	Cliff Feldman	Recycling Programs Manager
	Monica Devincenzi	Recycling Outreach & Sustainability Manager
	Jeanenne Minnix Kingston	Administrative Assistant
	Bob Lanzone	Legal Counsel



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Kevin McCarthy, Executive Director
Date: April 22, 2010 Board of Director's Meeting
Subject: Resolution Approving the Revenue Transfer from Reserves for Calendar Year 2009

Recommendation

Staff recommends the Board approve resolution No. 2010-11 approving the revenue transfer from reserves for Calendar Year 2009 of \$3,010,800 so that the bond covenants can be achieved.

The revenue transfer of \$3,010,800 is needed to achieve a break even financial result for bond reporting and achieve the cash flow projections shown in the Official Statement for sale of the Series 2009A bonds. This is higher than the working capital transfer of \$1.6M shown in the bond proforma (basis of cash flow projections) due to the \$1.9M payment to Allied for underpayment for 2006 now shown as operating expense. This is in addition to the \$1,712,000 revenue transfer approved by the Board for fiscal year 2009 as shown in the bond proforma.

Analysis

As part of the 2009 Bond Indenture, the SBWMA is required to present unaudited calendar year Financial Reports to the bond rating agencies and include the results of the bond covenant requirement tests. There are two tests – a break even test and a minimum debt coverage ratio. As projected in the bond proforma and allowed in the indenture, revenue transfers from reserves are allowed to achieve the break even covenant. Due to a reclass to operating expense of a payment to Allied for an underpayment of \$1.9 million for 2006 offset by higher operating cash flow, the revenue transfer needed is \$1.4 million higher than estimated in the bond proforma.

The Financial Report, Table 5, in the next staff report, 3C, shows that with the revenue transfer from reserves, the bond covenants have been achieved. The results of both the break even test and the bond coverage test have exceeded the requirements of the bond indenture.

Background

On July 23, 2009 the Board approved a resolution authorizing the issuance of solid waste enterprise revenue bonds Series 2009A (tax-exempt) and Series 2009B (taxable). The bond indenture requires annual financial reporting on a fiscal (audited) and calendar year (unaudited) basis. The annual report includes reporting on the results of the two bond covenant tests.

Fiscal Impact

There is no fiscal impact associated with this item.

Attachments:

Resolution 2010-11



RESOLUTION NO. 2010-11

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING CALENDAR YEAR 2009 TRANSFER FROM CASH RESERVES

WHEREAS, the SBWMA Board of Directors (the Board) approved an Unrestricted Cash Reserve Policy on February 20, 2002 and revised the Policy so that it would be compatible with projected cash flows published in the bond financing pro forma, and to provide for long term prudent reserves to meet SBWMA future needs on October 22, 2009; and

WHEREAS, the revenue transfer of \$3,010,800 is needed to achieve a break even financial result for bond reporting and achieve the cash flow projections shown in the Official Statement for sale of the Series 2009A bonds. This is higher than the working capital transfer of \$1.6M shown in the bond proforma (basis of cash flow projections) due to the \$1.9M payment to Allied for underpayment for 2006 now shown as operating expense. This is in addition to the \$1,712,000 revenue transfer approved by the Board for fiscal year 2009 as shown in the bond proforma; and

NOW, THEREFORE, BE IT RESOLVED by the SBWMA Board of Directors hereby approves the revenue transfer from reserves for Calendar Year 2009 of \$3,010,800 so that the bond covenants can be achieved.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 22nd day of April 2010, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2010-11 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 22, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Kevin McCarthy, Executive Director
Date: April 22, 2010 Board of Director's Meeting
Subject: Resolution Accepting the Calendar Year 2009 Annual Financial Statements

Recommendation

Staff recommends the Board approve the resolution No. 2010-12 accepting the South Bayside Waste Management Authority's annual unaudited Financial Report for Calendar Year 2009 as prepared by the SBWMA's audit firm, Maze & Associates.

Analysis

As part of the 2009 Bond Indenture, the SBWMA is required to present unaudited calendar year Financial Reports to the bond rating agencies. These reports are limited to information that is required in the indenture and include the results of the bond covenant requirement tests.

The financial reports, Table 4 and 5, of the South Bayside Waste Management Authority for calendar year ending December 31, 2009, have been prepared by the City of San Carlos Administrative Services Department and examined by the independent auditing firm of Maze & Associates and SBWMA staff. The firm believes that the financial reports were prepared in conformity with generally accepted accounting principles but are unaudited.

Overview Of The Financial Reports

The Financial Report, Table 4, shows the operating results for calendar year 2009 before the revenue transfers from reserves. When the bond proforma is restated to conform to the Financial Report, the actual operating results are approximately \$500,000 better than the bond proforma due to several small differences (\$150k higher revenue, \$200k lower disposal, \$190k sale of MRF equipment).

As projected in the bond proforma and allowed in the indenture, revenue transfers from reserves are needed to achieve the bond Break Even covenant. The Financial Report, Table 5, shows that with the revenue transfer and less the principal debt service payment, the bond covenants have been achieved. Both the Break Even test and the bond coverage test have exceeded the requirements of the bond indenture.

The estimated unrestricted reserve balance for calendar year 2009 is \$1.5 million higher than the bond proforma primarily due to timing of working capital from bond proceeds. The proforma had \$1.2 million working capital in 2010 but it actually was received in 2009. The projected 2010 reserve balance is also slightly higher than the bond proforma by \$250k.

Background

On July 23, 2009 the Board approved a resolution authorizing the issuance of solid waste enterprise revenue bonds Series 2009A (tax-exempt) and Series 2009B (taxable). The bond indenture requires annual financial reporting on a fiscal (audited) and calendar year (unaudited) basis.

Fiscal Impact

There is no fiscal impact associated with this item.

Attachments:

A - Bond Indenture Tables 4 and 5
Resolution 2010-12

TABLE 4
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
UNAUDITED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

OPERATING REVENUES	
Tip Fee Revenue	\$26,122,698 x
Sales of Recyclable	8,357,604 x
Other	<u>130,119 x</u>
Total Operating Revenues	34,610,421
OPERATING EXPENSES	
Operation & Administration	35,737,805 x
Franchise Fee-Transfer Station	1,298,472 x
Taxes	<u>17,179 x</u>
Total operating expenses	37,053,456
OPERATING INCOME	(2,443,035)
NONOPERATING REVENUES	
Gain (loss) in sale of capital assets	77,278 x
Investment Income	<u>258,468</u>
Total Nonoperating Revenues	335,746
NET INCOME	(2,107,289)
NON-OPERATING EXPENSES	
Interest-2000 Bond	<u>(518,379)</u>
Total Non-Operating Expenses	(518,379)
MODIFIED CHANGE IN NET ASSET ⁽²⁾	(2,625,668)
RECONCILIATION TO NET ASSETS	
Reduction of Bond Liability	13,440,000
Principal-2000 Bond	(13,440,000)
Premium 2009A Reserve Fund FHLMC	(21,359)
Adjustments of Interest Accrual	
Depreciation Expense (non-cash)	(502,077)
Amount of Bond Issuance (non-cash)	(137,919)
Amount of Bond Arbitrage (non-cash)	<u>38,400</u>
TOTAL RECONCILIATION TO NET ASSETS	(622,954)
NET CHANGE IN NET ASSETS	(3,248,623)
Change in Net Assets per Financials Variance	N/A
NET ASSET AT BEGINNING OF YEAR	25,062,503
NET ASSET AT END OF YEAR	\$21,813,881

⁽²⁾ Includes investment income and less interest expense
Source: Authority

TABLE 5
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
UNAUDITED CALCULATION OF BOND COVENANTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Total Revenues (from Table 4)	\$34,946,167
Additional Revenues transfer (legally available for the payment of debt service) ⁽³⁾	4,722,854
Total Revenues and Additional Revenues	39,669,021
Expenses	
O&M Cost	35,754,984
Debt Services	1,657,565
Subordinate Charges	1,298,472
Total Expenses	38,711,021
Revenue less Expenses	958,000
Coverage (Total Revenues/Total Expenses) ⁽¹⁾	1.02
Operating & Non-operating Revenues	34,946,167
<i>plus</i> Additional Revenues Transfer (legally available for the payment of debt service) ⁽³⁾	4,722,854
Total Revenues	39,669,021
<i>less</i> O&M Expenses	35,754,984
<i>equals</i> Net Revenues	3,914,036
Debt Service	1,657,565
Coverage (Net Revenues/Debt Service) ⁽²⁾	2.36
<u>Ending Unreserved Fund Balance</u>	

- (1) Required to be 1.0 or greater (Break Even)
(2) Required to be 1.4 or greater
(3) Additional transfer from legally available cash and investments

Source: The Authority



RESOLUTION NO. 2010-12

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS ACCEPTING THE CLANEDAR YEAR 2009 ANNUAL FINANCIAL STATEMENTS

WHEREAS, he South Bayside Waste Management Authority contracted with the audit firm of Maze & Associates to conduct an audit of the Agency’s financial records in accordance with Governmental Accounting Standards Board (GASB) Statement 34; and

WHEREAS, the financial statements for the calendar year ending December 31, 2009 as prepared by said firm have been completed; and

WHEREAS, it is recommended that the Board accept the financial statements.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby adopts the Annual Financial Report as prepared by Maze & Associates for the calendar year ending December 31, 2009.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 22nd day of April 2010, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2010-12 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 22, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary

Allied Waste Update

Agenda Item 3D
Part I - 18 Pages*

*

Part I	Executive Summary	Attached
Part II	Monthly Progress Report By City	Posted on Website-not attached
Part III	Coordinator Call Logs	Posted on Website-not attached



EXECUTIVE SUMMARY

Overtime Hours per Day (Transfer Station/MRF)

Overtime hours per day for the TS and MRF (T20) increased to 36 hours per day in March from 12 hours per day in the previous month. This increase in overtime can be attributed to running Transfer trucks on Saturday to help clear the Transfer Station floor due to a request from the Local Enforcement Agency (LEA), as a result of the roof repair associated with Phase II of the Shoreway Master Plan. During the roof repair, the LEA requested that the tipping floor of the Transfer Station remain relatively clear overnight to decrease the amount of material exposed to the elements and to mitigate any potential issue with vectors because of the missing roof section. This roof repair occurred over a three week period of time in March, which resulted in running additional Transfer trucks during the weekend to accommodate the LEA's request. As the weather begins to improve, historically volumes in the Transfer Station increase, therefore, we do anticipate an increase in the overtime hours per day for the month of April. Additionally, the SBWMA Board recently approved necessary repairs to the Transfer Station floor, which will require additional Transfer trucks and overtime to help clear the Transfer Station floor in preparation for these repairs. Those repairs are scheduled to take place in April or May, we anticipate a spike in overtime hours per day in preparing for those repairs.

Overtime Hours per Day (Collection Operations)

Overtime hours per day for the collection operation (925) in March decreased slightly from 42 hours per day to 39 hours per day. This represents a near 8% decrease month over month in overtime hours per day. As has been the trend for the past several years, March is typically a month with lower volumes and lower set out rates, coupled with a less than full vacation schedule. All of these factors contribute to less time being required on collection routes. Recording 39 hours per day of overtime is below the average trend for hours of overtime per day prior to the spike in overtime hours per day, which occurs during the holiday season. In addition, 39 hours of overtime per day is well below the previous 12-month average of 54 hours per day. We do expect this number to remain relatively consistent in the coming months, but do expect a slight increase in the summer, as we begin to start the vacation season.

Average Weekly Delayed Pickups

The average weekly number of delayed pickups for the month of March increased slightly month over month, moving from 58 to 68. Moderate increases and decreases in this number are expected due to the high number of variables, both internal and external, that can impact this number both (i.e., vacation schedules, late set outs, etc.). The average weekly number of delayed pickups for March 2010 (68) is slightly lower than the average weekly number of delayed pickups recorded in March 2009 (73). The average weekly number for delayed pickups in March out performs our average weekly number of delayed pickups for the previous 12-months of approximately 75. The average weekly number of delayed pickups in March continues to far exceed performance standards for the industry of 120 per week based on the high number of service opportunities in the area.



Missed Pickups

Missed pickups for the month of March were recorded at 0. The number of missed pickups in March out performs the previous 12-month average of 1.58 missed pickups. Performance in this area continues to be positive given the approximate 1.1 million service opportunities a month. We anticipate this number to continue to yield positive results in the foreseeable future and will continue to strive to reach and maintain a rate of zero missed pickups each month.

Customer Service Average Hold Time

Average hold time for the month of March decreased to 9 seconds from 14 seconds in the previous month. This represents a 36% reduction in average hold time from the month of February. A 9 second average hold time easily achieves the goal of 30 seconds and out performs the previous 12-month average of 12 seconds. Average hold times in March fell more in line with average hold times from previous months, as call volumes decreased and some Customer Service personnel returned from their scheduled leaves of absence. We anticipate average hold times to increase slightly in April due to an anticipated increase in call volume as a result of the On-Call Cleanup Brochure being mailed to all Member Agencies.

Calls Answered in 30 Seconds

Calls Answered in 30 Seconds for the month of February increased to 91%. This number is above the industry standard of 80% and represents a 2 percentage point increase over the previous month. Our performance in this area is in direct correlation with our performance with average hold time. Those contributing factors, which drive average hold time, are also going to drive our performance against this measurement. This number is slightly above our previous 12-month average of 90%. We expect service levels in April to dip slightly due to the mailing of the On-Call Cleanup Brochure and San Mateo residents receiving their bill reflecting the recent rate increase.

Calls Answered in 90 Seconds

The percentage of Calls Answered in 90 Seconds increased to 97% in the month of March. This measurement is tied directly to our number of calls answered in 30 seconds, as well as our average hold time. Our performance in these areas dictates our performance against this particular metric. We expect this number to remain consistent in April with the previous 12-month trend.

Abandoned Call Percentage

Our abandon rate for the month of March decreased to 1.1%. As with most of the call center metrics reported, our performance in this area is dictated by our performance in other key call center metrics (i.e., average hold time, calls answered in 30 seconds, and calls answered in 90 seconds). An abandon rate of 1.1% meets our abandon rate goal of 3.0% or less and is below our previous 12-month average of 1.66%. We again anticipate this number to remain consistent in the month of April.



Total Calls by Month

Total Calls by Month for March increased by 22.83% to 15,499. This is in line with average call volume for the previous 12 months of 15,850. Call volume is expected to increase in April due to the “off curb” notice mailed to Redwood City residents, the On-Call Cleanup Brochure being mailed to all Member Agencies, and the City of San Mateo rate increase.

Self-Haul Ratio

March 2010 yards per ton ratio was 2.04. One factor in the lower ratio is approximately 300 fewer tons were carried over at the end of the month, compared to the end of February. In addition, during three weeks of the month of March part of the Transfer Station roof was removed, which allowed rain water into the material, causing the material to gain weight on the tipping floor. C&D tonnage has increased, which is the material type with the most density that is charged by the yard. Allied management spot checks scale tickets for self haul customers. Specifically, after customers have paid to tip their load, but prior to entering the Transfer Station, one of Allied’s management personnel verifies that the customer was accurately charged for the amount of yardage by Scale House personnel. If an issue is noted, management will follow up with the Scale House Attendant and use coaching or step discipline to correct any issues discovered. During the March 2010, 27 transactions were spot checked, and no significant variances were found.

C&D Recycling Performance

March 2010 netted 3,235 tons of C&D materials, which is the most productive month in the program’s history. Allied continues to focus its employees on opportunities to pull this material out of the MSW pile inside the Transfer Station and these efforts proving to be successful.

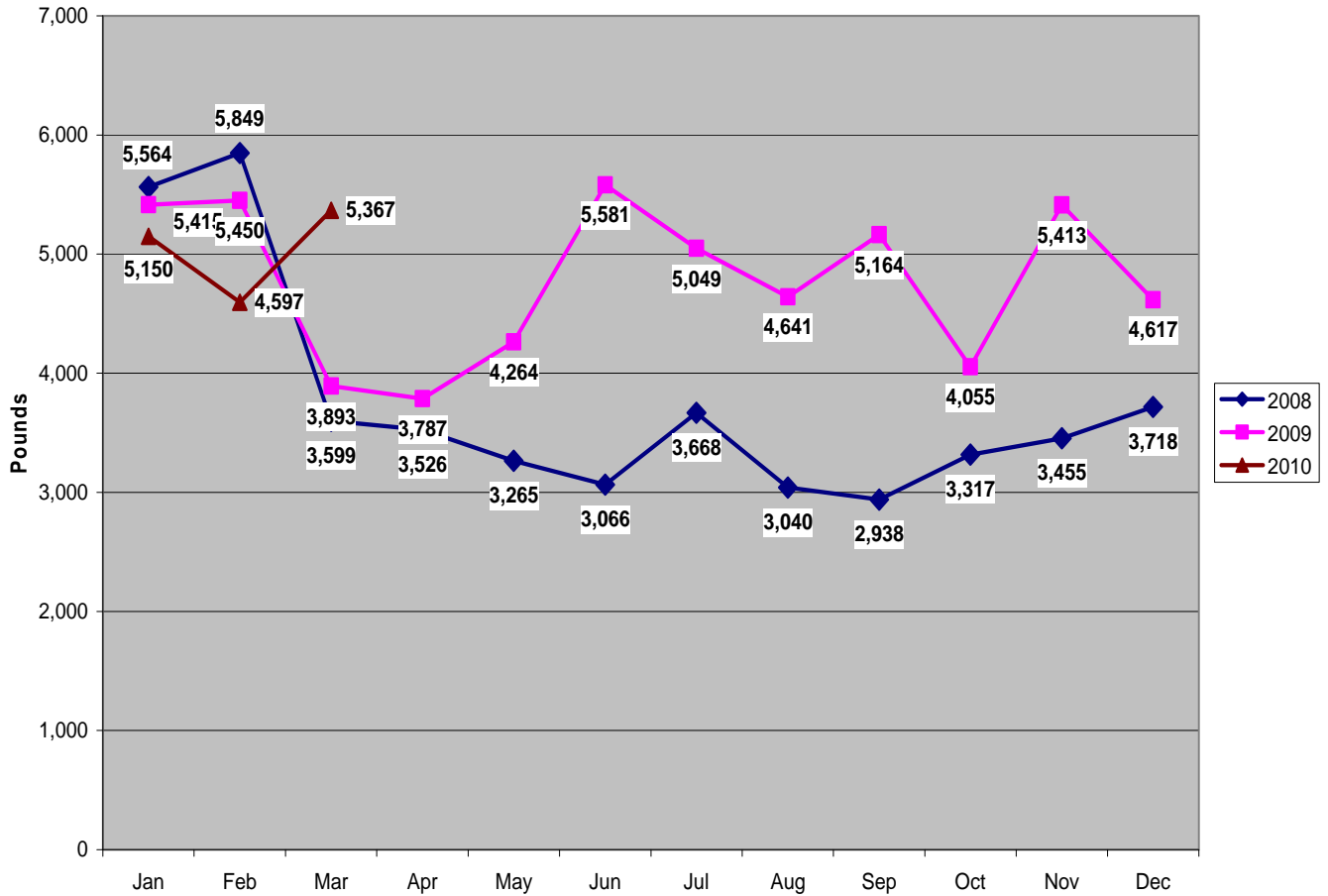
South Bayside Transfer Station C & D Tons to Zanker Road						
	2005	2006	2007	2008	2009	2010
Jan	1,246.98	639.26	1585.44	1,693.36	1,607.03	1,984.50
Feb	1,618.18	1,369.73	1337.82	1,530.43	1,424.63	2,376.78
Mar	2,182.49	1,461.86	1605.41	1,574.55	1,723.11	3,235.18
Apr	1,100.82	1,361.47	1749.16	2,461.99	2,058.04	
May	1,102.71	2,208.81	2226.75	2,354.57	1,828.76	
Jun	317.86	2,292.17	2048.91	2,674.06	2,093.77	
Jul	353.46	1,943.33	1974.51	2,528.04	2,601.29	
Aug	889.65	2,095.46	2059.83	2,508.20	2,793.49	
Sep	1,271.40	1,740.60	1879.53	2,483.64	2,810.07	
Oct	1,058.87	1,883.58	2126.58	2,576.17	3,075.84	
Nov	657.42	1,453.40	1954.91	1,829.21	2,778.91	
Dec	465.68	1,174.56	1588.37	1,650.82	2,297.58	
	12,265.52	19,624.23	22,137.22	25,865.05	27,092.52	7,596.46



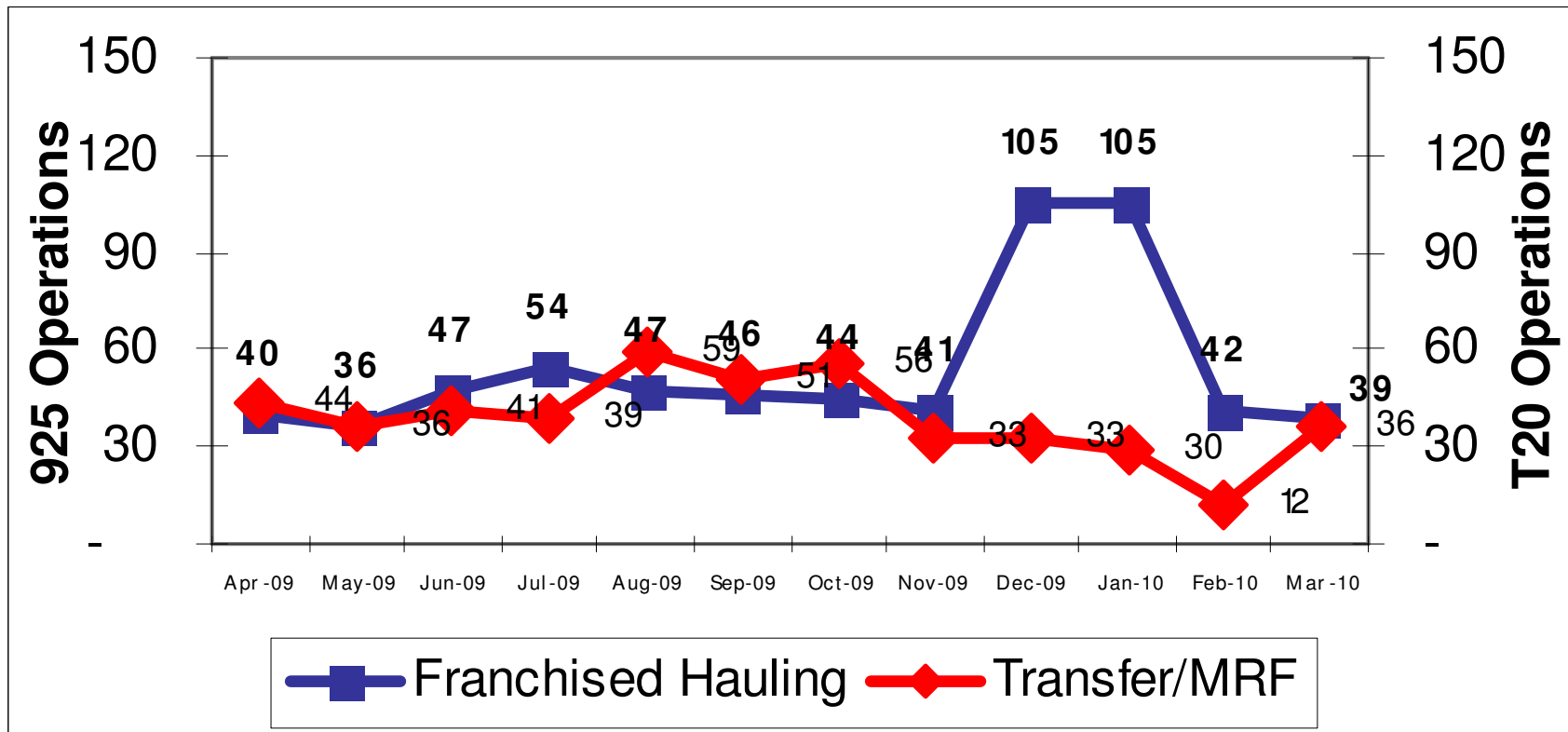
Battery Collection Performance

Residential curbside collection weight for household batteries and cell phones for all jurisdictions in March 2010 was 5,367 pounds.

Residential Curbside Cell Phone & Battery Collection

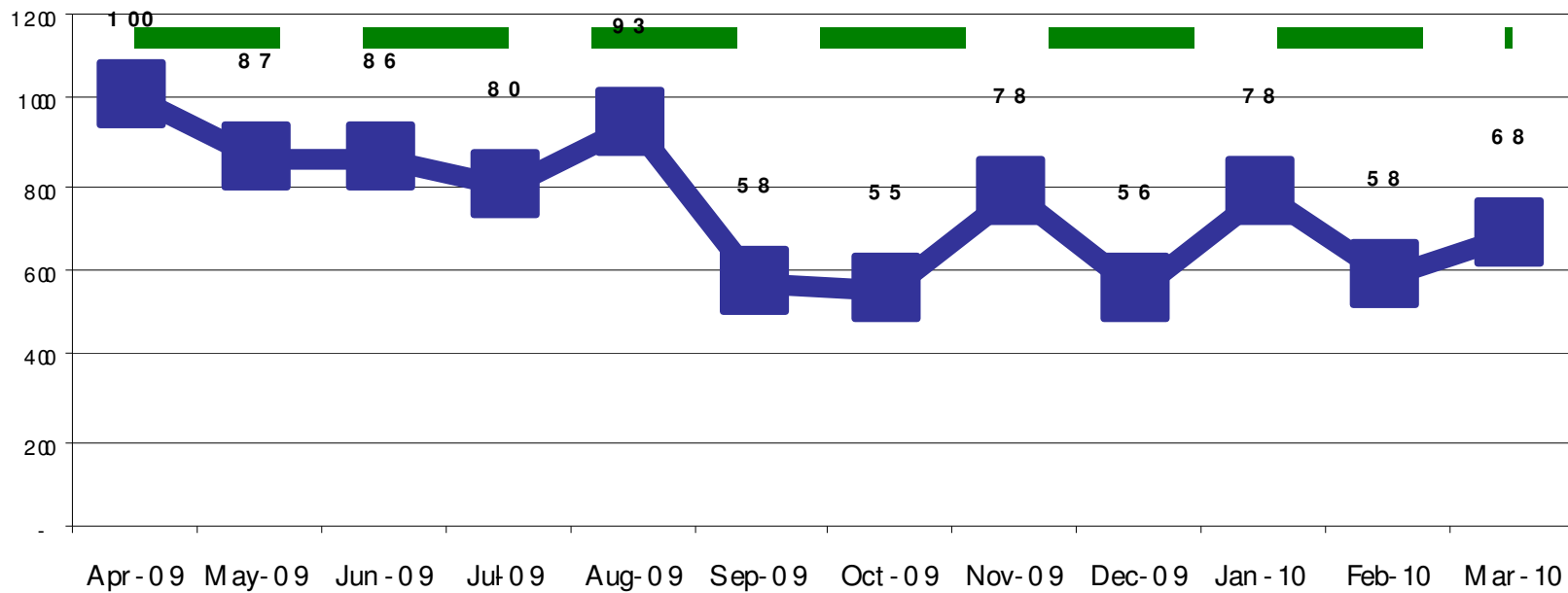


Collection Driver and Transfer/MRF Operations Overtime Hours Per Day



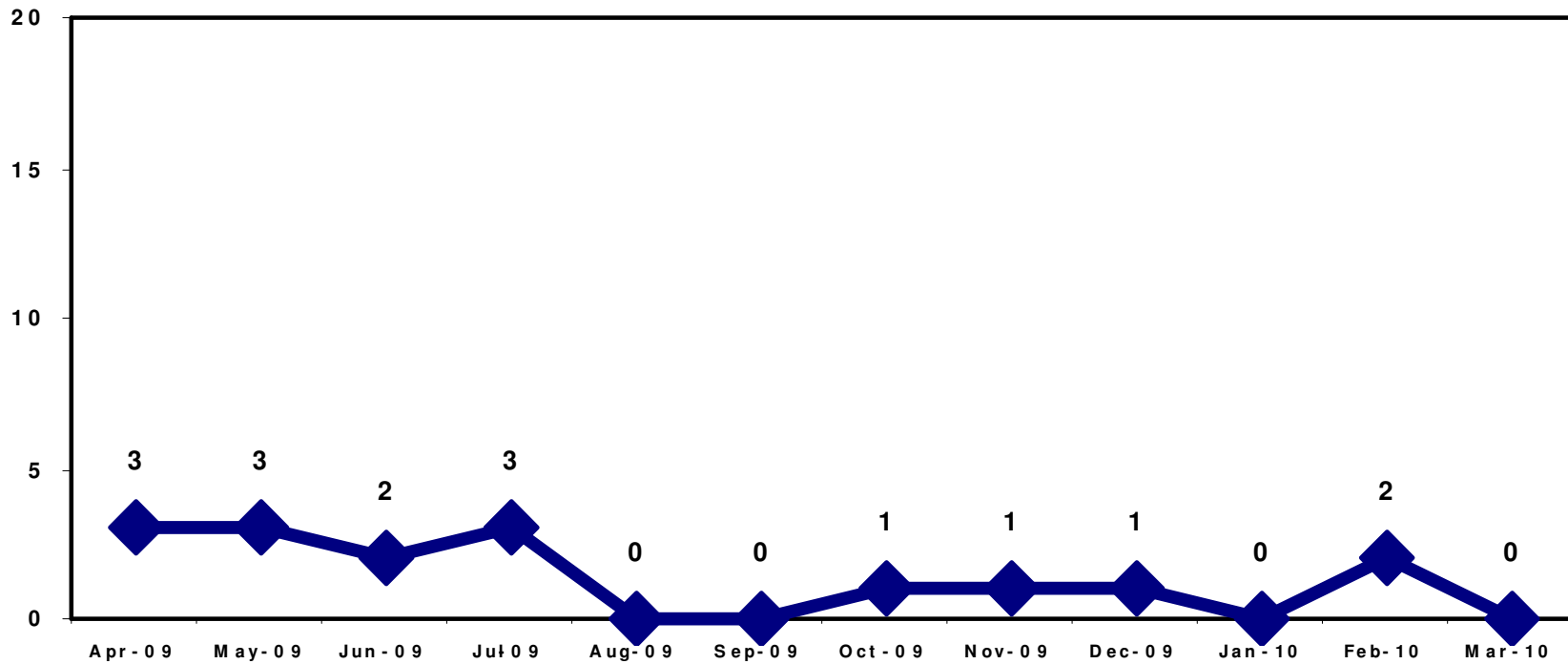
Average Weekly Delayed Pickups

Service Standard is 114 Total



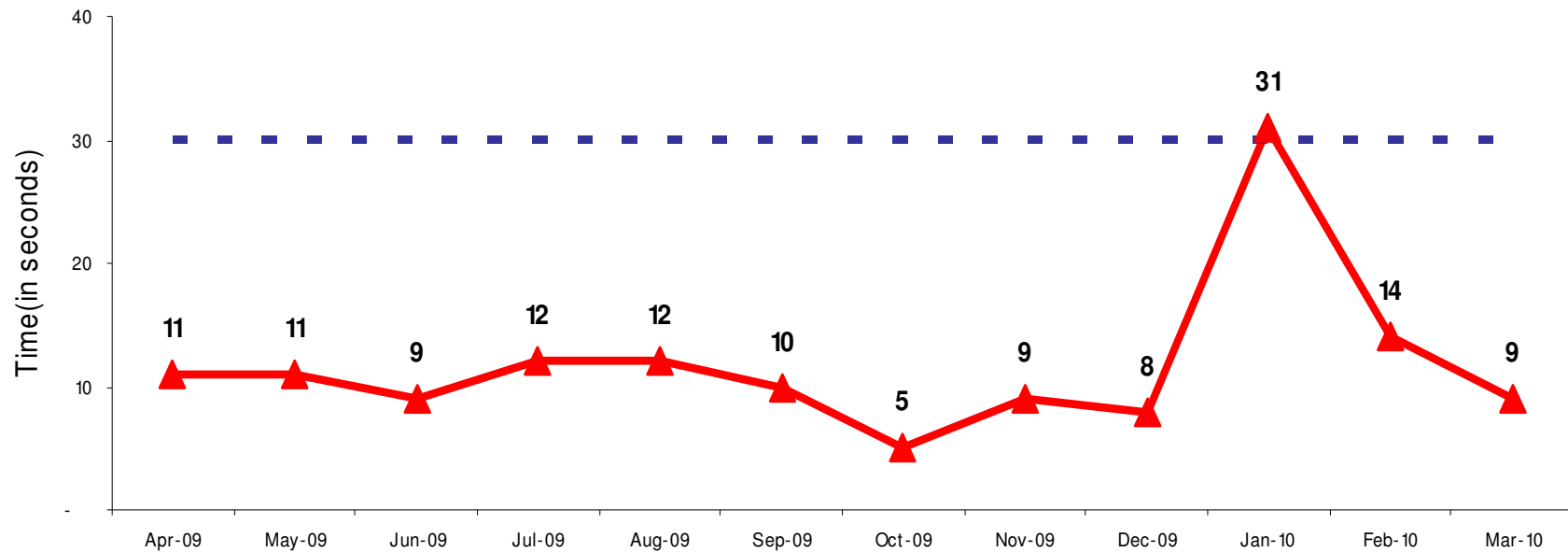
Note: Service Standard is 1 missed pick up per 1000 residential customers and 2 missed pick ups per 1000 commercial customers.

Monthly Missed Pick Ups



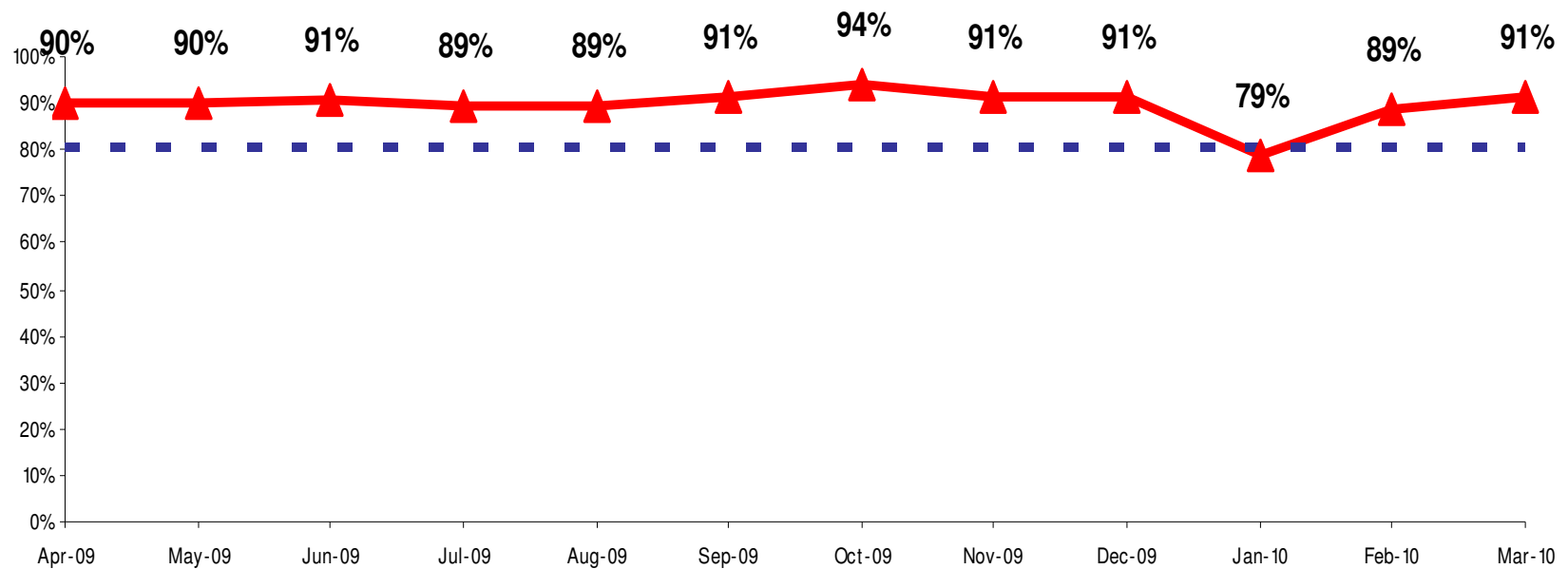
Customer Service Average Hold Time

30 Second Service Standard



Customer Service Percentage of Calls Answered in 30 Seconds

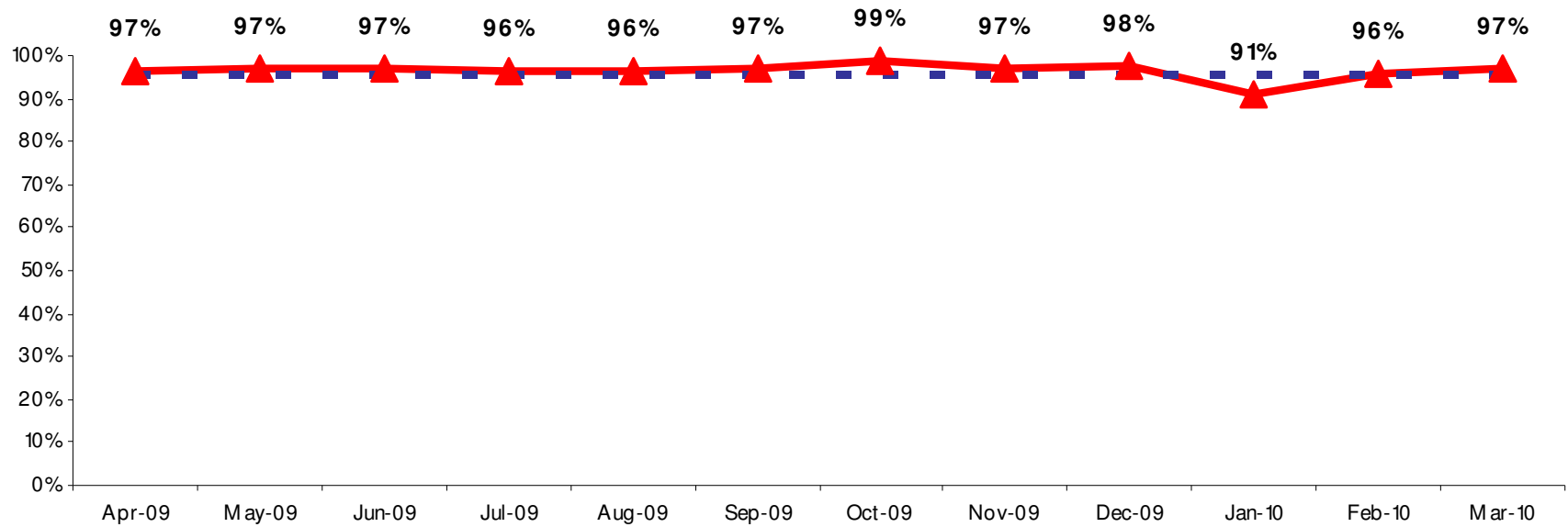
80% Service Standard





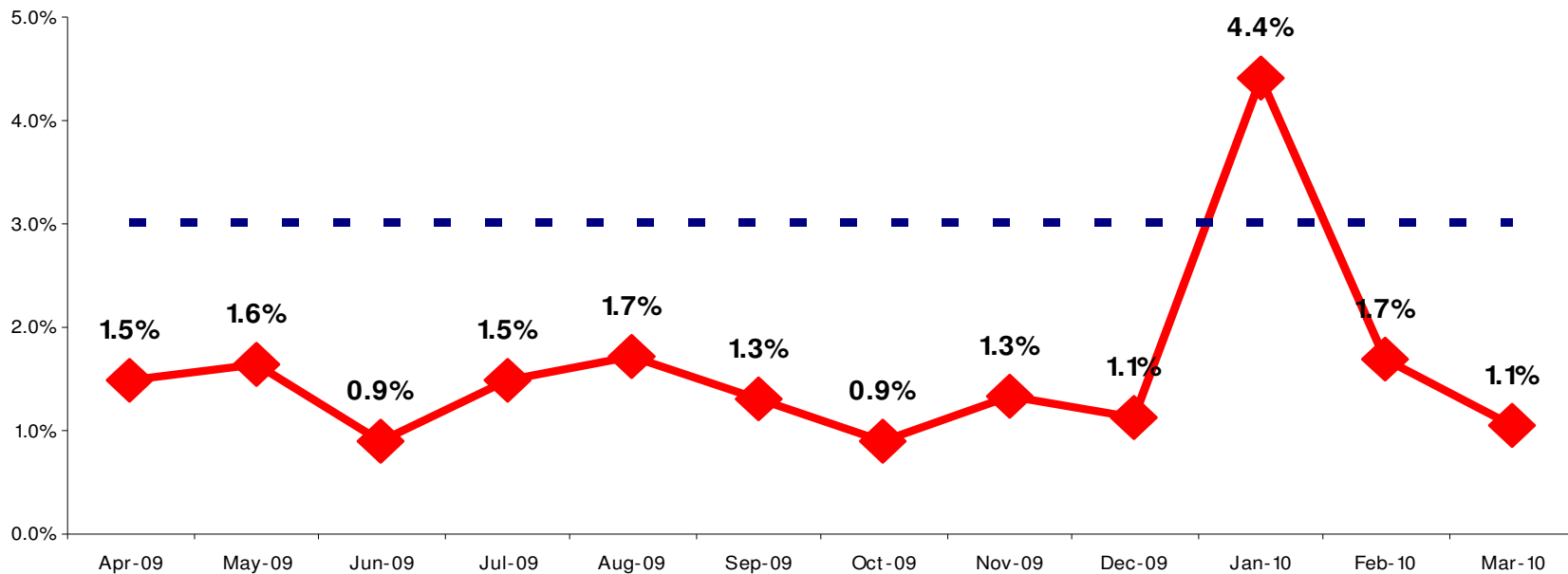
Customer Service Percentage of Calls Answered in 90 Seconds

95% Service Standard

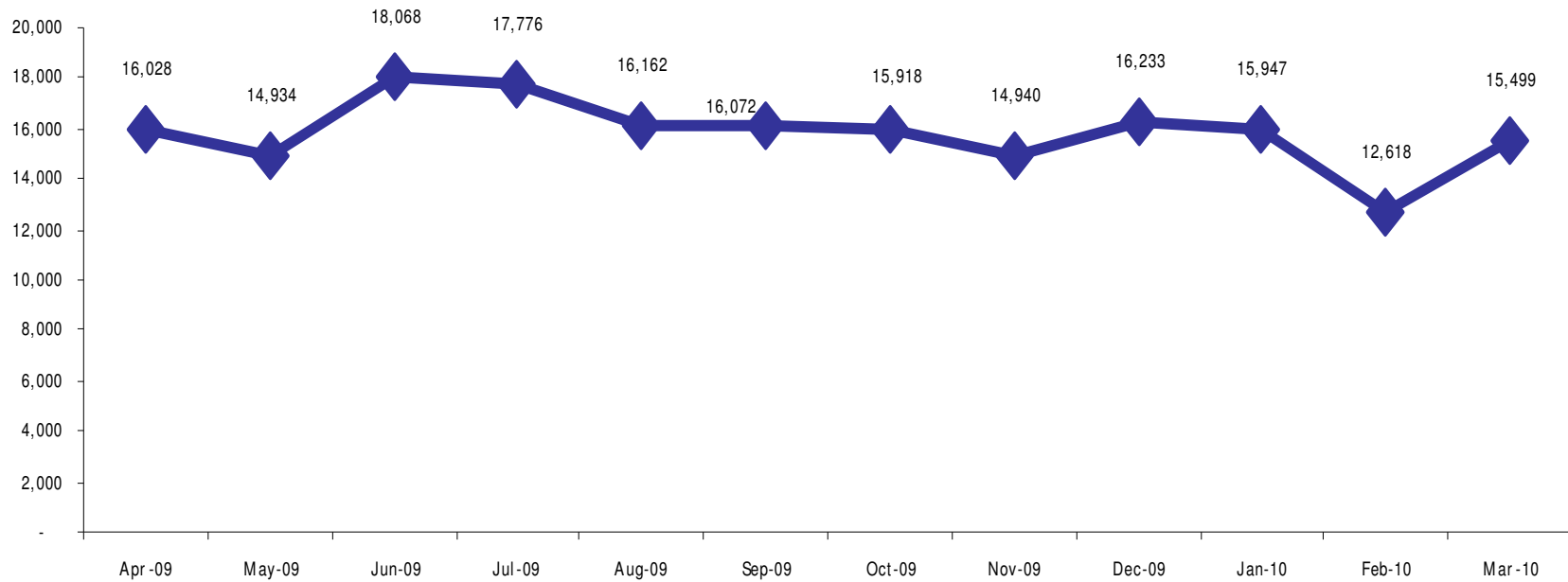


Customer Service Abandoned Call Percentage

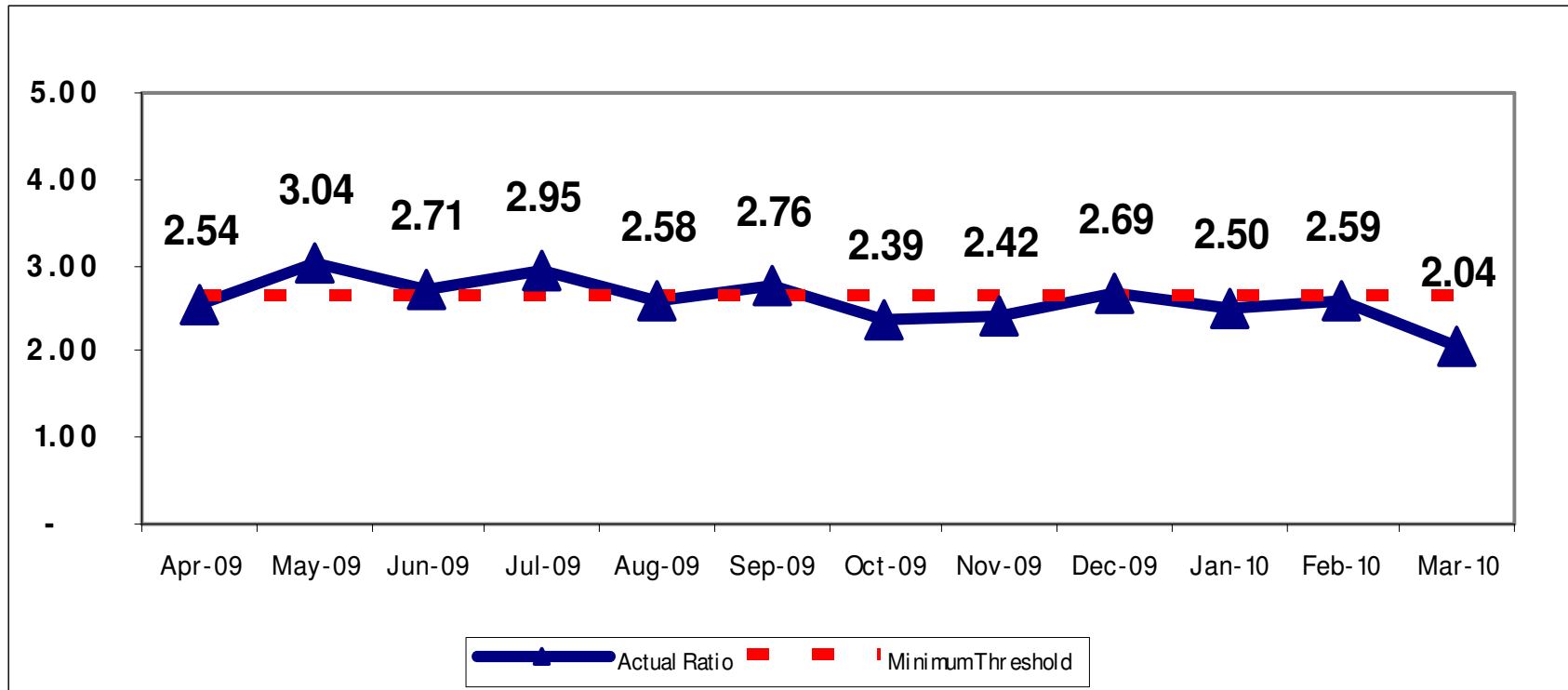
Service Standard 3%



Total Calls by Month



Transfer Station Public Yards to Ton Ratio



2010 LIQUIDATED DAMAGES



11.03, B.1a. Failure to commence service to a new recipient within 7 days

													Less:				2010 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60	(60)		\$ -

11.03, B.1b. Missed Pickup Not Corrected in 24 Hours

													Less:				2010 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD	
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total						
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
Belmont	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(14)	\$ 150	\$ -	
Burlingame	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(14)	\$ 150	\$ -	
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
	-	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	180	(178)		\$ -

11.03, B.1c. Consecutive Missed Pickups

													Less:				2010 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-		\$ -

2010 LIQUIDATED DAMAGES



11.03, B.1d. Failure to properly conduct special collections

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0			\$ -

11.03, B.1e. Failure to perform and submit billing reviews

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0			\$ -

11.03, B.2a. For each occurrence of private property damage

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
Hillsborough	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	1	7	(6)	\$ 250	\$ -
Menlo Park	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	7	(6)	\$ 250	\$ -
Redwood City	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	7	(6)	\$ 250	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
	2	-	1	3	-	-	-	-	-	-	-	-	-	-	-	3	84	(81)		\$ -

2010 LIQUIDATED DAMAGES



11.03, B.2b. For each occurrence of failure to properly return containers to the appropriate location

	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD				
	JAN	FEB	MAR	Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total		OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	LD per Incident
Atherton	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Burlingame	2	-	2	4	-	-	-	-	-	-	-	-	-	-	-	-	4	10	(6)	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 150	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Hillsborough	1	-	1	2	-	-	-	-	-	-	-	-	-	-	-	-	2	10	(8)	\$ 150	\$ -
Menlo Park	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 150	\$ -
Redwood City	-	2	3	5	-	-	-	-	-	-	-	-	-	-	-	-	5	10	(5)	\$ 150	\$ -
San Carlos	-	1	1	2	-	-	-	-	-	-	-	-	-	-	-	-	2	10	(8)	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Total	3	5	8	16	-	-	-	-	-	-	-	-	-	-	-	-	16	120	(104)		\$ -

11.03, B.2c. For each occurrence of excessive noise or discourteous behavior

	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD				
	JAN	FEB	MAR	Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total		OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	LD per Incident
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Redwood City	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	0	1	\$ 250	\$ 250
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
San Mateo	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	0	1	\$ 250	\$ 250
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Total	2	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2	0	2		\$ 500

11.03, B.2d. For each failure to clean up solid waste spilled by the Contractor

	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD					
	JAN	FEB	MAR	Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total		OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	LD per Incident	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
Belmont	-	2	1	3	-	-	-	-	-	-	-	-	-	-	-	-	-	3	15	(12)	\$ 150	\$ -
Burlingame	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	15	(13)	\$ 150	\$ -
East Palo Alto	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Foster City	1	1	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	15	(13)	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Redwood City	3	1	4	8	-	-	-	-	-	-	-	-	-	-	-	-	-	8	15	(7)	\$ 150	\$ -
San Carlos	-	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	15	(13)	\$ 150	\$ -
San Mateo	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Total	5	6	8	19	-	-	-	-	-	-	-	-	-	-	-	-	19	180	(161)		\$ -	

2010 LIQUIDATED DAMAGES



11.03, B.2e. For each occurrence of collection of solid waste materials during unauthorized hours

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
San Carlos	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Total	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	1	120	(119)	\$ -	\$ -

11.03, B.3a. For each failure to initially respond to a service recipient complaint within one business day

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ -	\$ -

11.03, B.3b. For each failure to process service recipient complaints to Agency

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ -	\$ -

	43	-	-	-	43	\$ 500
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NEW BUSINESS



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contract Manager
 Kevin McCarthy, Executive Director
Date: April 22, 2010 Board of Director's Meeting
Subject: Resolution Approving Agreements for Plant and Organic Materials Processing Services with Browning-Ferris Industries of California and Recology Grover Environmental Products

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-13 attached hereto authorizing the following action:

1. Authorize the Executive Director to execute the attached Plant and Organic Materials Processing Agreements with Browning-Ferris Industries of California - Newby Island facility and Recology Grover Environmental Products. The BFI Agreement, unlike the Recology Grover Agreement, does have a Condition of Effectiveness that states as follows: "Authority's approval through field certification or auditing of the Contractor's operational plan to ensure compost overs are put to beneficial use, exclusive of any use for alternative daily cover."

Analysis

The following analysis looks at a cost comparison between the three final contractors (i.e., Browning-Ferris Industries of California - Newby Island, Recology Grover Environmental Products, and Zanker Road) under consideration along with a discussion on the qualifications of the firms. **Table 1** provides a cost comparison to the current Newby Island processing rates to those received from the three final contractors in the May 16, 2008 Organics Processing RFP proposal responses.

Table 1 - Proposed Processing Cost/ton for Organic Materials			
	<u>Plant Materials</u>	<u>Residential Organics</u>	<u>Food Scraps</u>
Newby 2010 Cost	\$21.22	\$21.22*	\$36.26
Cost Proposals	\$32.00 - \$54.00	\$40.50 - \$70.00	\$55.00 - \$65.00
- RFP responses for material tonnage range of 80,000 - 100,000 tons/year of compostable materials * Current rate for San Carlos residential mixed organics program			

Based on negotiations with the final three contractors the final processing fees are as follows in **Table 2**:

Table 2 - Final Negotiated Processing Cost/ton for Organic Materials			
<u>Contractor</u>	Plant Materials	Residential Organics	Food Scraps
Newby Island	N/A	\$40.50	\$55.00
Recology Grover*	N/A	\$32.00	\$44.00
Zanker Road**	N/A	\$45.00	N/A
*Grover Environmental Products recently acquired by Recology. ** Zanker Road teamed with Central Coast Composting and Agromin.			

To quantify the cost associated with transporting materials to the new proposers' facilities, Staff used transportation cost data provided by South Bay Recycling (SBR) in their Facility Operations proposal and requested additional transportation cost quotes from SBR for transportation to more distant composter locations; SBR's transportation costs to Recology Grover are subject to final negotiations prior to their rate application submittal on July 1, 2010.

In analyzing options for materials processing, SBWMA Staff also considered the possibility of processing (sorting, grinding and screening) organic materials at the Shoreway Transfer Station. Equipment designs were discussed with equipment manufacturers and discussions were held with SBR about operating an organics processing plant at the transfer station. In the final analysis, this option was not pursued due to marginal cost savings, and limited space within the transfer station.

Selection Decision

Staff believes that it is important to diversify the outlets for organic materials and to contract with more than one company for Organics Materials Processing Services. This decision is based on 1) the fact that the SBWMA already generates large quantities of organic materials and the tonnage is expected to increase with the rollout of new collection services, and 2) diversifying outlets is a good way to mitigate the risks associated with a potential contractor default. With this goal in mind, the selection process was conducted with the premise that the SBWMA should contract with a minimum of two and a maximum of three processors for management of organic materials.

Of the seven proposing companies, six were determined to be compliant with the requirements of the RFP. Of these six companies, the three companies that provided the lowest overall cost for the SBWMA were Newby Island, Recology Grover and Zanker Road (See **Table 3**). These three companies were short-listed for contract negotiations. Staff was able to successfully negotiate three different agreements for Organic Materials Processing Services with each of these shortlisted companies.

As shown in **Table 3**, there is only a small difference in cost for processing residential organic materials between the three shortlisted composters. Newby Island has the lowest starting rate but their contract stipulates that they receive a guaranteed annual rate adjustment of 3.5% while Recology and Zanker's increases are based on 90% CPI (90% of the change in the value of the All Urban Consumers Index (CPI-U), for the San Francisco-Oakland-San Jose). Over the 4-year term of the agreements, the effect of Newby's higher CPI will reduce the initial per ton cost difference by \$0.84 per ton.

Table 3 --Total Processing and Transportation Cost/Ton		
<u>Contractor</u>	<u>Residential Organics</u>	<u>Commercial Organics</u>
Newby Island	\$56.99	\$74.90
Recology-Grover	\$62.59	\$77.37
Zanker Road	\$60.21	N/A
Transportation costs to deliver the materials to Newby Island are approximately \$12.00 per ton, making the current total cost of plant materials processing and transportation \$33.22.		

Table 4 compares the annual cost difference between the three options of a combination of each of the two shortlisted composters. Since pricing from each of the three companies is closely clustered, the annual cost difference between the high and low of the three options is \$227,997 or 4%.

Table 4. Comparison 2011 Annual Program Cost

Option 1: (50:50% Newby - Grover)

Processor	Commercial Organics		Residential Organics		Total
Newby	\$ 74.90	\$ 609,639	\$ 56.99	\$ 1,911,408	\$ 2,521,047
Grover	\$ 77.37	\$ 629,717	\$ 62.59	\$ 2,099,179	\$ 2,728,896
		\$ 1,239,356		\$ 4,010,586	\$ 5,249,942

Option 2: (50:50% Zanker - Grover)

Processor	Commercial Organics		Residential Organics		Total
Zanker	\$ -	\$ -	\$ 60.21	\$ 2,019,552	\$ 2,019,552
Grover	\$ 77.37	\$ 1,259,433	\$ 62.59	\$ 2,099,179	\$ 3,358,612
		\$ 1,259,433		\$ 4,118,731	\$ 5,378,164

Option 3: (50:50% Zanker - Newby)

Processor	Commercial Organics		Residential Organics		Total
Newby	\$ 74.90	\$ 1,219,278	\$ 56.99	\$ 1,911,408	\$ 3,130,686
Zanker	\$ -	\$ -	\$ 60.21	\$ 2,019,481	\$ 2,019,481
		\$ 1,219,278		\$ 3,930,889	\$ 5,150,167

In addition to cost for organics materials processing services, Staff looked at other attributes offered by each company. The shortlisted companies were evaluated based on the following criteria:

- o Financial stability: each of the shortlisted companies are financially stable and have substantial financial depth.
- o Facility Location: Newby and Zanker Road are within a couple miles of each other, however Zanker plans to compost the materials at a location in Gonzales and so the organic materials will travel the furthest to get to this compost location; resulting in greater greenhouse gas emissions. Recology's composting facility is located in the Central Valley south of Tracy.

	Shortlisted Proposer	One way miles
1	Recology	73 miles
2	Zanker	103 miles
3	Newby	27 miles

- o Permits: Newby Island and Recology's facilities are permitted to process all the tons generated by the SBWMA and both have the necessary permits to process food scraps in the tonnage generated by the SBWMA. Zanker Road is working in partnership with two other composters, Central Coast and Agromin, at a composting site in Gonzales. The Site does not currently have the permitted capacity to process all the SBWMA's tonnage or the necessary permits to process food scraps at the site. However, communications with agencies that regulate the Gonzales site indicate that the necessary permits are readily obtainable before the January 2011 contract start date.

All three facilities have a good operating history that is clear of recent regulatory violations.

- o Exceptions to the Agreement: all shortlisted firms are in substantial conformance with the model Organics Processing Services Agreement.

- Product Markets: Newby Island and Recology operate large, well established composting facilities and they have well established markets for compost product manufactured from urban organic feed stocks. Zanker's subcontract partners for the Gonzales facility are currently processing agricultural feed stocks and marketing to farmers located in the Salinas Valley. The agricultural based markets are well developed and use large quantities of compost and are in need of more compost product. Zanker plans to fill local agriculture's need for more compost by adding urban organics to the compost facilities feedstock mix.
- Diversion: Recology's facility has highly developed recovery system to ensure that very little of the feed stock material goes to landfill. The Newby Island operation is located at a landfill and the facility currently sends large quantities (20-30% by volume) of compost residual to the landfill for ADC. Newby is planning to install a cleaning system so that more of the residual can be turned biomass fuel. Zanker's subcontract operation in Gonzales plans to clean the compost residual and sell this as a biomass fuel.

In making the recommendation to select the combination of Newby and Recology Grover for organic materials processing agreements, Staff evaluated all the above considerations. While a Zanker Newby combination is the least costly combination, Staff has concerns about recommending Zanker's subcontracted operation in Gonzales for the following reasons: 1) the facility does not have the necessary permits to process the materials that will be collected in the new programs, 2) the facility currently does not have the operational capacity to handle the volume of materials that would be generated by the SBWMA, and 3) the Zanker Gonzales site is the furthest distance from Shoreway which would generate more traffic and greenhouse gas emissions. Staff believes that the Newby - Recology Grover combination offers the greatest security for the SBWMA by providing two composting facilities that are permitted and proven at handling commercial and residential organics in the quantities generated by the SBWMA.

Background

Residential and commercial organic materials are currently collected and transferred at the Shoreway transfer station to the Newby Island Composting Facility. The current Facility Operating Agreement with Republic Services (2005 Amended and Restated Facility Operating Agreement), includes the green and food materials composting services, is due to expire on December 31, 2010. In anticipation of this date and the SBWMA's ongoing need for organic materials processing services, the SBWMA issued a request for proposals (RFP) on April 2, 2008 for Organic Materials Processing Services. The RFP was sent out to 34 companies and on May 16, 2008 the SBWMA received seven responses.

The milestone dates related to the RFP process are presented in **Table 5**.

Table 5--RFP Milestone Dates	
<u>Event</u>	<u>Date</u>
<i>SBWMA releases RFP</i>	April 2, 2008
Proposals due	May 16 , 2008
Original expiration of RFP terms	November 16,2008
Revised expiration of RFP terms	August 9, 2009
SBWMA Board Selects Processor(s) and Approves Agreement(s) with Selected Processor(s)	April 22, 2010
Processor(s) commences providing services	January 1, 2011

In responding to the RFP, proposers were asked to provide a cost for composting organic materials based on different categories of materials, different volume tiers, and different contamination levels. The category and volume tiers were requested so that the SBWMA could consider the option of dividing-up the tonnage between more than one processor and to allow for the possibility of locking a portion of the volume into a long-term agreement while making shorter-term arrangements for a portion of the materials. The RFP did not include the cost of materials hauling as this is a service that will be provided by the new Facility Operations contractor South Bay Recycling.

Fiscal Impact

The RFP results indicate that the market rate for organic materials processing have increased significantly since the 2005 Operations Agreement was negotiated with Allied (See **Table 1**).

Staff anticipated the higher organic materials processing costs when preparing the 2009 Bond proforma. The Bond proforma assumed sufficient funds to cover the projected increase in organic materials management that will result from the commencement of new services in 2011. The Bond proforma assumed total processing and transportation costs of \$65.17 for residential organics and \$82.70 for commercial organics. As compared to the staff recommendation for splitting the materials processing between Newby Island and Recology-Grover, this will save ratepayers \$ 467,995 per year as the bond proforma assumptions were the basis for setting future Shoreway tipping fees.

The staff recommendation will result in estimated higher transportation costs for South Bay Recycling as their Operating Agreement assumed a transportation rate going to Newby Island only. These costs will be subject to final negotiations and included in their July 1, 2010 rate application

Attachments

Resolution 2010-13

- A. Organic Materials Processing Agreement; Recology Grover Environmental Products.
- B. Organic Materials Processing Agreement; Browning-Ferris Industries of California.



RESOLUTION NO. 2010-13

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING AGREEMENTS FOR PLANT AND ORGANIC MATERIALS PROCESSING SERVICES WITH BROWNING-FERRIS INDUSTRIES OF CALIFORNIA AND RECOLOGY GROVER ENVIRONMENTAL PRODUCTS

WHEREAS, the South Bayside Waste Management Authority (SBWMA) desires to engage qualified contractors to render processing services at a composting facility for Plant and Organic Materials generated from the SBWMA Member Agencies (the Services); and

WHEREAS, in performing the Services the SBWMA has required that 100% of the Plant and Organic Materials processed at the composting facility be diverted from use anywhere at a landfill, and not be used as Alternative Daily Cover; and

WHEREAS, the SBWMA has reviewed proposals from several contractors and determined that Agreements with Browning-Ferris Industries of California and Recology Grover Environmental Products, attached hereto as Exhibit A, will provide the highest quality Services for the SBWMA and its Member Agencies.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority board of Directors hereby authorize that the Agreements with Browning-Ferris Industries of California and Recology Grover Environmental Products attached hereto as Exhibit A are approved and the Executive Director is authorized to sign the Agreements.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 22nd day of April 2010, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2010-13 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 22, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary



**AGREEMENT FOR PLANT AND
ORGANIC MATERIALS
PROCESSING SERVICES**

between

**South Bayside Waste Management
Authority**

&

**Recology Grover Environmental
Products, Inc.**

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Exhibit B	Contractor Services
Exhibit C	Plant and Organic Materials Rates
Exhibit D	Monthly Reporting
Exhibit E	Contamination Measurement Methodology Appendix E-1 – Methodology Check List Appendix E-2 – Data Collection Forms Appendix E-3 – Sampling Equipment List
Exhibit F	U.S. Compost Council Seal of Testing Assurance, Landscape Architectural Specifications for Compost Use

AGREEMENT FOR PLANT AND ORGANIC MATERIALS PROCESSING SERVICES

This Agreement is made and entered into as of the [redacted] day of [redacted], 2010 by and between the **South Bayside Waste Management Authority** a California Joint Powers Authority hereinafter "**SBWMA**", and **Recology Grover Environmental Products, Inc.**, a California corporation, hereinafter "**Contractor**".

I. RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

1. That SBWMA desires to engage Contractor to render processing services for Plant and Organic Materials generated from the SBWMA Member Agencies;
2. That Contractor is qualified to provide such services to the SBWMA; and
3. That SBWMA has elected to engage the services of Contractor upon the terms and conditions as hereinafter set forth.

II. DEFINITIONS

In this Agreement, capitalized words have the meanings defined in **Exhibit A**.

III. TERMS AND CONDITIONS OF AGREEMENT

1. Term of Agreement

Said services shall commence on the 1st day of January, 2011 and shall continue for a period of four (4) years, through December 31, 2014. The end of the term may be extended by mutual agreement for two (2) one year periods upon written notice by the SBWMA and acceptance of such request by Contractor.

2. Authorization and Termination

This Agreement becomes effective when endorsed by both Parties in the space provided below.

IV. OBLIGATIONS OF CONTRACTOR

1. Scope of Processing Services

The services to be performed by Contractor under this Agreement shall be to accept, process, and market Plant and Organic Materials generated from the SBWMA's Member Agencies and the Shoreway Environmental Center (SEC) as described further in **Exhibit B**, Contractor Services on the same terms and conditions set forth in Exhibit B (such services, "**Services**").

On a daily basis, the SBWMA shall deliver and the Contractor shall receive a minimum average of 100 tons per day up to a maximum average of 300 tons per day (based on a 30 day rolling average) to the Compost Facility. In aggregate, the SBWMA shall deliver a minimum of 40,000 tons per year. The Contractor and the SBWMA are only obligated to receive and deliver materials on days that the Compost Facility is operating (as described in Section 5, Days and Hours of Operations).

100% of the Plant and Organic Materials Processed by Contractor at the Composting Facility shall be diverted from use anywhere at a landfill and shall not be used as Alternative Daily Cover ("**ADC**") or for other uses at a landfill. "**Processed**" means subjected to a process to transform Plant and Organic Materials into a Compost Product, a mulch product for land application (other than at a landfill), or for use as biofuel, anaerobic digestion or other conversion technologies (in accordance with CIWMB regulations so that such materials are considered diverted and

recycled), and includes removal of all (other than trace amounts) Solid Waste and other materials that are not Plant or Organic Materials (collectively, "**Residue**"). Residue may be landfilled or used as ADC.

2. Permits and Compliance

Contractor will comply with all Permits, including any mitigation measures related to the operation and maintenance of their Compost Facility. Contractor is solely responsible for paying any fines or penalties imposed for noncompliance with or violation of Permits or failure to obtain Permits. Under no circumstances shall any provision of this Agreement obligate Contractor to violate any of its Permits.

Contractor shall have a permitted Composting Facility that is permitted as a composting facility with the California Integrated Waste Management Board (Department of Resources Recycling and Recovery) and maintain this designation throughout the term of the contract. The Composting Facility Permit must include the ability to accept mixed and source separated food waste. Contractor must notify SBWMA before accepting any shipments if there are any change in such status.

3. Compliance with all Applicable Laws and Regulations.

Contractor shall comply with all Federal, State, and/or Local Regulations in the performance of this Agreement.

4. Notification of Violations.

Contractor shall provide copies of any notices of violation that it receives (or that any Subcontractor receives and that are provided to Contractor) from any Regulatory Agency during the term of this Agreement related to the operation of the Composting Facility or the performance of the Services. Contractor shall provide to the SBWMA copies within three (3) business days of receiving them.

5. Days and Hours of Operation

Contractor will operate the Composting Facility for the receipt of SBWMA's Plant and Organic Materials between the hours of 6:00 a.m. to 5:00 p.m., Monday through Friday, and on Saturday by prior appointment made the preceding Wednesday or before (but not more than one Saturday per month). Composting Facility will be closed on Sundays and Holidays. Contractor may not reduce the hours or total number of hours for acceptance of SBWMA's Plant and Organic Materials without the concurrence of the SBWMA except for reductions required by a change in a Permit subsequent to the Commencement Date.

6. Traffic Control and Direction

Contractor will direct on-site traffic to appropriate unloading areas and provide a safe working environment. Contractor will provide necessary signs and personnel to assist drivers to proper unloading areas. Contractor will operate the Compost Facility so that the conditions of the Maximum Vehicle Turnaround are met and the SBWMA's Transfer Company vehicles are processed, unloaded and exit without delay from the facility no longer than 30 minutes from arrival at the Contractor's scales. Contractor will not exceed this time more than 5 times per month. For each load exceeding the 30 minutes from arrival at the scale to exiting the scale over the five grace loads, the Contractor may be assessed liquidated damages equal to \$2.00 per minute for each minute of delay. The calculation of the times will be based on time stamp tickets at the scale house.

7. Scale Operation

a. Maintenance and Operation

Contractor will maintain State-certified scales that link to a centralized computer recording and billing system and that account for tracking of the origin, destination and tonnage of all incoming and outgoing loads. Contractor will operate scales during Compost Facility receiving hours

established in Section 5. Contractor will provide the SBWMA with access to weighing report promptly upon SBWMA's request.

b. Vehicle Tare Weights

When Transfer Company place new vehicles into service, Contractor will promptly weigh the new vehicle and determine its unloaded ("tare") weight(s). Contractor will record tare weight, hauler name, and vehicle identification number. Within 10 Working Days of weighing, Contractor will provide the SBWMA and Transfer Company with a report listing vehicle tare weight information. Contractor will have the right to request re-determination of tare weights of vehicles twice each Calendar Year. If there is reasonable suspicion or evidence that tare weights are not accurate, Transfer Company may request re-determination of tare weights, in which case Contractor will promptly re-determine tare weights for requested vehicles up to 4 times per Calendar Year. Contractor may update tare weights (at its own initiative) more frequently.

8. Testing

Contractor will test and calibrate all scales in accordance with Applicable Law, but at least every 12 months. Upon SBWMA request, Contractor will promptly provide the SBWMA with copies of test results. Contractor will further test and calibrate any or all scales within 3 Working Days of SBWMA direction. If test results indicate that the scale or scales complied with Applicable Law, the SBWMA will reimburse Contractor the Direct Costs of the tests. If the test results indicate that the scale or scales did not comply with Applicable Law, Contractor will bear the costs thereof and Contractor will at its own cost adjust and correct, consistent with the results of that test, all weight measurements recorded and Plant and Organic Materials Rates calculated, charged and paid, as the case may be, from the date of SBWMA's direction.

9. Weighing Standards and Procedures

Contractor will use the Composting Facility entry scale house(s) to weigh vehicles and charge Plant and Organic Materials Rates. Contractor will charge Transfer Company the Plant and Organic Materials Rates based on the Tonnage of SBWMA's Transfer Company deliveries to the Composting Facility. Contractor will weigh and record inbound weights of all Transfer Company's vehicles when the vehicles arrive at the Compost Facility and weigh and record outbound weights of vehicles for which Contractor does not maintain tare weight information. Contractor will provide each driver a receipt showing the date, time, and quantity of SBWMA's Plants and Organic Materials that the vehicle delivered to the Compost Facility.

10. Records and Reporting

Contractor will maintain scale records and reports that provide information including date of receipt; inbound time; origin, destination and weight of inbound and outbound loads; inbound and outbound weights of vehicles; and vehicle identification number.

Contractor will provide the SBWMA a detailed monthly report as described and exemplified in **Exhibit D**, Monthly Reporting to the SBWMA.

11. Safety

The Contractor will conduct operations of Compost Facility in a safe manner, in accordance with Applicable Law and insurance requirements provided in Article VI, Indemnity and Insurance.

12. Invoicing

On or before the 15th of each month, Contractor will invoice the SBWMA in amounts equal to the applicable Plants and Organic Materials Rates listed in **Exhibit C**. for the prior month's Plant and Organic Materials delivered to the Composting Facility. Invoices will be in a form satisfactory to SBWMA. All undisputed amounts shall be payable by SBWMA within 30 days of receipt of the invoice. For example, processing provided in July Contractor will invoice SBWMA on or before August 15 and payment will be due and payable by SBWMA on or before September 15. SBWMA shall, within five days of receipt of invoice, identify any disputed charges and communicate these to Contractor. Contractor may deliver to SBWMA a notice of late payment for

a given monthly invoice thirty-five calendar days after the date of generation of the invoice. Contractor's invoices shall be deemed delinquent if not paid within five (5) calendar days of the date of the notice of late payment. Thereafter, the delinquent invoice shall bear interest on the unpaid balance at a rate not to exceed one and one-third percent (1 1/3%) per month.

13. Right to Enter Facility and Observe Operations

The SBWMA and its designated representative(s) may enter, observe and inspect the Composting Facility at any time during operations; conduct studies or surveys of the Compost Facility; meet with the manager(s) or his or her representatives at any time; provided that the SBWMA and its representatives comply with Contractor's reasonable safety and security rules and will not interfere with the work of the Contractor or its subcontractors. However, if the Compost Facility manager or other management personnel are not present at the Compost Facility when the SBWMA or its designated representative(s) visit without prior announcement, Contractor may limit the visit of the SBWMA or its designated representative to the public areas of the facility. In that event, Contractor will arrange for SBWMA or its designated representative(s) to return for a visit of the complete Compost Facility within 24 hours of the SBWMA's visit. Upon SBWMA direction, Contractor will make personnel available to accompany SBWMA employees on inspections. Contractor will ensure that its employees cooperate with the SBWMA and respond to the SBWMA's reasonable inquiries.

V. CONTRACTOR COMPENSATION

1. General

The Contractor will perform all of its obligations, responsibilities and duties under this Agreement, including paying costs associated with obtaining and complying with all Permits; operating the Compost Facility in full compliance with Applicable Laws.

2. Processing Rate; Annual Rate Adjustments

The Contractor will be compensated on a per ton basis for Materials delivered by the Transfer Company and accepted by Contractor for Processing. Exhibit C, Rates, provides the initial Rates by Material Type. Such rates shall be increased annually as set forth in Exhibit C.

3. Special Rate Adjustments

- a) Contractor may request a special adjustment of Rates, over and above the CPI-based adjustment set forth in Exhibit C, in the event that either (or both) of the following occur after the date hereof: (1) any increase in Governmental Fees outside of Contractor's control, or (2) any change in Applicable Law.
- b) Contractor's request for a special Rate adjustment shall specify the event or circumstance giving rise to the request, Contractor's reasonable additional costs arising from or related to such event or circumstance, and the change in the Rates that Contractor proposes to cover such additional costs. Contractor shall provide SBWMA with such additional information as SBWMA may reasonably request to evaluate Contractor's request.
- c) With respect to an increase in Governmental Fees outside of Contractor's control, SBWMA shall notify Contractor of its determination regarding Contractor's request within 30 days after Contractor's submission. Contractor shall be entitled to a special Rate adjustment in an amount sufficient to cover Contractor's reasonable increased costs of providing Services resulting from such an increase in Governmental Fees, if Contractor provides reasonable justification (i) that such an increase occurred and resulted in such increased costs, and (ii) as to the amount of such increased costs.
- d) With respect to a change in Applicable Law, the parties shall negotiate in good faith to agree on a special Rate adjustment in an amount sufficient to cover Contractor's reasonable

increased costs of providing Services that are the effect of the change in Applicable Law. If after 30 days following Contractor's request the parties have not agreed on the special Rate adjustment, then Contractor shall have the right to terminate this Agreement by providing 120 days prior written notice to SBWMA.

- e) Any special Rate adjustment shall be established so as to allow Contractor to cover all costs provided for in such subsections, regardless of whether they were incurred before or after the effective date of such adjustment.

VI. INDEMNITY AND INSURANCE

1. Agreement Indemnification

a) Indemnification of the SBWMA

Contractor shall defend the SBWMA with counsel reasonably acceptable to the SBWMA and hold harmless and indemnify the SBWMA from and against any and all liabilities, costs, claims, and damages which are caused by the negligence, intentional wrongful acts, or failure to comply with applicable laws and regulations on the part of Contractor or Contractor's employees, officers, agents, subcontractors or consultants.

b) Indemnification of Contractor

The SBWMA shall defend Contractor with counsel reasonably acceptable to Contractor and hold harmless and indemnify Contractor from and against any and all liabilities, costs, claims and damages which are caused by the SBWMA's negligence, intentional wrongful acts, or failure to comply with applicable laws and regulations on the part of SBWMA or SBWMA's employees, officers, agents, subcontractors or consultants. The SBWMA shall not offer such indemnification to Contractor for Transfer Company's negligence or failure to comply with applicable laws and regulations.

2. Contractor Compliance

Contractor will comply with all requirements of Contractor's insurers and the insurance policies required under Article VI, Section 3 below. Carrying insurance will not relieve Contractor from any obligations under this Agreement. Nothing in this Agreement may be construed as limiting in any way the extent to which the Contractor may be held responsible for payments of damages to Persons or property resulting from Contractor's or any Subcontractors' performance of Services.

3. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Contractor shall furnish SBWMA with certificates of insurance evidencing the required coverage. The SBWMA and its employees, directors, officers, agents, and member entities will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

a) Worker's Compensation and Employer's Liability Insurance

Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will

comply with such provisions before commencing the performance of the work of this Agreement.

b) *Liability Insurance*

Contractor shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall protect Contractor and SBWMA, its employees, directors, officers, agents, and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to Contractor's negligence or willful misconduct for property damage which may arise from Contractor's work under this Agreement, whether such work be by Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

VII. DEFAULT AND TERMINATION

1. Default and Remedies

Each of the following shall constitute a default under this Agreement (a "Default"):

- a) Fraud or deceit.
- b) Failure to maintain insurance coverage described herein.
- c) Contractor violation of orders or filings of a regulatory body having a material impact on Contractor's ability to perform its obligations as required by this Agreement.
- d) Loss of Contractor's "composting facility" Permit.
- e) Failure to perform Services as required by this Agreement for two (2) consecutive days or more or for any seven (7) days in a period of 30 days.
- f) Failure to divert and Process Plant and Organic Materials as provided in Article IV, Section 1 of this Agreement.
- g) Failure of Contractor to provide reports and/or records as provided for in this Agreement.
- h) Any act or omission by Contractor which violates the terms of this Agreement.
- i) Any false or misleading representation of Contractor.
- j) Filing of a voluntary petition for debt relief.
- k) Bankruptcy of Contractor.
- l) Contractor's failure to provide assurance of performance.

Contractor shall be given 30 days from notification by the SBWMA to cure any of the foregoing Defaults arising under this Agreement, except that, if such Default is not capable of being cured within 30 days, then (a) upon prior notice by Contractor that it is invoking this provision, the cure period shall be extended for an additional 30 days, provided that Contractor diligently pursues cure, and (b) if before the end of such additional 30-day period, Contractor submits to SBWMA a plan of cure acceptable to SBWMA in its sole discretion, then the cure period shall be as set forth in such plan of cure, provided that Recology diligently pursues such cure.

In the event of Contractor's failure to cure said Default within the aforementioned cure period, the SBWMA may, at its option, immediately terminate this Agreement upon written notice to Contractor. This right of termination is in addition to any other rights of the SBWMA and the SBWMA's termination of this Agreement shall not constitute an election of remedies. Instead, it shall be in addition to any and all other legal and equitable rights and remedies the SBWMA may have.

2. Segregated Commercial Food Scraps Termination

The SBWMA reserves the right to terminate processing services of segregated Commercial Food Scraps only with written notice to the Contractor of not less than ninety (90) days.

VIII. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

1. Legal Status

Contractor is a corporation or LLC organized and operating under the laws of the State of California.

2. Authorization

Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Agreement. The Contractor has taken all actions required by law to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor has authority to do so.

3. Agreement Will Not Cause Breach

To the best of Contractor's and SBWMA's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement, nor the performance of this Agreement: (i) conflicts with, violates, or results in a breach of any applicable law; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument to which Contractor or SBWMA is a party or by which Contractor or SBWMA or any of its properties or assets are bound, or constitutes a default thereunder.

4. No Litigation

To the best of Contractor's knowledge, after reasonable investigation, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency, or instrumentality decided, pending, or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by the SBWMA in writing.

5. Ability to Perform

Contractor possesses the business, professional and technical expertise to manage, handle, treat, store, process, and recycle Plant and Organic Materials, and possesses the equipment, plant, and employee resources required to perform this Agreement.

IX. GENERAL PROVISIONS

1. Entire Agreement

This Agreement represents the full and entire Agreement between the SBWMA and Contractor with respect to the matters covered herein.

2. Force Majeure

Neither party shall be in default under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other labor disturbances or other catastrophic events which are beyond the reasonable control of Contractor. Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor is not an excuse from performance; provided, however, that labor unrest or job action directed at a third party over whom Contractor has no control, shall excuse performance.

A party claiming excuse under this Section must (i) have taken reasonable precautions to avoid being affected by the cause, and (ii) notify the other party in writing within 5 days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform.

3. Notice Procedures

All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below, e-mailed to the e-mail address below, or faxed to the fax number below, or sent via certified mail or Federal Express, or deposited in the United States mail, first class postage prepaid, addressed as follows:

SBWMA: **South Bayside Waste Management Authority**
Kevin McCarthy, Executive Director
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501

Contractor: **Recology Grover Environmental Products, Inc.**
Paul Yamamoto, Group General Manager
235 North First Street
Dixon, CA 95620
Phone: (707) 693-2103
Fax: (707) 678-5148

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

Notice shall be deemed given on the day it is personally delivered, e-mailed, or faxed, or, if mailed, three calendar days from the date it is deposited in the mail.

4. Independent Contractor

Contractor is an independent contractor and not an officer, agent, servant or employee of the SBWMA. Contractor is solely responsible for the acts and omissions of its officers, agents, employees and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between the SBWMA and Contractor. Neither Contractor nor its officers, employees, agents or subcontractors shall obtain any rights to retirement or other benefits which accrue to SBWMA employees.

5. Severability

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Agreement or any part thereof is, for any reason, held to be illegal, such decision shall not affect the validity of the remaining portions of this Agreement or any part thereof.

6. Waiver or Modification

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

7. Forum Selection

Contractor and the SBWMA stipulate and agree that any litigation relating to the enforcement or interpretation of this Agreement, arising out of Contractor's performance, or relating in any way to the work, shall be brought in California State Courts in San Mateo County.

8. Court Costs and Attorney Fees

In the event legal action is instituted by either party to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees and actual costs in connection with such action.

9. Counterparts and Facsimile Signatures

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. For purposes of this Agreement, each of the signatories hereto agrees that a facsimile copy of the signature page of the person executing this Agreement shall be effective as an original signature and legally binding and effective as an execution counterpart thereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

SBWMA:

DATED: _____, 2010

BY: _____

**Kevin McCarthy,
SBWMA EXECUTIVE DIRECTOR**

APPROVED AS TO FORM:

DATED _____, 2010

**Robert Lanzone,
SBWMA LEGAL COUNSEL**

CONTRACTOR:

DATED: _____, 2010

BY: _____

**Legal Representative,
(Contractor name)
TITLE**

EXHIBIT A **DEFINITIONS**

Actions means all actions including claims, demands, causes of action, suits, mediation, arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial, governmental or administrative in nature and whether threatened, brought, instituted or settled.

Affiliate means all businesses (including corporations, limited and general partnerships, and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect Ownership interests or common management shall be deemed to be "**Affiliated with**" Contractor and included within the term "**Affiliates**" as used herein. An Affiliate shall include a business in which Contractor Owns a direct or indirect Ownership interest, a business which has a direct or indirect Ownership interest in Contractor and/or a business which is also Owned, controlled, or managed by any business or individual which has a direct or indirect Ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

Agency/Agencies means any one of the public entities which are signatories to the Joint Exercise of Powers Agreement of the South Bayside Waste Management Authority (SBWMA).

Agreement means this Agreement between the SBWMA and Contractor, including all exhibits, schedules and attachments (which are hereby incorporated in this Agreement by this reference), as this Agreement may be amended and supplemented.

Applicable Law means all law, statutes, rules, regulations, guidelines, Permits, actions, determinations, orders, approvals or requirements of the United States, State, regional or local government authorities, agencies, boards, commissions, courts or other bodies having applicable jurisdiction, that from time to time apply to or govern Services or the performance of the Parties' respective obligations under this Agreement.

Assign means:

- (i) selling, exchanging or otherwise transferring effective control of management of the Contractor (through sale, exchange or other transfer of outstanding stock or otherwise);
- (ii) issuing new stock or selling, exchanging or otherwise transferring 20% or more of the then outstanding common stock of the Contractor;
- (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of Ownership or control of Contractor;
- (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment of an execution, being levied against Contractor, appointment of a receiver taking possession of any of Contractor's tangible or intangible property;
- (v) any combination of the forgoing (whether or not in related or contemporaneous transactions) which has the effect of any that transfer or change of Ownership or control of Contractor.

Calendar Year means a successive period of 12 months commencing on January 1 and ending on December 31.

Commencement Date means the later date of execution by the SBWMA or Contractor on the execution page of this Agreement.

Composting Facility means the facility that will process, compost, and market the Plant and Organic Materials from SEC.

Compost or **Compost Products** means the resultant product of the Compost Process (composting, curing and screening process conducted by the Composting Facility). The compost shall be dark in texture, have an earthy aroma, be neutral pH, and have the chemical profile of sufficient quality to pass the U.S. Composting Council Seal of testing Assurance - Landscape Architectural Specification for Compost Use, Specification for Turf Establishment found in **Exhibit F**.

Compost Process means the compost process operated as described in the facility's Report of Compost Site Information that is submitted to the CIWMB. The process shall be managed to provide aeration, moisture and sufficient time and temperature so to produce Compost Product.

Contamination or **Contaminant** means any man-made non-organic fraction that is delivered to the compost facility with Organic Materials and must be removed to make the product acceptable to the market.

Contractor means Recology Grover Environmental Products, Inc., a corporation organized and operating under the laws of the State of California.

Contractor Default has the meaning provided in Article VII.

Direct Cost means Contractor's reasonable costs incurred for materials testing, sorting, or cleaning. Direct Cost of labor and equipment use does not include profit, overhead or administrative expense.

Diversion (Divert) means to divert from Disposal or use anywhere at or on a landfill through source reduction, reuse, recycling, composting.

Food Scraps means a subset of Organic Materials including: (i) all kitchen and table food waste, and all animal, vegetable, fruit, grain, dairy or fish waste that attends or results from the storage, preparation, cooking or handling of foodstuffs, with the exception of animal excrement, (ii) paper waste contaminated with putrescible material, and (iii) biodegradable plastic food service ware.

Goods or Services means all goods or services used in providing Services, including labor, leases, subleases, equipment, supplies and capital related to furnishing Services; insurance, bonds or other credit support if the insurer is an Affiliate or a captive of Contractor or any Affiliate; and legal, risk management, general and administrative services.

Governmental Fees are fees or taxes imposed upon Composting Facility by any governmental body or Regulatory Agency, other than those imposed upon the Composting Facility in connection with the repair, remediation, improvement, addition, or expansion of the Composting Facility.

Holidays are defined as New Year's Day, Labor Day, 4th of July, Thanksgiving Day, and Christmas Day.

Hazardous Substance means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "hazardous substances", "hazardous materials", "hazardous wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated there under to such enumerated statutes or acts

currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable federal, state or local environmental laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

Household Hazardous Waste means any Hazardous Substance generated incidental to owning or maintaining a place of residence, excluding any Hazardous Substance generated in the course of operation of a business concern at a residence, in accordance with Section 25218.1 of the California Health and Safety Code.

Liabilities means all liabilities, including:

- (i) Actions;
- (ii) Awards, judgments and damages, both: (a) actual damages, whether special and consequential, in contract or in tort, such as natural resource damages, damage for injury to or death of any Person; and damage to property; and (b) punitive damages;
- (iii) Contribution or indemnity claimed by Persons other than the Parties;
- (iv) Injuries, losses, debts, liens, liabilities,
- (v) Costs, such as response remediation and removal costs,
- (vi) Interest,
- (vii) Fines, charges, penalties, forfeitures and
- (viii) Expenses such as attorney's and expert witness fees, expenditures for investigation and remediation, and costs incurred in connection with defending against any of the foregoing or in enforcing Indemnities.

Material Type means segregated Plant Materials, segregated Wood Waste, segregated Food Scraps or Organic Materials (Commingled Plant Materials & Food Scraps).

Maximum Vehicle Turnaround Time means a monthly average of 30 minutes, measured from the time a vehicle enters either the Composting Facility property and until it exits the Composting Facility property, including but not limited to gross and net weights, tipping and transportation throughout the facility.

Member (Member Agency) means any one of the public entities of the Joint Exercise of Powers Agreement South Bayside Waste Management Authority.

Rate means the amount established under Article V, Contractor Compensation and Exhibit C, Plant and Organic Materials Rates, of this Agreement to be charged to the SBWMA by Contractor for Processing of Plant and Organic Materials.

Monthly Report is described in Article IV, Section 10 and Exhibit D, Monthly Reporting.

Organic Materials means those materials that will decompose and/or putrefy and includes Plant Materials, Food Scraps, and Wood Waste.

Ownership has the meaning provided under the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986 *except* that (1) 10 percent is substituted for 50 percent in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; (2) Section 318(a)(5)(C) is disregarded; (3) ownership interest of less than 10 percent is disregarded; and (4) percentage interests is determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

Party or Parties refers to the SBWMA and Contractor, individually or together.

Permits means all federal, State, SBWMA, other local and any other governmental unit permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law to be obtained or maintained by any Person with respect to Services, as renewed or amended from time to time.

Person(s) includes an individual, firm, association, organization, partnership, corporation, trust, joint venture, the United States, the State, local governments and municipalities and special purpose districts and other entities.

Plant Materials means a subset of Organic Materials consisting of grass cuttings, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees (not more than six (6) inches in diameter) and five (5) feet in length, and similar materials generated at Premises, separated from Solid Waste and other Organic Materials. Plant Materials does not include materials not normally produced from gardens or landscape areas, such as brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood products.

Regulatory Agency means any federal, State or local governmental agency, including California Department of Transportation, California Department of Motor Vehicles, EDD, U.S. Immigration and Naturalization Services, California Air Resources Board, regional water quality management districts, California Department of Toxic Substances, CIWMB, the Local Enforcement Agency, federal and State Environmental Protection Agencies and other federal or State health and safety department, applicable to Services.

Records means all ledgers, book of account, invoices, vouchers, canceled checks, logs, correspondence and other records or documents of Contractor evidencing or relating to Rates, tonnage of Plant and Organic Materials, satisfaction of Contractor's obligations under this Agreement and performance of the terms of this Agreement, damages payable under this Agreement and Contractor Defaults.

Solid Waste means and includes all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, as defined in California Public Resources Code §40191 as that section may be amended from time to time. For the purposes of this Agreement, "Solid Waste" does not include Hazardous Substances, low-level radioactive waste, medical waste, or Organic Materials.

South Bayside Waste Management Authority (SBWMA) means the joint powers authority created under Government Code Section 6500 et seq. by an agreement dated October 13, 1999 among the Town of Atherton, the cities of 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.

SEC means the Shoreway Environmental Center (SEC) located at 225 Shoreway Road and 333 Shoreway Road and any other building and improvement located at these addresses in San Carlos, California (including the administration and vehicle repair and maintenance building) as its Facilities to be utilized under this Agreement.

Subcontractor means any Person to which Contractor subcontracts any portion of the Services, whether pursuant to formal, written agreement or otherwise.

Term is defined in Article III, Section 1.

Ton (or Tonnage) means a short ton of 2,000 standard pounds where each pound contains 16 ounces.

Transfer (or Transferring or other variations thereof) means transferring of Plant and Organic Materials at the SEC, if any, from residential collection vehicles, commercial collection vehicles and self-haulers into Transport vehicles.

Transfer Company means the Person that SBWMA directs pursuant to the Operating Agreement to Transport Plant and Organic Materials from the SEC to the Composting Facility.

Transfer Vehicle means a tractor and trailer designed to haul Plant and Organic Materials from SEC to the Composting Facility.

Transport (or Transportation) means the transportation of Plant and Organic Materials from SEC to the Composting Facility.

Violation means any notice, assessment or determination of non-compliance with Applicable law from any Regulatory Agency to Contractor, whether or not a fine or penalty is included, assess, levied or attached.

Wood Waste means a subset of Organic Materials consisting of pieces of unpainted and untreated dimensional lumber, and any other wood pieces or particles generated from the manufacturing or production of wood products, harvesting, processing or storage of raw wood materials, or construction and demolition activities.

EXHIBIT B
CONTRACTOR SERVICES

The Contractor will provide the following services to the SBWMA

a) Process the following types of Plant and Organic Materials

- Segregated Plant Materials
- Segregated Wood Waste
- Segregated Food Scraps
- Organic Materials (commingled Plant Materials and Food Scraps)

b) General Services

1. Subject to Contractor's right to reject Contaminated loads, Contractor will receive Plant and Organic Materials delivered by the SBWMA's Transfer Company from the SEC or directly by collection truck by the SBWMA's contractor for collection services.
2. Accepted Plant and Organic Materials will be weighed in using certified scales located at the Composting Facility and tracked by Material Type accepted;
3. Plant and Organic Materials accepted by Contractor shall be diverted and Processed as provided in Article IV, Section 1 of this Agreement.
4. Contractor shall market finished Compost and other products manufactured from Plant and Organic Materials and shall be entitled to retain all proceeds thereof.

c) Finished Compost to Member Agencies

At SBWMA's request, Contractor will provide finished Compost free of charge to Member Agencies up to the amount set forth on Exhibit C, Table 1 under "Compost Give Back Program." If such allocation is not fully utilized in a given calendar year, the excess may not be carried over to a subsequent year. Contractor will be responsible for the costs of loading trucks, provided by the SEC, with finished compost product. Compost quality will meet the U.S. Compost Council Seal of Testing Assurance in **Exhibit F**.

EXHIBIT C RATES

a) Rates

Contractor will be compensated per ton for Plant and Organic Materials delivered to the Compost Facility based on the Material Type in **Table 1**.

b) Annual Rate Adjustments

The Rates outlined in **Table 1** are for the period January 1, 2011 through December 31, 2011. Such rates will be adjusted annually as shown below, effective January 1 of each year of the term, including extensions.

Table 1			
Processing Rates			
Material Type	\$/Ton Rates per Tonnage Bracket		
<u>Contract Minimum Tonnage (annual)</u>		<u>60,001</u>	<u>80,001</u>
<u>Contract Maximum Tonnage (annual)</u>	<u>Up to 60,000</u>	<u>80,000</u>	<u>100,000</u>
Segregated Plant Materials (up to 100% of contract tonnage)	\$28/ton	\$27/ton	\$24.50/ton
Segregated Wood Waste, Brush, Logs and Branches (up to 100% of contract tonnage)	\$26/ton	\$21/ton	\$18/ton
Segregated Food Scraps (up to 25% of contract tonnage)	\$44/ton	\$44/ton	\$44/ton
Organics Materials (commingled Plant Materials-and Food Scraps (up to 100% of contract tonnage)	\$32/ton	\$32/ton	\$32/ton
Compost Give Back Program (Number of one-cubic foot bags per year)	3,000	5,250	7,500
Contamination Levels - Rate Adjustments			
Contamination (by weight) under 2.5%	5%/ton	Decrease per ton to rates listed above (For segregated food scraps only)	
Contamination (by weight) from 2.5% to under 5%	Base Rate (above Rate per Tonnage Bracket based on this level of contamination)		
Contamination (by weight) from 5% to 10%	10%/ton	Increase per ton to rates listed above (Excluding segregated food scraps)	

Commencing January 1, 2012 and thereafter on each January 1, this Agreement is in effect, including any extension years, the rates stated above shall be increased by 90% of the change in the value of the All Urban Consumers Index (CPI-U), All Items, for the San Francisco-Oakland-San Jose, CA, Base Period 1982 – 1984 = 100, not seasonally adjusted, compiled and published by the U. S. Department of

Labor, Bureau of Labor Statistics (or its successor) for the previous October and its value twelve months before.

c) Contamination Level

Contractor shall be entitled to reject any load with greater than 10% Contamination by weight or any load which appears to contain any quantity of Hazardous Substances. Any load containing in excess of 10% Contamination shall be classified as Solid Waste and loaded onto the Transfer Company's vehicles for backhaul to the SEC at no cost to Contractor.

d) Negotiated Disposal for Excessive Contaminated Loads

For loads that exceed the 15% Contamination threshold as described in **Exhibit E**, but which are salvageable by sorting Contamination out of the load, the SBWMA can choose to have the Contractor sort contamination from the load so that it falls below the 15% threshold. For loads that are sorted to remove excessive Contamination, the SBWMA will reimburse Contractor on a time and materials basis for the Direct Cost of handling of the excessive Contamination (e.g., sorting, transportation and disposal).

EXHIBIT D

MONTHLY REPORTING

Contractor will provide the SBWMA a monthly report that summarizes monthly the inbound/outbound materials, a materials mass-balance by supplier, and material market outlets as well as the detail scale reports and other documentation that supports the data in the summary report. A sample summary report is provided below titled **Report A**. The Contractor shall provide and the SBWMA shall approve the report structure. An example of such a report is below.

Report A

	Jan-09	Feb-09	Mar-09
Plant/Food Waste Reserved for non-ADC use*			
SBWMA	6,999	4,921	6,336
Fremont	2,042	1,605	2,515
ACI	1,455	1,035	1,576
Contra Costa	1,092	1,497	1,173
Union City	528	398	708
Milpitas	429	317	570
Santa Clara Hauling	411	364	428
PSS	214	214	218
Daly City	18	-	-
Builders Debris	8	17	32
Total Tons for Non-ADC Applications	13,197	10,368	13,556
Less: Residual	(168)	(162)	(174)
Adjusted Total Tons (requiring non-ADC use)	13,029	10,206	13,382
Approved Applications (requiring non-ADC use)			
Biomass Fuel (SRDC Direct to Biofuel, Inc.)	787	831	1,104
On-Site Composting	11,602	8,508	12,474
Off-Site Composting/Soil Amendment	1,317	1,508	1,505
Off-Site Erosion Control Mulch	-	-	-
Anaerobic Digestion/Cogeneration	25	60	44
Total Tons used for non-ADC purposes	13,731	10,907	15,127

*Not limited to tonnage with Contract Restrictions on ADC use

EXHIBIT E

CONTAMINATION MEASUREMENT METHODOLOGY

a) Excess Contamination in Plant and Organic Materials

The Contractor is expected to successfully process Plant and Organic Materials delivered from the SEC.

If upon visual inspection of an inbound load, the Contractor believes it exceeds the Contamination threshold of 10% by weight, the Contractor has the right to isolate the load and immediately contact a designated representative from both the Transfer Company and the SBWMA prior to conducting any Contamination sampling. Representatives of the Transfer Company and the SBWMA will be provided the opportunity to inspect the isolated load within six (6) business hours of being notified by the Contractor. If the Collection Contractor or the SBWMA is interested in observing the sampling and testing of the load, the Contractor will schedule time for sampling that is within eight (8) business hours of having provided notification.

If the measured Contamination level for the load, as determined by the methodology, does not exceed 10% by weight, then Contractor (1) shall Process the load as required by the Agreement, and (2) shall be responsible for the cost of the Contamination measurement procedure.

If the measured Contamination level for the load, as determined by the methodology, exceeds 10% by weight, then (1) Contractor shall load the materials onto the Transfer Company's vehicle for back haul to the SEC at no cost to Contractor, and (2) SBWMA shall reimburse Contractor for the Direct Cost of the Contamination measurement procedure.

If SBWMA requires Contractor to conduct Contamination sampling on a given load, SBWMA shall reimburse Contractor for the Direct Cost of the Contamination measurement procedure, regardless of the measured Contamination level for the load.

b) Contamination Measurement Methodology

If the Contractor identifies excessive Contamination in a load, the following methodology for quantifying the Contamination level will be followed:

1. **Objective**—describes the purpose of the methodology.
2. **Sampling rationale**—defines which loads will be sampled.
3. **Sampling allocation**—describes the number of samples required to provide a sufficient level of accuracy in findings.
4. **Test procedures**—describes sampling and sorting activities for each load.
5. **Sorting categories**—describes the sorting categories.
6. **Calculations**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. *sample data collection forms*
3. *equipment list*

Objectives

This methodology is designed to estimate the Contamination level (as a percentage by weight of the entire load) in an individual load from one of the four (4) inbound Material Types.

- Segregated Plant Materials
- Segregated Wood Waste
- Segregated Food Scraps
- Organic Materials (commingled Plant Materials and Food Scraps)

The methodology described is intended to produce consistent and reliable estimates of the Contamination level of individual loads. In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

Sampling rationale

Loads may be selected for sampling when observation of the load by SBWMA or Contractor indicates that it may exceed the allowed Contamination level. A sampling process will be used to determine the measured Contamination level in individual loads.

Sampling allocation

Approximately five (5) samples, each weighing approximately one hundred and fifty (150) pounds, are required from an individual load in order to calculate the measured Contamination level with a sufficient level of accuracy. It is expected that a two (2) person crew can obtain, sort, and weigh five (5) samples in a five (5) to seven (7) hours period.

Test procedures

Test procedures are broken down into the following steps, which shall be used by SBWMA, or a third party designated by the SBWMA.

- Safety training and staff coordination
- Sampling and sorting area designation
- Sample selection
- Sample sorting
- Sample disposal
- Data management

These steps are described in more detail following the definitions of roles. Each step is the responsibility of a specific person or group of people as follows:

- **sampling crew manager**—responsible for selecting samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- **sampling crew**—responsible for sorting samples.
- **facility manager**—responsible for coordinating with the *sampling crew manager*.
- **tipping floor staff**—responsible for identifying loads potentially Contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)**—responsible for segregating the selected the load from other loads in the designated sampling and sorting area.

Safety training and staff coordination

When the *sampling crew manager* and the *sampling crew* arrive at the Composting Facility they will participate in any required safety training and put on all required personal protective equipment (see the *equipment list* shown in Appendix 3). The *sampling crew manager* will also walk through the process of extracting samples from the designated load with both the *loader operator(s)* and the *tipping floor staff*.

Sampling and sorting area designation

With the input of the *tipping floor staff* and the *loader operator(s)*, the *sampling crew manager* and *sampling crew* will set up in the designated sampling and sorting area near the tipping floor. The sorting area should be in a location near the load to be sampled and from which the loader can safely remove samples after sorting.

Sample selection

Five (5) cells will be randomly selected for sampling from each load using a random number generator.

The *sampling crew manager* will assist the *loader operator* in locating the appropriate cell for each sample using the sample cell map in Figure 1 below.

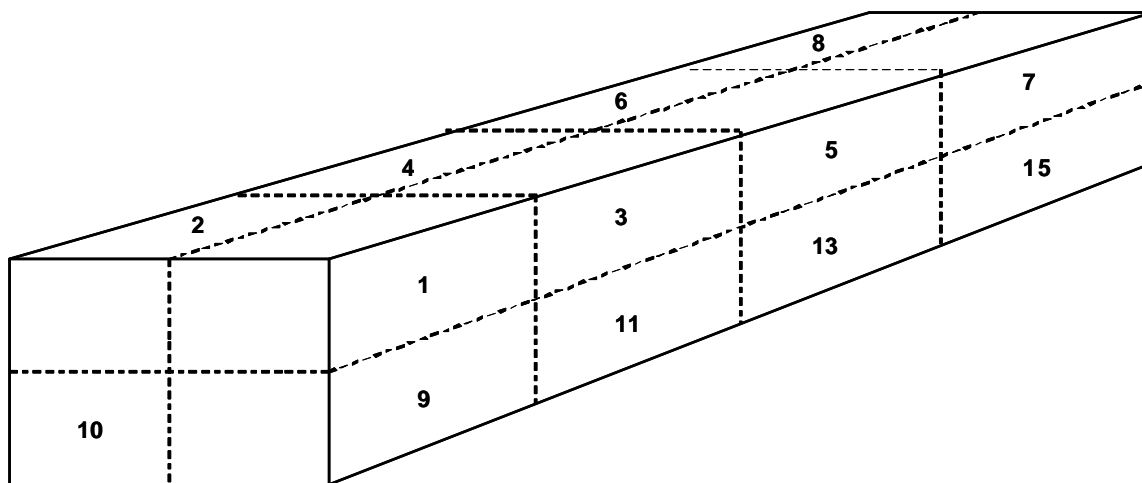
After the loader has extracted the material in the selected cell, the *sampling crew manager* will guide the loader to a designated tarp. Using visual cues the *sampling crew manager* will ensure the *loader operator(s)* deposits the proper quantity of material on the tarp. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket cannot collect.

Pulling the tarp is a basic test used to estimate sample weight.¹ If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by removing or adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted but samples must be prevented from mixing with each other and with other material on the tipping floor. The *sampling crew manager* will place a unique sample placard on each sample for a photograph and, if the sample is not immediately sorted, for later identification. The placard is marked with a unique sample identification number and additional information (such as the date) used to identify loads in photographs and correlate load net weights with sample details. Each placard will be coded according to its corresponding sampling population (e.g., 'SPM-1' indicates the first load of segregated Plant Material). Each load will be photographed individually with the sample placard visible and legible.

Figure 1: Sixteen (16) cell grid

(Cells 12, 14 and 16 are below cells 4, 6 and 8, respectively)



Sample sorting

The sample identification number, as designated by the placard, will be recorded on the tally form (see Appendix 2 for an example of this form.) The sample will be moved into the designated sorting area. Next, the *sampling crew* will sort the Contamination materials, as defined in Appendix 1, out of the load and into sort containers. The *sampling crew* will then weigh the Contamination materials while the *sampling crew manager* records the weights on the tally form. The remainder of the load—all acceptable items—will be put into containers, weighed, and recorded on the tally form. The *sampling crew manager* is responsible for monitoring the homogeneity of material in each container and ensuring the accuracy of the sorting process. At the end of each sampling day the *sampling crew* will comply with any *tipping floor staff*

directions regarding cleaning the designated sampling and sorting area and storing sampling and sorting supplies.

Sample disposal

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* will move the sorted material to a location where it is safe and convenient for the loader to remove.

Data management

At the end of each sampling day, the *sampling crew manager* will review all forms for accuracy and completeness. Any issues shall be resolved immediately while the day's work is still fresh in the mind. To ensure the tally forms are not lost before inputting the data into an electronic form, copies shall be made of all completed forms and copies will be kept in a place separate from the originals. One copy of the forms will be mailed or hand delivered to the person inputting the data into an electronic form.

The appendices cover calculations, data collection forms, and an equipment list for this study.

Sorting categories

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

- 1) Contamination
- 2) Acceptable materials (i.e., segregated Plant Materials, segregated Wood Waste, segregated Food Scraps or Organic Materials)

Calculations

Estimates of Contamination will be calculated using a method that gives equal weighting or "importance" to each sample within a given load.

In the descriptions of calculation methods, the following variables will be used:

- i denotes an individual sample.
- j denotes the Material Type.
- c_j is the weight of the Material Type j in a sample.
- w is the weight of an entire sample.
- r_j is the composition estimate for material j (r stands for *ratio*).
- a denotes a region of the state (a stands for *area*).
- s denotes a particular sector or subsector of the waste stream.
- n denotes the number of samples in the particular group that is being analyzed at that step.

Estimating the Composition

The following method will be used to estimate the composition of waste belonging to the target materials.

For a given load, the composition estimate denoted by r_j represents the ratio of the component's weight to the total weight of all the samples in the load. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given load and dividing by the sum of the total weight of waste for all of the samples in that load, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \quad (1)$$

where:

- c = weight of particular component
- w = sum of all component weights
- for $i = 1$ to n , where n = number of selected samples
- for $j = 1$ to m , where m = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

	Sample 1	Sample 2	Sample 3
Weight (c) of carpet	5	3	4
Total Sample Weight (w)	80	70	90

$$r_{Carpet} = \sum \frac{5 + 3 + 4}{80 + 70 + 90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05 or 5 percent (5%). In other words, 5 percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\text{Var}(r_j) \approx \left(\frac{1}{n}\right) \left(\frac{1}{\bar{w}^2}\right) \left(\frac{\sum_i (c_{ij} - r_j w_i)^2}{n-1}\right) \quad (2)$$

where:

$$\bar{w} = \frac{\sum_i w_i}{n} \quad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm (z \sqrt{\text{Var}(r_j)}) \quad (4)$$

where z = the value of the z-statistic (1.645) corresponding to a 90 percent (90%) confidence level.

Sampling Methodology Appendix E-1

Methodology Checklist

a) Roles and responsibilities

- **Sampling crew manager**—responsible for selecting samples, working with Facility staff and the sampling crew, quality control, and compliance with Facility regulations.
- **Sampling crew**—responsible for sorting samples.
- **Facility manager**—responsible for coordinating with the sampling crew manager, SBWMA, and drivers.
- **Tipping floor staff**—responsible for identifying loads potentially Contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **Loader operator(s)**—responsible for segregating the selected load from other loads in the designated sampling and sorting area.

b) Advanced preparation

Project manager:

- Contact *facility manager*
Ask *facility manager* to update the following employees with the sampling plan:
 - Loader operator(s)*
 - Tipping floor staff*
- Request safety expectations
- Schedule safety training
- Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)
- Obtain safety gear (Appendix 3)
 - Check safety gear
- Obtain sorting equipment (Appendix 3)
 - Check sorting equipment
- Print tally sheets (Appendix 2)
 - Print on “**Rite in the Rain**” all-weather paper

Sampling crew and sampling crew manager

- Review material list
- Review data collection forms
- Review unique site requirements

c) Arrival at Facility

Sampling crew:

- Arrive at Facility ahead of schedule
- Participate in any required safety training
- Don safety gear

Sampling crew manager

- Arrive at Facility ahead of schedule
- Reviews logistics and expectations with MRF manager
- Participate in any required safety training
- Don safety gear

d) Tipping floor coordination

Sampling crew manager:

- Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
 - *Loader operator(s)* can visually communicate with sampling crew
 - *Loader operator(s)* can safely remove sorted loads
 - Approximately twenty (20) feet by twenty (20) feet
- Explain and walkthrough the sampling process with both the *tipping floor staff* and the *loader operator(s)*
 - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
 - Explain that the *sampling crew manager* is responsible for identifying the portion of the load that the *loader operator(s)* will sample
 - Explain the appropriate samples size (150 pounds)
 - Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin

Sampling crew:

- Set up designated sampling sorting area
 - Sorting table
 - Baskets
 - Digital scale(s)

e) Sample collection

Tipping floor staff:

Sampling crew manager:

- Direct *loader operator(s)* to pre-selected sampling cell
- Direct *loader operator(s)* to designated tarpaulin
- Signal *loader operator(s)* with tipping instructions
- Pull tarp to test for appropriate sample weight
- Place placard in the load
- Photograph load (Placard should be visible and legible)
- Wrap and segregate load until ready to sort

Loader operator(s):

- Pinch/scoop sample, as directed by the *sampling crew manager*
- Tip sample on designated tarpaulin, as directed by the *sampling crew manager*

Sampling crew:

- May assist *sampling crew manager* at any point

f) Sample sorting

Sampling crew:

- Move the sample into the designated sampling/sorting area
- Sort the sample
 - Sort Contamination materials into designated baskets
- Assist the *sampling crew manager* with weighing the baskets
- Assist the *sampling crew manager* with weighing the remainder material

Sampling crew manager:

- Record the sample ID onto the tally sheet
- Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
- Sort the sample

- Sort all Contamination material into designated baskets
- Weigh baskets containing Contamination materials, and record weights on the tally sheet
- Ensure homogeneity of materials
- Weigh remainder material and record weights on the tally sheet
- Ensure all Contamination materials are removed

g) Sample disposal

Sampling crew manager and sampling crew:

- Dispose of all materials in a designated disposal area

Loader operator(s):

- Remove disposed materials when it is safe and convenient

h) Data management

Sampling crew manager:

- Review all forms for accuracy and completeness
Tally sheet(s)

Project manager:

- Check all forms for accuracy and completeness
Tally sheet(s)
- Copy all data forms
Store copies separate from the originals
- Download pictures from camera
- Provide copies of data for electronic input
- Ensure data entry is checked for accuracy

**Sampling Methodology
Appendix E-2**

Data Collection Forms

Appendix consists of copies of each of the following two (2) data collection forms:
sampling placard
tally sheet

Figure 2: Example sampling placard


Date: _____

Jurisdiction: _____

SPM – 1

Cell 13

Figure 3: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling					 <small>South Bayside Waste Management Authority</small>	
CONTAMINANTS	Container 1					
	Container 2					
	Container 3				DATE:	SAMPLE ID:
	Container 4				SAMPLING POPULATION:	SAMPLE WEIGHT:
	Container 5				TIME:	TRUCK NO.:
	Container 6				LOAD NO.:	CELL NO.:
	Container 7				NOTES: 	
	Container 8					
	Container 9					
	Container 10					
ACCEPTABLE	Container 1					
	Container 2					
	Container 3					
	Container 4					
	Container 5					
	Container 6					
	Container 7					
	Container 8					
	Container 9					
	Container 10					

Sampling Methodology Appendix E-3

Sampling Equipment List

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

Sorting equipment:

- Approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to two hundred (200) pounds, accurate to one-tenth (1/10) of a pound)
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- data collection forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

Safety equipment:

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments

EXHIBIT F
COMPOST QUALITY SPECIFICATION

**U.S. Composting Council Seal of Testing Assurance
Landscape Architectural Specification for Compost Use
Specification for Turf Establishment**

[to be inserted]



AGREEMENT FOR PLANT AND ORGANICS MATERIALS PROCESSING SERVICES

Between the

**South Bayside Waste
Management Authority**

&

**Browning-Ferris Industries of
California, Inc.**

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Exhibits

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AGREEMENT FOR PLANT AND ORGANICS MATERIALS PROCESSING SERVICES

This Agreement is made and entered into as of the **1st day of January, 2011** by and between the **South Bayside Waste Management Authority** a California Joint Powers Authority hereinafter "SBWMA", and **Republic Services**, hereinafter "Contractor".

I. RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

1. That SBWMA desires to engage Contractor to render processing services for Plant and Organics Materials generated from the SBWMA Member Agencies;
2. That Contractor is qualified to provide such services to the SBWMA; and
3. That SBWMA has elected to engage the services of Contractor upon the terms and conditions as hereinafter set forth.

II. DEFINITIONS

In this Agreement, capitalized words and certain lower case words have the meanings defined in **Exhibit A**.

III. TERMS AND CONDITIONS OF AGREEMENT

1. Effective Date

The Effective Date of the Agreement shall be October 31, 2010.

2. Term of Agreement

The Term of the Agreement shall begin on the Effective Date and shall continue for a period of four (4) years, through December 31, 2014. The end of the term may be extended by mutual agreement for two (2) one year periods upon written notice by the SBWMA and acceptance of such request by Contractor. Contractor's obligation to begin accepting Plant and Organic Materials shall commence on January 1, 2011.

3. Conditions to Effectiveness of Agreement

The obligation of the Contractor to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of the condition set out below:

- a) Authority's approval through field certification or auditing of the Contractor's operational plan to ensure compost overs are put to beneficial use, exclusive of any use for alternative daily cover.

IV. OBLIGATIONS OF CONTRACTOR

1. Scope of Processing Services

The services to be performed by Contractor under this Agreement shall be to accept, process, and market Plant and Organics Materials generated from the SBWMA's Member Agencies and the Shoreway Environmental Center (SEC) as described further in **Exhibit B**, Contractor Services on the same terms and conditions set forth in Exhibit B (such services, "**Services**").

On a daily basis, the SBWMA shall deliver and the Contractor shall receive a minimum average of 100 tons per day up to a maximum average of 300 tons per day (based on a 30 day rolling average) to the Compost Facility. In aggregate, the SBWMA shall deliver a minimum of 40,000 tons per year. The Contractor and the

SBWMA are only obligated to receive and deliver materials on days that the Compost Facility is operating (as described in Section 5, Days and Hours of Operations).

100% of the Plant and Organic Materials Processed by Contractor shall be diverted from use anywhere at a landfill and shall not be used as Alternative Daily Cover (“ADC”) or for other uses at a landfill. “**Processed**” means subjected to a process to transform Plant and Organic Materials into a Compost Product, a mulch product for land application (other than at a landfill), or for use as biofuel, anaerobic digestion or other conversion technologies (in accordance with CIWMB regulations so that such materials are considered diverted and recycled), and includes removal of all (other than trace amounts) Solid Waste and other materials that are not Plant or Organic Materials (collectively, “**Residue**”). Only Residue may be landfilled or used as ADC and Residue shall not include any organic materials that result from the compost process (including compost overs).

2. Permits and Compliance

Contractor will comply with all Permits, including any mitigation measures related to the operation and maintenance of the Compost Facility. Contractor is solely responsible for paying any fines or penalties imposed for noncompliance with or violation of Permits or failure to obtain Permits for the Compost Facility.

Contractor shall have a permitted Composting Facility that is permitted as a “Composting Facility” with the Department of Resources Recycling and Recovery and maintain this designation throughout the term of this Agreement. The Composting Facility Permit must include the ability to accept mixed and source separated food waste. Contractor must notify SBWMA before accepting any shipments from the SBWMA if there is any change in the Compost Facility permit status. Loss of Permit shall be considered a breach of this Agreement contract, unless otherwise excused by force majeure or this Agreement, and will entitle the SBWMA to immediately terminate this Agreement on written notice to the Contractor.

3. Compliance with all Applicable Laws and Regulations.

Contractor shall comply with all Federal, State, and/or Local Regulations.

4. Notifications of Violations.

Contractor shall provide copies of any notices of violation that it or any of its subcontractors receive from any regulatory agency during the term of this Agreement pertaining to operation of the Compost Facility. Contractor shall provide to the SBWMA copies of such notices within three (3) business days of receiving them.

5. Days and Hours of Operation

Contractor will operate the Composting Facility for the receipt of SBWMA’s Plant and Organics Materials between the hours of 6:00 a.m. to 5:45p.m., Monday through Friday and from 6:00a.m. to 3:45p.m., on Saturday. The Composting Facility will be closed on Sundays and Holidays. Contractor may not reduce the hours or total number of hours for acceptance of SBWMA’s Plant and Organics Materials without the concurrence of the SBWMA except for reductions required by a change in a Permit subsequent to the Commencement Date.

6. Traffic Control and Direction

Contractor will direct on-site traffic to appropriate unloading areas and provide a safe working environment. Contractor will provide necessary signs and personnel to assist drivers to proper unloading areas. Contractor will operate the Compost Facility so that the conditions of the Maximum Vehicle Turnaround are met and Transfer Company vehicles are processed, unloaded and exit without delay. Contractor will not exceed the Maximum Vehicle Turnaround time more than five (5)

times per month. For each load exceeding the 30 minute average from arrival at the scale to exiting the scale over the five load per month limit, which are not due to rest breaks, other delays while on Contractor's site by Transfer Company personnel, Transfer Company equipment malfunction, or force majeure, the Contractor may be assessed liquidated damages equal to \$2.00 per minute for each minute of delay. The calculation of the times will be based on time stamp tickets at the scale house.

7. Scale Operation

a) Maintenance and Operation

Contractor will maintain State-certified scales that link to a centralized computer recording and billing system and that account for tracking of the origin, destination and tonnage of all incoming and outgoing loads. Contractor will operate scales during Compost Facility receiving hours established in Section 5. Contractor will provide the SBWMA with access to scale weight reports promptly upon SBWMA's request.

b) Vehicle Tare Weights

When Transfer Company places new vehicles into service, Contractor will promptly weigh the new vehicle and determine its unloaded ("tare") weight(s). Contractor will record tare weight, hauler name, and vehicle identification number. Within 10 Working Days of weighing, Contractor will provide the SBWMA and Transfer Company with a report listing vehicle tare weight information. Contractor will have the right to request re-determination of tare weights of vehicles twice each Calendar Year. If there is reasonable suspicion or evidence that tare weights are not accurate, Transfer Company may request re-determination of tare weights, in which case Contractor will promptly re-determine tare weights for requested vehicles up to 4 times per Calendar Year. Contractor may update tare weights (at its own initiative) more frequently.

8. Testing

Contractor will test and calibrate all scales in accordance with Applicable Law, but at least every 12 months. Upon SBWMA request, Contractor will promptly provide the SBWMA with copies of test results. Contractor will further test and calibrate any or all scales within 3 Working Days of SBWMA direction. If test results indicate that the scale or scales complied with Applicable Law, the SBWMA will reimburse Contractor the Direct Costs of the tests. If the test results indicate that the scale or scales did not comply with Applicable Law, Contractor will bear the costs thereof and Contractor will at its own cost adjust and correct, consistent with the results of that test, all weight measurements recorded and Plant and Organics Materials Rates calculated, charged and paid, as the case may be, from the date of SBWMA's direction.

9. Weighing Standards and Procedures

Contractor will use the Composting Facility entry scale house(s) to weigh vehicles and charge Plant and Organics Materials Rates. Contractor will charge Transfer Company the Plant and Organics Materials Rates based on the Tonnage of SBWMA's Transfer Company deliveries to the Composting Facility. Contractor will weigh and record inbound weights of all Transfer Company's vehicles when the vehicles arrive at the Compost Facility and weigh and record outbound weights of vehicles for which Contractor does not maintain tare weight information. Contractor will provide each driver a receipt showing the date, time, and quantity of SBWMA's Plants and Organics Materials that the vehicle delivered to the Compost Facility.

10. Records and Reporting

Contractor will maintain scale records and reports that provide information including date of receipt; inbound time; origin, destination and weight of inbound and outbound loads; inbound and outbound weights of vehicles; and vehicle identification number.

Contractor will provide the SBWMA a detailed monthly report as described and exemplified in **Exhibit D**, Monthly Reporting to the SBWMA, that summarizes monthly the inbound/outbound materials, the materials mass-balance by supplier, and material market outlets.

11. Safety

The Contractor will conduct operations of Compost Facility in a safe manner, in accordance with Applicable Law and insurance requirements provided in Article VI, Indemnity and Insurance.

12. Invoicing

On or before the 15th of each month, Contractor will invoice or otherwise charge the Transfer Company in amounts equal to the applicable Plants and Organics Materials Rates listed in **Exhibit C**. for the prior month's Plant and Organics Materials delivered to the Composting Facility. Invoices will be in a form satisfactory to the SBWMA. All undisputed amounts shall be payable by Transfer Company within 30 days of receipt of the invoice. For example, for processing provided in July, Contractor will invoice Transfer Company on or before August 15 and payment will be due and payable by Transfer Company on or before September 15. Transfer Company shall, within five days of receipt of invoice, identify any disputed charges and communicate these to Contractor and SBWMA. Contractor may deliver to Transfer Company, with a copy to the SBWMA, a notice of late payment for a given monthly invoice thirty-five calendar days after the date of generation of the invoice. Contractor's invoices shall be deemed delinquent if not paid within five (5) calendar days of the date of the notice of late payment. Thereafter, the delinquent invoice shall bear interest on the unpaid balance at the rate of one and one-third percent (1 1/3%) per month or the maximum interest rate allowed by law, whichever is less. In the event that an undisputed Contractor invoice to Transfer Company becomes delinquent hereunder, Contractor may also, at its option, notify the SBWMA that shall either cause the Transfer Company to bring its account with Contractor within thirty (30) days or shall itself make payment of any undisputed amounts within said thirty day period. Should a delinquent invoice not be paid within said additional thirty day period, Contractor may suspend acceptance of receipt of materials under this Agreement until all past due amounts are paid in full, in addition to any other remedies Contractor may have under this Agreement or by operation of law.

As to disputed invoice amounts, the parties shall meet and confer upon the request of any party within ten calendar days of such request. If the parties are unable to resolve the disputed matter informally, then after said ten day period any party may request binding arbitration of the dispute. Any such unresolved dispute shall be submitted to an arbitrator selected by the parties or, if the parties cannot agree, a neutral appointed by the Judicial Arbitration and Mediation Services, San Francisco office. Each party shall pay its own attorneys fees and shall share equally in the cost of the arbitration. Should the SBWMA be found to owe any portion of a disputed amount to Contractor, Contractor shall be awarded interest on the portion that is owed to Contractor, with such interest calculated commencing thirty days after the invoice date. The sum determined to be owed Contractor, with interest up to the date of payment, shall be paid within thirty days of the arbitration award.

13. Right to Enter Facility and Observe Operations

The SBWMA and its designated representative(s) may enter, observe and inspect the Composting Facility at any time during operations; conduct studies or surveys of the Compost Facility; meet with the manager(s) or his or her representatives at any time; provided that the SBWMA and its representatives comply with Contractor's reasonable safety and security rules and will not interfere with the work of the Contractor or its subcontractors. However, if the Compost Facility manager or other management personnel are not present at the Compost Facility when the SBWMA

or its designated representative(s) visit without prior announcement, Contractor may limit the visit of the SBWMA or its designated representative to the public areas of the facility. In that event, Contractor will arrange for SBWMA or its designated representative(s) to return for a visit of the complete Compost Facility within 24 hours of the SBWMA's visit. Upon SBWMA direction, Contractor will make personnel available to accompany SBWMA employees on inspections. Contractor will ensure that its employees cooperate with the SBWMA and respond to the SBWMA's reasonable inquiries.

14. Ownership of Materials and Right To Reject Loads

Title to all Plant and Organics Materials shall transfer to Contractor upon acceptance by Contractor of such loads at the Compost Facility. Contractor shall have 24 hours from their delivery to the Compost Facility to accept or reject loads. If loads are rejected for containing Unacceptable Materials, Contractor may require the Transfer Company to promptly remove such rejected loads from Contractor's premises. Nothing in this Agreement shall be construed as transferring title or ownership of Unacceptable Materials delivered to Contractor by the Transfer Company, its subcontractors or agents, or the SBWMA or its contractors or agents, whether or not such loads are rejected. Contractor reserves the right to reject all deliveries containing Unacceptable Materials, and further reserves the right to pursue claims for all costs incurred by Contractor for the transportation, processing, recycling and/or disposal of all such Unacceptable Materials delivered to Contractor.

V. CONTRACTOR COMPENSATION

1. General

The Contractor will perform all of its obligations, responsibilities and duties under this Agreement, including paying costs associated with obtaining and complying with all Permits and operating the Compost Facility in full compliance with Applicable Laws.

2. Processing Rate

- a) The Contractor will be compensated on a per ton basis for Materials delivered by the Transfer Company. Exhibit C, Rates, provide processing rates by Material Type.
- b) The Contractor may make an application to the SBWMA for an adjustment to the Processing Rate for an increase in costs that are the effect of an increase in Governmental Fees that increase the cost of Composting Facility operations that are outside of the Contractor's control.
- c) The Contractor may make an application to the SBWMA for an adjustment to the Processing Rate for an increase in costs that are the effect of a change or adoption in regulations or laws by any Regulatory Agency that affects the cost of operating the Compost Facility.
- d) Upon receiving adequate supporting documentation from Contractor, the SBWMA shall promptly grant the Contractor's requests for rate adjustments to compensate Contractor for any increases in Governmental Fees that increase the cost of Composting Facility operations that are outside of the Contractor's control and for any increase in costs that are the effect of a change or adoption in regulations or laws by any Regulatory Agency that affects the cost of operating the Compost Facility.
- e) The Contract will be compensated per ton for Plant and Organics Materials delivered by the Transfer Company. **Exhibit C**, Rates, provide processing rates by Material Type.

VI. INDEMNITY AND INSURANCE

1. Agreement Indemnification

- a) Indemnification of the SBWMA
Contractor shall defend the SBWMA with counsel reasonably acceptable to the SBWMA and hold harmless and indemnify the SBWMA from and against any and all liabilities, costs, claims, and damages which are caused by Contractor's negligence, intentional wrongful acts, or failure to comply with applicable laws and regulations.
- b) Indemnification of Contractor
The SBWMA shall defend Contractor with counsel reasonably acceptable to Contractor and hold harmless and indemnify Contractor from and against any and all liabilities, costs, claims and damages which are caused by the SBWMA's negligence, intentional wrongful acts, or failure to comply with applicable laws and regulations, including but not limited to, liabilities, costs, claims, and damages. The SBWMA shall not offer such indemnification to Contractor for Transfer Company's negligence or failure to comply with applicable laws and regulations.

2. Contractor Compliance

Contractor will comply with all requirements of policies and the insurers. Carrying insurance will not relieve Contractor from any obligations under this Agreement. Nothing in this Agreement may be construed as limiting in any way the extent to which the Contractor may be held responsible for payments of damages to Persons or property resulting from Contractor's or any Subcontractors' performance of Services; provided, however, that if Contractor's insurers pay any claims for damages, Contractor's indemnity obligations hereunder shall be reduced to the extent of such payment.

3. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Contractor shall furnish SBWMA with certificates of insurance evidencing the required coverage. The SBWMA and its employees, directors, officers, agents, and member entities will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

- a) Worker's Compensation and Employer's Liability Insurance
Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.
- b) Liability Insurance
Contractor shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall protect Contractor and SBWMA, its employees, directors, officers, agents, and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all

claims due to Contractor's negligence or willful misconduct for property damage which may arise from Contractor's work under this Agreement, whether such work be by Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

VII. DEFAULT AND TERMINATION

1. Default and Remedies

All provisions of this Agreement to be performed by Contractor are considered material. Each of the following shall constitute an event of default, and a breach of this Agreement:

- a) Fraud or deceit.
- b) Failure to maintain insurance coverage described herein.
- c) Contractor violation of orders or filings of a regulatory body having a material impact on Contractor's ability to perform its obligations as required by this Agreement.
- d) Failure to perform services as required by this Agreement for two (2) consecutive days or more or for any seven (7) days in a period of 30 days.
- e) Failure to divert Plant and Organics Materials. Contractor fails to divert Plant and Organics Materials from use at a landfill. Plant and Organics Materials shall not be used as Alternative Daily cover (ADC) or for other uses at a landfill. Plant and Organics Materials shall be made into compost product, into a mulch product for land application (other than at a landfill), or for conversion technologies.
- f) Failure of Contractor to provide reports and/or records as provided for in this Agreement.
- g) Any act or omission by Contractor which violates the terms of this Agreement.
- h) Any false or misleading representation of Contractor.
- i) Filing of a voluntary petition for debt relief.
- j) Bankruptcy of Contractor.
- k) Contractor's failure to provide assurance of performance.

Contractor shall be given 30 days from notification by the SBWMA to cure any default arising under this Agreement.

This right of termination is in addition to any other rights of the SBWMA and the SBWMA's termination of this Agreement shall not constitute an election of remedies. Instead, it shall be in addition to any and all other legal and equitable rights and remedies the SBWMA may have.

2. Termination for Cause

If the Contractor is found in material breach of this Agreement, the SBWMA may terminate the Agreement for cause. In such case, the SBWMA shall notify Contractor in writing of its intent to do so sixty (60) days prior to the intended date of termination. Contractor shall be given thirty (30) days to correct the breach and, if it does, then the termination shall be suspended. A second breach within a twelve-month period may reactivate the termination of the Agreement and such termination shall occur within sixty (60) days of the second breach, without any right by Contractor to correct the breach.

3. Segregated Commercial Food Scraps Termination

The SBWMA reserves the right to terminate processing services of Segregated Commercial Food Scraps only with written notice to the Contractor of not less than 6 months. The SBWMA may annually divert up to fifty percent (50 %) of the

Segregated Commercial Food Scraps material for its application within other processing or conversion technologies.

VIII. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

1. Legal Status

Contractor is a corporation or LLC organized and operating under the laws of the State of California.

2. Authorization

Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Agreement. The Contractor has taken all actions required by law to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor has authority to do so.

3. Agreement Will Not Cause Breach

To the best of Contractor's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement, nor the performance of this Agreement: (i) conflicts with, violates, or results in a breach of any applicable law; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument to which Contractor or SBWMA is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default thereunder.

4. No Litigation

To the best of Contractor's knowledge, after reasonable investigation, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency, or instrumentality decided, pending, or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by the SBWMA in writing.

5. Ability to Perform

Contractor possesses the business, professional and technical expertise to manage, handle, treat, store, process, and recycle Construction and Demolition Debris, and possesses the equipment, plant, and employee resources required to perform this Agreement.

IX. SBWMA'S REPRESENTATIONS AND WARRANTIES

1. Legal Status

SBWMA is a Joint Powers Authority organized under California law.

2. Authorization

SBWMA and the undersigned signatory on behalf of the SBWMA represent and warrant that: It has the authority to enter into and perform its obligations under this Agreement. The SBWMA has taken all actions required by law to authorize the execution of this Agreement. The person signing this Agreement on behalf of the SBWMA has authority to do so.

3. Agreement Will Not Cause Breach

To the best of the SBWMA's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement, nor the performance of this Agreement: (i) conflicts with, violates, or results in a breach of any applicable law; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, order

or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument to which SBWMA is a party or by which SBWMA or any of its properties or assets are bound, or constitutes a default thereunder.

4. No Litigation

To the best of the SBWMA's knowledge, after reasonable investigation, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency, or instrumentality decided, pending, or threatened against the SBWMA wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by the SBWMA of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of the SBWMA or any surety guaranteeing the SBWMA's performance under this Agreement, which has not been waived by the Contractor in writing.

X. GENERAL PROVISIONS

1. Entire Agreement

This Agreement represents the full and entire Agreement between the SBWMA and Contractor with respect to the matters covered herein.

2. Force Majeure

Neither party shall be in default under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other labor disturbances or other catastrophic events which are beyond the reasonable control of Contractor. Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor is not an excuse from performance; provided, however, that labor unrest or job action directed at a third party over whom Contractor has no control, shall excuse performance.

A party claiming excuse under this Section must (i) have taken reasonable precautions to avoid being affected by the cause, and (ii) notify the other party in writing within 5 days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform.

3. Notice Procedures

All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below, e-mailed to the e-mail address below, or faxed to the fax number below, or sent via certified mail or Federal Express, or deposited in the United States mail, first class postage prepaid, addressed as follows:

SBWMA: South Bayside Waste Management Authority
Kevin McCarthy, Executive Director
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501

Contractor: Newby Island Compost Facility
Mark Buntjer
General Manager
1601 Dixon Landing Road
Milpitas, CA 95035
Phone: (408) 945-2801
Fax: (408) 262-0603

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

Notice shall be deemed given on the day it is personally delivered, e-mailed, or faxed, or, if mailed, three calendar days from the date it is deposited in the mail.

4. Independent Contractor

Contractor is an independent contractor and not an officer, agent, servant or employee of the SBWMA. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, Contractor's and sub-contractor, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between the SBWMA and Contractor. Neither Contractor nor its officers, employees, agents or subcontractor shall obtain any rights to retirement or other benefits which accrue to SBWMA employees.

5. Severability

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Agreement or any part thereof is, for any reason, held to be illegal, such decision shall not affect the validity of the remaining portions of this Agreement or any part thereof.

6. Waiver or Modification

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

7. Forum Selection

Contractor and the SBWMA stipulate and agree that any litigation relating to the enforcement or interpretation of this Agreement, arising out of Contractor's

performance, or relating in any way to the work, shall be brought in California State Courts in San Mateo County.

8. Court Costs and Attorney Fees

In the event legal action is instituted by either party to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees and actual costs in connection with such action.

9. Counterparts and Facsimile Signatures

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. For purposes of this Agreement, each of the signatories hereto agrees that a facsimile copy of the signature page of the person executing this Agreement shall be effective as an original signature and legally binding and effective as an execution counterpart thereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

SBWMA:

DATED: _____, 2010

BY: _____
Kevin McCarthy,
SBWMA EXECUTIVE DIRECTOR

APPROVED AS TO FORM:

DATED _____, 2010

Robert Lanzone,
SBWMA ATTORNEY

CONTRACTOR:

DATED: _____, 2010

BY: _____
[Title]
Browning-Ferris Industries of
California , Inc

EXHIBIT A **DEFINITIONS**

Actions means all actions including claims, demands, causes of action, suits, mediation, arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial, governmental or administrative in nature and whether threatened, brought, instituted or settled.

Affiliate means all businesses (including corporations, limited and general partnerships, and sole proprietorships) which are directly or indirectly related to Contractor by virtue of direct or indirect Ownership interests or common management shall be deemed to be "Affiliated with" Contractor and included within the term "Affiliates" as used herein. An Affiliate shall include a business in which Contractor Owns a direct or indirect Ownership interest, a business which has a direct or indirect Ownership interest in Contractor and/or a business which is also Owned, controlled, or managed by any business or individual which has a direct or indirect Ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

Agency/Agencies means any one of the public entities which are signatories to the Joint Exercise of Powers Agreement of the South Bayside Waste Management Authority (SBWMA).

Agreement means this Agreement between the SBWMA and Contractor, including all exhibits, schedules and attachments, which are incorporated in this Agreement by reference, as this Agreement may be amended and supplemented.

Applicable Law means all law, statutes, rules, regulations, guidelines, Permits, actions, determinations, orders, approvals or requirements of the United States, State, regional or local government authorities, agencies, boards, commissions, courts or other bodies having applicable jurisdiction, that from time to time apply to or govern Services or the performance of the Parties' respective obligations under this Agreement-

Assign means:

- (i) selling, exchanging or otherwise transferring effective control of management of the Contractor (through sale, exchange or other transfer of outstanding stock or otherwise);
- (ii) issuing new stock or selling, exchanging or otherwise transferring 20% or more of the then outstanding common stock of the Contractor;
- (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of Ownership or control of Contractor;
- (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment of an execution, being levied against Contractor, appointment of a receiver taking possession of any of Contractor's tangible or intangible property;
- (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any that transfer or change of Ownership or control of Contractor.

Calendar Year means a successive period of 12 months commencing on January 1 and ending on December 31.

Commencement Date means the later date of execution by the SBWMA or Contractor on the execution page of this Agreement.

Composting Facility means the facility that will process, compost, and market the Plant and Organics Materials from SEC.

Compost or **Compost Products** means the resultant product of the Compost Process (composting, curing and screening process conducted by the Composting Facility). The compost shall be dark in texture, have an earthy aroma, be neutral pH, and have the chemical profile of sufficient quality to pass the U.S. Composting Council Seal of testing Assurance - Landscape Architectural Specification for Compost Use, Specification for Turf Establishment found in **Exhibit F**.

Compost Process means the compost process operated as described in the facility's Report of Compost Site Information that is submitted to the CIWMB. The process shall be managed to provide aeration, moisture and sufficient time and temperature the composted materials so that the compost product has the profile of a "mature compost" product as defined by the US Composting Council.

Contamination or **Contaminant** means any man made non-organic fraction that is delivered to the compost facility with organic materials and must be removed to make the product acceptable to the market.

Contractor means Browning-Ferris Industries of California, Inc. a corporation organized and operating under the laws of the State of California. For purposes of Indemnities, Contractor will include Contractor's employees, officers, agents, subcontractors and consultants performing or responsible for performing Services; provided that only signatory Contractor, a corporation, is obligated to provide Indemnities and its employees, officers, agents, subcontractors and consultants will not be liable therefore as individuals.

Contractor Default has the meaning provided in Article VII.

Direct Cost means cost that may be billed by the Contractor to the SBWMA for materials testing, sorting, or cleaning with prior approval by the SBWMA. Direct Cost of labor and equipment use does not include profit, overhead or administrative expense.

Diversion (Divert) means to divert from Disposal or use anywhere at or on a landfill through source reduction, reuse, recycling, composting.

Goods or Services means all goods or services used in providing Services, including labor, leases, subleases, equipment, supplies and capital related to furnishing Services; insurance, bonds or other credit support if the insurer is an Affiliate or a captive of Contractor or any Affiliate; and legal, risk management, general and administrative services.

Government Fees are fees or taxes imposed uniformly upon Composting Facility without regard to the specific site characteristics or operational history of those facilities. "Government Fees" are not amounts imposed upon the Composting Facility in connection with the repair, remediation, improvement, addition, or expansion of the Composting Facility.

Holidays are defined as New Year's Day, Labor Day, 4th of July, Thanksgiving Day, and Christmas Day.

Household Hazardous Waste means any Hazardous Waste generated incidental to owning or maintaining a place of residence, excluding any Hazardous Waste generated in the course of operation of a business concern at a residence, in accordance with Section 25218.1 of the California Health and Safety Code.

Liabilities means all liabilities, including:

- (i) Actions;
- (ii) Awards, judgments and damages, both: (a) actual damages, whether special and consequential, in contract or in tort, such as natural resource damages, damage for injury to or death of any Person; and damage to property; and (b) punitive damages;
- (iii) Contribution or indemnity claimed by Persons other than the Parties;
- (iv) Injuries, losses, debts, liens, liabilities,
- (v) Costs, such as response remediation and removal costs,
- (vi) Interest,
- (vii) Fines, charges, penalties, forfeitures and
- (viii) Expenses such as attorney's and expert witness fees, expenditures for investigation and remediation, and costs incurred in connection with defending against any of the foregoing or in enforcing Indemnities.

Maximum Vehicle Turnaround Time means a monthly average of 30 minutes, measured from the time a vehicle enters either the Composting Facility property and until it exits the Composting Facility property, including but not limited to gross and net weights, tipping and transportation throughout the facility.

Member (Member Agency) means any one of the public entities of the Joint Exercise of Powers Agreement South Bayside Waste Management Authority.

Processing Rate means the amount established under Article V, Contractor Compensation and Exhibit C, Plant and Organics Materials Rates, of this Agreement to be charged to the Transfer Company by Contractor for Processing of Plant and Organics Materials.

Monthly Report is described in Article IV, Section 10 and Exhibit D, Monthly Reporting.

Notice means a notice given in accordance with Article IX, Section 3.

Organics means food waste including fruits, vegetables, grain products, dairy products, meat, seafood, napkins, soiled paper or waxed cardboard, and wood crates.

Ownership has the meaning provided under the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986 *except* that (1) 10 percent is substituted for 50 percent in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; (2) Section 318(a)(5)(C) is disregarded; (3) ownership interest of less than 10 percent is disregarded; and (4) percentage interests is determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

Party or Parties refers to the SBWMA and Contractor, individually or together.

Permits means all federal, State, SBWMA, other local and any other governmental unit permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law to be obtained or maintained by any Person with respect to Services, as renewed or amended from time to time.

Person(s) includes an individual, firm, association, organization, partnership, corporation, trust, joint venture, the United States, the State, local governments and municipalities and special purpose districts and other entities.

Plant Materials means a subset of organic Recyclable Materials consisting of grass cuttings, weeds, leaves, pruning, branches, dead plants, brush tree trimmings, dead trees (on average not more than twelve (12) inches in diameter) and four (4) feet in length, and similar materials generated at Premises within Agency, separated and set out for Collection, processing, and Recycling. Plant Materials does not include materials not normally produced from farms, gardens or landscapes, such as, but not limited to, brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood or wood products.

“Regulatory Agency” means any federal, State or local governmental agency, including California Department of Transportation, California Department of Motor Vehicles, EDD, U.S. Immigration and Naturalization Services, California Air Resources Board, regional water quality management districts, California Department of Toxic Substances, CIWMB, the Local Enforcement Agency, federal and State Environmental Protection Agencies and other federal or State health and safety department, applicable to Services.

Residual means non compostable or in organic contamination that is not part of the materials that are acceptable in the residential or commercial organics collection program.

Records means all ledgers, book of account, invoices, vouchers, canceled checks, logs, correspondence and other records or documents evidencing or relating to Processing Rates, tonnage of Plant and Organics Materials, satisfaction of Contractor's obligations under this Agreement and performance of the terms of this Agreement, damages payable under this Agreement and Contractor Defaults.

SEC means the Shoreway Environmental Center owned by the SBWMA and located on Shoreway Road in San Carlos.

Services mean all obligations of Contractor under and in accordance with this Agreement to SBWMA and Transfer Company.

Solid Waste means and includes all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, as defined in California Public Resources Code §40191 as that section may be amended from time to time. For the purposes of this Agreement, “Solid Waste” does not include abandoned vehicles and parts thereof, Hazardous Waste, or low-level radioactive waste, medical waste, Recyclable Materials, Construction and Demolition Materials or Plant Materials.

South Bayside Waste Management Authority (SBWMA) means the joint powers authority created under Government Code Section 6500 et seq. by an agreement dated October 13, 1999 among the Town of Atherton, the cities of 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.

SEC means the Shoreway Environmental Center (SEC) located at 225 Shoreway Road and 333 Shoreway Road and any other building and improvement located at these addresses in San Carlos, California (including the administration and vehicle repair and maintenance building) as its Facilities to be utilized under this Agreement.

Subcontractors includes any Person that provides Goods or Services to Contractor, whether pursuant to formal, written agreement or merely in fact; **“subcontract”** means any arrangement, formal or informal, written or otherwise, between Contractor and a subcontractor for providing Goods or Services.

Term is defined in Article III, Section 1.

Ton (or Tonnage) means a short ton of 2,000 standard pounds where each pound contains 16 ounces.

Transfer (or Transferring) or other variations thereof) means transferring of Plant and Organics Materials at the SEC, if any, from residential collection vehicles, commercial collection vehicles and self-haulers into Transport vehicles.

Transfer Company means the Person that SBWMA directs pursuant to the Operating Agreement to Transport Plant and Organics Materials from the SEC to the Composting Facility.

Transfer Vehicle means a tractor and trailer designed to haul Plant and Organics Materials from SEC to the Composting Facility.

Transport (or Transportation) means the transportation of Plant and Organics Materials from SEC to the Composting Facility.

Unacceptable Materials means all materials and wastes that are radioactive, flammable, highly volatile, explosive, toxic, or liquid materials; all wastes and substances defined as hazardous under Title 42 of the United States Code, Section 6903(5), Sections 25117 or 25316 of the California Health and Safety Code, or the regulations promulgated under such statutes, as amended from time to time; all materials defined as medical waste in California Health and Safety Code Section 117690, or the regulations promulgated thereunder, as amended from time to time; industrial wastes; special wastes including but not limited to, cannery sludges, ash, and contaminated soil any other materials and wastes that the Compost Facility is not authorized to accept for processing under its land use entitlements, approvals and permits (as they now exist or may hereafter be amended).

Violation means any notice, assessment or determination of non-compliance with Applicable law from any Regulatory Agency to Contractor, whether or not a fine or penalty is included, assess, levied or attached, where

EXHIBIT B

CONTRACTOR SERVICES

The Contractor will provide the following services to the SBWMA:

a) Type of Plant and Organics Materials Processed

- Segregated Plant Materials
- Segregated Wood Waste, Brush, Logs and Branches
- Segregated Food Scraps
- Organics Materials (commingled Plant Materials and Food Scraps)

b) General Services

1. Contractor will receive Plant and Organics Materials delivered by the SBWMA's Transfer Company from the SEC or directly by collection truck by the SBWMA's contractor for collection services.
2. Inbound Plant and Organics Materials will be weighed in using certified scales located at the Processor's Composting Facility and tracked by material type accepted;
3. Plant and Organics Materials received shall be processed to generate finished compost.
4. 100% of the Plant and Organics Materials shall be Diverted from use anywhere at a landfill and shall not be used as Alternative Daily Cover (ADC) or for other uses at or on a landfill, but used instead as Compost, mulch for land application (other than at a landfill), for conversion technologies or other non-landfill end uses (in accordance with Diversion Requirements such that 100% of the materials are considered diverted and recycled).
5. Contractor shall market finished Compost and other products manufactured from Food, Plant and Organics Materials.

c) Finished Compost to Member Agencies

Contractor will provide finished Compost free of charge to Member Agencies of bulk compost (tons) up to a maximum of 5% for every ton of materials delivered under this Agreement. Contractor will be responsible for the costs of loading trucks, provided by the SEC, with finished compost product. Compost quality will meet the U.S. Compost Council Seal of Testing Assurance in **Exhibit F**.

EXHIBIT C RATES

a) Rates

Contractor will be compensated per ton for Plant and Organics Materials delivered based on the Material Type outline in **Table 1**.

Table 1. Pricing per Ton by Material Types

Material Type	Price / Ton
Segregated Food Scraps	\$ 55.00
Organics Materials (commingled Plant Materials and Food Scraps)	\$ 40.50

b) Contamination Level Rate Adjustments

To protect the Processor from heavily contaminated Plant and Organics Materials the following, **Table 3**, Contamination Level Rate Adjustment, provides the additional rate per ton for any such Contaminated material as described in **Exhibit E**.

Excessive Contamination being reported by Contractor in all or a portion of a load shall be documented with details of specific Contamination and several photos showing the Contamination. Contamination shall be separated and reported to the SBWMA and Transfer Company. Contamination in excess of 15% shall be classified as disposal, if determined to be unsalvageable, and loaded for backhaul by the Transfer Company to the SEC.

c) Negotiated Disposal for Excessive Contaminated Loads

For loads that exceed the 15% Contamination threshold as described in **Exhibit E**, but which are salvageable by sorting Contamination out of the load, the SBWMA can choose to have the Contractor sort contamination from the load so that it falls below the 15% threshold at the Direct Cost of handling of the excessive Contamination (e.g., sorting, transportation and disposal).

d) Annual Rate Adjustments

The Rates outlined in **Table 2** will be adjusted annual, effective January 1 of each year of the term, including extensions, following the first year. The rates will be increased by a flat annual fee as shown below in **Table 3**.

Table 3. Annual Flat Fee Increase

Material Type	Year 2 \$/Ton	Year 3 \$/Ton	Year 4 \$/Ton	Year 5 \$/Ton
Segregated Food Scraps	\$ 56.93	\$ 58.92	\$ 60.98	\$ 63.11
Organics Materials (commingled Plant Materials & Food Scraps)	\$ 41.92	\$ 43.38	\$ 44.90	\$ 46.47

EXHIBIT D
MONTHLY REPORTING

Contractor will provide the SBWMA a monthly report to the SBWMA that summarizes monthly the inbound/outbound materials, the materials mass-balance by supplier, and material market outlets as well as the detail scale reports and other documentation that supports the data in the summary report information. A sample report is provided below titled **Report A**. The SBWMA shall approve the report structure.

Report A

	Jan-09	Feb-09	Mar-09
Plant/Food Waste Reserved for non-ADC use*			
SBWMA	6,999	4,921	6,336
Fremont	2,042	1,605	2,515
ACI	1,455	1,035	1,576
Contra Costa	1,092	1,497	1,173
Union City	528	398	708
Milpitas	429	317	570
Santa Clara Hauling	411	364	428
PSS	214	214	218
Daly City	18	-	-
Builders Debris	8	17	32
Total Tons for Non-ADC Applications	13,197	10,368	13,556
Less: Residual	(168)	(162)	(174)
Adjusted Total Tons (requiring non-ADC use)	13,029	10,206	13,382
Approved Applications (requiring non-ADC use)			
Biomass Fuel (SRDC Direct to Biofuel, Inc.)	787	831	1,104
On-Site Composting	11,602	8,508	12,474
Off-Site Composting/Soil Amendment	1,317	1,508	1,505
Off-Site Erosion Control Mulch	-	-	-
Anaerobic Digestion/Cogeneration	25	60	44
Total Tons used for non-ADC purposes	13,731	10,907	15,127

*Not limited to tonnage with Contract Restrictions on ADC use

EXHIBIT E
CONTAMINATION MEASUREMENT METHODOLOGY

a) Excess Contamination in Plant and Organics Materials

The Contractor is expected to successfully process Plant and Organics Materials delivered from the SEC.

If upon visual inspection of an inbound load, the Contractor believes it exceeds the contamination threshold percentage, described in **Table 4**, Contamination Levels, the Contractor has the right isolate the load and immediately contact a designated representative from both the Transfer Company and the SBWMA prior to conducting any contamination sampling. Representatives of the Transfer Company and the SBWMA will be provided the opportunity to inspect the isolated load within four (4) hours of being notified by the Contractor. If the Collection Contractor or the SBWMA is interested in observing the sampling and testing of the load, the Contractor will schedule time for sampling that is within eight (8) hours of having provided notification.

Table 4

Contamination Levels
15+ %

If the measured contamination level for the load, as determined by the methodology does not exceed the contamination level in **Table 4**, then Contractor (1) shall process the load as required by the Agreement, and (2) shall be responsible for the cost of the contamination measurement procedure.

If a load delivered to the Composting Facility exceeds the 15% contamination level and is determined by the SBWMA to be unsalvageable, it is to be delivered to the Designated Disposal Site by the Contractor. Under this agreement, the Contractor will transfer the material to the Newby Island Landfill at the posted gate disposal rate or loaded onto Transfer Company trucks for back haul to the SEC.

b) Contamination Measurement Methodology

If the Contractor identifies excessive contamination in a load, the following methodology for quantifying the Contamination Level will be followed:

1. **Objective**—describes the purpose of the methodology.
2. **Sampling rationale**—defines which loads will be sampled.
3. **Sampling allocation**—describes the number of samples required to provide a sufficient level of accuracy in findings.
4. **Test procedures**—describes sampling and sorting activities for each load.
5. **Sorting categories**—describes the sorting categories.
6. **Calculations**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. *sample data collection forms*
3. *equipment list*

Objectives

This methodology is designed to estimate the Contamination Level (as a percentage by weight of the entire load) in an individual load from one of the four (4) inbound Material Types.

- Segregated Plant Materials
- Segregated Wood Waste, Brush, Logs, and Branches
- Segregated Food Scraps
- Organics Materials (commingled Plant Materials and Food Scraps)

The methodology described is intended to produce consistent and statistically reliable estimates of the Contamination Level of individual loads from above material streams. In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

Sampling rationale

Loads may be selected for sampling when observation of the load by SBWMA or Contractor indicates that it may exceed the allowed Contamination Level. A statistical sampling process will be used to determine the Measured Contamination Level in individual loads.

Sampling allocation

Approximately five (5) samples, each weighing approximately one hundred and fifty (150) pounds, are required from an individual load in order to calculate the Measured Contamination Level with a sufficient level of accuracy for Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches. Because of the variability typically found in loads of Commercial Organic Materials and Segregated Food Scraps, approximately fifteen (15) samples of two hundred (200) pounds are required for sampling to achieve the specified level of accuracy.

The recommended numbers of samples are based on the following factors:

- 1) An analysis of the composition variability among samples that were sorted during waste characterization studies of similar waste streams and programs in other West Coast communities.
- 2) A agreement on the acceptable level of accuracy.

Table 7, Samples per Load and Results, indicates the statistical confidence intervals (error ranges) at the ninety percent (90%) confidence level that are expected to result from characterizing five (5) samples per load in the case of Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches; or fifteen (15) samples per load in the case of Commercial Organic Materials and Segregated Food Scraps.

**Table 7
Samples per Load and Results**

Material stream	Estimated sample weight	Number of samples	Expected statistical error range
Commercial Organic Materials and Segregated Food Scraps	200 lbs.	15	7%
Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches	150 lbs.	5	1%

The error ranges shown above shall be interpreted as follows. When the calculation method described below provides the Measured Contamination Level of a load, the estimate will be expressed in terms of percent by weight of the entire load. The error range around the estimate reflects a percent by weight of the entire load. Thus, if the Measured Contamination Level for a given material stream is five percent (5%), plus or minus one percent (1%), then ninety percent (90%) confidence that the Contamination is between four percent (4%) and six percent (6%) of the entire load is achieved.

It is expected that a two (2) person crew can obtain, sort, and weigh five (5) samples in a five (5) to seven (7) hours period.

Test procedures

Test procedures are broken down in to the following steps, which shall be used by SBWMA, or a third party designated by the SBWMA.

- Safety training and staff coordination
- Sampling and sorting area designation
- Sample selection
- Sample sorting

- Sample disposal
- Data management

These steps are described in more detail following the definitions of roles. Each step is the responsibility of a specific person or group of people as follows:

- **sampling crew manager**—responsible for selecting samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- **sampling crew**—responsible for sorting samples.
- **facility manager**—responsible for coordinating with the *sampling crew manager*.
- **tipping floor staff**—responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)**—responsible for segregating the selected the load from other loads in the designated sampling and sorting area.

Safety training and staff coordination

When the *sampling crew manager* and the *sampling crew* arrive at the Composting Facility they will participate in any required safety training and put on all required personal protective equipment (see the *equipment list* shown in Appendix 3). The *sampling crew manager* will also walk through the process of extracting samples from the designated load with both the *loader operator(s)* and the *tipping floor staff*.

Sampling and sorting area designation

With the input of the *tipping floor staff* and the *loader operator(s)*, the *sampling crew manager* and *sampling crew* will set up in the designated sampling and sorting area near the tipping floor. The sorting area should be in a location near the load to be sampled and from which the loader can safely remove samples after sorting.

Sample selection

Five (5) cells will be randomly selected for sampling using a random number generator for all material streams except commercial organics. Fifteen (15) cells will be selected for the commercial organics material stream.

The *sampling crew manager* will assist the *loader operator* in locating the appropriate cell for each sample using the sample cell map in Figure 1 below.

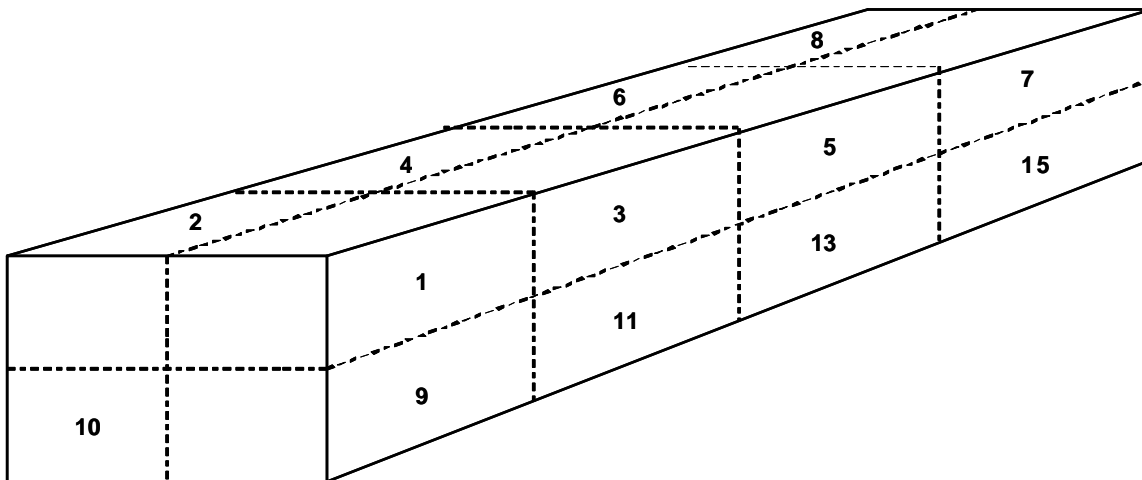
After the loader has extracted the material in the selected cell, the *sampling crew manager* will guide the loader to a designated tarp. Using visual cues the *sampling crew manager* will ensure the *loader operator(s)* deposits the proper quantity of material on the tarp. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket cannot collect.

Pulling the tarp is a basic test used to estimate sample weight.¹ If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by removing or adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted but samples must be prevented from mixing with each other and with other material on the tipping floor. The *sampling crew manager* will place a unique sample placard on each sample for a photograph and, if the sample is not immediately sorted, for later identification. The placard is marked with a unique sample identification number and additional information (such as the date) used to identify loads in photographs and correlate load net weights with sample details. Each placard will be coded according to its corresponding sampling population (e.g., 'SPM-1' indicates the first load of Segregated Plant Material). Each load will be photographed individually with the sample placard visible and legible.

¹ Samples of Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Segregated Food Scraps shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.

Figure 1: Sixteen (16) cell grid



Sample sorting

The sample indemnification number, as designated by the placard, will be recorded on the tally form (see Appendix 2 for an example of this form.) The sample will be moved into the designated sorting area. Next, the *sampling crew* will sort the Contamination materials, as defined in Appendix 1, out of the load and into sort containers. The *sampling crew* will then weigh the Contamination materials while the *sampling crew manager* records the weights on the tally form. The remainder of the load—all acceptable items—will be put into containers, weighed, and recorded on the tally form. The *sampling crew manager* is responsible for monitoring the homogeneity of material in each container and ensuring the accuracy of the sorting process. At the end of each sampling day the *sampling crew* will comply with any *tipping floor staff* directions regarding cleaning the designated sampling and sorting area and storing sampling and sorting supplies.

Sample disposal

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* will move the sorted material to a location where it is safe and convenient for the loader to remove.

Data management

At the end of each sampling day, the *sampling crew manager* will review all forms for accuracy and completeness. Any issues shall be resolved immediately while the day's work is still fresh in the mind. To ensure the tally forms are not lost before inputting the data into an electronic form, copies shall be made of all completed forms and copies will be kept in a place separate from the originals. One copy of the forms will be mailed or hand delivered to the person inputting the data into an electronic form.

The appendices cover calculations, data collection forms, and an equipment list for this study.

Sorting categories

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

- 1) *Contamination*
- 2) *Targeted Materials*
 - Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches
 - Commercial Organic Materials and Segregated Food Scraps

Calculations

Estimates of *Contamination* and *Targeted Materials* (Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches or Commercial Organic Materials and Segregated Food Scraps) will be calculated using a method that gives equal weighting or "importance" to each sample within a given stream. Confidence intervals (error ranges) will be calculated based on assumptions of normality in the composition estimates.

In the descriptions of calculation methods, the following variables will be used:

- i denotes an individual sample.
- j denotes the material type.
- c_j is the weight of the material type j in a sample.
- w is the weight of an entire sample.
- r_j is the composition estimate for material j (r stands for *ratio*).
- a denotes a region of the state (a stands for *area*).
- s denotes a particular sector or subsector of the waste stream.
- n denotes the number of samples in the particular group that is being analyzed at that step.

Estimating the Composition

The following method will be used to estimate the composition of waste belonging to the Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches or Commercial Organic Materials and Segregated Food Scraps.

For a given stream, the composition estimate denoted by r_j represents the ratio of the component's weight to the total weight of all the samples in the stream. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given stream and dividing by the sum of the total weight of waste for all of the samples in that stream, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \quad (1)$$

where:

- c = weight of particular component
- w = sum of all component weights
- for $i = 1$ to n , where n = number of selected samples
- for $j = 1$ to m , where m = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

	Sample 1	Sample 2	Sample 3
Weight (c) of carpet	5	3	4
Total Sample Weight (w)	80	70	90

$$r_{Carpet} = \frac{5 + 3 + 4}{80 + 70 + 90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05, or 5 percent (5%). In other words, 5 percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\text{Var}(r_j) \approx \left(\frac{1}{n}\right) \left(\frac{1}{\bar{w}^2}\right) \left(\frac{\sum_i (c_{ij} - r_j w_i)^2}{n-1}\right) \quad (2)$$

where:

$$\bar{w} = \frac{\sum_i w_i}{n} \quad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm (z \sqrt{\text{Var}(r_j)}) \quad (4)$$

where z = the value of the z-statistic (1.645) corresponding to a 90 percent (90%) confidence level.

Sampling Methodology Appendix 1

Methodology Checklist

a) Roles and responsibilities

- **Sampling crew manager**—responsible for selecting samples, working with Facility staff and the sampling crew, quality control, and compliance with Facility regulations.
- **Sampling crew**—responsible for sorting samples.
- **Facility manager**—responsible for coordinating with the sampling crew manager, SBWMA, and drivers.
- **Tipping floor staff**—responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area. **Loader operator(s)**—responsible for segregating the selected load from other loads in the designated sampling and sorting area.

b) Advanced preparation

Project manager:

- Contact *facility manager*
Ask *facility manager* to update the following employees with the sampling plan:
 - Loader operator(s)*
 - Tipping floor staff*
- Request safety expectations
- Schedule safety training
- Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)
- Obtain safety gear (Appendix 3)
 - Check safety gear
- Obtain sorting equipment (Appendix 3)
 - Check sorting equipment
- Print tally sheets (Appendix 2)
 - Print on "Rite in the Rain" all-weather paper

Sampling crew and sampling crew manager

- Review material list
- Review data collection forms
- Review unique site requirements

c) Arrival at Facility

Sampling crew:

- Arrive at Facility ahead of schedule
- Participate in any required safety training
- Don safety gear

Sampling crew manager

- Arrive at Facility ahead of schedule
- Reviews logistics and expectations with MRF manager
- Participate in any required safety training
- Don safety gear

d) Tipping floor coordination

Sampling crew manager:

- Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
 - *Loader operator(s)* can visually communicate with sampling crew
 - *Loader operator(s)* can safely remove sorted loads
 - Approximately twenty (20) feet by twenty (20) feet
- Explain and walkthrough the sampling process with both the *tipping floor staff* and the *loader operator(s)*
 - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
 - Explain that the *sampling crew manager* is responsible for identifying the portion of the load that the *loader operator(s)* will sample
 - Explain the appropriate samples size. Samples of Commercial Source-Separated and Targeted Recyclable Materials, Single-Family Targeted Recyclable Materials, and Commercial Plant Materials shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Single-Family Organic Materials shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.
 - Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin

Sampling crew:

- Set up designated sampling sorting area
 - Sorting table
 - Baskets
 - Digital scale(s)

e) Sample collection

Tipping floor staff:

Sampling crew manager:

- Direct *loader operator(s)* to pre-selected sampling cell
- Direct *loader operator(s)* to designated tarpaulin
- Signal *loader operator(s)* with tipping instructions
- Pull tarp to test for appropriate sample weight
- Place placard in the load
- Photograph load (Placard should be visible and legible)
- Wrap and segregate load until ready to sort

Loader operator(s):

- Pinch/scoop sample, as directed by the *sampling crew manager*
- Tip sample on designated tarpaulin, as directed by the *sampling crew manager*

Sampling crew:

- May assist *sampling crew manager* at any point

f) Sample sorting

Sampling crew:

- Move the sample into the designated sampling/sorting area
- Sort the sample
 - Sort Contamination materials into designated baskets
- Assist the *sampling crew manager* with weighing the baskets
- Assist the *sampling crew manager* with weighing the remainder material

Sampling crew manager:

- Record the sample ID onto the tally sheet
- Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
- Sort the sample
- Sort all Contamination material into designated baskets

- Weigh baskets containing Contamination materials, and record weights on the tally sheet
- Ensure homogeneity of materials
- Weigh remainder material and record weights on the tally sheet
- Ensure all Contamination materials are removed

g) Sample disposal

Sampling crew manager and sampling crew:

- Dispose of all materials in a designated disposal area

Loader operator(s):

- Remove disposed materials when it is safe and convenient

h) Data management

Sampling crew manager:

- Review all forms for accuracy and completeness
Tally sheet(s)

Project manager:

- Check all forms for accuracy and completeness
Tally sheet(s)
- Copy all data forms
Store copies separate from the originals
- Download pictures from camera
- Provide copies of data for electronic input
- Ensure data entry is checked for accuracy

**Sampling Methodology
Appendix 2**

Data Collection Forms

Appendix consists of copies of each of the following two (2) data collection forms:
sampling placard
tally sheet

Figure 2: Example sampling placard


Date: _____

Jurisdiction: _____

SPM – 1

Cell 13

Figure 3: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling						
CONTAMINANTS	Container 1				DATE:	
	Container 2				SAMPLE ID:	
	Container 3				SAMPLING POPULATION:	
	Container 4				SAMPLE WEIGHT:	
	Container 5				TIME:	
	Container 6				TRUCK NO.:	
	Container 7				LOAD NO.:	
	Container 8				CELL NO.:	
	Container 9					
	Container 10					
ACCEPTABLE	Container 1				NOTES:	
	Container 2					
	Container 3					
	Container 4					
	Container 5					
	Container 6					
	Container 7					
	Container 8					
	Container 9					
	Container 10					

Sampling Methodology Appendix 3

Sampling Equipment List

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

Sorting equipment:

- Approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to two hundred (200) pounds, accurate to one-tenth (1/10) of a pound)
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- data collection forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

Safety equipment:

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments

EXHIBIT F
COMPOST QUALITY SPECIFICATION

**U.S. Composting Council Seal of Testing Assurance
Landscape Architectural Specification for Compost Use
Specification for Turf Establishment**



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Cliff Feldman, Recycling Programs Manager
Date: April 22, 2010 Board of Director's Meeting
Subject: Resolution Approving the Commercial Recycling Agreement between Recology San Mateo County and Republic Services

Recommendation

It is recommended that the SBWMA Board of Directors:

1. Approve Resolution No.2010-14 attached hereto approving the Commercial Recycling Agreement (see Exhibit A) between Recology San Mateo County and Republic Services.

This recommendation does not change Recology San Mateo County's (RSMC) contractual obligations with Member Agencies under the new Franchise Collection Agreements or Republic's under its existing Franchise Agreement(s); however, the role of RSMC in the area of commercial recycling will be expanded commencing on July 1, 2010 with the roll-out of RSMC's Commercial Recycling Blitz and proposed management takeover of the existing commercial outreach program. Further, this recommendation is not contingent upon amending the Franchise Agreements with Republic or RSMC. Because the commercial outreach program has been administered and funded by the SBWMA, the services provided by RSMC will be administered by SBWMA staff.

Analysis

The implementation of new services provided by RSMC, including the Multi-Family Dwelling (MFD) and Commercial Recycling Blitz, is specified in the Member Agency Franchise Agreements for Collection Services in Section 7.09 and Attachment L, Implementation Plan. The Blitz will be the first collection services oriented service that the company will provide to the Member Agencies per the Franchise Agreements for Collection Services. The Commercial Recycling Agreement attached as Exhibit A enhances the commercial recycling outreach services currently provided by Republic, by combining the efforts of the current Republic commercial recycling staff with those that will be pursued by RSMC's Recycling Blitz campaign staff. Therefore, the result will be an early transition of commercial recycling outreach from Republic to Recology. A significant benefit of this will be that RSMC can craft a singular marketing and communications message regarding commercial recycling, in lieu of having two potentially confusing and counterproductive efforts. In addition, the synergy and effectiveness of having one company manage the commercial recycling outreach efforts will be realized sooner than the anticipated expiration of Republic's Shoreway Operations and Franchise Agreements on December 31, 2010.

Effect on Current Allied Commercial Recycling Collection Services

The recycling and organics collection services provided to commercial customers will continue to be provided by Republic through December 31, 2010, when the Franchise Agreements with the Member Agencies expire. RSMC will commence providing collection services to the commercial sector on January 1, 2010. While RSMC will manage all commercial recycling outreach efforts, the two companies will work closely to ensure that customer service needs and service requests are handled expeditiously.

RSMC Recycling Blitz staff will share office space at the Shoreway Administration building to ensure a close link to Republic's collection services and customer service functions. In addition, RSMC will operate a separate call center out of its Burlingame facility to handle both residential and commercial related calls commencing on July 1, 2010 to coincide with the Blitz and various residential public education campaign efforts. While RSMC will be

responsible for the current Republic commercial recycling coordinators, Republic will continue to manage one recycling analyst whose services will be used by RSMC for reporting and other similar functions.

In addition, the Commercial Recycling Agreement does not change the contractual obligations of the companies to the Member Agencies.

Background

On January 21, 2010 at a special Board meeting SBWMA staff presented an overview of the potential early assignment from Republic to RSMC, which in part included a description of changes to the commercial recycling outreach program. A primary rationale of the assignment was to ensure a smooth, seamless and cost effective transition to the new services provided by RSMC commencing on January 1, 2011. The key elements of the early transition that are related to commercial recycling have been captured in the Commercial Recycling Agreement.

On January 28, 2010 the SBWMA Board unanimously approved a recommendation that Member Agencies approve the Consent to Assignment from Republic to Recology subject to a set of conditions. An updated version of the conditions are now included as Exhibit B, Conditions of Approval. However, the parties were not able to reach mutual agreement on all of the terms of the early assignment, thus the early assignment did not happen.

Fiscal Impact

Approval of this recommendation by the SBWMA Member Agencies will result in a cost savings across the entire SBWMA service area estimated at **\$455,810 or approximately \$45,581/year** over the ten year term of the new RSMC Collection Franchise Agreements. These savings will be reflected in adjustments to the cost forms in each Member Agency Franchise Agreement.

The SBWMA will remove the commercial recycling outreach expenses (wages, benefits and related G&A for four Recycling Coordinators and one Sales Manager) only for the period of July 1, 2010 through December 31, 2010 from Republic's Shoreway rate application allowable costs. Such reduction in costs estimated to be \$54,167 per month for six months will be reflected in the bimonthly payments made to Republic by the SBWMA for operating the Shoreway facility. In turn, the SBWMA will pay RSMC a monthly not to exceed amount of \$54,167 for the same six month period; the SBWMA's FY10/11 budget will be adjusted according for these offsetting financial transactions. Therefore, the FY10/11 budget will be revised to reflect these transactions.

Attachments:

Resolution No. 2010-14

Exhibit A – Commercial Recycling Agreement between Recology San Mateo County and Republic Services

Exhibit B – Conditions of Approval



RESOLUTION NO. 2010-14

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING THE COMMERCIAL RECYCLING AGREEMENT BETWEEN RECOLOGY SAN MATEO COUNTY AND REPUBLIC SERVICES

WHEREAS, the Member Agencies of the SBWMA have approved Recology San Mateo County (A California Corporation), hereafter Recology, as the contractor for their respective Collection Franchise Agreements with new collection services scheduled to commence on January 1, 2011; and

WHEREAS, the current Franchisee for Collection Services, Republic Services, hereafter Republic, is contractually obligated to cooperate with the Member Agencies and Recology to assist in an orderly transition to the new collection services provider; and

WHEREAS, the proposed transfer of commercial recycling outreach functions by Republic Services to Recology commencing on July 1, 2010, have been planned and coordinated in a joint effort by the two companies and SBWMA staff; and

NOW, THEREFORE, BE IT RESOLVED, that the SBWMA Board of Directors approves the Commercial Recycling Agreement between Recology and Republic (see Exhibit A) subject to the Conditions of Approval attached hereto as Exhibit B.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 22nd day of April, 2010, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2010-14 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 22, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary

EXHIBIT A

COMMERCIAL RECYCLING AGREEMENT BETWEEN RECOLOGY SAN MATEO COUNTY AND REPUBLIC SERVICES (ALLIED WASTE SERVICES OF SAN MATEO COUNTY)

This Commercial Recycling Agreement (this "Agreement") is made and entered into as of April __, 2010 by and between RECOLOGY SAN MATEO COUNTY, a California corporation ("Recology"), and BFI WASTE SYSTEMS OF NORTH AMERICA, LLC, dba ALLIED WASTE SERVICES OF SAN MATEO COUNTY, a Delaware limited liability company ("Allied"). As used herein, Recology and Allied are referred to collectively as "Parties" and each individually as a "Party."

WHEREAS, the South Bayside Waste Management Authority, a California joint powers authority (the "SBWMA"), has 12 member agencies: the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos and San Mateo, the towns of Atherton and Hillsborough, the County of San Mateo and the West Bay Sanitary District (collectively, the "Member Agencies," and each individually, a "Member Agency");

WHEREAS, Allied is the exclusive franchised solid waste and recyclable materials collection company for the Member Agencies pursuant to agreements which will expire on December 31, 2010 (the "Allied Collection Agreements");

WHEREAS, the Member Agencies have entered into exclusive franchise agreements with Recology for the collection of solid waste and recyclable materials within their respective jurisdictional boundaries commencing January 1, 2011 (the "Recology Collection Agreements");

WHEREAS, under the Shoreway Operating Agreement, between the SBWMA and Allied, Allied has a commercial recycling outreach program which is staffed by one manager and four account representatives, and one administrative support person which is operated out of the Shoreway Recycling and Disposal Center located at 225 Shoreway Road, San Carlos, California ("Shoreway");

WHEREAS, in order to increase diversion and reduce the cost of recycling services, SBWMA and Recology wish to implement an enhanced outreach program commencing on July 1, 2010 (the "Effective Date") to encourage commercial customers to increase the level of their recycling service and reduce the level of their solid waste service;

WHEREAS, Allied wishes to support SBWMA and Recology's outreach and diversion efforts to commercial customers, in the manner and on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Outreach Program.

a. Recology agrees to offer employment, effective as of the Effective Date, to the four account representatives currently employed in Allied's commercial outreach program, provided that such employees satisfy Recology's employment requirements and are fully capable of performing work on the Effective Date. It is understood by both parties that Sandra Tinoco, one of the four account representatives, is anticipated to be on maternity leave upon the effective date and not expected to return to work until completing such leave.

b. Allied consents to Recology's offering employment to and/or hiring such employees, and agrees that Recology shall have sole and absolute discretion to make employment decisions regarding any such employees hired by Recology.

c. Recology shall not be liable for any salary or benefit obligations to such employees other than those that accrue from and after the Effective Date. Recology's obligation to pay benefits shall, where applicable, be prorated and based only on the portion of time that such benefits accrue after the Effective Date. Allied shall remain liable for all benefit obligations to such employees that have accrued but have not been paid prior to the Effective Date and shall defend and indemnify Recology from any claims based on such retained obligations. In Allied's final paychecks to such employees, Allied shall make all payments due to such employees in connection with their termination by Allied.

d. From and after the Effective Date such employees hired by Recology shall be solely employees of Recology, and no longer employees or agents of Allied/Republic, and Recology shall have all salary and benefit obligations and liabilities for those employees accruing or arising after the Effective Date and shall defend and indemnify Allied from any claims based on such obligations held by Recology.

e. Allied shall make available to Recology and its employees, from and after the Effective Date and at no cost to Recology, the offices at the Shoreway facility currently being used by Allied's commercial outreach program, for purposes of housing Recology's commercial outreach program. Allied shall grant Recology and its employees access to the Shoreway facility and such offices at all times during the normal business hours of the Shoreway facility. Such access shall not include access to proprietary software, records, or other confidential information of Allied. Recology will provide as necessary office equipment (including computers and telephones) for such offices.

2. Outreach & Collection.

a. Allied acknowledges and agrees that, during the period from July 1, 2010 through December 31, 2010 (the "Transition Period"), members of the Recology outreach program will, on behalf of Recology (but without disparagement of Allied), contact Allied's commercial customers within the SBWMA service area and discuss with such customers recycling options and strategies, including without limitation single-stream recycling, with a view to reducing the amount of solid waste and increasing the amount of recyclable or compostable material generated by each such customer.

b. Members of the Recology outreach program shall promptly notify appropriate Allied personnel of any changes in service requested by any commercial customer. Allied shall provide the services requested by the customer in accordance with, and subject to the terms and conditions of, the applicable Allied Collection Agreement for the jurisdiction in which the customer is located, except as provided in Section 2.c. Allied shall provide all such services with its own routes and trucks, and shall be entitled to bill the customer for such services if and to the extent provided under the applicable Allied Collection Agreement. Recology employees shall refer all complaints and inquiries about services other than commercial recycling received from customers to Allied's customer service representatives. In addition, Recology employees shall directly respond to inquiries about commercial recycling services and inquiries pertaining to solid waste collection if related to commercial recycling,.

c. The services provided by Allied under Section 2.b shall include without limitation (i) provision of single-stream recycling service to any commercial customer that requests it, at no additional charge to the customer, the SBWMA or Recology, and (ii) delivery of any containers requested by a commercial customer, and pickup of any containers no longer required by the customer. For each commercial customer to whom a container is to be delivered, Allied shall, if requested by a member of the Recology outreach program, deliver to such customer a container of the appropriate type and size provided by Recology, rather than a container from Allied's inventory. Recology shall promptly provide its containers to Allied at no cost to Allied, and Allied shall not be responsible for any damage to such container absent Allied's sole negligence in handling the container. Recology shall make available to Allied an inventory of Recology containers sufficient to enable Allied to respond to such requests by Recology.

3. Compensation.

Each Party shall be compensated for its services hereunder pursuant to such Party's separate agreement(s) with the SBWMA, and/or the Member Agencies. Recology shall not be liable to Allied for any reduced revenue which may result from a customer changing its level of service.

4. Dispute Resolution.

Any disputes between the Parties regarding this Agreement shall be resolved by mediation before a neutral agreed upon by the Parties or, failing such agreement, appointed by the San Francisco office of the Judicial Arbitration and Mediation Service (JAMS), and if such mediation is unsuccessful, through binding arbitration conducted before a single arbitrator agreed upon by the Parties or, failing such agreement, appointed by JAMS. Such mediation shall take place in San Francisco or another location mutually agreed by the Parties.

5. Term & Termination.

This Agreement shall terminate at 11:59 P.M. on December 31, 2010 (the "Termination Date") unless earlier terminated in accordance with this Section 5. In the event of a material breach of this Agreement by either Party, the non-breaching Party shall have the right to terminate this Agreement upon 10 business days' prior written notice to the breaching Party, except that, in the case of the first breach by the breaching Party only, this Agreement shall not terminate if the breach is cured within such 10-day period. Sections 1.b, 1.c, 2.a, 3, 4 and 6 shall survive termination of this Agreement. If this Agreement is terminated before the Termination Date, Recology shall have the right to continue to conduct outreach activities through the Termination Date in the manner contemplated by this Agreement.

6. General Terms.

(1) Further Assurances. Each Party hereby covenants and agrees that it shall execute and deliver such other documents as may be required to implement any of the provisions of this Agreement.

(2) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

(3) No Implied Waiver. No failure to exercise, delay in exercising or partial exercise of any right or remedy hereunder shall operate as a waiver of any provision of this Agreement. No waiver of any provision of this Agreement shall operate as a waiver of any other provision (whether or not similar), nor shall it operate as a continuing waiver, unless so provided in writing by the waiving Party.

(4) Attorneys Fees and Costs. If any motion, suit, action or proceeding, at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, or is brought in violation of any of the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and expert witness fees and costs. All Parties hereto expressly waive any right to a jury trial as to any such motion, suit, action or proceeding.

(5) Integration and Merger. This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements and understandings with respect thereto.

(6) Amendment. No change, modification or amendment of this Agreement shall be valid or binding on the Parties unless such change or modification shall be in writing signed by an authorized representative of the Party or Parties against whom the same is sought to be enforced.

(7) Notices. Any notice to be sent hereunder shall be sent by email, facsimile or registered United States mail, return receipt requested, addressed to the respective Parties at:

If to Recology:

Mr. Mario Puccinelli, General Manager
Recology San Mateo County
225 Shoreway Rd.
San Carlos, CA 94070
Facsimile: (650) 583-8781
Email: MPuccinelli@recology.com

If to Allied:

Kevin Finn, Area President
Richmond Sanitary Service
3260 Blume Drive
Richmond, CA 94806
Facsimile: (510) 223-1591
Email: KFin@republicservices.com

(8) Authorization. Each Party represents and warrants to the other, as of the date hereof and as of the Closing, that it has all requisite corporate or limited liability company power and authority, that all necessary corporate or limited liability company action has been taken, and that no consent, authorization or approval of any party (including any governmental authority) is required, for such Party to execute, deliver and perform this Agreement.

(9) No Conflict. Each Party represents and warrants to the other, as of the date hereof and as of the Closing, that its execution, delivery and performance of this Agreement do not and will not result in a violation or breach of, or constitute a default under (with or without notice or lapse of time or both), or give rise to any lien, charge or other encumbrance on any of the Assets pursuant to, any agreement, instrument, permit or other obligation to which such Party is a party or by which it or any of the Assets is bound.

(10) Counterparts. This Agreement may be executed in counterparts and as so executed shall constitute an agreement which shall be binding upon all Parties, regardless of whether the signatures of all Parties' designated representatives appear on the same page.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the Parties has caused this Commercial Recycling Agreement to be executed on its behalf as of the date first above written.

RECOLOGY SAN MATEO COUNTY

By: Mario Puccinelli
Name: MARIO PUCCINELLI
Its: GENERAL MANAGER

BFI WASTE SYSTEMS OF NORTH AMERICA, LLC,
dba ALLIED WASTE SERVICES OF SAN MATEO
COUNTY

By: [Signature]
Name: Kevin Finn
Its: Plant President

EXHIBIT B

Conditions of Approval

The following shall be applicable to the SBWMA Board Approval of the Commercial Recycling Agreement between Recology San Mateo County and Republic Services:

A. Republic

1. The SBWMA will remove the commercial recycling outreach expenses (wages, benefits and related G&A for four Recycling Coordinators and one Sales Manager) only for the period of July 1, 2010 through December 31, 2010 from the Shoreway rate application allowable costs. Such reduction in costs estimated to be \$54,167 per month for six months will be reflected in the bimonthly payments made to Republic by the SBWMA for operating the Shoreway facility.
2. Republic shall continue to manage one Commercial Recycling Analyst and be compensated for associated costs through the Shoreway rate application. Reporting will include data from new services generated from Recycling Blitz. Reporting on the Recycling Blitz shall be kept separate from other commercial recycling activities.
3. Republic shall continue to manage and provide all commercial recycling cart and container deliveries and collection services, including those provided for commercial organics composting accounts. All new commercial recycling and organics cart and container inventory to be supplied by Recology.
4. Republic shall make available to Recology and its employees, at no additional cost to Recology, the offices at the Shoreway facility currently being used by Republic's commercial outreach staff. Republic shall grant Recology and its employees access to the Shoreway facility and such offices at all times during the normal course of business.
5. Republic shall continue to be compensated for all commercial recycling related collection services, including applicable customer service and billing costs. Such compensation will continue to be included in the 2010 Collection rate application.
6. Republic shall continue to provide all reports to the SBWMA and Member Agencies related to the commercial recycling outreach program.
7. Republic shall support the efforts of the Recycling Blitz team to ensure that work orders, customer requests and collection services are performed in accordance with current service parameters.

B. Recology

1. The SBWMA shall compensate Recology for its actual labor and related G&A costs per month for management of the preexisting commercial recycling outreach staff inclusive of four Recycling Coordinators and one Sales Manager with a monthly not to exceed amount of \$54,167. Recology shall invoice the SBWMA by the 15th day of each month for the prior month's services. Invoices shall be paid by the SBWMA within 30 days of receipt from Recology.
2. The term shall be effective July 1, 2010 and shall end upon transition to the new Recology commercial recycling program effective January 1, 2011.
3. By May 3, 2010 Recology and the SBWMA shall agree on a final written commercial recycling sales plan. Such a written plan shall include, but is not limited to, the following:
 - Description of how the preexisting Republic franchised commercial recycling program activities will be continued and managed.
 - Description of Recology's education and outreach activities related to the preexisting Republic franchised commercial recycling sales efforts.
 - Explanation of how the sales efforts and related collection services arising from these efforts from the Recology Recycling Blitz will be integrated with the preexisting Republic franchised commercial recycling program.
 - Description of Recology's education and outreach activities related to the Recology Recycling Blitz.
 - Explanation of how Recology will ensure that data/record keeping and reporting for both the preexisting Republic franchised commercial recycling program and Recology Recycling Blitz activities will be kept separate.
4. Recology shall adjust downward its implementation cost figures in each of the Member Agency collection services franchise agreement cost forms to reflect cost savings in aggregate over ten years as follows:

\$455,810 for Commercial Recycling Blitz wage savings and collection route cost savings.
5. For the purpose of calculating diversion related performance incentives and disincentives specified in Attachment I of the member agency franchise agreements with Recology, the company shall agree to use as the "calculated Single-Family Diversion Level achieved by the Previous Contractor in 2010," the higher tonnage amount of the two following scenarios:
 - Scenario 1 - The tonnage of commercial recyclable and compostable material collected by Republic for the first six months of 2010, multiplied by 204%; plus all the incremental increase in tons collected attributable to Recology Recycling Blitz related activities; or,
 - Scenario 2 - The tonnage of commercial recyclable and compostable material collected by Republic for all of 2010 including any incremental

increases in tonnage collected attributable to Recology Recycling Blitz related activities.

6. Recology will supply all new commercial recycling container and cart inventory that Republic will deliver for the Recycling Blitz program.
7. Recology shall operate a Customer Service Department at the current Recology offices located at 1356 Marsten Road in Burlingame commencing on July 1, 2010. This department will be staffed with 6 fully trained internal Recology employees or contracted employees and managed by an internal Recology supervisor. These 6 customer service representatives will be instructed to document all calls related to the Recycling Blitz or existing commercial recycling and organics activities. In addition, these customer service representatives shall be required to forward the service complaint related calls to Republic for follow-up and documentation. Calls not related to the Recycling Blitz or commercial recycling activities (e.g., bulky item collection service, holiday collection schedules, residential recycling) will also be documented by Recology staff, then forwarded to Republic for follow-up and documentation.



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Cliff Feldman, Recycling Programs Manager
Date: April 22, 2010 Board of Director's Meeting
Subject: Resolution Recommending SBWMA Member Agencies Approve the Recology San Mateo County Residential and Commercial Cart Delivery and Recovery Plan

Recommendation

It is recommended that the SBWMA Board of Directors:

1. Approve Resolution No.2010-15 attached hereto recommending the Member Agencies approve the Recology San Mateo County Residential and Commercial Cart Delivery and Recovery Plan (see **Exhibit A**).

This recommendation does not change Recology San Mateo County's (RSMC) contractual obligations with Member Agencies under the new Franchise Collection Agreements, except as noted regarding Attachment L, Implementation Schedule. Further, this recommendation is not contingent upon amending the Franchise Agreements with Republic or RSMC, but can be implemented administratively.

Analysis

The implementation of new services provided by RSMC is specified in the Member Agency Franchise Agreements for Collection Services in Section 8.02 and Attachment L, Implementation Plan. However, the Franchise Agreements do not provide the details and specificity needed to accomplish the roll-out of new services in a seamless and cost effective manner, primarily since cooperation of the Member Agencies current service provider is paramount to this planning effort and these efforts could not begin until most of the Member Agency Franchise Agreements with RSMC were executed. Section 12.09 of the Member Agency Franchise Agreements for Collection Services with Republic Services requires Republic to cooperate in the planning and implementation of transition to a new services provider. The RSMC Cart Delivery and Recovery Plan (Plan) attached hereto as **Exhibit A** was developed in a joint effort by RethinkWaste staff, RSMC and Republic.

The Plan generally follows the same container distribution schedule for the Residential and Commercial (including Multi-Family Dwellings and Agency Facilities) contained in Attachment L, Implementation Plan in the Member Agency Franchise Agreements with RSMC. As noted above, the Attachment L implementation schedule does not include the full detail necessary to ensure a seamless and customer service oriented transition to the new services, thus the Plan provides a thorough description and achievable timeline for implementation. In order to accomplish a smooth and cost effective transition to the new services provided by RSMC, several effects on the Franchise Agreements with both Republic and RSMC are described below:

Effect on the Current Collection Services Provided by Republic

When residents receive their new wheeled RSMC carts (i.e., black solid waste cart, green organics cart, and blue recycling cart) in the fall of 2010, they will be instructed to start using them right away in lieu of leaving them unused until January 1, 2010. Upon delivery of the new carts, residents old garbage cans, recycling tubs and plant materials carts will be promptly collected for recycling, reuse and in limited cases for disposal. Collection services for recycling and plant materials provided by Republic will remain biweekly (solid waste is weekly) through the end of 2010 with the weekly collection of all three carts by RSMC commencing on Monday, January 3, 2011. In addition, residents new food scraps kitchen pails will be delivered last, primarily during December 2010,

in order to alleviate confusion over when to start using the kitchen pails to recycle food scraps, since weekly residential organics collection will not start until January 3, 2011.

RSMC and Republic have agreed to allow Republic to service the new RSMC carts in order to facilitate the convenient transition as described previously. However, for Republic to provide semi-automated collection service of the RSMC recycling carts (plant materials is already collected in this manner and the existing solid waste trucks have the capacity to do this), the company will lease rear end loader collection vehicles from RSMC and place their existing recycling trucks out of service. This service will require 23 trucks, which is the same as currently needed, and the companies have agreed on a lease price of \$1,500/month per vehicle. The truck lease costs will add \$34,500/month for four months (i.e., September – December 2010) to the 2010 Republic Collection Services Rate Application. Republic also estimates other one-time expenses totaling \$16,888 for vehicle inspections and adding recycling decals to alleviate residents confusion about the purpose of the leased recycling collection vehicles (since they look like what residents are familiar with for collecting solid waste). These additional costs may be partially offset by route productivity gains as these leased rear end loaders will be more efficient to operate than the existing Republic curbside recycling trucks.

Transition to the new services for the Commercial sector will be less complicated when compared to the residential sector due to the nature of the services provided. The Member Agency Franchise Agreements with RSMC requires the company to repaint and refurbish by July 1, 2012, all of the Republic commercial bins currently in service which RSMC has been authorized to purchase from Republic. Thus, the scope of the Plan pertaining to the Commercial sector is limited to the delivery of new RSMC commercial carts and the recovery of old Republic carts. Details are provided in the attached Plan attached as **Exhibit A**.

Background

On January 21, 2010 at a special Board meeting SBWMA staff presented an overview of the potential early assignment from Republic to RSMC. A primary rationale of the assignment was to ensure a smooth, seamless and cost effective transition to the new collection services provided by RSMC commencing on January 1, 2011. Many of the key elements of the early transition have been incorporated in the Plan.

On January 28, 2010 the SBWMA Board unanimously approved a recommendation that Member Agencies approve the Consent to Assignment from Republic to Recology subject to a set of conditions. Notably, one of the conditions was that finalizing the assignment will be subject to negotiation of a mutually acceptable definitive agreement between Republic and Recology. The parties were not able to reach mutual agreement, thus the early transition related plans were not formally finalized.

Fiscal Impact

Approval of this recommendation by the SBWMA Member Agencies will potentially result in Republic's 2010 Collection Services Rate Application costs increasing by approximately \$399,888 which includes \$154,888 for recycling truck costs (\$138,000 lease costs + \$16,888 one-time costs) plus \$245,000 for Republic's cart recovery efforts utilizing outside contractors. Additional fiscal impacts may include the following:

- The additional cost (i.e., approximately \$123,000) of delivering new RSMC food scraps Kitchen Pails separately from the new RSMC carts are likely to be offset by anticipated savings in public education costs.
- It is possible that there will be a nominal increase in collection services costs for disposal of customer owned garbage cans by existing Republic route personnel.

Attachments:

Resolution No. 2010-15
Exhibit A -- Recology San Mateo County Cart Delivery and Recovery Plan



RESOLUTION NO. 2010-15

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS RECOMMENDING SBWMA MEMBER AGENCIES APPROVE THE RECOLOGY SAN MATEO COUNTY RESIDENTIAL AND COMMERCIAL CART DELIVERY AND RECOVERY PLAN

WHEREAS, the Member Agencies of the SBWMA have approved Recology San Mateo County (A California Corporation), hereafter Recology, as the contractor for their respective Collection Franchise Agreements with new collection services scheduled to commence on January 1, 2011; and

WHEREAS, the current Franchisee for Collection Services, Republic Services, hereafter Republic, is contractually obligated to cooperate with the Member Agencies and Recology San Mateo County to assist in an orderly transition to the new collection services provider; and

WHEREAS, the transition of collection services from those currently provided by Republic to the new collection services provided by Recology San Mateo County commencing on January 1, 2011, have been planned and coordinated in a joint effort by the two companies and SBWMA staff; and

NOW, THEREFORE, BE IT RESOLVED, that the SBWMA Board of Directors recommends that the SBWMA Member Agencies administratively approve, under their respective Collection Franchise Agreements with Recology San Mateo County, the Recology San Mateo County Residential and Commercial Cart Delivery and Recovery Plan.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 22nd day of April, 2010, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2010-15 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 22, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary



Recology San Mateo County
Residential and Commercial Cart Delivery and Recovery Plan
April 2010

Residential Sector Delivery and Recovery Plan

Overview

Delivery Schedule

- Recology San Mateo County (Recology) will commence delivery of new Recycling, Organics, Solid Waste carts, and outreach material to all residential accounts beginning August 30, 2010 and concluding December 18, 2010 on a 16 week, 5 day per week schedule (81 Days).

Residents Use of New Carts

- Residents can begin using all three new Recology wheeled carts immediately after receiving them and Republic Services (Republic) will immediately begin servicing the new Recology carts on the customers regularly scheduled collection day(s) with no changes in the frequency of collection. Commencing January 1, 2011, Solid Waste, Organics and Recycling collection service provided by Recology will all be provided weekly. All service day changes will be communicated to residential customers well in advance of January 1, 2011 per the Member Agency Franchise Agreements.

Recycling Collection Service

- Single-Stream Recycling collection service provided by Republic will be done by using spare Recology collection vehicles to service the new Recology single stream carts.

Solid Waste and Plant Materials Collection Service

- Solid Waste and Plant Materials collection services provided by Republic using existing Republic collection vehicles will continue uninterrupted after residents receive new Solid Waste and Organics carts from Recology. Collection frequency will remain the same as current with weekly Solid Waste and biweekly Plant Materials and recycling until new services start January 1, 2011. All new collection services commencing on January 1, 2011 will be weekly.



Recovery of Old Plant Materials Carts

- After residents receive their new Organics cart from Recology, their old Plant Materials Cart will be picked-up by Republic on the resident's regularly scheduled Plant Materials service day until December 31, 2010.

Recovery of Recycling Tubs

- After receiving a new Recycling cart from Recology, residents will have the option to keep or have the Republic remove the 18 gallon recycling tubs up until December 31, 2010. To have the recycling tubs removed, residents will be instructed to place the tubs curbside, upside down and empty, on their regularly scheduled recycling collection day after receiving a new Recycling cart from Recology.

Recovery of Customer Owned Solid Waste Cans

- After receiving a new Solid Waste cart from Recology, residents will be provided (through the RethinkWaste public education materials) a sticker to place on their (customer owned) Solid Waste can to indicate their desire for the Solid Waste can to be removed on a regularly scheduled Solid Waste collection day until December 31, 2010.

Recovery of Customer Rented Solid Waste Carts

- Republic shall recover all Solid Waste carts that are rented and not owned by residents on the residents next regularly scheduled Solid Waste collection day after receipt of the new Solid Waste cart(s) provided by Recology. As noted above, beginning January 1, 2011, Solid Waste, Organics and Recycling collection services will all be provided weekly by Recology. All service day changes will be communicated to residential customers well in advance of January 1, 2011 per the Member Agency Franchise Agreements.

Collection of Overflow Solid Waste through December 31, 2010

- After delivery of Solid Waste carts by Recology, Republic shall collect additional Solid Waste set-out by customers in customer owned Solid Waste cans through December 31, 2010 at no additional cost to the customer. The amount of overflow Solid Waste collected at no additional cost to the customer shall be limited to one Solid Waste can if the customer received a new Recology cart that provides less volume than the customer's current Solid Waste subscription level with Republic.

Kitchen Pail Delivery

- Recology shall deliver Organic Materials Kitchen Pails from Monday, November 29 through December 22, 2010 on an 18 day delivery schedule. Additional outreach material will be included with this Kitchen Pail delivery. Recology will provide daily updates to RethinkWaste on progress of Kitchen Pail delivery.



Delivery Outline: Carts

- Using one delivery crew, Recology will deliver the three new wheeled carts and the outreach materials to approximately 1,200 homes per day or approximately 6,000 homes per week.
- In order to coordinate the delivery of the new Recology Organics carts with the removal of the Republic Plant Materials carts the following day, deliveries by Recology will be scheduled based on existing Republic Plant Materials routes. To the extent possible, jurisdictions will be scheduled within the timeline as outlined below. Recology will use its RouteSmart software to assist its operations team in mapping and scheduling the delivery of carts.
- The following is the anticipated Recology cart delivery schedule; however, there will be variations. The details of this intricate plan will be conveyed to the member agencies prior to their scheduled delivery date.

Jurisdiction	Homes	Delivery Days	Delivery Schedule 2010 Dates
San Mateo	19,018	17	August 30 – September 21
Redwood City	16,918	15	September 22 – October 12
San Carlos	8,342	8	October 13 - 22
Menlo Park	7,600	7	October 25 – November 2
Unincorporated SMC ¹	7,404	6	November 3 - 10
Belmont	6,452	5	November 11 - 17
Foster City	6,409	5	November 18 - 24
Burlingame	6,325	5	November 25 – December 1
East Palo Alto	4,103	4	December 2 – 7
Hillsborough	3,549	3	December 8 – 10
Atherton	2,254	3	December 13 – 15
West Bay Sanitary District	2,066	2	December 16 – 18
TOTAL	90,441	81	

- Due to the disproportionate size of the current Republic Plant Materials routes, some Recology delivery dates will overlap.

¹ The delivery schedule for the unincorporated areas of San Mateo County are included within the jurisdictions stated above. Recology will notify County staff of the specific delivery dates in advance.



- All new Recology carts will be ordered by Recology in April 2010
- Recology carts are anticipated to begin arriving at the Recology assembly yard six weeks after placing the order, which puts the arrival date around mid May 2010. Once the carts are received, Recology crews will immediately begin assembling and stacking the carts.
- As Recology carts are delivered to the Recology assembly yard, an inventory manager will insure that all deliveries are reconciled with the bill of lading.
- Over the next 3 months and up to the initial delivery date of August 30, 2010, Recology crews will continue to assemble and stack the 323,000 carts.
- Recology cart delivery crews will deliver new Recology Organics carts based on established Republic Plant Materials collection routes on the day before the regularly scheduled Plant Materials collection service day.
- Beginning Saturday, August 28, 2010, Recology crews will load their delivery trailers and van trucks with the carts and outreach material preparing for the August 30, 2010 delivery. One of the components of the outreach material will be instructions on how to recycle their Plant Materials cart, Recycling tubs, and Solid Waste can(s).
- Beginning Monday, August 30, 2010, Recology crews will leave the assembly yard at approximately 6:30 am to begin delivery by 7:00 am. Once arriving at their pre-established starting point, these crews will initiate the delivery process and begin the delivery of the carts following Republic's Tuesday Plant Materials route. In this example, Tuesday's Republic Plant Materials route will have new Recology Organics carts delivered on Monday to facilitate set out and removal of the resident's old Plant Materials cart on Tuesday after it has been emptied. This schedule will be repeated accordingly for each day of the week.
- When Recology crews deliver new carts, as one trailer//van/ truck is emptied, the empty trailer//van/truck will be driven back to the assembly yard to obtain additional carts. Once reloaded, the trailer//van/truck will be driven back to the location where that day's deliveries are taking place. This sequence may occur several times per day.
- Upon completion of a delivery route, Recology crews will return to the assembly yard and load carts onto the trailers/vans/trucks for the next day's deliveries.



- Two Recology Supervisors will manage the delivery crews. Their responsibilities include:
 - Responding to any customer service issues that may arise so the delivery personnel do not need to stop and address these types of issues.
 - Ensuring they are well versed in all of the aspects of the program so that they will be able to answer any question that may arise.
 - Distributing outreach materials as needed.
 - Ensure that constant communication with dispatch via their mobile phone is maintained.
 - Ensure that the delivery schedule is being maintained. Supervisors will scout ahead of the delivery crews to ensure that crews are on pace as well as to make them aware of any delivery or service issues that may be ahead.

- All Recology Supervisors and crew leaders will be debriefed at the end of the day. Assignments for the next day will be handed out along with the print outs of the following day's delivery schedule to ensure that they can proceed with the next day's deliveries commencing at 6:30 AM.

- Upon completion of each day's deliveries, Recology will communicate with both RethinkWaste and Republic Services, and electronically provide a report detailing the day's progress.



Delivery Outline: Recology Organics Kitchen Pails

- Using multiple delivery crews, Recology will deliver the Kitchen Pails along with additional outreach material to a minimum of 5100 homes per day over an 18 day period.
- Delivery of Kitchen Pails will be based on the new Recology routes that will go into effect on January 1, 2010. Outreach materials will contain literature informing residents of their new service day. All residents will receive this notice regardless of whether or not their collection day has been changed.
- The following is the order of the delivery along with the timeline estimate:

Jurisdiction	Homes	Delivery Days	Delivery Schedule 2010 Dates
San Mateo	19,018	4.5	November 29 – December 2
Redwood City	16,918	4.1	December 2 - 7
Menlo Park	7,600	1.5	December 8 - 9
Unincorporated SMC	7,404	1.4	December 10 - 13
Belmont	6,452	1.2	December 13 - 14
Foster City	6,409	1.2	December 15
Burlingame	6,325	1.2	December 16
East Palo Alto	4,103	.8	December 17
Hillsborough	3,549	.7	December 20
Atherton	2,254	.5	December 21
West Bay Sanitary District	2,066	.5	December 22
TOTAL	82,099	17.6	

Recovery Outline: Republic Plant Materials Carts, Recycling Tubs, Solid Waste Carts and Customer Owned Solid Waste Cans

Plant Materials Carts

- Residents will be instructed (through the RethinkWaste Starter Kit and related outreach materials) to place their old Republic Plant Materials carts curbside for recovery by Republic. Republic recovery crews will collect the Plant Materials carts on the resident’s regularly scheduled Plant Materials service day following receipt of the new Organics cart from Recology. If the resident doesn’t set out their Plant Materials cart, Republic shall be responsible for collecting the old Plant Materials cart by December 31, 2010.



- Republic shall provide an accounting of all Republic Plant Materials carts collected each day to the RethinkWaste at the close of business each day. This information shall be submitted in an electronic format approved by RethinkWaste.

Recycling Tubs

- Residents will have the option to keep the Republic Recycling tubs or place them outside of their Recology Recycling cart for collection through December 31, 2010.

Customer Owned Solid Waste Cans

- Residents will be provided (through the RethinkWaste public education materials) a sticker to place on their (customer owned) Solid Waste can to indicate their desire for the Solid Waste can to be removed on a regularly scheduled Solid Waste collection day after they have received a new cart from Recology until December 31, 2010.

Customer Rented Solid Waste Carts

- Republic shall recover all Solid Waste carts that are rented from Republic and not owned by residents on the residents next regularly scheduled Solid Waste collection day after receipt of the new cart(s) provided by Recology.

To the maximum extent practicable, Republic will work with RethinkWaste to try to maximize the reuse and/or recycling of the old carts, tubs, and cans.

In addition to the daily communication between RethinkWaste, Republic and Recology, the progress of the day's delivery will be summarized by Recology and communicated to RethinkWaste and Republic.



Commercial Sector Delivery and Recovery Plan

Overview

Delivery Schedule

- Delivery of Recycling and Solid Waste carts to all commercial and multi-family accounts will begin August 16, 2010 and conclude December 3, 2010 on an 18 week, 5 day per week schedule (89 Days). This schedule assumes recovery of the carts will be done by a cart delivery company contracted by Republic.
- A Recology representative will be present during the commercial and multi-family cart exchange process to audit and record the number of garbage and recycle carts removed from and delivered to a particular customer. The number and type of carts dropped off and picked up will be reconciled on the Commercial customer account list in an audit format. This information will be downloaded into the Recology data base on a daily basis. This information will also be sent to Republic and RethinkWaste daily.
- To the maximum extent practicable, Republic will work with RethinkWaste to try to maximize the reuse and/or recycling of the old carts.

Delivery of New Carts and Recovery of Old Carts Outline: Recycling, Organics and Solid Waste Carts

Delivery Schedule

- Delivery crews will follow pre-established maps developed by Recology using RouteSmart software that will divide each jurisdiction into grids. Once the data conversion process, which is in its final stages, is complete, Recology will provide a detailed delivery schedule. Based on Recology's estimation, 30,000 commercial carts need to be delivered. As such; Recology will deliver 337 carts per day.
- Beginning Sunday, August 15, 2010, Recology crews will load their delivery trailers/vans/trucks with the new carts in preparation for the following day's deliveries.
- On Monday, August 16, 2010, three delivery trailers along with their crews would proceed to the pre-established jurisdiction to begin delivery. The three trailers would be full of new carts ranging in various sizes and types.



Recovery of Republic Recycling and Solid Waste Carts

- Commercial Recycling and Solid Waste carts will be emptied by different Republic route trucks. Republic cart removal crews will then promptly remove the emptied Republic carts onto to an empty trailer and return these carts to a location to be determined by Republic for breakdown and shipping.

Delivery of New Recology Recycling and Solid Waste Carts

- Upon recovery of Republic Solid Waste and Recycling carts, the delivery of new Recology Recycling and Solid Waste carts will promptly occur with Recology placing the new carts in the same position as the old Republic carts.
 - Republic Solid Waste carts will be replaced with Recology black Solid Waste carts.
 - Republic recycling carts will be replaced with Recology blue single stream recycling carts.
- When new carts are placed in service by Recology, Recology will remove existing Republic signage and affix new Recology signage at commercial collection premises where applicable. (This applies to all three carts including recycling, Organics and Solid Waste.)

Republic Organics Carts Recovery and Delivery of Recology Organics Carts

- Republic will use existing drivers during the period from July 2010 through December 2010 to exchange all Republic Organics carts with Recology green Organics carts.
- When new Recology green Organics carts are placed in service by Republic, Republic will remove existing Republic signage and affix new Recology signage at commercial collection premises where applicable.
- Republic shall provide an accounting of all Republic commercial Organics carts collected and Recology Organics carts delivered each day to RethinkWaste at the close of business each day. This information shall be submitted in an electronic format approved by RethinkWaste.

In addition to the daily communication between RethinkWaste, Republic and Recology, the progress of each day's recovery and delivery will be summarized by Republic and communicated to RethinkWaste and Recology.



STAFF UPDATES



STAFF REPORT

To: SBWMA Board Members
From: Cliff Feldman, Recycling Programs Manager
Date: April 22, 2010 Board of Directors Meeting
Subject: Update on Republic Contract Compliance

Recommendation

This is an informational report and no action is necessary.

Analysis

Since July 2008, Republic Services (formerly Allied) has been required to submit its monthly Board packet information on the Monday (e.g., March 16, 2009 by 5:00pm) prior to the SBWMA issuing the Board packet which is one-week in advance of the Board meeting. Republic submitted its monthly information due in April on time.

Assessment of Republic Monthly Operational Performance and Metric Report

If requested a verbal update will be provided at the Board meeting.

Background

Commencing with the June 26, 2008 Board meeting, this staff report is now included as a regular update. Attached are three tables that will be used to frame Republic's contract compliance in the following areas:

- Attachment 1 - Reports Republic Services Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements
- Attachment 2 - Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports
- Attachment 3 - Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach

The standards that are used in Tables 1 and 2 pertaining to Republic's submittal of reports to the SBWMA and Member Agencies include the timeliness of submittal and content of the report(s).

The contract compliance standards that are reflected in Attachment 3 pertaining to Republic's Public Education and Outreach activities will primarily be based on the timeliness of completing the activities denoted.

Attachments:

Attachment 1 – Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – April 2010
Attachment 2 – Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – April 2010
Attachment 3 – Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach – April 2010



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – April 2010

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
MONTHLY BOARD PACKET INFORMATION					
January	February 12, 2010 5:00pm	February 11, 2009 11:43 am	Yes	Yes	
February	March 15, 2010 5:00 pm	March 15, 2010 2:34 pm	Yes	Yes	
March					
<ul style="list-style-type: none"> • Executive Summary 	April 12, 2010 5:00 pm	April 12, 2010 4:05 pm	Yes	*	*Pending Review
<ul style="list-style-type: none"> • Liquidated Damages Reporting 	April 12, 2010 5:00 pm	April 12, 2010 4:05 pm	Yes	*	
<ul style="list-style-type: none"> • Metrics Graphs 	April 12, 2010 5:00 pm	April 12, 2010 4:05 pm	Yes	*	
<ul style="list-style-type: none"> • Commercial Recycling Monthly Progress Report 	April 12, 2010 5:00 pm	April 12, 2010 4:05 pm	Yes	*	
<ul style="list-style-type: none"> • Commercial Recycling Coordinators Call Logs 	April 12, 2010 5:00 pm	April 12, 2010 4:05 pm	Yes	*	
April	May 17, 2010 5:00 pm				
May	June 14, 2010 5:00 pm				
June	July 12, 2010				



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – April 2010

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
	5:00 pm				
July	August 16, 2010 5:00 pm				
August	September 13, 2010 5:00 pm				
September	October 18, 2010 5:00 pm				
October	November 8, 2010 5:00 pm				
November	December 13, 2010 5:00 pm				
December	January 14, 2011 5:00 pm				
MONTHLY BATTERY AND CELL PHONE COLLECTION PROGRAM UPDATE					
January	February 8, 2010 5:00pm	February 8, 2010 9:01 am	Yes	Yes	
February	March 8, 2010 5:00 pm	March 8, 1010 8:17 am	Yes	Yes	
March	April 12, 2010 5:00 pm	April 9, 2010 9:12 am	Yes	Yes	
April	May 10, 2010 5:00 pm				
May	June 7, 2010 5:00 pm				



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – April 2010

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
June	July 12, 2010 5:00 pm				
July	August 9, 2010 5:00 pm				
August	September 13, 2010 5:00 pm				
September	October 11, 2010 5:00 pm				
October	November 8, 2010 5:00 pm				
November	December 13, 2010 5:00 pm				
December	January 10, 2011 5:00 pm				
QUARTERLY COMMERCIAL TOP GENERATORS LIST					
Q1-2010	March 15, 2010 5:00 pm	March 12, 2010 12:39 pm	Yes	Yes	
Q2-2010	June 15, 2010 5:00 pm				
Q3-2010	September 15, 2010 5:00 pm				
Q4-2010	December 15, 2010 5:00 pm				



Attachment 2

Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – April 2010

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Current Disposition</u>
QUARTERLY MIS REPORT					
Q4-2009	February 14, 2010 5:00pm	February 15, 2010 9:52 am	Yes**	Yes	Pending Review
Q1-2010	May 15, 2010 5:00pm				
Q2-2010	August 14, 2010 5:00pm				
Q3-2010	November 14, 2010 5:00pm				
QUARTERLY SRDC LIQUIDATED DAMAGES REPORT					
Q4-2009	February 14, 2010 5:00pm	February 15, 2010 8:36 am	Yes**	Yes	
Q1-2010	May 15, 2010 5:00pm				
Q2-2010	August 15, 2010 5:00pm				
Q3-2010	November 15, 2010 5:00pm				

**Both Q4 reports were technically submitted after the due date and time, however Staff is reporting them "On Time" due to the due date falling on Sunday and the Presidents' Day holiday.



Attachment 3							
Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach - April 2010							
<u>Residential Outreach</u>	<u>Frequency and Date Required</u>	2009			2010		
		<u>Date Issued</u>	<u>Compliant</u>		<u>Date Issued</u>	<u>Compliant</u>	
			Yes	No		Yes	No
Residential Collection Services Brochure	Annually each Summer	August	X				
Recycling Day Postcard Calendars	Annually each December	December & January**	X				
Twice Annual On-Call Bulky Item Collection Service notice - "Spring and Fall Cleanups"	Twice Annually						
	• Spring Events	January* & April	X				
	• Fall Events	September/October	X				
<u>Commercial Outreach</u>							
Commercial Recycling Guidelines	Annually ¹	Not Issued***	X		February***	X	
Commercial Recycling Bill Inserts	Four Per Year ²						
	• Q1	March	X				
	• Q2	Discontinued ³					
	• Q3	Discontinued ³					
	• Q4	Discontinued ³					

*The January mailing was a hold over from 2008 (approved by SBWMA Staff) due to other mailings also going out at the same time in September.

**Some calendars were mailed in early January (approved by SBWMA Staff) due to other mailings also going out at the same time in December.

***The February mailing was a hold over from 2009 (approved by SBWMA staff) due Commercial Recycling Coordinator staffing changes being finalized.



Attachment 3 (continued)

**Republic Services Collection Services Franchise Agreement
Contract Compliance - Public Education and Outreach – April 2010**

The SBWMA is working collaboratively with Republic to produce and disseminate several other collateral pieces not provided in the above list of contractually required items. The following is a list of the public education and outreach collateral that is produced by Republic but not specifically required in the franchise agreements:

- On-Call Bulky Item Collection Service Appointment Card
- Resident's Guide to Recycling and Disposal Services
- Recycle Your Tree flyer (provided to tree lots)
- MFD On-Call Bulky Item Collection Service Program Brochure
- Ghost Compost Flyer for pumpkin recycling distributed to retailers

¹ The Franchise Agreements do not specify a date.

² No specific dates are specified in the Franchise Agreements. The Franchise Agreements state "at least four (4) bill inserts a year."

³ Discontinued per the 2008 Performance Hearing recommendations.



STAFF REPORT

To: SBWMA Board Members
From: Monica Devincenzi, Recycling Outreach & Sustainability Manager
Date: April 22, 2010 Board of Directors Meeting
Subject: Update on Public Education Campaign for Rollout of New Collection Services

Recommendation

This is an informational report and no action is necessary.

Analysis

Staff has been working with Jeffrey Scott Agency (JSA), the agency selected to assist RethinkWaste with its public education campaign/collateral development needs, the Board of Directors' Public Education Subcommittee (Brian Moura, San Carlos; Laura Galli, Foster City; Lillian Clark, RecycleWorks/San Mateo County; and Roxanne Murray, San Mateo) and Recology San Mateo County to develop and finalize a Public Education Campaign for Rollout of New Collection Services.

The campaign encompasses outreach materials that will be either sent or delivered to residents and commercial customers, a media plan and a community engagement plan. A Master Timeline (**Attachment A**) provides a snapshot of when the different aspects of the multi-media campaign will be taking place over the next several months. Please note that the Master Timeline is a working document and schedules may be adjusted as needed.

Collateral Development

Based on direction from the Subcommittee, all collateral materials will include three languages: English, Spanish and Chinese. To date, the Subcommittee and Recology have approved the graphics that will be in-molded on the residential and commercial carts that show what can and cannot be placed inside each cart (**Attachment B**). These were submitted to the cart manufacturer in March for production. The next items that will go into production are the cart selection mailer for single-family residents, and brochures and signage for commercial customers.

Media Plan

The Public Education Subcommittee met on April 6, 2010 to review and discuss the media plan for promoting the new services and educating the general public on the rollout. The media plan will primarily include the following:

- Print Advertising (newspapers, local publications)
- Spanish Radio Commercials/Spots
- TV Commercials (targeted to the Peninsula zone)
- Web Advertising (banners on sites such as SFgate.com)
- Bus/Train Signs
- Movie Theater Advertising
- Banners in Member Agency Downtowns

The items listed above will take place during the next fiscal year, with some initial advertising occurring in the summer, and the bulk occurring during the fall and winter of 2010 to coincide with cart deliveries and start of the new services.

Community Engagement Plan

Staff received feedback from most Member Agencies on what community events and organizations or groups should be targeted for having an informational table or booth, or making presentations to on the new services. A calendar with Member Agency events where Recology and/or RethinkWaste will have a presence is being finalized and will be shared with the Board at its May 27th meeting. In addition to these events, Staff and Recology will be making presentations to requested groups, as well as hold town hall style meetings where the community is invited to learn about the new services and rollout. Staff will need assistance from Member Agencies with the presentations and meetings. Staff will coordinate the meetings with the Member Agencies, and anticipate them occurring late summer through the early winter.

In addition, Staff has been working on developing a Green Team Block Leader Volunteer Program that will be offered to Member Agencies as a way to further engage the community. This would be similar to a Neighborhood Watch program, where the volunteers would be provided the resources and tools needed to be a resource in their neighborhood on the new collection services.

Background

JSA was selected by the Board in November 2009 through a Design Competition as the agency to assist RethinkWaste with its public education campaign needs for the rollout of new services. The Public Education Subcommittee was created during the design competition to evaluate the firms competing in the Design Competition. The Subcommittee was to then continue in its capacity by reviewing and approving the public education campaign and all of its corresponding components. Staff welcomes any Member Agency interested in having direct involvement with the campaign development to have a Member Agency staff person join the Subcommittee.

Fiscal Impact

The SBWMA Fiscal Year 2009/2010 budget includes \$450,000 for outreach strategy development and implementation for future collection services. Of this amount, \$350,000 has been allocated for the initial development of campaign collateral and related materials. The JSA contract has been negotiated at a not-to-exceed amount of \$325,000 for both their professional services and reimbursable costs, such as printing, and the JSA strategic communications work plan will include line item budgets for each component. The remaining \$25,000 will be used by the SBWMA staff for consultant support related to the community engagement aspects of the campaign. The FY10/11 budget will also have a significant allocation for additional outreach for future services due to the timing of rolling out the new services.

Previously, staff had utilized \$60,000 of the FY09/10 project budget for the Phase 2 Design Competition stipends awarded to each firm, and \$40,000 for consultant support.

Staff will be bringing the final public education campaign and proposed budget for FY10/11 at the May 27th Board meeting.

Attachments:

Attachment A – Master Timeline


Attachment B – Cart Labels/Graphics

Public Education Campaign for Rollout of New Services Master Timeline

ITEM	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Cart Labels/Graphics Sent to Toter	Green															
SFD #1 - Cart/Service Level Selection -Direct Mail				Green												
SFD #2 - Summer Rethinker Newsletter -Direct Mail/Insert					Green	Green	Green									
Recology/RethinkWaste Booths at Community Events				Cyan	Cyan	Cyan	Cyan	Cyan								
Recology Commercial Blitz				Cyan	Cyan	Cyan	Cyan	Cyan	Cyan	Cyan						
MFD & Commercial Outreach - Mailers, Advertising, On-Site Visits/Training				Cyan	Cyan	Cyan	Cyan	Cyan	Cyan	Cyan	Cyan	Cyan	Cyan			
Advertising - Print/Newspapers #1- New Carts/Services						Blue										
Advertising - Movie Theaters #1 - New Carts/Services					Blue	Blue	Blue									
Town Hall/Public Education Meetings/Presentations						Cyan	Cyan	Cyan	Cyan	Cyan						
SFD #3 - New Program Brochure - Cart Deliveries							Green	Green	Green	Green						
SFD #4 - Fall Rethinker Newsletter -Direct Mail/Insert								Green	Green	Green						
Advertising - Print/Newspapers #2- New Carts/Services								Blue								
Advertising - Spanish Radio #1 - New Carts/Services								Blue	Blue							
Advertising - Zoned Cable/TV Commercials #1 - New Carts/Services								Blue	Blue							
Advertising - Web Banners - New Carts/Services								Blue	Blue	Blue	Blue	Blue	Blue	Blue		
Advertising - Movie Theaters #2 - Food Scraps/Weekly Service								Blue	Blue	Blue	Blue	Blue	Blue			
Downtown Community Banners/Public Signs								Blue	Blue	Blue	Blue	Blue	Blue			
SFD #5 - Weekly Service/Food Scraps Brochure, Kitchen Pail Sticker/Other Reminders - Pail Deliveries										Green						
Advertising - Print/Newspapers #3 - Food Scraps/Weekly Service										Blue	Blue	Blue	Blue			
Advertising - Bus/CalTrain/SamTrans Signs										Blue	Blue	Blue	Blue			
Advertising - Spanish Radio #2 - Food Scraps/Weekly Service										Blue	Blue	Blue	Blue			
SFD #6 - Winter Rethinker Newsletter -Direct Mail/Insert											Green	Green	Green	Green		
Advertising - Zoned Cable/TV Commercials #2 - Food Scraps/Weekly Service											Blue	Blue	Blue	Blue		
SFD #7 - Spring Rethinker Newsletter -Direct Mail/Insert															Green	Green

Mailers/Brochures/Newsletters 

Community Engagement Activities 

Media Plan/Advertising Related Activities 

COMPOST

ABONO | 堆肥



Food Scraps, Meat, Poultry, Fish,
Bones, Fruit, Vegetables, Dairy



Food & Beverage Soiled Paper



Yard Trimmings

NOT SURE? CALL US (650) 595-3900 or VISIT RecologySanMateoCounty.com | RethinkWaste.org

NO...

- Plastics & Plastic Bags
- Aluminum & Metal
- Glass & Ceramics
- Garbage
- Animal Waste
- Sod, Dirt & Rocks
- Plywood
- Treated & Painted Wood
- Concrete, Stones & Bricks
- Household Hazardous Waste & Chemicals
- Palm Fronds


Recology
San Mateo County
WASTE ZERO


Rethink
waste
South BaySide Waste
Management Authority

RECYCLE | 回收



Plastic Containers
Numbered ♻️ 1-7



Glass Bottles
& Jars



Metal Cans,
Aluminum Foil,
Small Scrap Metal



Paper, Cardboard, Milk &
Juice Cartons, Paper Egg
Cartons, Newspaper,
Magazines, Junk Mail

NOT SURE? CALL US (650) 595-3900 or VISIT RecologySanMateoCounty.com | RethinkWaste.org

NO...

- Garbage
- Food
- Plastic Bags & Plastic Film
- Styrofoam Packaging, Food Containers & Packing Peanuts
- Toys
- Ceramics, Glassware, Mirrors, Window Glass & Light Bulbs
- Nursery Plant Containers
- Plastic Buckets & Baskets
- Automotive Parts
- Small Household Appliances
- Wires, Banding, Chains & Cables
- Hand Tools
- Batteries & Cell Phones
- Household Hazardous Waste & Chemicals
- Bubble Wrap


Recology.
San Mateo County
WASTE ZERO


South Bayside Waste
Management Authority

GARBAGE

BASURA | 垃圾



Styrofoam Packaging,
Food Containers,
Packing Peanuts



Ceramics,
Glassware,
Mirrors,
Window Glass,
Regular Light
Bulbs



Bagged
Animal
Waste,
Diapers



Snack Bags,
Wrappers,
Juice & Soup
Boxes, Juice
Pouches



Plastic Bags,
Buckets, Baskets,
Broken Toys,
Bubble Wrap

NO...

- Batteries & Cell Phones
- Fluorescent Lights, Tubes & CFLs
- Liquids
- Motor Oil & Filters
- Sod, Dirt & Rocks
- Concrete, Stones & Bricks
- Household Hazardous Waste & Chemicals
- Recyclable Glass, Cardboard, Metal, Paper & Plastic
- Food Scraps & Food Soiled Paper
- Yard Trimmings
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- Medicines
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STAFF UPDATE

To: SBWMA Board Members
From: Recycling Staff
Date: April 22, 2010 Board of Director's Meeting
Subject: Recycling and Outreach Programs Update

Recommendation

This is an informational report and no action is necessary.

Annual Report

The 2009 RethinkWaste Annual Report has just been released, which will be distributed to the Board at the April meeting. The report highlights RethinkWaste's accomplishments over the last year, shows residential and commercial solid waste and recycling data, and provides information on our future plans. The report will also be posted on our website and shared at the Progress Seminar in Monterey.

Curbside Inc., Door-to-Door HHW Program

The City of Menlo Park is the fifth Member Agency that approved the new Curbside Door-to-Door Household Hazardous Waste (HHW) program at its March 23, 2010 council meeting. Member Agencies Belmont, Hillsborough, San Carlos and San Mateo had previously approved the new program that will provide a convenient option for residents to properly handle their unwanted Household Hazardous Waste, Electronic Scrap, Universal Waste, Sharps and Medicine. The new door-to-door collection services program launches May 3, 2010 for Belmont, Hillsborough, San Carlos and San Mateo. Menlo Park's program starts July 1, 2010. Targeted public outreach for participating Member Agencies will begin in April.

Future Collection Services Public Education and Outreach

Public education coordination meetings with Recology San Mateo County are ongoing and will continue throughout the transition to the future services. Staff is also continuing its work with Jeffrey/Scott Agency (JSA), the firm selected to develop the RethinkWaste's public outreach strategy and materials, on finalizing the plans and begin collateral development.

Staff will be attending the Progress Seminar presented by the Redwood City/San Mateo County Chamber of Commerce Monterey, and will be sharing an information table with Recology during the April 17th breakfast to provide basic information on the new services.

Please refer to Agenda Item 5b of the April Board packet for a more detailed Staff update on the public education campaign.

Mandatory Commercial Recycling Ordinance

The cities of San Carlos and San Mateo are participating in this pilot program to assist with the development of required or mandatory commercial recycling ordinances. Staff concluded the Phase I initial stakeholder engagement process in September 2009 and the Phase II stakeholder engagement public meetings in January and early February 2010. In addition, we now have a mandatory commercial recycling webpage which can be found at: <http://www.rethinkwaste.org/businesses/mandatory-commercial-recycling>.

The next steps included providing both Cities with updates on our stakeholder engagement process, sharing the recommendations used to structure their ordinance(s), and providing draft model ordinances. The San Carlos City Council voted 4-1 on April 12, 2010 approving the Mandatory Commercial and Multi-Family Residential Recycling Ordinance. The second reading of the ordinance by the San Carlos City Council is scheduled for their April 26, 2010 meeting. City of San Mateo staff anticipate making a presentation on the recommended components of an ordinance to its Public Works Commission in June. The Board will be provided updates on our progress in the coming months as needed. In addition, the Final Project Report prepared collaboratively with Cascadia Consulting, is provided as **Attachment A**.

Household Battery and Cell Phone Curbside Recycling Collection Program

The monthly average of batteries and cell phones collected through the curbside recycling program in 2008 and 2009 was 3,750 and 4,778 pounds, respectively. A total of 5,367 pounds was collected in March 2010.

RethinkWaste Website

The RethinkWaste website is undergoing some significant changes in the coming months to reflect RethinkWaste's new logo, future services updates and other information. Staff's goal is to make the website the go-to source for information on future collection services. The website is currently in the process of being updated in April to reflect the new RethinkWaste logo and color scheme, and include information on the Curbside Inc. Door-to-Door HHW program.

The site averaged approximately 414 visits per week since the last Board meeting, of which over 58% were new visits. There is a noticeable increase in the number of visitors to the site following the release of the Board packets, residents receiving the rethinker Newsletter, or other RethinkWaste outreach promotion (i.e., E-Scrap Events). The most commonly visited sections of the site "Residents" and "Board Meetings."

Shoreway Construction Webcams

The public can view the ongoing demolition and construction of the Shoreway facility through webcams hosted on the RethinkWaste.org website. There are two cameras that are currently directed at the Materials Recovery Facility. The cameras will be repositioned when construction begins on the transfer station.

The webcam link can be found at:

<http://www.rethinkwaste.org/shoreway-facility/construction-webcam>.

rethinker Newsletter

The Spring 2010 rethinker newsletter was sent out to residents the first week of April, and focused on home composting, Curbside Inc. Door-to-Door HHW program and profile of the 2nd Annual Green Lifestyle Contest winner. The Summer 2010 rethinker newsletter is being worked on and will focus on the Recology cart deliveries for the new services and new program information.

C&D Recycling Update

Staff released a model staff report and recommendations to revise Member Agencies C&D ordinances on February 6, 2009. The goal of the revisions is to set high standards for all of the ordinances in an effort to increase C&D diversion throughout the RethinkWaste service area. Addressing the issue of C&D recycling regionally will likely be the most effective strategy to ensure high levels of diversion, even though Member Agencies are responsible for administering and enforcing their respective C&D ordinances. A variety of recommendations were submitted to Member Agencies; however, one overarching recommendation that has proven to be effective in other communities (e.g., San Jose) is to require contractors to deliver material to certified C&D recycling facilities.

If Member Agencies include this requirement, RethinkWaste will annually publish a list of approved C&D processing facilities that are certified to accept material.

Member Agencies were requested to respond to RethinkWaste in February 2009 to convey their intentions of upgrading C&D ordinances. **Thus far, only a small handful of Agencies have expressed an interest in the recommendations.** The FY09/10 budget includes only limited funding to support this effort this fiscal year. Funds will be budgeted in the next fiscal year only if a critical mass of Member Agencies express a need for support with modifying their C&D ordinances.

Spring Compost Giveaway

Nine Member Agencies participated in the Spring Compost Giveaway Events. Member Agencies are reminded that the volume of compost that Allied/Republic is required to provide annually is significantly more than the amount that has been used by Member Agencies. Thus, Member Agencies are encouraged to participate in the events and consider establishing permanent locations to distribute compost to the public year-round. Menlo Park holds approximately 5 events each season and San Mateo operates a site that is open weekly. In addition, East Palo Alto requested deliveries of bagged compost this spring to accommodate their elderly residents. Please let us know if your agency is interested in increasing its participation in this program.

Each Member Agency is entitled to:

- 1 cubic yard of loose finished compost per ton of commercial organic material delivered to Newby Island annually;
- or
- 1 cubic foot of bagged compost per 2 tons of commercial organic material delivered.

The following table has been revised to illustrate that the aggregate amount of tonnage collected per year is available agency wide irrespective of the jurisdiction individual tonnage attributed to the Commercial Organics Collection Services. Staff previously conveyed that the annual allowable amount per Agency was based on that Agency's specific annual tonnage. Staff continues to encourage Member Agencies to increase their participation.

Member Agency	# of Events Held Spring 2010	Total Amount Compost Used to Date for 2010 at Spring Events	Compost Delivered to Agency Permanent Sites to Date *	Total Projected Amount of Compost Available for Member Agencies in 2010
Atherton	2	80		
Belmont	1	45		
Burlingame	2	80		
East Palo Alto	1	60		
North Fair Oaks	2	240		
Foster City	2	80		
Hillsborough	2	15		
Menlo Park	2	320		
Redwood City	1	130		
San Carlos	2	40		
San Mateo	0	-	520	
West Bay Sanitary District	0	-		
TOTAL SBWMA		1,090	520	

* through April 15, 2010

Schools Recycling Program Update

Staff has purchased 32 gallon recycling carts for distribution to schools in the RethinkWaste service area. The program is implemented with assistance from RecycleWorks staff who has delivered 154 carts on behalf of RethinkWaste. The table on the following page provides a list of schools that have received carts to date.

List of Schools Provided Recycling Containers

School	City	Total Number of Carts Delivered
St. Timothy School	San Mateo	2
Arundel School	San Carlos	6
San Carlos Charter Learning Center	San Carlos	6
Tierra Linda Middle School	San Carlos	2
Adelante School	Redwood City	2
Aragon High School	San Mateo	32
Franklin Elementary School	Burlingame	6
Charles Armstrong School	Belmont	3
Burlingame Intermediate School	Burlingame	13
Cipriani Elementary School	Belmont	3
Central Elementary School	Belmont	1
Burlingame High School	Burlingame	21
Redwood High School	Redwood City	4
Summit Prep. High School	Redwood City	4
Nesbit School	Belmont	2
St. Matthew School	San Mateo	3
Menlo Atherton High School	Atherton	25
Red Morton Park (AYSO Program)	Redwood City	3
White Oaks Elementary School	San Carlos	3
Ralston Middle School	Belmont	10
Henry Ford Elementary School	Redwood City	3

E-Scrap Processor Agreements

RethinkWaste currently utilizes the services of E-Recycling of California (ERC) for both community collection events and on-call pick-up of E-scrap at the Shoreway facility under separate contracts due to expire on April 20, 2010. Staff has consistently received positive feedback from customers on their delivery of services. Staff requested updated pricing from ERC and another vendor, ECS Refining, as part of its review of whether to extend the ERC contracts. ERC’s pricing was substantially better than the ECS pricing as shown below:

	<u>ERC</u>	<u>ECS</u>
Covered Electronic Waste (TV’s, Computer Monitors)	\$0.18/lb. rebate	\$0.14/lb rebate
Other E-Scrap (Consumer electronics, etc.)	No charge	(\$0.10)/lb cost
CPU’s	\$0.15/lb rebate	(\$0.10)/lb cost

Based on the company’s good performance history and superior pricing, staff will be executing a new consolidated agreement (for both the events and Shoreway) with ERC through 12/31/11.

Attachment:
Attachment A – RethinkWaste Mandatory Commercial Recycling Ordinance Development Project Final Report



Agenda Item #5c
Recycling and Outreach Programs Update

Mandatory Commercial Recycling Ordinance
Attachment A

- ◆ Mandatory Commercial Recycling Ordinance Final Project Report prepared collaboratively with Cascadia Consulting

File too large to include with Packet



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans
Date: April 22, 2010 Board of Director's Meeting
Subject: Facility Operations Update

Recommendation

This is an informational report and no action is necessary.

Staff Update

Master Plan Construction Status

MRF

The MRF foundation work is continuing through the month of April. Foundation footings, equipment pits, and utility trenching have been excavated, structural steel rebar has been placed, and concrete is being poured in these areas. These foundation features need to be completed prior to the pouring of the entire MRF slab. Current schedule shows that the slab will be poured in early May. After a two-week concrete cure period the large steel for the pre engineered metal building will be erected in late May.

Butler, the manufacturer of the structural steel for the pre-engineered metal building is currently fabricating steel for the building and the interior structures. Precast concrete panels that make up the lower-exterior of the MRF building are currently being cast in preparation for their delivery and installation after the metal is erected.

As a result of permit delays, unanticipated site conditions, owner directed changes, and rain, the MRF project is delayed approximately one month. The main concern over MRF delays is the potential for a late start in MRF equipment installation and a delay in the startup of the MRF processing system. Covello and SJ Amoroso are revising the construction schedule with an emphasis on keeping the equipment installation date from sliding. The result of this construction rescheduling effort will be presented at the May Board meeting.

Staff is planning a site tour and presentation at the May Board meeting that will provide a viewing and update of the construction project. Project expenditures and the revised construction schedule forecast will be highlighted at this meeting.

Table 1 lists all approved change orders on the project to date. The majority of the change order dollars at the MRF relate to the redesign of the foundation and electrical supply to accommodate the final BHS equipment design. These equipment related change orders (CCO 5, 6, &7) comprise \$349,648 of the \$440,174 total change orders to date.

Table 1.
SEC Construction Cost Change Summary Report
Updated: 4/15/10

Phase	#	Updated	Item	Cost*	Reason / Comment
MRF Demolition					
	CCO1	2/12/2010	Thick pavement section removal	\$ 8,939	Areas demolished at Entrance Driveway 1 contained A/C paving that was thicker than shown on the drawings.
	CCO3	2/12/2010	Removal of reservoirs containing haz mat	\$ 7,175	Three unanticipated subsurface reservoirs were found that needed testing and removal. Prior estimate of \$20,000 revised and final 2/26.
	CCO8	4/15/10	Furnish and Install Drain for Fire Sprinkler	\$ 2,256	Furnish & install drain for relocated fire riser in MRF per Belmont San Carlos Fire Department.
	CCO9	4/15/10	Furnish and Install Roof Support for Transfer Station Equipment	\$ 1,835	Furnish and install roof support for roof-mounted Transfer Station mechanical units.
	CCO10	4/15/10	Relocate PEMB Bracing on Grid Line D	\$ 1,601	Relocate PEMB bracing to accommodate equipment & planned operations in MRF.
	CCO11	4/15/10	Verify Invert of Existing Storm Drain Manhole	\$ 785	Furnish invert elevation and as built information to facilitate response to City Review comments
MRF Foundation					
	CCO2	1/6/2010	Lime-treat of foundation soils	\$ 58,200	Risk of job shut-down due to wet conditions was mitigated by solidifying MRF foundation soils so that foundation construction can proceed unhindered by weather.
	CCO7	4/15/10	Furnish and Install Additional Piles at MRF	\$ 113,850	After the MRF equipment design was final, the building foundation needed additional pile support at the slab pits and baler pad areas.
	CCO6	4/15/10	Delta 6 - Eqpt. Mods: Revise Feed from MRF SB1 to Owner-Furnished Equipment	\$ 74,007	Furnish and install reinforced concrete ductbank from MRF Electrical room to MRF Sort System MCC.
MRF Building					
	CCO5	4/15/10	Relocation of electrical room and gear	\$ 161,791	Resize electrical service from 2000A to 2500A for MRF Equipment. Relocate electrical service to accommodate underground secondary feed into the building.
Site Work					
	CCO4	3/11/2010	Construction of interim site entry	\$ 9,735	Wet conditions prohibited the pouring of concrete at the Gate I entrance and a interim asphalt entry needed to be constructed in order to switch over site traffic so demolition could proceed. Prior estimate of \$60,000 revised and final 2/26.
Total Cost Change				\$ 440,174	
Phase II-Construction Contingency				\$ 1,620,900	
Remaining				\$ 1,180,726	

Transfer Station Design

Staff has directed SJ Amoroso to complete the transfer construction as originally bid and awarded and to close up the front of the transfer station (south-western side) with an inexpensive raised-seam metal panel. Staff is developing design options for the transfer station that fit within budget of the Transfer Station improvements. The transfer station redesign will be provided to Amoroso by the end of April and it is expected that the Agency will have a cost estimate back for this project by the May or June Board meeting. After considering the quote from SJ Amoroso for this work, the Agency can decide to put the south-western expansion of the transfer station out to competitive bid or have S.J. Amoroso do this work as a change order.



MAY - JUNE 2010 BOARD AGENDA ITEMS (SUBJECT TO CHANGE)

May 27, 2010

- Draft FY1011 Budget
- Discussion on Member Agency Residential Collection Rate Implications with Simplified Service Levels
- Approval of Quarterly Investment Report as of 3/31/10
- Update on Shoreway Environmental Remediation
- Update on Shoreway Construction

June 24, 2010

- Approval of FY1011 Operating and Capital Budget
- Approval of Tipping Fee Adjustments
- Approval of Contract for Legal Counsel Services
- Approval of Contract for Accounting and Financial Services