2011 ANNUAL REPORT

Rethinking Waste to Support Our Communities’ Environmental and Economic Goals

MEMBER AGENCIES:
- Town of Atherton
- City of Belmont
- City of Burlingame
- City of East Palo Alto
- City of Foster City
- Town of Hillsborough
- City of Menlo Park
- City of Redwood City
- City of San Carlos
- City of San Mateo
- County of San Mateo
- West Bay Sanitary District

Rethink
waste
South Bayside Waste Management Authority

Simple. Smart. Green.
CartSMART Delivers on Residential Diversion

Residents in the RethinkWaste service area set out record amounts of recyclables and compost through the new CartSMART weekly Recycle, Compost and Garbage collection services launched on January 3, 2011 in partnership with Recology of San Mateo County.

Total tons of residential recycling collected jumped 25 percent in 2011 compared to 2010. Compost collection increased a whopping 29 percent for the same period, and garbage decreased by nearly 18 percent.

And 2011 marked the first time that residents set out more compost (food scraps and yard trimmings) than garbage; Tons collected totaled more than 16,000 tons higher for compost compared to landfill-bound trash.

The data comes from comparing the tonnages reported by Recology San Mateo County for 2011 against the figures submitted by Allied Waste of San Mateo County for 2010. Allied Waste was the previous service provider whose contract expired on December 31, 2010.

The CartSMART program entails a convenient, three-cart system: blue cart for Recycle, green cart for Compost and black cart for Garbage. It includes having single-stream recycling, where all recyclables are placed into one cart, and the ability to place food scraps and food- and beverage-soiled paper products with their yard trimmings for composting.

A significant contributing factor to the increase in participation in 2011 by residents was switching to a larger cart for recycling collection and to weekly collection for all three carts. Previously, residents had an outdated program of every other week recycling and yard trimmings only, using a combination of tubs, carts and resident-provided cans.

<table>
<thead>
<tr>
<th>Residential Materials</th>
<th>2010 Tonnage</th>
<th>2011 Tonnage</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>32,507</td>
<td>40,655</td>
<td>+25.07%</td>
</tr>
<tr>
<td>Compost (Organics)</td>
<td>58,306</td>
<td>75,373</td>
<td>+29.27%</td>
</tr>
<tr>
<td>Garbage</td>
<td>71,840</td>
<td>59,300</td>
<td>-17.46%</td>
</tr>
</tbody>
</table>

Residential Year-Over-Year Comparison

Before

After
Innovative Recycling and Outreach Programs

Door-to-Door Household Hazardous Waste Collection: RethinkWaste continued the roll out of its convenient Door-to-Door Household Hazardous Waste (HHW) collection program to Foster City in March 2011.

The convenient program for single-family and multi-family residents promotes the safe and proper management of such items as paint, solvents, insecticides, cleaning products, fluorescent lamps, laptops, computers monitors, TVs and Sharps. Residents simply contact At Your Door Special Collection, the company contracted by RethinkWaste (formerly known as Curbside, Inc.) to provide the service, and schedule an appointment for the pick up of HHW materials from their home. They then receive a Collection Kit in their mail, which includes instructions, a plastic bag and other items needed to properly prepare the materials for collection. The items are then set out for collection on their appointment day for pick up.

The cities of Belmont, San Carlos and San Mateo, and the town of Hillsbourough were the first to offer the program to their residents in 2010, followed by Menlo Park, the West Bay Sanitary District and East Palo Alto. San Mateo County will be starting the program in May 2012.

Approximately 6,589 collections were made since the program started in mid-May 2010 through December 2011, resulting in an estimated 272,530 pounds of HHW material, 173,512 pounds of Universal Waste and 100,995 pounds of E-Scrap that were properly collected, recycled and disposed.

Curbside Battery Recycling: RethinkWaste has continued to operate one of the largest and most convenient curbside battery collection programs in the United States. A total of 47,334 pounds of batteries and cell phones were collected curbside from single-family residences in 2011, bringing the total amount collected and recycled to more than 229,340 pounds since the program was launched in October 2007.

Twitter: RethinkWaste launched its Twitter page in January 2011, joining its Facebook page in using social media as one more way of keeping its residential and commercial customers informed on the CartSMART and BizSMART programs, the Shoreway Environmental Center, and other programs and general environmental and sustainability information. Follow RethinkWaste at www.twitter.com/rethinkwaste or www.facebook.com/rethinkwaste.

RethinkWaste Wins Statewide Award for HHW Programs

RethinkWaste was selected as the 2011 Award Winner by the California Resource Recovery Association (CRRA) in the “Outstanding HW/U-/E-Waste” category for programs and services the Agency offers to residents in its service area for properly managing their Household Hazardous Waste (HHW), Universal Waste (U-Waste) and Electronic Waste (E-Waste). The award was presented on August 2, 2011 at the 35th Annual CRRA Statewide Conference & Tradeshow at the Loews Coronado Bay Resort in Southern California.

The award reflects RethinkWaste’s collective program efforts in the award category, including the Door-to-Door HHW collection program for residents in eight of the Agency’s twelve members, curbside household battery and cell phone recycling program, and seasonal Community E-Waste Recycling Events.

OUR COMMUNITY PARTNERS

RethinkWaste is committed to supporting organizations that promote resource conservation and sustainability in San Mateo County and California, including:

- Acterra
- BayROC
- California Climate Registry
- California Product Stewardship Council
- California Resource Recovery Association
- Californians Against Waste
- Joint Venture Silicon Valley
- PG&E ClimateSmart
- Sustainable San Mateo County
- U.S. Green Building Council
Shoreway Environmental Center

The rollout of the CartSMART residential and BizSMART commercial services included the transformation of the former Shoreway Recycling and Transfer Station in San Carlos into the new Shoreway Environmental Center – California’s Greenest Recycling and Transfer Station. RethinkWaste owns the Shoreway Environmental Center, which receives all of the residential and commercial recyclables, organic materials and solid waste collected in the service area by Recology San Mateo County. The facility is permitted to receive 3,000 tons per day, and is operated by South Bay Recycling (SBR) on the agency’s behalf.

Over 150 attendees, including RethinkWaste Board of Directors and staff, local and state officials, and community leaders gathered on September 27, 2011 to celebrate the official grand opening of the new facility, which underwent $46 million in capital improvements that was started in November 2009.

Shoreway encompasses the following significant improvements:

• 70,200-square-foot new Materials Recovery Facility (MRF), where the recyclables from residents and businesses in the RethinkWaste service area are processed. The new MRF houses state-of-the-art processing equipment specifically designed to handle single stream recyclables (commingled bottles/cans/paper), and replaces the previously existing 48,000-square-foot building. The new MRF became fully operational in April 2011, and has the capacity to handle over 80,000 tons per year on one operating shift.

• 14,780 square-foot expansion of the existing 62,000 square-foot transfer station building to increase unloading spaces for public customers and allow for a 30,000 ton-per-year increase in organic materials such as plant materials and food scraps collected from local residents and businesses.

• New Environmental Education Center housed in the MRF building, featuring museum quality exhibits promoting resource conservation and RethinkWaste programs. The Environmental Education Center will be available for tours for schools, community groups and the general public starting January 2012.

• New Public Recycling Center, for the free drop-off of materials for recycling, and a buy-back center for redeeming bottles and cans for their rebates.

• New scale house and related traffic enhancements.

• Green building features such as the use of photovoltaic (solar) panels to generate renewable energy to power site operations, rainwater capture and reuse, translucent panels to maximize day lighting, use of native and low-water plants, among others.
Installation of 2,700 photovoltaic panels on the roofs of the Shoreway Environmental Center Materials Recovery (MRF) and Transfer Station buildings was completed in December 2011. The solar project is one of the largest installations in the Bay Area, and is estimated to save approximately $2.1 million in energy costs over the next 20 years for RethinkWaste.

The system is capable of producing approximately 650 kilowatts of electricity per hour – enough power to run nearly 6,000 60-watt light bulbs for eight hours, and is the largest of its kind in San Mateo County. Approximately 100 percent of the MRF’s equipment energy needs are now supplied through the solar system, reducing carbon dioxide emissions by nearly 1.6 million pounds per year – the equivalent of removing 252 cars per year from the road.

Fresh Air Energy-II, dba Ecoplexus, did the installation of the solar panels through a Solar Power Purchase Agreement (PPA,) which includes financing, owning, operating and maintaining the photovoltaic system. In return, RethinkWaste will host the system and purchase the electric output for a predetermined price for the length of the contract. The term of the contract is 20 years.

The Solar PPA project is a result of the Silicon Valley Collaborative Renewable Energy Project launched in 2008 by Joint Venture Silicon Valley Network’s Public Sector Climate Task Force, in partnership with the County of Santa Clara. The project evaluated collaborative procurement opportunities for a Solar PPA, with the goals of obtaining favorable pricing through a large-scale regional aggregate purchase and to allow smaller governmental entities to participate in a PPA that would otherwise be unable to participate due to the size of project sites.
Fiscal Year 2012 Rethinkwaste Operating Budget

Each year, the RethinkWaste Board of Directors approves a budget which includes revenues, expenditures and budget reserves. Sources of revenue include tipping fees charged at the Shoreway Environmental Center, the sale of recyclable commodities and investment income. These revenue sources fund program expenditures related to administration, franchise contract compliance and support, recycling programs, Shoreway operations (includes our contractor’s operating budget), and capital improvements. The adopted, revised mid-year FY 2011-12 budget was for $40.5 million in revenues and expenditures of $37.5 million; these figures are exclusive of capital expenditures.

RethinkWaste continues to be a non-PERs agency, with no long-term pension obligations. This results in the cost-effective delivery of the agency’s services using a quasi public/private business model.

SBWMA FY 2012 Budget Revenue*

*Includes Shoreway Revenues only

SBWMA FY 2012 Budget Expense*

*Includes Shoreway Operating Expense only, no collection services expenses
About RethinkWaste

RethinkWaste is a joint powers authority of twelve public agencies (Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, the County of San Mateo and the West Bay Sanitary District) in San Mateo County, California and is a leader in the delivery of innovative waste reduction and recycling programs. RethinkWaste owns and manages the Shoreway Environmental Center which receives all of the recyclables, organics, and garbage collected in its service area. RethinkWaste also provides strategic oversight, support and management of service providers that collect, process, recycle and dispose of materials for the 12 Member Agencies. RethinkWaste, also known as the South Bayside Waste Management Authority (SBWMA) was formed in 1982.

Our Mission

To cost effectively design, implement and manage innovative waste reduction and recycling programs and facility infrastructure that fulfills our fiduciary responsibilities to our Member Agencies while achieving community environmental and economic goals.

Our Vision

Rethink Waste is recognized for its innovative waste reduction and recycling programs and facility infrastructure which are dedicated to the preservation and enhancement of the quality of life and the environment for our member agency communities.

Our Core Values

1. Implementing waste reduction, recycling and environmental education programs is paramount to achieving a greater resource conservation ethic and sustainable communities.
2. Delivering high quality, and cost-effective resources and services for our customers, and contractors (i.e., vendors and service providers).
3. Providing sound environmental policies and practices for our member agency communities.
4. Conducting long-term planning for waste reduction and recycling programs and facility infrastructure is fundamental to achieving our mission.
5. Facilitating excellent communication, collaboration and cooperation among all our stakeholders produces the best long-term results.

For more information on RethinkWaste’s vision, and key initiatives and milestones, visit http://www.rethinkwaste.org/about/history-and-mission.