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**a) Rates**

Contractor will be compensated per ton for Organic Materials delivered based on the material type outline in **Table 1**.

**Table 1. Pricing per Ton by Material Types**

Material Type	Price / Ton
Organic Materials	\$ 49.70
Organic Materials that have been size reduced to average 6" minus by screening or grinding	\$ 43.03
Source Separated Commercial Food Waste	\$65.63

**b) Contamination Level Rate Adjustments**

To protect the Processor from heavily contaminated Organic Materials the following **Exhibit E** describes the Contamination Measurement Methodology used to determine if loads exceed the maximum contamination level.

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 Shoreway facility.

**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 (2016) \$/Ton	Year 3 (2017) \$/Ton
Organic Materials	\$ 51.19	\$ 52.73
Organic Materials that have been size reduced to average 6" minus by screening on grinding	\$ 44.32	\$ 45.65
Source Separated Commercial Food Waste	\$68.25	\$70.98

## 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

	<b>Jan-09</b>	<b>Feb-09</b>	<b>Mar-09</b>
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
<b>Total Tons for Non-ADC Applications</b>	<b>13,197</b>	<b>10,368</b>	<b>13,556</b>
Less: Residual	(168)	(162)	(174)
<b>Adjusted Total Tons (requiring non-ADC use)</b>	<b>13,029</b>	<b>10,206</b>	<b>13,382</b>
<b>Approved Applications</b> (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
<b>Total Tons used for non-ADC purposes</b>	<b>13,731</b>	<b>10,907</b>	<b>15,127</b>

\*Not limited to tonnage with Contract Restrictions on ADC use

**EXHIBIT E**  
**CONTAMINATION MEASUREMENT METHODOLOGY**

**a) Excess Contamination in Organic Materials**

The Contractor is expected to successfully process Organic 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 Shoreway facility. .

**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.

- Plant Materials
- Wood Waste, Brush, Logs, and Branches
- Food Waste
- Organic Materials

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 Plant Material, Segregated Wood Waste, Brush, Logs and Branches. Because of the variability typically found in loads of Commercial Organic Materials and Food Waste, 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 Plant Material and Wood Waste, Brush, Logs and Branches; or fifteen (15) samples per load in the case of Organic Materials and Food Waste.

**Table 7  
Samples per Load and Results**

Material stream	Estimated sample weight	Number of samples	Expected statistical error range
Organic Materials	200 lbs.	15	7%
Plant Material and 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 Organic. Fifteen (15) cells will be selected for the commercial Organic 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.

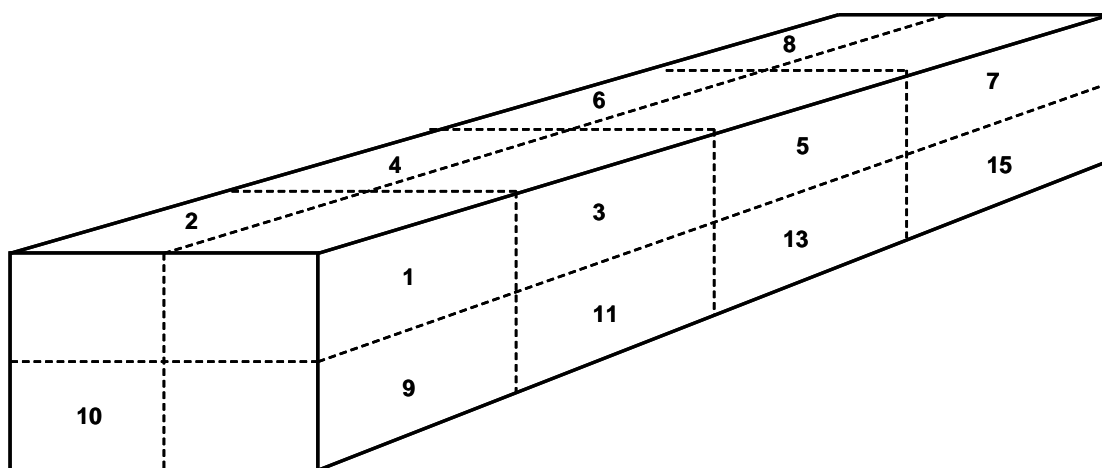
Pulling the tarp is a basic test used to estimate sample weight.<sup>1</sup> If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by removing or adding more material. It is important 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.

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<sup>1</sup> 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 Waste 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*
  - o Segregated Plant Material and Segregated Wood Waste, Brush, Logs and Branches
  - o Commercial Organic Materials and Segregated Food Waste

### Calculations

Estimates of *Contamination* and *Targeted Materials* (Plant Material and Wood Waste, Brush, Logs and Branches or Organic Materials and Food Waste) 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:

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*SBWMA Organic Materials Processing Agreement*

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Exhibit E  
Browning-Ferris Industries of California, Inc.



















