



2011 Annual Report

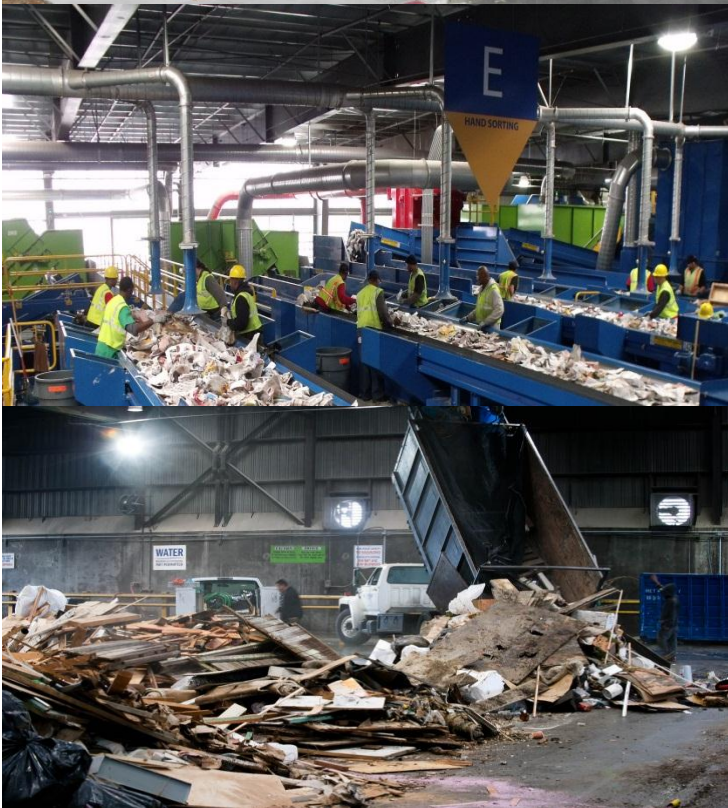


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About Us



South Bay Recycling, LLC, (SBR) is a joint venture between two of the most experienced operators of mixed waste MRFs, commingled residential recyclables MRFs and transfer stations in California: Community Recycling & Resource Recovery, Incorporated (Community Recycling) and Potential Industries, Incorporated (Potential Industries). SBR brings together the strengths of each company: the transfer and C&D processing capability of Community Recycling, and the single stream processing experience of Potential.

Community Recycling is one of a group of California companies owned and managed by Thomas Fry. It has been in business for over 33 years and has provided recycling, composting and energy production service to many communities throughout southern and central California. Community Recycling and Resource Recovery, Inc. presently owns and operates a Mixed Waste Material Recovery Facility (MRF)/Transfer Station/Recycling Complex in the City of Los Angeles and California's largest Composting Facility in Lamont. Community Recycling's sister companies also operate Biomass Power Plants in Madera and Dinuba.

Potential Industries was founded in Los Angeles as a privately held corporation in 1975. Potential is a full service diversified recycling company that operates four recycling facilities in the Southern California. Suppliers of recyclable materials include; municipalities, waste disposal companies, certified recycling centers, commercial and industrial accounts, and material recovery facilities. The Company processes over 300,000 tons of recyclable material per year. Potential also has Joint Venture partnerships with a newsprint mill and a tissue mill, both in China.

Community Recycling has evolved over more than three decades from a standard transfer station operation to a fully integrated mixed waste MRF operator, processing C&D and a wide range of organic material to compost. The Company is well positioned to support communities in their drive for zero waste and beyond.

Potential Industries has evolved from a traditional buyback recycling center to embrace residential commingled processing, and then again to secure additional markets through paper mill development. As such, the Company is able to optimize recycling, maximize diversion, and guarantee the strongest markets for recyclable materials.

Both companies have combined proven technology and utilized innovative new technologies to meet the demands and opportunities of today.

Changes to Facilities, Equipment and Personnel



Facilities

Below is a brief chronology of SBR's participation in the Shoreway Environmental Center (SEC) development and SBWMA master plan process.

January 2011 SBR commences operation of the Transfer Station and trans-loading of recyclable materials. Installation of the Bulk Handling Systems (BHS) single stream processing equipment and construction of the Shoreway Environmental Center are underway. SBR begins working on converting the old Republic Services sanding booth into a repair and maintenance shop.

February 2011 SBR contracts Quality Scales to begin improving the above ground scales located in the transfer station tunnel. Amoroso begins construction of the self-haul side of the transfer station.

April 2011 Construction of the Shoreway Environmental Center is near completion and SBR moves into their new offices located on the second floor of the Education Center. BHS completes the installation of the single stream processing equipment and on April 4th, SBR begins processing recyclable materials.

June 2011 Construction of the self-haul side of the transfer station is completed and opens for business on June 6th. Small and mid-size projects continue throughout the SEC and the misting system in the MRF becomes operational.

October 2011 BHS begins installation of the MRF Residue Conveyor system.

December 2011 Inter-Mountain begins installation of the solar panels at the SEC.

Equipment

December 2010 Transfer truck and trailers are delivered to the Shoreway Environmental Center. SBR rents two (2) Wheel Loaders to trans-load recyclable materials delivered to the MRF tipping floor by Recology, and two (2) diesel powered fork trucks to move materials until the electric fork trucks arrive.

March 2011 The installation of the electric charge stations are completed and SBR takes delivery of three (3) Linde electric fork trucks. SBR rents a 2,000-gallon water truck to be utilized as primary fire suppression during MRF operations until a permanent fire suppression system is installed. As secondary fire suppression, SBR rents a 200 lb. mobile foam extinguisher.

May 2011 2,000-gallon water truck is replaced with a 650-gallon water tank with pump and hoses which is placed near the tipping floor inside the MRF.

September 2011 the permanent fire suppression system is installed in the MRF, and the 650-gallon water tank is removed.

Equipment Description	Quantity	Comments
Roll-Off Tractors	1	2010 Xpeditor
Semi-Tractors	22	2010 Kenworth Tractors
Trailers	22	10 Tippers 10 Walking Floors 2 End Dumps
Wheel Loaders	6	2-L110 Wheel Loaders 2-L60 Wheel Loaders 1-L120 Wheel Loader 1-Excavator
Fork Trucks	3	Linde Electric Fork Trucks
Pickup Truck	1	Ford F-150
Man-Lift/Telescope Boom Lift	2	1-Telescoping Boom Lift 1-Scissor Lift
Roll-Off Containers	18	12-50 yard boxes 6-20 yard boxes
Computers	15	
Safe	2	Scale Hose / Office
Storage Containers/Bins	50	11-8 yard bins 18-6 yard bins 2-4 yard bins 2-3 yard bins 2-1.5 yard bins 2-3yard tilt hoppers 4-6 yard tilt hoppers 3-over seas containers 4-universal waste containers 2-50 yard enclosed containers
Platform Scales	2	Main Entrance
Reverse Vending Machines	2	Public Recycling Center

Personnel

Prior to the start-up, SBR recruited, trained and hired personnel to fill key roles within the organization. Some positions were filled by former Republic Services personnel in similar roles, while others were employed from outside of Republic Services.

Below is a chronology of the position and personnel that have held those positions since the start-up:

Position	Name	Start Date	End Date
General Manager	Duane McDonald	May 2010	May 2011
Interim General Manager	David Langer	May 2011	November 2011
General Manager	Dwight Herring	November 2011	Present
Interim Site Manager	David Langer	November 2010	May 2011
Site Manager	Dwight Herring	February 2011	November 2011
Site Manager	Jim Duffley	December 2011	Present
Accounting Manager	Sharon Zamora	December 2010	April 2011
Accounting Manager	Tonya Gilbert	May 2011	Present
Office Manager	Macie Lara	November 2010	July 2011
MRF Supvr	Wilson Lau	December 2010	April 2011
MRF Supvr	Adrian Cardona	July 2011	November 2011
Acting MRF Supvr	Gerardo Valles	November 2011	Present
Transfer Station Supvr	Tom Murphy	January 2011	June 2011
Transfer Station Supvr	Victor Amezcua	June 2011	Present

The following shows the Management and Administrative Staff as of January 2011:

<u>Position</u>	<u>Staff</u>
General Manager	Duane McDonald
Site Manager	David Langer (Interim)
Accounting Manager	Sharon Zamora
Office Manager	Macie Lara
TS Supervisor	Tom Murphy
MRF Supervisor	Wilson Lau

January 2011 Duane McDonald was the General Manager for South Bay Recycling (SBR). From the beginning, both John Richardson, Senior Vice President of Community Recycling and Resource Recovery, Inc., and Dan Domonoske, Vice President, of Potential Industries, Inc., were engaged in the day-to-day operations of the SEC to assure a smooth operational transition. David Langer was the Interim Site Manager for SBR. In this role, David provided administrative, operational and technical support services.

February 2011 Dwight Herring was hired as the Site Manager for SBR. Mr. Herring has over 25 years of experience in the waste and transportation industry and has held various management roles of increasing responsibility in collection, post-collection and material processing operations in diverse markets throughout the United States. Prior to joining to SBR, Dwight served as Vice President of Operations for TOMRA Pacific, Inc., and Principal of DH Strategic Solutions, a sole proprietorship focused on providing operationally focused consulting services for private and public sector clients in the waste, recycling and transportation industry.

May 2011 Tonya Gilbert joined SBR as the Accounting Manager, replacing the vacancy left by Sharon Zamora's departure. Tonya has 20 years of experience in accounting operations. Prior to joining SBR, Tonya served as the Accounting Manager for Larco Industries for nine years where she was responsible for all aspects of accounting and human resources for the company.

June 2011 Victor Amezcua joined SBR as Transfer station Supervisor, filling the vacancy left by Tom Murphy's departure. Victor has over 20 years of experience in the waste, material processing and transportation industry, and has served in management roles with Allied Waste and TOMRA Pacific, Inc., managing transfer station, transportation and MRF operations.

July 2011 Adrian Cardona joined SBR as MRF Supervisor, filling the vacancy left by Wilson Lau's departure. Adrian had 2 years of experience in MRF operations, primarily in operating a single stream system. Adrian possessed a strong aptitude for this type of work and had the potential of becoming an effective leader; however, due to some unfortunate circumstances, Adrian left SBR in November.

October 2011 David Langer announced that he intended to leave SBR by the end of the year to focus on growing his consultancy practice. In November, Dwight Herring was promoted to General Manager for South Bay Recycling. David Langer remained on-board through the end of the year to assist in the transition.

December 2011 Gerardo Valles from Potential Industries, Inc., who had assisted SBR during the start-up, stepped in as Acting MRF Supervisor while SBR searches for a replacement. Gerardo Valles has over twenty years of experience in operating and managing recycling facilities. Jim Duffley joined SBR as Site Manager, replacing the vacancy left by Dwight Herring's promotion to General Manager. Jim Duffley has over 20 years of experience in the waste and transportation industry and has served in various management roles with Waste Management and Allied Waste. In his twenty plus year career in the industry, Mr. Duffley has managed both collection and post-collection operations and is considered a functional expert in vehicle and equipment maintenance.

Below shows the Management and Administrative Staff as of December 2011:

<u>Position</u>	<u>Staff</u>
General Manager	Dwight Herring
Site Manager	Jim Duffley
Accounting Manager	Tonya Gilbert
TS Supervisor	Victor Amezcua
MRF Supervisor	Gerardo Valles (Acting)

Truck Payload Summary



SBR trucks were designed to minimize the tare weight of the tractor/trailer rig which allows for improved payloads. This was accomplished with safety in mind. The average payloads for 2011 which exceeded the aggressive targets that SBR set are listed below:

Solid Waste	Q1	Q2	Q3	Q4	2011
Tons	48,554	50,626	50,682	48,070	197,933
Loads	1,883	1,937	1,938	1,848	7,606
Avg. Tons/Load	25.8	26.1	26.2	26	26

Organics / Green Waste	Q1	Q2	Q3	Q4	2011
Tons	22,693	24,786	22,869	21,523	91,871
Loads	937	995	921	872	3,725
Avg. Tons/Load	24.2	24.9	24.8	24.7	24.7

Bio Fuel	Q1	Q2	Q3	Q4	2011
Tons	339	1,045	2,270	3,861	7,515
Loads	14	42	91	155	302
Avg. Tons/Load	24.2	24.9	24.9	24.7	24.7

Inerts/C&D	Q1	Q2	Q3	Q4	2011
Tons	5,491	7,740	8,583	8,005	29,819
Loads	245	310	346	322	1,223
Avg. Tons/Load	22.4	25	24.8	24.9	24.4

Overall Vehicle Trip Savings Compared to 2010 Estimates

SBR's custom designed, engineered, and fabricated trucks hauling payloads mentioned above resulted in tremendous savings to our environment. SBR's company tagline is "Improving Your Environment Every Day". That is not just a saying or catchy phrase. It is reality. As a direct result of hauling increased payloads SBR puts fewer trucks on the road and discharges fewer emissions in the air while consuming fewer resources. A summary of the savings are listed below:

	Q1	Q2	Q3	Q4	2011
Trip Savings	570	720	726	685	2,701
Miles Saved	10,340	13,720	14,169	13,034	51,277
Fuel Gallons Saved	2,585	3,430	3,542	3,258	12,819
Pounds of CO ²	57,386	76,144	78,635	72,338	284,503
Pounds of Carbon Savings	15,820	20,991	21,678	19,942	78,431

Material Marketing Summary



Material Marketing Report

SBR is operating the MRF equipment and processing normal grades of recyclable materials as follows: Old News Paper (ONP) for de-inking, Mixed Paper, Old Corrugated Containers (OCC), HDPE color plastic (HDPEc), HDPE natural plastic (HDPEc), Plastic #3-#7, Mixed Film Plastic (MFP), Mixed Rigid Plastic (MRP), Tin cans, Aluminum cans; and Loose Material – 3 mix glass, and scrap metal. SBR transports the glass to destinations in San Leandro and Hayward. All other materials are sold FOB San Carlos with the buyer making arrangements and paying for transportation.

SBR compiles data for monitoring the prices that OCC, Mix, and ONP is sold for and compares them to the Fiber Commodity Price Assurance Average Index Value. The chart below provides a calculation showing the Quarterly Index value compared to the average sale price for each grade of fiber from the MRF, the Price Assurance Index, and the Premium per ton for each grade. SBR's expertise in material marketing has provided the SBWMA with a premium value for the recovered fiber of **\$153,028.42** for 2011.

Q2	OCC	Mix	ONP	Total
Average Index Value	\$190.57	\$155.81	\$174.41	
Average Price	\$197.00	\$164.67	\$180.00	
Premium	\$6.83	\$8.53	\$5.65	
Tons	2,803.39	3,360.08	3,721.87	
Total	\$19,157.59	\$28,668.68	\$21,035.61	\$68,861.88
Q3	OCC	Mix	ONP	Total
Average Index Value	\$200.79	\$171.37	\$178.81	
Average Price	\$206.50	\$177.50	\$185.50	
Premium	\$5.67	\$6.37	\$6.61	
Tons	3,274.00	2,254.74	4,013.99	
Total	\$18,573.84	\$14,369.49	\$26,524.17	\$59,467.51
Q4	OCC	Mix	ONP	Total
Average Index Value	\$163.27	\$119.30	\$139.35	
Average Price	\$164.00	\$121.00	\$142.17	
Premium	\$1.32	\$1.98	\$3.04	
Tons	3,588.19	3,382.51	4,361.40	
Total	\$4,727.44	\$6,694.85	\$13,276.74	\$24,699.03
2011	OCC	Mix	ONP	Total
Average Index Value	\$184.88	\$148.83	\$164.19	
Average Price	\$189.17	\$154.39	\$169.22	
Premium	\$3.09	\$5.53	\$5.03	
Tons	13,724.38	8,997.33	12,097.26	
Total	\$42,458.87	\$49,733.03	\$60,836.52	\$153,028.42

Selecting Buyers

SBR sends out a bid cover sheet to all buyers outlining the procedures and processes of handling recyclable outbound commodities (each bidder is provided a Commodity Bid Sheet for providing the pricing each month). SBR also prepared a MRF Commodity Sales / Shipping Procedure Overview outlining the internal procedures for handling the recyclable commodities. SBR ensures that recovered materials are handled in an environmentally sound manner, and only does business with established companies that have a good reputation in the industry.

Material Bidding & Monthly Revenue

SBR continues to work with its established buyers of recyclable material and expand opportunities with new buyers that are interested in purchasing material. All buyers are required to inspect all materials and assess quality. SBR has requested existing buyers to come reevaluate the materials as improvements in quality have been made by adjusting the processing equipment.

Fiber

SBR places special emphasis on marketing baled fiber (ONP, OCC, and Mix Paper) and glass. This material comprises over 60% of inbound MRF volumes, and storage space for this material is small. As such it is very important that the shipments and payments are not interrupted.

Glass

SBR selected Strategic Materials as its end user for both mixed and clean glass. SBR produces approximately 60 tons of good quality 3mix Glass each day, and as such it is important to market the material to a buyer who can provide the best pricing while ensuring ongoing product movement. SBR will continue to sell material to the company that provides the best overall value and net revenue. In addition, it is important that the glass purchaser be familiar with CRV (California Refund Value) regulations so that the proper amount of CRV money is recovered from Cal Recycle.

Containers

On a monthly basis, and in some case twice per month, container materials are bid out to qualified buyers. Such materials include aluminum, PET, HDPE-Natural, HDPE-Color, 3-7 Mixed Plastics, Mixed Rigid Plastics, tin cans, and mixed film plastic. SBR communicates with all vendors by providing feedback to provide insight on their monthly bidding.

CRV Revenue

Prior to commencing facility operations SBR filed for and obtained Cal Recycle certifications for Recycling Center (RC), Processor (PR), and drop-off Collection Program (CP). SBR claims for CRV values according to State regulations and passes them through to the SBWMA after they are received.

Prior to commencing MRF operations SBR filed for and obtained Cal Recycle authorizations for Alternative Allocation Methodology for glass cleaning and allocating CRV payments to multiple programs. SBR has worked with the SBWMA, Recology, and Titus to ensure that Individual Commingled Rates (ICR) for Member Agencies remain in place for 2011 and continue in 2012.

SBR contacted Cal Recycle to determine the status of the Curbside Supplemental Payments (CSP). Annual appropriations of \$15 million dollars have been established for FY10/11 and FY 11/12, and their payment is subject to legislative action and availability of funds. There are no applications or invoices that need to be submitted in order to get the CSP money, which are normally made in December

following the Calendar Year (CY) in which the containers were collected. The State planned to make CY 2010 CSP payments to the operators of the curbside program (Allied/Republic) in January 2012. CSP payments for CY 2011 should be made in December 2012. CRV Curbside Supplemental Payments for CY2011, the first year SBR began operating the MRF, will be applied toward SBRs revenue guarantee according to the timing of when the payment is received, which is currently projected to be December 2012.

SBR contacted Cal Recycle to determine the status of the Quality Incentive Payments (QIP) for MRF glass. Currently the State has \$10 million dollars available for 2011, which is divided into two reporting periods: January – June and July – December. The beneficiating processor fills out a DOR56 form by the deadline, which is the 1st of the month following the reporting period. After the invoice is processed and approved the payment is typically made within 2-3 months of the submission deadline. Cal Recycle plans to continue this payment level in 2012, subject to legislative action and availability of funds. Payments for CY2011 have been and will be paid to SBWMA and applied toward SBRs revenue guarantee according to the timing of when the payment is received.

Fiber Commodity Moisture Monitoring

As outlined in the Operating Agreement, SBR has developed a Moisture Testing Protocol which established an average moisture baseline for the period July – September 2011. There were no issues with excess moisture in 2011.

The moisture testing protocol and test results were submitted to and approved by the Authority in 2011. If excess moisture is present then SBR will compile the required information and make a recommendation to the SBWMA so they can make an investigation to arrive at a determination based on the following information:

1. Daily rainfall records in the local area
2. Moisture measured in inbound loose material
3. Average bale weights for OCC, ONP, Mix Paper
4. Moisture measured in sorted/processed materials

Material Recovery Facility Start-Up



On April 4, 2011, The Material Recovery Facility became operational. The MRF equipment passed the Acceptance Test and is performing in a manner consistent with design parameters. It is not unusual during start up to experience challenges. Often times it takes several months to achieve production and quality levels that meet or exceed goals. Although SBR had their share of challenges during the first several months of operation, the MRF was able to function at acceptable levels throughout 2011 without significant downtime or the need to ship material off site for processing.

SBR has successfully applied their expertise in maximizing recovery and minimizing residue. By judiciously using equipment and labor SBR was able to achieve an overall 2011 MRF recovery rate of 93.12% (less than 7% of inbound materials left the facility as residue). That recovery rate is among the best in the industry. SBR is working with Recology and SBWMA to further improve the recovery rate by reducing the contamination level of inbound commercial and residential commingled recyclable materials.

The MRF conveyor that transfers residue to the Transfer Station will be installed in February 2012. After that is completed there will be several MRF related activities that will be completed, such as:

- Finalize equipment process controls and reporting.
- Identify tipping floor space dedicated to large volume OCC (cardboard) buyback and commercial suppliers.
- Update layout/traffic aisles in the transfer station to improve diversion.

After those activities are completed SBR will propose the following:

- Location for the remote scale along with identifying the operational improvements that will result from its deployment as outlined in the master plan and included in the Operating Agreement.
- Revenue Guaranty level established for duration of contract.
- Revenue share for 2011 increased from 25% to 28% based on outstanding performance in MRF operations.
- SBRs ability to recover an additional 3.12% (from the original proposal of 90%) of recyclables from the residue has benefited the SBWMA by **\$262,466**.

2012 Outlook for Sale of Recyclable Materials



There are two components to the value of recyclable commodities; scrap value and CRV value. The scrap value indicates the dollar amount that end users or intermediate processors are willing to pay for a specific commodity. The CRV value indicates the dollar amount that Cal Recycle establishes for beverage containers that are included in the CRV program.

The overall scrap value outlook for 2012 is stable. Recyclable materials are commodities, and as such they are subject to local, regional, and international forces of supply and demand.

Over 60% of the recyclable materials recovered in the MRF are fiber: Cardboard (OCC), Old Newspaper (ONP), and Mixed Paper. Demand for OCC and Mixed Paper is solid and is expected to grow in 2012. Demand for Old Newspaper is stable, but it may decline slightly as newsprint consumption continues to fall.

The scrap values for other recyclable commodities are expected to fluctuate in ranges consistent with the past year. SBR finds no reason to be optimistic or pessimistic about 2012.

CRV values are subject to funding received by Cal Recycle, budgetary actions at the State level, changes to refund & processing payments, and regulatory changes which are sometimes driven by special interest groups. A full review of CRV changes for 2012 is beyond the scope of this report. However, based on the changes in CRV Processing Payments and Individual Commingled rates it is likely that the net overall CRV value for 2012 will be slightly lower than 2011 levels.

Regulatory Compliance



SBR is in compliance with City, County, State, and Federal regulatory requirements. The SEC received no Notices of Violation (NOV) from the Local Enforcement Agency (LEA), and there were no hazardous spills or removals required. A summary of SBR's actions involving Regulatory Compliance is found below:

Administrative

SBR has implemented the following: Drug and Alcohol Policy; Return to Work Policy; Safety Committee; Safety and Work Rules & Disciplinary Program; Safety and Training Meetings

Drivers, Vehicles & Heavy Equipment

SBR has implemented the following: Commercial Vehicle Inspection and Maintenance Program; DOT Hours of Service Recordkeeping; Driver License Recordkeeping; Driver Qualification & Selection Policy

Reporting, Recording & Assessments

SBR has implemented the following: Accident Investigation Policy; Employee Work Observation Policy; Incident Recording and Reporting Program; Safety Assessment Policy

Regulatory

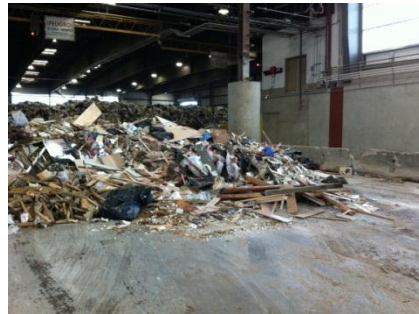
SBR has implemented the following programs: Blood borne Pathogens; Confined Space Entry; Cranes, Hoists and Lifting; Emergency Planning; Employee Exposure Determination; Ergonomics; Fall Protection; Fire Prevention & Detection; Flammable & Combustible Liquids; Forklift; Hazard Communication; Hearing Conservation; Heat & Cold Stress; Illness & Injury Protection Program; Lockout Tagout; Medical First Aid; Personal Protective Equipment; Stationary Balers and Conveyors; Welding, Burning, and Hot Work

Training

SBR conducts regular training with employees, and topics include but are not limited to the following:

- Bloodborne Pathogens
- Confined Space
- Driver Qualification and Inspection
- Emergency Response
- Employee Observation
- Ergonomics
- Fall Protection
- Fire Prevention
- Hazard Communication
- Hearing Conservation
- Lock Out
- Tag Out
- Personal Protective Equipment
- Seat Belt Use

Self-Haul Diversion



Overview

On June 6, 2011, the Self Haul side of the Transfer Station became operational. SBR initiated an aggressive and comprehensive diversion program at the SEC. With the opening of the expanded self-haul transfer station, SBR began increasing the recovery of recyclables and reusable materials, decreasing the volume of disposal of solid waste. Once the MRF residue conveyor is installed (Q1 2012), there may be additional opportunities for increased Self-Haul Diversion.

SBR is required to divert 30,000 tons annually of material received at the Transfer Station. In 2011, SBR diverted 30,617 tons, exceeding the contractual obligation. SBR plans to work collaboratively with the SBWMA to improve diversion, including from the inbound franchise tons.

Sorting Operations

Each self-haul customer entering the SEC is greeted by a Scale Operator. The Scale Operators are the first introduction to the facility. The Scale Operators are experts in identifying recoverable materials and are trained on how to educate the customer on options to increase diversion.

As self-haul customers enter the transfer station, they are directed by the Sorter to the appropriate tipping area based on material type. Once the customer has completed unloading their material SBR sorters begin presorting large materials for diversion. Floor sorters remove any contaminants from the organics such as plastic bags, flower pots, and other unacceptable materials. Equipment Operators support the sorting staff by separating loads and removing heavy items for diversion.

The presorted items are stored in bunkers, roll-off boxes, trailers, or in designated areas on the transfer station floor or outside the building. Reusable items are stored outside the transfer building in a St. Vincent DePaul container.

Self-Haul Customer Incentives

SBR worked with the SBWMA staff and established an incentive fee structure for clean inert and wood materials. Clean loads receive a reduced rate of 20-25% as an incentive to encourage more clean loads. In addition, Scale Operators make customers aware of the savings when they have split loads of clean materials, allowing them to tip in multiple areas. The designated material types are printed on the weight tickets so contractors can report diversion credits to the municipalities that maintain C&D Ordinances.

Recovered Materials

SBR sorters are trained to identify and recover recyclable materials from the various waste streams. SBR has designated areas where recovered recyclable materials are stored until they can be processed or sold. In some cases the material is set aside as a specific grade, and in other cases materials are culled or pulled from mixed materials. These materials include:

- Appliances
- Refrigerators
- Tires
- Electronics
- OCC
- Mixed Plastics
- Scrap Metal
- Clean Wood
- C&D Material
- Mixed Rigid Plastic
- Mattresses
- Sofas
- Garage doors
- Carpet

Reuse Items

SBR has coordinated with St Vincent de Paul (SVDP) to support a reuse program. SVDP has provided one full time person to assist SBR in identifying reusable materials from the waste stream. Targeted materials include:

- Used Clothing
- Used Books and Magazines
- Used Household Goods (toys, games, pots/pans, utensils, dishes, purses, shoes, lamps, fans, and other reusable items)
- Furniture

Staffing & Responsibilities

SBR has the following staff dedicated to the transfer station operation

Position	Contractually Required	Actual Headcount
Scale Operator	3	3
Equipment Operator	5	5
Spotter/Utility	4	3
Sorter	9	10
Total	21	21

Scale House Attendants

Scale House Attendants are responsible for estimating volumes and per unit items in the self-haul vehicles. All materials are entered into PC Scale by material type. Appropriate fees are collected by the Scale Attendant.

Sorter

Sorters are responsible for checking tickets, managing traffic flow, and sorting materials for diversion. Sorters also support with general maintenance throughout the facility and assist with loading diverted items into appropriate bins and storage areas.

Spotter/Utility

Spotters are responsible for assisting loaders when loading transfer trailers in the tunnel. Spotters also support Sorters when materials are not being loaded.

Equipment Operators

Loader Operators are responsible for pushing materials in both the commercial and self-haul areas. Operators load materials into transfer trailers throughout the day for outbound shipments. Operators support the Sorters and Spotters in removing materials identified for diversion.

Hours of Operation

The hours in which SBR may conduct operations at the SEC are Monday through Saturday from 2:00 a.m. to 11:00 p.m. and Sunday from 6:00 a.m. to 6:00 p.m.

Below is the current staffing schedule for the SEC:

Position	2:00 a.m. – 6:00 a.m.	6:00 a.m. – 10:30 a.m.	10:30 a.m. – 2:30 p.m.	2:30 p.m. – 7:00 p.m.
Scale Attendant	1	1	2	2
Equipment Operator	3	4	4	1
Spotter/Utility	3	3	3	0
Sorter	0	5	6	4

Future Options under Consideration

SBR will continue to evaluate new opportunities to recover other materials. Options under consideration are as follows:

MRF

Remove materials that can either be marketed as traditional recyclables or culled from the residue and used in some type of beneficial use.

Self-Haul

Segregate other clean inert materials (i.e., asphalt, rock, ceramics, etc.)

Franchise Loads

Identify and recover materials that can either be segregated by material type and stored in the Transfer Station or combined with other dry recyclables and sent to the MRF for processing.

SBR is intent on identifying opportunities to expand the diversion efforts at the SEC. Our plan is to work directly with the SBWMA staff on the use of mechanical technologies and appropriate staffing levels to expand recycling efforts. Throughout 2012 SBR will work cooperatively with SBWMA and Recology to identify materials in the Transfer Station that can be recycled or diverted for beneficial use. Space constraints are the biggest obstacle, both in the Transfer Station and the MRF. SBR continues to evaluate markets and will bring new opportunities to the SBWMA.

Commercial Load Evaluation and Sorting

Evaluation of commercial loads will be conducted as part of the review to determine which type of materials should be identified as part of diversion from a sorting operation. SBR will work with SBWMA and/or their consultants to identify materials from certain collection routes that could be sorted in the Transfer Station. Sampling and testing will take place beginning in Q2 2012, after the MRF residue conveyor is installed in the Transfer Station. Based on the results from the sample testing SBR will work directly with the SBWMA to evaluate mechanical sorting/screening opportunities in the Transfer Station.

Facility outbound Scale

There are two issues related to scales at the Shoreway facility that are currently under review: identifying the location and integration of the remote scale (between the Transfer Station and the MRF); and finding a long term solution so the Tunnel scales function properly.

Contractually Required Reporting

Accident and Incident Reporting

Date	Employee/Customer	Incident
1/2011	Andres Torres	Loader grabbed cable to harness and pulled employee into the pit
3/2011	Joe Lombardi	SB11 rolled over while dumping inert at Ox Mountain LF. No injuries were reported
6/2011	Manuel Chuna	SB1 was involved in a vehicle collision west bound on I-580. No injuries were reported.
9/2011	Central Bay Roofing	Customer struck the roll up door while exiting the Self-haul side of the TS. No injuries were reported.
10/2011	Mario Duarte	Strained elbow moving a cart filled with containers
10/2011	Wilfredo Rodriguez	SB12 rolled over while dumping inert at Ox Mountain LF. No injuries were reported.
10/2011	Henry Navalhas	Loader operator struck the east side entrance of the self-haul side of the transfer station. No injuries were reported.
12/2011	Jesse Harro	Strained neck and shoulder pulling super single tire off of trailer
12/2011	Mario Duarte	Injured right lower leg when container filled with batteries fell off of forklift

Hazardous Spills and Removals

There were no hazardous spills or removals required.

Submitted Plans to the SBWMA

- Material Marketing plan
- Self-Haul Diversion Plan

Attachments

Attachment A	Total materials entering the SEC hauler type
Attachment B	SEC outbound tons
Attachment C	Mass balance accounting of all materials that enter and leave the SEC
Attachment D	Total materials moving between the buildings at the SEC
Attachment E	Percentage of materials diverted by material type and operation