



# 2015 ANNUAL REPORT



Prepared by: Dwight Herring



## South Bay Recycling, LLC

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February 12, 2016

Hilary Gans  
Interim Executive Director  
SBWMA/ReThink Waste  
610 Elm Street, Suite 202  
San Carlos, CA 94070

Dear Mr. Gans:

Enclosed is a copy of the South Bay Recycling's 2015 Annual Report. South Bay Recycling will send electronic copies to each jurisdiction.

In accordance with the requirements of our Operating Agreement, the undersigned hereby certifies, under penalty of perjury, that the report submitted herewith is true and correct to the best knowledge of the undersigned after reasonable inquiry.

If you should have any questions or require additional information, please call me at (650) 802-8355.

Sincerely,

*Dwight E Herring*

Dwight E Herring  
General Manager

cc: Farouk Fakira  
SBWMA Board of Directors

# **SOUTH BAY RECYCLING**

## **ANNUAL REPORT TO THE SBWMA**

**FOR YEAR  
2015**

**Submitted  
February 12, 2016**

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## 2015 ANNUAL REPORT

### DEFINITIONS

**Municipal Solid Waste (MSW)** – MSW delivered to the Shoreway Facility is delivered by the following sources: Recology of San Mateo County; Member Agency Vehicles; Public Self-Hauled; Maintenance Facilities from Recology of San Mateo County and South Bay Recycling; and, Contracted Non-Franchised Haulers.

**Bulky Item/Reusable/Recoverable Materials** – Recyclable materials recovered by Sorters from various waste streams. These items include, but are not limited to: electronic waste, cardboard, mixed rigid plastics, scrap metal, reusable furnishings, appliances, clothing, etc.

**Organics Materials** – Compostable materials such as food scraps, food-soiled paper fiber, wood and other plant materials collected Recology of San Mateo County from residential, commercial and multi-family complexes and delivered to the Shoreway Facility; and/or wood and other plant materials delivered to the Shoreway Facility by the public.

**Inert/C&D Materials** – Mixed Dirt, Cement, Rock, and other Construction and Demolition Debris delivered to the Shoreway Facility by the public.

**Recycling Materials** – Cardboard, Newspaper, Mixed Paper and Bottles and Cans collected by Recology of San Mateo County from residential, commercial and multi-family complexes and delivered to the Materials Recovery Facility for processing; and/or Recyclable materials delivered to the Public Recycling/Drop-Off Center by the public.



## 2015 ANNUAL REPORT

### OPERATIONS SUMMARY

Total municipal solid waste tonnage received:	217,902
Total bulky item, reusable, recoverable tonnage received:	1,271
Total organics tonnage received:	105,135
Total inert and C&D tonnage received:	38,625
Total recyclable tonnage received:	<u>108,957</u>
<b>Total tonnage received into Shoreway Facility:</b>	<b>471,890</b>
Total tonnage received into Transfer Station:	362,933
Total tonnage received into MRF:	108,957
Total tonnage disposed:	217,903
Total tonnage diverted:	253,988
<b>Overall Calculated Diversion Rate:</b>	<b>54%</b>



# OPERATING STATISTICS

## ABOUT SOUTH BAY RECYCLING

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South Bay Recycling operates the Shoreway Facility Transfer Station, Materials Recovery Facility and Public Recycling Center under an Operating Agreement with the South Bayside Waste Management Authority (ReThink Waste).

On March 5, 2015, Recology, Inc. acquired Community Recycling & Resource Recovery, Inc., which owned a sixty percent (60%) share in South Bay Recycling, LLC. Recology, Inc. was assigned the sixty percent (60%) share in South Bay Recycling, LLC. Recology, Inc. provides administrative support for South Bay Recycling, LLC (e.g., Accounting, Operating Systems, Legal, Human Resources, etc.).

The South Bay Recycling Board of Directors is made up of five members; three from Recology, Inc. and two from Potential Industries, Inc.

South Bay Recycling, LLC, (SBR) is a joint venture between Recology Inc. (Recology) and Potential Industries Inc. (Potential Industries), both of which are experienced operators of mixed waste Material Recovery Facilities (MRFs), commingled residential and commercial recyclables MRFs, and transfer stations. This partnership brings together the strengths of Recology and Potential Industries to achieve Recology's vision of a world without waste.

Recology is an employee-owned company dedicated to building exceptional resource ecosystems that protect the environment and sustain communities. With approximately 40 operating subsidiaries, Recology provides collection, hauling, processing, composting, and disposal services to homes and businesses in the Western United States. Recology also manages municipal processes and services, including urban cleaning services, collection, sorting, transfer, recovery, and landfill management. Their commitment to positively impact communities and the environment is driven by their mission to serve communities, the environment, and their employee owners.

Potential Industries has evolved from a traditional buyback recycling center to embrace residential commingled processing, and secure additional markets through paper mill development. As such, Potential Industries is able to optimize recycling, maximize diversion, and guarantee the strongest markets for materials. 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 sites in Southern California. Suppliers of recyclable materials to Potential Industries include: municipalities, waste disposal companies, certified recycling centers, commercial and industrial accounts, and MRFs. The Company processes over 300,000 tons of recyclable material per year.

SBR's technologies and single stream processing methods allow for efficient sorting and recovery of recyclable materials to meet the demands of sustainable communities and State-mandated diversion goals.

## FACILITIES, EQUIPMENT AND PERSONNEL



The Shoreway Facility is open to the public and provides residents, businesses, contractors, municipalities, and individuals the ability to bring their trash, yard trimmings, organics, construction debris or recyclable materials for processing and transfer to permitted landfills, end users, and other processing centers for further separation and marketing of materials.

### FACILITIES

#### Transfer Station



Scale Attendants inspect all self-haul loads and a minimum of four loads from the franchise hauler entering the Shoreway Facility each day. Scale Attendants have been trained on how to properly inspect, identify, reject and report loads containing unacceptable materials

Recology collection vehicles entering the Shoreway Facility come to stop on one of two in-ground scales. The driver enters their vehicle number, route number and type of waste into the Driver Automated Terminal (DAT). The scale software system reads and records the equipment's gross vehicle weight, subtracts the vehicle tare weight, which has been previously recorded and stored in the scale software system, and calculates and records the vehicle net weight. The driver receives a printout and exits the scale. Recyclable materials are delivered to the Materials Recovery Facility and all other materials are delivered to the Transfer Station.

The public entering the Shoreway Facility are greeted by Scale Attendants, who are State Certified Weigh Masters, and have been trained in the proper volumetric measurement of the various types of materials received at the Shoreway Facility. To ensure Scale Attendants are providing an accurate measurement, a baseline ratio of 2.76 yards per ton was established. The Transfer Station Supervisor conducts spot checks on a regular basis to ensure proper measurement procedures are being followed.

Scale Attendants identify the material type, measure the load and enter the information into the scale software system. The Scale Attendant receives the appropriate payment from the customer and the customer is issued a scale ticket and receipt.

Customers are then directed to the Transfer Station where they are greeted by a Spotter. The Spotter is responsible for managing the flow of traffic on to the tipping area, checking the weigh ticket and directing the customer to the appropriate area to unload of their materials. Inside the Transfer Station, Sorters who have been trained to identify and recover materials that can be recycled or reused, remove these materials from the various waste streams for further processing.

Equipment Operators load materials into trailers, which are transported to the appropriate disposal site or processing Facility.

The Transfer Station is open to the public Monday through Friday from 6:00 a.m. to 6:00 p.m. and on Saturday and Sunday from 8:00 a.m. to 5:00 p.m.

**Materials Accepted**

Municipal Solid Waste	Mattress or Box Springs
Mixed C&D and Inert Materials	Sofas
Yard Trimmings	Garage Doors
Food Scraps	Tires
Refrigerators	Scrap Metal
Appliances	

**Materials not accepted**

Liquid wastes or sludge	Dead animals
Car batteries	Oils and solvents
Hot ashes	Medical waste
Sealed containers	Radioactive or Reactive Materials
Animal waste	Any type of hazardous waste

**Public Recycling Center**

The Public Recycling Center (PRC) is open to the public Monday through Saturday from 8:30 a.m. to 4:00 p.m. and accepts the following recyclable materials for drop off:

Cardboard	Used Antifreeze
Mixed Paper	Latex Paint
Glass Bottles	Electronics
Mixed Containers	Fluorescent Lighting Tubes
Aluminum Cans	Household Batteries
Plastic Containers	Sharps
Used Motor Oil Filters	Pharmaceuticals
Used Motor Oil	Cooking Oil



When customers arrive at the PRC, they are greeted by an Attendant who directs them to the appropriate area where they can either drop off their recyclable items or return their California Redemption Value (CRV) containers for a refund.

Customers are offered two options to account for their containers in order to receive the redemption value.

#### Weighing Containers

Customers may choose to have their CRV eligible containers weighed. The customer is asked to place their containers into a basket provided by South Bay Recycling. The Attendant transfers the containers into a second basket check where they inspect the contents and remove any non-CRV items or dispose of any liquid that may remain in the containers. The basket is placed on a certified scale where the contents are weighed. The customer receives a receipt which shows the net weight, material type and redemption value. The customer takes their receipt to the cashier for payment.

#### Counting Containers

Customers may choose to have their containers counted. If requested to count containers, the Attendants may count up to fifty (50) containers per customer per visit. The same inspection process is followed as stated above. The Attendant counts each container and provides the customer with a receipt which shows the container count, material type and redemption value. The customer takes their receipt to the cashier for payment.

South Bay Recycling also purchases segregated cardboard from customers who bring in more than 300 lbs. to the Public Recycling Center. Payments are subject to change based on prevailing market conditions.

Materials received into the Public Recycling Center are processed and sold to various end users who convert the materials into new products, or reusable items.

### **Material Recovery Facility**

The Material Recovery Facility accepts residential and commercial single stream recyclables and source separated fiber. Through mechanical and manual processing, this material is separated by commodity type, baled and sold to market. The processing equipment is performing in a manner consistent with design parameters, and as a result, is achieving production and quality levels that meet or exceed goals.

Due to processing operations ability to function at acceptable levels, SBR began sourcing single stream, and source separated recyclable materials from third party generators. In mid-2014, SBR entered into a long-term agreement with Recology, Inc. to receive and process single stream recyclables collected outside the jurisdiction of the JPA. In 2015, this additional volume resulted in an additional **\$462,616** of host fee revenue to the SBWMA, up **18.9%** from 2014.



To accommodate additional recyclables delivered to the Shoreway Facility and be prepared for unforeseen circumstances outside of SBRs control (e.g., Port shutdowns/slowdowns), the SBWMA installed a canopy to extend the MRF tipping floor area.

This installation provides an additional 2,747 square feet of tipping floor space.

SBR has successfully applied its operational expertise, resulting in maximizing recovery of marketable materials. By judiciously utilizing equipment and labor, SBR was able to achieve a total plant recovery rate of 90.9% (9.02% of inbound recyclables left the facility as residue). This recovery rate is among the best in the industry. SBR continues to work with its third party haulers, Recology of San Mateo County and the SBWMA to further improve recovery rates by reducing the contamination level of inbound commercial and residential commingled recyclable materials.

### **San Mateo County Vocational Rehabilitation Services**

The County has several public programs whose purpose is to assist people in attaining their maximum potential within a work environment through counseling, work experience, education and vocational testing. One of the County programs currently being used by South Bay Recycling is the VRS program, which is a unique public/private partnership that strives to enhance people's self-esteem and dignity.

As requested by the SBWMA BOD, since the start of operations South Bay Recycling has utilized the services of San Mateo County, Vocational Rehabilitation Services (VRS). VRS provides MRF Sort Labor (Clients) and Production Supervisors for sorting operations in the Materials Recovery Facility. VRS Clients have been trained to identify and remove non-recyclable materials from mix paper, old newspaper, cardboard, plastics, aluminum, and other targeted recyclable materials prior to being baled and shipped to market.

On January 1, 2015, SBR renewed its contract with San Mateo County, Vocational Rehabilitation Services Program for an additional three years, ending December 31, 2017.

Throughout 2015, local economic conditions have created challenges for VRS to consistently provide the number of Clients required to efficiently operate the MRF. SBR and the County continue to work together to ensure ongoing program success.



## EQUIPMENT



### **Fleet**

Prior to commencing operations, South Bay Recycling purchased new 2010 Kenworth tractors for its operation and continues to operate these same vehicles. Each 2010 EPA-compliant CAT engine employs the best available emissions control technology to reduce NOx and Particulate Matter.

SBRs trailers are custom designed, engineered and manufactured to minimize weight and maximize payload, resulting in less equipment on the road which reduces traffic congestion, resource consumption and CO2 emissions. In 2015, SBR added a Walking Floor Trailer to its inventory. This equipment was added to meet the new annual minimum delivered tonnage of organics to Grover and Newby Island.

We continually assess the operation and make necessary modifications to our equipment to improve performance and increase efficiency. Since the start of operations, SBR has made the following improvements:

1. Outfitted three trailers with steel floors designed to transport construction and demolition debris and mix glass, resulting in reduced maintenance cost and equipment downtime; and
2. Installed on-board truck scales on all combination tractor/trailer equipment to reduce transportation time to disposal/processing destinations.

With the exception of construction debris and inert materials, our average payloads exceeded the aggressive targets that SBR identified in its bid documents, which many thought were unattainable. Due to a significant change in the types of materials accepted by the C&D processor in 2013, payloads to Zanker Road have decreased from what SBR enjoyed prior to this change.

**Average Payloads by Material Type**

<b>Solid Waste</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
Tons	52,479.36	53,914.21	55,631.34	55,880.39	217,905.30
Loads	2,027.00	2,073.00	2,141.00	2,146.00	8,387.00
Avg. Tons/Load	25.89	26.01	25.98	26.04	25.98
<b>Organics</b>					
Tons	26,875.38	25,029.69	25,148.93	28,081.22	105,135.22
Loads	1,101.00	1,015.00	1,021.00	1,154.00	4,291.00
Avg. Tons/Load	24.41	24.66	24.63	24.33	24.50
<b>C&amp;D</b>					
Tons	7,714.67	9,206.92	11,075.93	10,627.34	38,624.86
Loads	403.00	468.00	561.00	522.00	1,954.00
Avg. Tons/Load	19.14	19.67	19.74	20.36	19.77

**Operating Equipment**

Prior to commencing operations, South Bay Recycling purchased new 2010 Volvo Wheel Loaders, a diesel powered Man-Lift and electric powered Linde forklifts. Each 2010 EPA-compliant CAT engine employs the best available emissions control technology.

Since the start of operations, SBR has added the following equipment:

- Linde Electric Powered Forklift
- Linde Diesel Powered Forklift

The Linde Forklifts produce zero emissions and have a battery life that allow for a full 12-hour operation before needing to be recharged.

**Equipment Maintenance**

South Bay Recycling performs repairs and preventative maintenance on all equipment it operates, to include, analyzing transportation, loading and processing activities to develop and incorporate processes and procedures that result in sustainable equipment performance.



Below is a listing of the equipment operated and maintained by South Bay Recycling:

<b>Equipment Description</b>	<b>Quantity</b>	<b>Comments</b>
Roll-Off Vehicles	1	2010 Xpeditor
Semi-Tractors	22	2010 Kenworth Tractors
Trailers	22	10 Tippers 11 Walking Floors 1 End Dump
Wheel Loaders	6	2 Volvo L110 Wheel Loaders 3 Volvo L60 Wheel Loaders 1 CAT 950M Wheel Loader 1 CAT Excavator
Fork Trucks	5	4 Linde Electric Fork Trucks 1 Linde Diesel Fork Truck
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 cubic yard debris boxes 6 20 cubic yard debris boxes
Storage Containers/Bins	50	11 8 cubic yard bins 18 6 cubic yard bins 2 4 cubic yard bins 2 3 cubic yard bins 2 1.5 cubic yard bins 2 3 cubic yard tilt hoppers 4 6 cubic yard tilt hoppers 4 40' sea containers 4 Universal waste containers 2 50 cubic yard enclosed containers
Platform Scales	2	Main Entrance
Reverse Vending Machines	2	Public Recycling Center

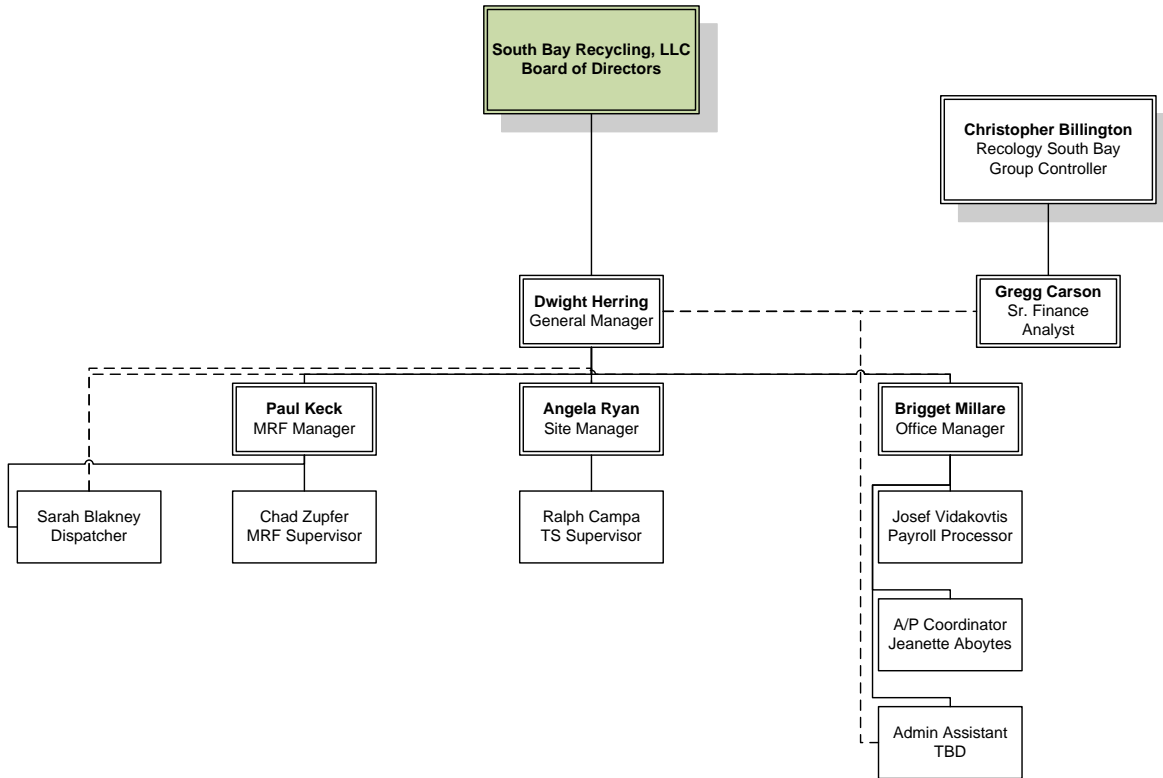
## PERSONNEL

Our Greatest Asset is...

# Our People



# SBR ORGANIZATIONAL CHART



## Staffing

South Bay Recycling employs a total staff of 75 personnel. SBR personnel are made up of the following:

<b>Department</b>	<b>FTE</b>
Administrative Staff	6.0
Clerical Staff	4.0
Semi Drivers	21.0
Maintenance Staff	7.0
Equipment Operators	14.4
Scale Attendants	2.6
PRC Attendants	3.8
TS & MRF Floor Operators	<u>16.4</u>
<b>Total Personnel</b>	<b>74.4</b>

All hourly employees are members of Teamsters Local Union No. 350 and are assigned to one of three Collective Bargaining Units, based on their job classification:

- Facility Operations Unit;
- Semi Drivers Unit; or
- Clerical Unit.

## **SBR Management Team**



**Dwight Herring**

Dwight Herring has served as General Manager since November 2011. From February 2011 to that date, Mr. Herring served as Site Manager. Mr. Herring has over 25 years' experience in the waste and recycling industry having held various management positions with Browning Ferris Industries, Waste Management, and Allied Waste.



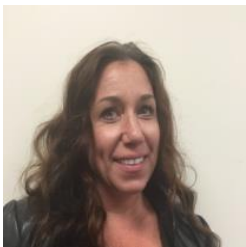
**Brigget Millare**

Brigget Millare has served as Office Manager since June 2015. Mrs. Millare has over 18 years' experience in accounting and office administration operations. Prior to joining South Bay Recycling, Mrs. Millare served as the Accounting Manager for Gino Morena Enterprises, LLC. Mrs. Millare holds a M.B.A. and CPA designation (inactive).



**Paul Keck**

Paul Keck has served as Materials Recovery Facility Manager since August 2014. Mr. Keck has over 36 years' experience in the waste and recycling industry. Prior to joining South Bay Recycling, Mr. Keck served as Operations Manager for Republic Services, Newby Island Facility, overseeing material recovery facility and composting operations.



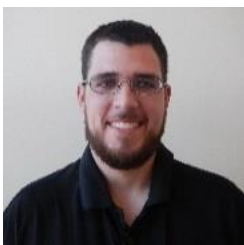
**Angela Ryan**

Angela Ryan has served as Site Manager since May 2015. Ms. Ryan has 19 years' experience in the scrap metal recycling industry. Prior to joining South Bay Recycling, Ms. Ryan served as Western Regional Manager for Schnitzer Steel. Ms. Ryan holds a B.S. in Business Administration.



**Ralph Campa**

Ralph Campa has served as Transfer Station Supervisor since August 2015. Mr. Campa has over 26 years' experience in the waste and recycling industry. Prior to joining South Bay Recycling, Mr. Campa served as Operations Supervisor for Republic Services in Milpitas, California.



**Chad Zupfer**

Chad Zupfer has served as Materials Recovery Facility Supervisor since September 2012. Prior to joining South Bay Recycling, Mr. Zupfer served as Operations Supervisor for Rock Tenn (formerly SMURFIT) in San Jose, California.

## MATERIAL MARKETING SUMMARY



South Bay Recycling is operating the Materials Recovery Facility equipment and processing normal grades of recyclable materials as follows:

- |   |                           |
|---|---------------------------|
| Old News Paper (ONP)                            | Mixed Film Plastic (MFP)  |
| Mixed Paper (MP)                                | Mixed Rigid Plastic (MRP) |
| Old Corrugated Containers (OCC)                 | Tin Cans                  |
| HDPE Color Plastic (HDPEc)                      | Aluminum Cans             |
| HDPE Natural Plastic (HDPEn)                    | 3 Mix Glass               |
| Plastic #3-#7 (or #5 PP based on market demand) | Scrap Metal               |

SBR transports mixed and clean glass to destinations in San Leandro and Modesto California. All other materials are sold freight on board (FOB) San Carlos with the buyer making arrangements and paying for transportation.

As required under the terms of the Operating Agreement, 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 **\$107,003.02** (see chart below).

2015	Cardboard	News	Mix Paper	TOTAL
Avg. Index Value	\$ 118.14	\$ 83.09	\$74.97	
Avg. Price Sold	\$ 120.30	\$ 85.41	\$ 76.62	
Difference (+/-)	\$ 2.16	\$ 2.32	\$ 1.65	
Tons	15,859.37	19,616.44	16,525.62	52,001.43
Premium Value	\$ 34,247.55	\$ 45,424.68	\$27,330.78	\$107,003.02

### **Selecting Buyers**

SBR sends out a bid cover sheet to all approved buyers outlining the procedures and processes of handling recyclable outbound commodities. Each month, the bidder is provided a Commodity Bid Sheet for providing pricing for each commodity. 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 and 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 requests existing buyers to periodically reevaluate commodities as changes in material composition can impact quality.

### **Recyclables Market Value**

Revenue from recyclables consists of two components; scrap value and California Refund Value (CRV). In 2015 the average value of recyclables sold was 53% scrap value and 47% CRV value.

The scrap value consists of two primary types of materials, fiber and containers. Fibers include Old Corrugated Containers (OCC, aka cardboard), Old News Papers (ONP), and Mixed Paper (MP). Containers include glass, aluminum, plastics and metal. In 2015 the scrap value from fiber (OCC, ONP & MP) made up 86% of total commodity revenue with the balance coming from containers.

The CRV value is determined by CalRecycle in Sacramento. The CRV program in California has strong bi-partisan support and is well established throughout the State. Over the past several years the program has seen increases in participation rates which have reduced the amount of unclaimed pre-paid deposits (which CalRecycle uses to pay for program operating costs). As such there are budgetary constraints on several “non-core” aspects of the CRV program, such as grants, market development, and community service programs. However, most of the revenue that Member Agencies receive for CRV materials consists of the “core” payments for Refund and Processing, and these components remain strong and solvent.

Historical average per ton scrap values for fiber:

<b><u>Year</u></b>	<b><u>Value</u></b>
2012	\$128
2013	\$125
2014	\$115
2015	\$93

In February 2016 the average scrap rate for fiber was \$82 per ton, which is approximately \$10 per ton lower than the 2015 average value. Many in the industry believe the fiber market will stabilize at this lower level and may increase slightly in 2016.

SBR sends fiber to export markets in Asia, primarily China, because the export market is larger and pays better prices than the domestic market.

**Fiber Commodity Moisture Monitoring**

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:

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

## OUTLOOK FOR SALE OF RECYCLABLE MATERIALS



### **2016 Projections for Fiber Scrap Values**

SBR will continue to export fiber (cardboard, newspaper, and mixed paper) in 2016 and beyond. Material will be sent to those destinations which have the best pricing and business practices. Over the past 6 months overall economic growth rates in Asia, particularly China, have slowed creating a reduced demand for commodities, including fiber.

SBR anticipates that the export market for fiber will begin to rebound slightly in the second quarter of 2016 and continue to provide a stable destination for MRF fiber.

### **2016 Projections for Container Scrap Values**

Plastic pricing in 2016 is likely to be below the 2015 levels. Recycled plastic competes with petroleum based virgin materials (such as oil or natural gas), and these prices dropped significantly in 2015. However, since recycled plastics compete with oil/natural gas based materials, and given the fact that nobody knows where oil pricing will be in 2016, it is almost impossible to determine where scrap plastic pricing will be in 2016. With pricing at current levels it is often difficult to find markets for film plastic and mixed plastics, and as a result in 2016 we may have to sell some plastic grades at negative scrap value (pay customers to take it).

Ferrous (tin cans and scrap steel) and non-ferrous (aluminum) pricing in 2016 is anticipated to remain at or near current levels. Ferrous metals are at unusually low levels with little reason for optimism regarding price increases. Non-ferrous metals are in much better condition, and are expected to fluctuate in ranges consistent with 2015 levels. SBR does not consider that 2016 scrap metal pricing will have a material impact on overall facility revenues.

3 Mix Glass scrap value in 2016 will be less than prior years. In January 2016 the only buyer in CA was forced to close their plant in San Leandro. SBR has been able to send glass to their Modesto plant on an interim basis while the new plant in Fairfield, CA is commissioned. The longer trucking distance will cause the glass to incur higher transportation costs. Another negative impact on glass value in 2016 will be the issues related to keeping batteries out of the MRF glass. However, most of the value for glass is from the CRV portion so the net overall results still have a positive value for each ton of glass recovered.

### **2016 Projections for Container CRV Values**

In 2015 CalRecycle began following up with California State Auditor released report 2014-110, which states The Beverage Container Recycling Program Continues to Face Deficits and Requires Changes to Become Financially Sustainable. The report recommends that: The Legislature should consider enacting statutory changes to increase revenues, reduce costs, or a combination of both; and that CalRecycle should enhance revenues while reducing expenditures, contract with Equalization to determine the feasibility and cost of transferring its revenue collection duties and audits to Equalization, and modify and annually update its fraud management plan.

SBR believes that CalRecycle will be able to continue and operate the CRV program in 2016 and beyond with only minor changes impacting CRV payments to program participants. SBR does not think that changes in the CRV program in 2016 will result in financial impacts which have a material impact on the economics of the Member Agency curbside program or the Public Recycling Center.

### **2016 MRF Volume Projections**

Member Agency MRF volume in 2015 for Franchised Recyclables was 72,164 tons, an increase of 2,107 tons from 2014. This increase of 3% from 2014 to 2015 is consistent with the recent trend. SBR anticipates Member Agency MRF volumes for 2016 to be slightly above the 2015 levels.

Third Party MRF volume in 2015 for recyclables sorted in the MRF was 33,596 tons, which is an increase of 4,050 over 2014 levels. SBR anticipates Third Party MRF volumes for 2016 to be in line with 2015 levels, which is approximately 2,800 tons per month.

In 2016 SBR estimates the distribution of Member Agency MRF tons and Third Party MRF tons to be consistent with 2015 levels, which were approximately 68% Member Agency and 32% Third Party. These volumes will enable SBR to continue and run the second shift, and since there is a contract in place for Third Party tons SBR anticipates the current volumes to continue at similar levels.

# ENVIRONMENTAL HEALTH & SAFETY COMPLIANCE

## CREATING A CULTURE OF SAFETY

A safety culture exists within an organization when each individual employee, regardless of their position, assumes an active role in error prevention and that role is supported by the organization.



At SBR, we recognize that an ideal safety culture is the ‘engine’ that drives the system towards the goal of sustaining the maximum resistance towards its operational hazards. This goal is achieved irrespective of the organization's leader or current commercial concerns. What drives our safety program is a constant level of respect for anything that may bypass organizational safety systems. In other words, we are constantly looking for what can go wrong. It is very dangerous to think that an organization is safe because no information is saying otherwise. The culture we are creating requires safety management to be aware of the numerous factors that have an impact on the safety systems (i.e. human, technical, organizational, and environmental). SBRs safety culture is reflected and promoted by the following four factors:

- Senior management commitment to safety;
- Shared care and concern for hazards and a solicitude for their impacts on people;
- Realistic and flexible norms and rules about hazards; and
- Continual reflection upon practice through monitoring.

### Preventative Measures

SBR makes every effort to ensure it is in full compliance of the General Operating Standards and Services required under the Operating Agreement. SBRs approach is preventative versus reactive. To this regard, management works collaboratively with its employees, the SBWMA and other regulatory agencies to develop and implement preventative measures that will reduce the risk of injury to our employees and the public we serve.

Since the start of operations, SBR and the SBWMA identified the need to install an additional fire suppression system inside each of the fiber storage bunkers located in the Materials Recovery Facility (MRF). This equipment is essential, and will prevent excessive damage should a fire occur in this area.



To ensure the operation is in compliance with Cal-OSHA standards, SBR contacted Cal-OSHA's Consulting Division and requested a post-operating review of the operation and its safe workplace practices program. Prior to startup of MRF operations, a representative of Cal-OSHA conducted a comprehensive inspection of the MRF and Transfer Station operations, and reviewed its safety programs, policies, procedures, and training regimen. As a result, Cal-OSHA identified areas of concern and made recommendations to its established programs. SBR has since corrected all areas of concern and have updated its safety program to include the recommended changes and trained staff and employees on the updated procedures.

## **2015 Incidents & Injures**

Shown in the table below are the OSHA recordable incidents that occurred during 2015.

<b>Date of Occurrence</b>	<b>Job Classification</b>	<b>Where Event Occurred</b>	<b>Description of Event</b>
1/24/2015	Semi Driver	Loading Dock	EE struck by bales of OCC
1/29/2015	MRF Equipment Operator	Portable Loading Ramp	EE struck by portable ramp
2/16/2015	Utility Worker	MRF Floor	EE stepped on golf balls
3/18/2015	Semi Driver	Transfer Station Tipping Floor	EE twisted knee
7/7/2015	Sorter	Entrance to Transfer Station	EE struck by RSMC truck
7/28/2015	Utility Worker	Facility Parking Lot	EE felt back pain from reaching
7/29/2015	Spotter	Fuel Pump	Dust flew into EE eyes
12/2/2015	MRF Equipment Operator	MRF Operating Floor	EE tripped on stationery equipment

Shown in the table below are other incidents that occurred during 2015

<b>Date of Occurrence</b>	<b>Where Event Occurred</b>	<b>Description of Event</b>	<b>Disposition of Event</b>
1/7/2015	MRF Tipping Floor	Small fire in residential recyclables	Fire extinguished by SBR. Ignition source: Batteries
2/9/2015	MRF HRB Baler	Explosion and small fire	Fire extinguished by SBR. Ignition source: Propane cylinder
3/24/2015	MRF E-Waste Bin	Small fire	Fire extinguished by SBR. Ignition source: Batteries
6/17/2015	MRF Tipping Floor	Small fire	Fire extinguished by SBR. Ignition source: Batteries
6/22/2015	Public Exit of Transfer Station	Customer hit apron of roll up door when exiting	Damage to door apron repaired
6/29/2015	Transfer Station	Smoke coming from SBR trailer	Unloaded payload onto Transfer Station Floor. Fire extinguished by SBR.
7/13/2015	MRF HRB Baler	Explosion and small fire	Fire extinguished by SBR. Ignition source: Propane cylinder
7/29/2015	MRF Tipping Floor	Small fire in residential recyclables	Fire extinguished by SBR. Ignition source: Friction
8/27/2015	News Sorter Screen	Clothing became entangled on disc and caught fire	Fire extinguished by SBR. Ignition source: Friction
9/1/2015	Strategic Materials, Inc. San Leandro Plant	Hydraulic tank on the end dump trailer failed releasing ~45 gallons of fluid	Driver contained the spill. Clean Harbors was notified and cleaned the spill
9/21/2015	MRF Residential Metering Bin	Small fire	Fire was extinguished by SBR. Ignition source: Friction
9/23/2015	MRF Residential Metering Bin	Small fire	Fire was extinguished by SBR. Ignition source: Unknown
11/16/2015	MRF Tipping Floor	Small fire in residential recyclables	Fire extinguished by SBR. Ignition source: Batteries
11/18/2015	MRF Tipping Floor	Small fire in residential recyclables	Fire extinguished by SBR. Ignition source: Batteries

In 2015, the frequency of small fires in the MRF resulted in SBR, SBWMA, and Recology reviewing and discussing options to address this issue. Enhanced fire suppression capabilities were added to the MRF in 2015, and public education efforts were conducted by Recology. Additional actions are under consideration to be deployed in 2016.

Other General Operating Standards and Service in place include, but are not limited to:

### **Litter Control**

SBR has dedicated employees' who are assigned to collect and properly dispose of any litter or debris that may be on or adjacent to Shoreway Road between Ralston and Holly. These employees are also responsible for collecting and removing any debris found throughout the property at the Shoreway Facility. SBR has contracted with a commercial sweeping company who is required to sweep all areas within the Shoreway Facility and on Shoreway Road between Ralston and Holly twice per day.

### **Vector Control**

SBR conducts its operations in such a manner as to ensure that conditions are unfavorable for production of rodents, insects and seagulls. To this regard, SBR ensures that all solid waste, organics and construction and demolition debris that enters the Transfer Station is loaded and transported to the disposal site or processing facilities within 48 hours of receipt. Since the start of operations, SBR has contracted with a vendor to provide pest control services throughout the buildings at the Shoreway Facility. SBR has also installed effective bird control measures which have significantly reduced the number of seagulls and crows present at the facility.

In late 2015, SBR was notified by OSHA of a complaint that rodents were noticed in the Transfer Station Break Room. SBR took immediate action to have the rodents removed and put measures into place to ensure rodents would not return.

### **Odor, Dust and Noise Control**

Odor, noise and dust are always a concern when operating a Transfer Station, Materials Recovery Facility and Transportation operation. Dust and odor control systems have been installed and are in operation at the Transfer Station and Materials Recovery Facility.

In late 2015, SBR was notified by OSHA of a complaint that during routine cleaning of the MRF, the dust masks provided by SBR were not sufficient. SBR took immediate action and hired an outside firm to conduct tests to determine the level of pollutants. It was determined that a respirator would be required during cleaning of the MRF equipment. SBR is in the process of training employees in this new equipment.

### **Regulatory Compliance**

SBRs management team conducts monthly facility and equipment inspections to ensure the facility and equipment are in good working condition and are in compliance with DOT and OSHA regulations and the facilities Operating Permits. Any deficiencies or areas of concern are documented and corrected prior to the next inspection. SBR utilizes EEAP (Safety Consultant) to conduct quarterly, comprehensive facility inspections, reviews their findings with the General Manager and submits their report to the Company's Corporate Safety Manager.

San Mateo County Local Enforcement Agency (LEA) conducts monthly inspections to ensure the facility is operating in compliance with the Solid Waste Facilities Permit. SBR received no Notices to Correct (NOC) or Notices of Violation (NOV) from the LEA in 2015. In 2015, the Transfer Processing Report (TPR) was submitted to the LEA for review and approval with amendments which included allowing both fiber and non-fiber bales to be stored on site (during special circumstances) and to extend the MRF tip floor roof so that more materials can be held under roof. The TPR was approved by the LEA with the submitted amendments approved.

### **Employee Training**

SBRs management team conducts safety meetings each month with its employees. The training topics are listed below.

Bloodborne Pathogens	Fire Prevention & Suppression
Confined Space Entry	Hazard Communication
Driver Qualification and Inspection	Hearing Conservation
Emergency Response	Lock Out/Tag Out
Employee Observation	Personal Protective Equipment
Ergonomics	Seat Belt Use
Fall Protection	Spill Prevention Control & Containment

# SELF-HAUL DIVERSION

## Overview

SBR is required to divert a minimum of 30,000 tons per year of the total tons received from the public into the Shoreway Facility. Of the 69,158 tons received from the public, SBR diverted 33,998 tons, not including organics/yard trimmings, resulting in a 49% diversion rate. With the inclusion of organics/yard trimmings, SBR diverted 41,706 tons, resulting in a total diversion rate of 60%.



SBR will continue to collaborate with the SBWM A to improve diversion, including from the inbound franchise tons, in particular as it relates to the Mixed Waste Processing project which is currently in the evaluation stage.

## Sorting Operations

Self-haul customers who enter the transfer station are directed by Spotters to the appropriate tipping area. Once the customer has completed unloading their material, Sorters identify recyclable and/or reusable materials and recover these items for further processing. Sorters also remove 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.

## Self-Haul Customer Incentives

SBR collaborated with the SBWMA to establish an incentive fee structure for clean inert and wood materials. Customers receive a reduced rate of 20-25% to encourage additional volumes of these types of materials. 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  
Cardboard  
Scrap Metal  
Clean Wood  
Mixed Rigid Plastic

Mattresses  
Sofas  
Garage doors  
Carpet  
Used Clothing  
Used Books and Magazines  
Used Household Goods  
Furniture

## FUTURE OPTIONS UNDER CONSIDERATION

SBR is intent on identifying opportunities to expand the diversion efforts at the Shoreway Facility. 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 2016 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 participate in the Long Range Planning process, which includes, evaluating markets that will bring new opportunities to enhance diversion.

### **Mixed Waste Processing**

SBR will continue to 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, and based on the results, SBR will work directly with the SBWMA to evaluate mechanical sorting/screening opportunities in the Transfer Station.

The greatest opportunity seems to be recovering energy from high moisture organics and food waste culled from MSW. Overall, the materials in the Transfer Station seem best suited for energy recovery or composting due to the high moisture content. Much of the fiber in the Transfer Station is cross contaminated from MSW and moisture, but there is a possibility that beverage containers, metals and some rigid plastics could be recovered in the Transfer Station.

## CIVIC ENGAGEMENT

South Bay Recycling recognizes that our business is unique; touching nearly every resident and business in the communities we serve. Ours is truly a public-private partnership. We also recognize the importance of community involvement, from civic and charitable endeavors to business and government participation.

South Bay Recycling has developed a Civic Engagement Plan with the intent for this to become as much a part of our culture as providing world-class service to our customers. We want to become a visible and valued organization focused on making a real impact on what's most important for those communities we serve.



### **2015 Earth Day**

At the annual Earth Day Event, at the Shoreway Facility, SBR employees manned a booth where visitors were provided pamphlets and other give-a-ways on the importance of recycling.

SBR volunteers held classes on how to make pots out of recycled paper and soil out of compost and sand.

SBR placed a bale of crushed plastic bottles next to our booth and visitors were asked to guess how many bottles they thought were in the bale. SBR gave away a 20-speed Road Touring Bicycle to the person coming closest to guessing the number of plastic bottles in the bale.



**Schedule 1  
Shoreway Facility Inbound Summary Report  
2015**

	Q1	Q2	Q3	Q4	YTD
<b>FRANCHISED INBOUND TONS (RECOLOGY)</b>	<b>FRANCHISED INBOUND TONS (RECOLOGY)</b>				
Municipal Solid Waste	43,503.63	44,134.42	44,745.66	45,201.91	177,585.62
Recyclables	17,380.59	17,778.18	17,789.96	19,215.23	72,163.96
Bulky Recyclables	49.40	59.12	60.64	106.64	275.80
Other Franchise Diversion from TS	4.63	10.14	12.33	4.72	31.82
Household Batteries	10.07	9.15	10.80	10.11	40.13
Green/Organics	24,384.31	23,341.41	22,695.06	26,543.99	96,964.77
Inerts/C&D	531.90	438.26	765.86	549.47	2,285.49
<b>OVERALL TOTAL</b>	<b>85,864.53</b>	<b>85,770.68</b>	<b>86,080.31</b>	<b>91,632.07</b>	<b>349,347.59</b>
<b>MEMBER AGENCY VEHICLES INBOUND TONS</b>	<b>MEMBER AGENCY VEHICLES INBOUND TONS</b>				
Municipal Solid Waste	188.36	212.05	245.86	196.82	843.09
Recyclables	-	-	-	-	-
Green/Organics	66.93	85.91	77.12	111.92	341.88
Inerts/C&D	247.71	522.17	461.56	530.56	1,762.00
Tires	-	-	-	-	-
<b>OVERALL TOTAL</b>	<b>503.00</b>	<b>820.13</b>	<b>784.54</b>	<b>839.30</b>	<b>2,946.97</b>
<b>RECOLOGY MAINTENANCE BOX TONS</b>	<b>RECOLOGY MAINTENANCE BOX TONS</b>				
Municipal Solid Waste	113.37	82.83	123.37	88.16	407.73
Recyclables	11.53	12.42	10.31	8.99	43.25
Green/Organics	13.09	11.25	11.49	11.40	47.23
Inerts/C&D	-	-	-	11.78	11.78
Tires	0.56	0.90	0.41	0.68	2.55
<b>OVERALL TOTAL</b>	<b>138.55</b>	<b>107.40</b>	<b>145.58</b>	<b>121.01</b>	<b>512.54</b>
<b>SUBTOTAL: RECOLOGY FRANCHISE SUMMARY TONS</b>	<b>SUBTOTAL: RECOLOGY FRANCHISE SUMMARY TONS</b>				
Municipal Solid Waste	43,805.36	44,429.30	45,114.89	45,486.89	178,836.44
Recyclables	17,441.52	17,849.72	17,860.91	19,330.86	72,483.01
Green/Organics	24,464.33	23,438.57	22,783.67	26,667.31	97,353.88
Inerts/C&D	779.61	960.43	1,227.42	1,091.81	4,059.27
Tires	0.56	0.90	0.41	0.68	2.55
<b>OVERALL TOTAL</b>	<b>86,490.82</b>	<b>86,678.02</b>	<b>86,986.89</b>	<b>92,576.87</b>	<b>352,732.60</b>
<b>SELF HAUL TONS</b>	<b>SELF HAUL TONS</b>				
Municipal Solid Waste - Calculated	5,798.68	6,503.42	7,612.84	7,536.48	27,451.42
Recyclables to MRF	45.25	44.78	35.42	22.67	148.12
Self Haul Diversion	233.76	282.68	244.58	199.44	960.46
Green/Organics - Calculated	2,341.66	1,588.91	2,364.50	1,413.54	7,708.61
C&D - Calculated	5,006.48	5,835.16	7,040.44	6,529.90	24,411.98
Inerts	1,842.65	2,181.42	2,307.66	2,145.54	8,477.27
<b>OVERALL TOTAL</b>	<b>15,268.48</b>	<b>16,436.37</b>	<b>19,605.44</b>	<b>17,847.57</b>	<b>69,157.86</b>
<b>BUYBACK &amp; DROP-OFF TONS</b>	<b>BUYBACK &amp; DROP-OFF TONS</b>				
Purchased CRV Recyclables	219.01	234.28	249.57	223.10	925.96
Purchased Cardboard	346.02	-	-	118.73	464.75
Drop-Off Materials	380.16	285.29	286.71	247.29	1,199.46
<b>OVERALL TOTAL</b>	<b>945.19</b>	<b>519.56</b>	<b>536.29</b>	<b>589.13</b>	<b>2,590.17</b>
<b>SOUTH BAY INTERNAL TONS</b>	<b>SOUTH BAY INTERNAL TONS</b>				
Solid Waste from Facility & Street Cleanup	90.46	4.69	4.50	4.59	104.24
Residual from Recyclables	2,647.42	2,472.43	2,344.52	2,247.82	9,712.19
SBR Shop Box	63.25	0.10	0.06	0.05	63.46
Green/Organics	0.05	-	-	-	0.05
Inerts/C&D	5.53	-	-	-	5.53
<b>OVERALL TOTAL</b>	<b>2,806.71</b>	<b>2,477.22</b>	<b>2,349.08</b>	<b>2,252.46</b>	<b>9,885.47</b>
<b>SUBTOTAL: SELF HAUL/BUYBACK SBR INTERNAL TONS</b>	<b>SUBTOTAL: SELF HAUL/BUYBACK &amp; SBR TONS</b>				
Municipal Solid Waste	8,536.56	8,980.54	9,961.86	9,788.89	37,267.85
Recyclables	1,053.69	564.44	571.77	611.85	2,801.75
Green/Organics	2,341.71	1,588.91	2,364.50	1,413.54	7,708.66
Inerts/C&D	6,854.66	8,016.58	9,348.10	8,675.44	32,894.78
<b>OVERALL TOTAL</b>	<b>18,786.62</b>	<b>19,150.47</b>	<b>22,246.23</b>	<b>20,489.72</b>	<b>80,673.04</b>
<b>NON-FRANCHISE TONS</b>	<b>NON-FRANCHISE TONS</b>				
Municipal Solid Waste	136.88	503.47	554.18	603.93	1,798.46
Third Party Non-Contracted Recyclables	16.21	28.68	20.29	11.15	76.33
Third Party Contracted Recyclables	10,061.24	8,655.76	7,283.26	7,595.65	33,595.91
Green/Organics	69.34	2.21	0.76	0.37	72.68
Inerts/C&D	80.40	229.91	500.41	860.09	1,670.81
<b>OVERALL TOTAL</b>	<b>10,364.07</b>	<b>9,420.03</b>	<b>8,358.90</b>	<b>9,071.19</b>	<b>37,214.19</b>

**Schedule 1  
Shoreway Facility Inbound Summary Report  
2015**

	Q1	Q2	Q3	Q4	YTD
<b>OVERALL TOTAL FACILITY TONS</b>	<b>OVERALL TOTAL FACILITY TONS</b>				
Municipal Solid Waste	52,478.80	53,913.31	55,630.93	55,879.71	217,902.75
Recyclables	28,572.66	27,098.60	25,736.23	27,549.51	108,957.00
Recycling TS (Bulky, Franchise, TS Diversion)	288.35	352.84	317.96	311.48	1,270.63
Green/Organics	26,875.38	25,029.69	25,148.93	28,081.22	105,135.22
Inerts/C&D	7,714.67	9,206.92	11,075.93	10,627.34	38,624.86
<b>OVERALL TOTAL</b>	<b>115,929.86</b>	<b>115,601.36</b>	<b>117,909.98</b>	<b>122,449.26</b>	<b>471,890.45</b>

<b>TRANSFER STATION &amp; MRF VOLUME SUMMARY</b>	<b>TRANSFER STATION &amp; MRF VOLUME SUMMARY</b>				
<b>Total Transfer Station Volume</b>	87,357.20	88,502.76	92,173.75	94,899.75	362,933.46
<b>Total MRF Volume</b>	28,572.66	27,098.60	25,736.23	27,549.51	108,957.00
<b>OVERALL TOTAL</b>	<b>115,929.86</b>	<b>115,601.36</b>	<b>117,909.98</b>	<b>122,449.26</b>	<b>471,890.45</b>

**Schedule 2  
Shoreway Facility Outbound Summary Report  
2015**

	Q1	Q2	Q3	Q4	YTD
<b>MUNICIPAL SOLID WASTE (MSW) - OUTBOUND TONS</b>	<b>MUNICIPAL SOLID WASTE - OUTBOUND TONS</b>				
Ox Mountain Solid Waste	52,479.36	53,914.21	55,631.34	55,880.39	217,905.30
Other Landfill Solid Waste	-	-	-	-	-
<b>TOTAL MSW</b>	<b>52,479.36</b>	<b>53,914.21</b>	<b>55,631.34</b>	<b>55,880.39</b>	<b>217,905.30</b>
<b>INERT MATERIALS (C&amp;D / INERTS) - OUTBOUND TONS</b>	<b>INERT MATERIALS (C&amp;D / INERTS) - OUTBOUND TONS</b>				
Zanker Road C&D	7,714.67	9,206.92	11,075.93	10,627.34	38,624.86
Ox Mountain Inert Material	-	-	-	-	-
<b>TOTAL C&amp;D / INERTS</b>	<b>7,714.67</b>	<b>9,206.92</b>	<b>11,075.93</b>	<b>10,627.34</b>	<b>38,624.86</b>
<b>ORANICS / GREEN WASTE / FOOD WASTE - OUTBOUND TONS</b>	<b>ORANICS / GREEN WASTE / FOOD WASTE - OUTBOUND TONS</b>				
Recology Grover Food	-	-	-	-	-
Recology Grover Green/Organics	14,599.93	12,811.89	12,739.81	10,739.75	50,891.38
Republic Newby Island Food	-	-	-	-	-
Republic Newby Island Green/Organics	11,706.34	10,746.82	11,430.70	16,430.84	50,314.70
Biofuel Systems Green Waste	-	1,470.98	978.42	910.63	3,360.03
Zanker Road Green Waste	569.11	-	-	-	569.11
Harvest Power Organics	-	-	-	-	-
<b>TOTAL ORGANICS / GREEN / FOOD WASTE</b>	<b>26,875.38</b>	<b>25,029.69</b>	<b>25,148.93</b>	<b>28,081.22</b>	<b>105,135.22</b>
<b>OTHER DIVERSION - OUTBOUND TONS</b>	<b>OTHER DIVERSION - OUTBOUND TONS</b>				
Scrap Metal	84.80	147.50	134.22	146.55	513.07
Refrigerators	13.23	15.72	24.18	30.17	83.30
Electronic Materials	111.79	111.88	102.39	86.47	412.53
Mattresses	20.11	23.93	16.91	16.30	77.25
Tires	10.67	8.13	4.43	8.64	31.87
Cardboard (outbound from Transfer to MRF)	31.73	27.21	22.46	15.21	96.61
Mixed Plastic (outbound from Transfer to MRF)	13.52	17.57	12.96	7.46	51.51
Carpet	-	-	-	-	-
Reusable's	1.94	-	-	-	1.94
<b>TOTAL OTHER DIVERSION</b>	<b>287.79</b>	<b>351.94</b>	<b>317.55</b>	<b>310.80</b>	<b>1,268.08</b>
<b>MATERIALS RECOVERY FACILITY &amp; PUBLIC RECYCLING CENTER</b>	<b>MRF &amp; PUBLIC RECYCLING CENTER</b>				
Recyclable Fiber	18,172.04	16,279.95	15,888.34	17,196.81	67,537.14
Recyclable Containers	7,932.94	7,452.18	6,898.88	6,867.65	29,151.65
MRF Residual Third Party	1,397.03	1,199.05	1,069.23	877.04	4,542.35
MRF Residual Franchise	1,250.39	1,273.38	1,275.29	1,370.78	5,169.84
Drop-Off	84.95	73.84	100.54	82.77	342.11
<b>TOTAL MRF &amp; PUBLIC RECYCLING CENTER</b>	<b>28,837.35</b>	<b>26,278.40</b>	<b>25,232.28</b>	<b>26,395.05</b>	<b>106,743.09</b>
<b>SHOREWAY FACILITY SUMMARY</b>	<b>SHOREWAY FACILITY SUMMARY</b>				
Municipal Solid Waste	52,479.36	53,914.21	55,631.34	55,880.39	217,905.30
MRF Recyclables	28,837.35	26,278.40	25,232.28	26,395.05	106,743.09
MRF/PRC Inventory (+/-)	(264.69)	820.21	503.94	1,154.45	2,213.91
TS Recyclables	287.79	351.94	317.55	310.80	1,268.08
Green/Organics	26,875.38	25,029.69	25,148.93	28,081.22	105,135.22
Inerts/C&D	7,714.67	9,206.92	11,075.93	10,627.34	38,624.86
<b>OVERALL TOTAL</b>	<b>115,929.86</b>	<b>115,601.36</b>	<b>117,909.98</b>	<b>122,449.26</b>	<b>471,890.46</b>
<b>SHOREWAY FACILITY DIVERSION TOTAL</b>	<b>54.96%</b>	<b>52.65%</b>	<b>52.39%</b>	<b>53.42%</b>	<b>53.35%</b>
Total Transfer Station Outbound	87,357.20	88,502.76	92,173.75	94,899.75	362,933.46
Total MRF Outbound	28,572.66	27,098.60	25,736.23	27,549.51	108,957.00
<b>SHOREWAY FACILITY OUTBOUND TOTAL</b>	<b>115,929.86</b>	<b>115,601.36</b>	<b>117,909.98</b>	<b>122,449.26</b>	<b>471,890.46</b>

**Schedule 3  
Shoreway Facility Mass Balance Summary  
2015**

**INBOUND TRANSFER STATION TONS**

Total Inbound Franchise Transfer Tons				
Total Inbound Member Agency Transfer Station Tons				
Total Inbound Recology Maintenance Box Tons				
Total Inbound SBR Maintenance Box Tons-Inert				
Total Inbound SBR Maintenance Box Tons-Organics				
Total Inbound SBR Maintenance Box Tons-MSW				
Total Inbound South Bay MRF Residue				
Total Inbound Self-Haul Inerts Tons				
Total Inbound Third Party Tons				
TOTAL INBOUND TRANSFER				
TOTAL INBOUND CALCULATED SELF-HAUL				
<b>TOTAL INBOUND TONS INCLUDING CALCULATED SELF HAUL</b>				
<b>TOTAL INBOUND TRANSFER TONS LESS MRF RESIDUE</b>				

	Q1	Q2	Q3	Q4	YTD
<b>INBOUND TRANSFER STATION TONS</b>					
	68,473.87	67,983.35	68,279.55	72,406.73	277,143.50
	503.00	820.13	784.54	839.30	2,946.97
	127.02	94.98	135.27	112.02	469.29
	5.53	-	-	-	5.53
	0.05	-	-	-	0.05
	90.46	4.69	4.50	4.59	104.24
	2,647.42	2,472.43	2,344.52	2,247.82	9,712.19
	1,842.65	2,181.42	2,307.66	2,145.54	8,477.27
	286.62	735.59	1,055.35	1,464.39	3,541.95
	73,976.62	74,292.59	74,911.39	79,220.39	302,400.99
	13,380.58	14,210.17	17,262.36	15,679.36	60,532.47
	87,357.20	88,502.76	92,173.75	94,899.75	362,933.46
	71,329.20	71,820.16	72,566.87	76,972.57	292,688.80

**OUTBOUND TRANSFER STATION TONS**

Outbound Solid Waste Tons				
Outbound Green/Organic Tons				
Outbound Inerts and C&D Tons				
Outbound Transfer Diversion				
Outbound Franchise Transfer Station Diversion				
Outbound Bulky Item Collection Diversion				
<b>TOTAL OUTBOUND SEC TRANSFER STATION TONS</b>				

	Q1	Q2	Q3	Q4	YTD
<b>OUTBOUND TRANSFER STATION TONS</b>					
	52,479.36	53,914.21	55,631.34	55,880.39	217,905.30
	26,875.38	25,029.69	25,148.93	28,081.22	105,135.22
	7,714.67	9,206.92	11,075.93	10,627.34	38,624.86
	233.76	282.68	244.58	199.44	960.46
	4.63	10.14	12.33	4.72	31.82
	49.40	59.12	60.64	106.64	275.80
	87,357.20	88,502.76	92,173.75	94,899.75	362,933.46

**TRANSFER STATION MASS BALANCE**

	-	-	-	-	-
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**INBOUND MRF / BUY-BACK TONS**

Total Inbound Franchise MRF Tons				
Total Inbound Member Agency Vehicles				
Total Inbound Recology Maintenance Boxes				
Total Inbound SBR Maintenance Recyclables				
Total Inbound Transfer (OCC & Mixed Plastic) Tons				
Total Inbound Non-Franchise Recyclable Material Tons				
Total Inbound Contracted Single Stream Recyclables				
Total Inbound Drop-Off Material Tons				
Total Inbound Clean OCC <1000 lbs.				
Total Inbound Clean OCC >1000 lbs.				
Total Inbound Buyback Tons				
TOTAL MRF/BUYBACK/DROP-OFF				
TOTAL INBOUND MRF Inventory Variance - Calculated Tons				
TOTAL INBOUND MRF / BUY-BACK TONS				
TOTAL INBOUND MRF/PRC TONS LESS TS OCC & MIX PLASTIC & CONTRACTED				

	Q1	Q2	Q3	Q4	YTD
<b>INBOUND MRF / BUY-BACK TONS</b>					
	17,380.59	17,778.18	17,789.96	19,215.23	72,163.96
	-	-	-	-	-
	11.53	12.42	10.31	8.99	43.25
	63.25	0.10	0.06	0.05	63.46
	45.25	44.78	35.42	22.67	148.12
	16.21	28.68	20.29	11.15	76.33
	10,061.24	8,655.76	7,283.26	7,595.65	33,595.91
	362.75	275.79	254.99	222.58	1,116.11
	99.26	-	-	33.17	132.43
	246.76	-	-	85.56	332.32
	219.01	234.00	249.58	223.11	925.69
	28,505.85	27,029.71	25,643.87	27,418.16	108,597.58
	331.50	(751.31)	(411.58)	(1,023.10)	(1,854.49)
	28,837.35	26,278.40	25,232.28	26,395.05	106,743.09
	18,399.36	18,329.17	18,325.19	19,799.84	74,853.55

**OUTBOUND MRF / BUY-BACK TONS**

Total Outbound MRF				
Total Outbound Residual				
Total Outbound Drop-Off Center Materials				
<b>TOTAL OUTBOUND SEC MRF/BUYBACK STATION TONS</b>				
<b>MRF &amp; BUY-BACK MASS BALANCE</b>				

	Q1	Q2	Q3	Q4	YTD
<b>OUTBOUND MRF / BUY-BACK TONS</b>					
	26,104.98	23,732.13	22,787.22	24,064.46	96,688.79
	2,647.42	2,472.43	2,344.52	2,247.82	9,712.19
	84.95	73.84	100.54	82.77	342.11
	28,837.35	26,278.40	25,232.28	26,395.05	106,743.09
	-	-	-	-	-

**OVERALL FACILITY MASS BALANCE**

TOTAL SEC INBOUND TONS				
TOTAL SEC OUTBOUND TONS				
<b>OVERALL MASS BALANCE</b>				

	Q1	Q2	Q3	Q4	YTD
<b>OVERALL FACILITY MASS BALANCE</b>					
	116,194.55	114,781.16	117,406.03	121,294.80	469,676.55
	116,194.55	114,781.16	117,406.03	121,294.80	469,676.55
	-	-	-	-	-

**Schedule 4**  
**Movement Between Buildings at Shoreway Facility**  
**2015**

	Q1	Q2	Q3	Q4	YTD
	<b>Movement Between Buildings</b>				
Cardboard (from Transfer to MRF)	31.73	27.21	22.46	15.21	96.61
Mixed Plastic (from Transfer to MRF)	13.52	17.57	12.96	7.46	51.51
MRF Residual Third Party	1,397.03	1,199.05	1,069.23	877.04	4,542.35
MRF Residual Franchise	1,250.39	1,273.38	1,275.29	1,370.78	5,169.84
	<b>2,692.67</b>	<b>2,517.21</b>	<b>2,379.94</b>	<b>2,270.49</b>	<b>9,860.31</b>

**Schedule 5  
Shoreway Facility Disposal Diversion  
2015**

	Q1	Q2	Q3	Q4	YTD
<b>FRANCHISED INBOUND TONS (RECOLOGY)</b>	<b>FRANCHISED INBOUND TONS (RECOLOGY)</b>				
Subtotal - Disposed	43,503.63	44,134.42	44,745.66	45,201.91	177,585.62
Subtotal - Diverted	42,360.90	41,636.26	41,334.65	46,430.16	171,761.97
Subtotal - Diversion Percentage	49%	49%	48%	51%	49%
<b>OVERALL TOTAL</b>	<b>85,864.53</b>	<b>85,770.68</b>	<b>86,080.31</b>	<b>91,632.07</b>	<b>349,347.59</b>
<b>MEMBER AGENCY VEHICLES INBOUND TONS</b>	<b>MEMBER AGENCY VEHICLES INBOUND TONS</b>				
Subtotal - Disposed	188.36	212.05	245.86	196.82	843.09
Subtotal - Diverted	314.64	608.08	538.68	642.48	2,103.88
Subtotal - Diversion Percentage	63%	74%	69%	77%	71%
<b>OVERALL TOTAL</b>	<b>503.00</b>	<b>820.13</b>	<b>784.54</b>	<b>839.30</b>	<b>2,946.97</b>
<b>RECOLOGY MAINTENANCE BOX TONS</b>	<b>RECOLOGY MAINTENANCE BOX TONS</b>				
Subtotal - Disposed	113.37	82.83	123.37	88.16	407.73
Subtotal - Diverted	25.18	24.57	22.21	32.85	104.81
Subtotal - Diversion Percentage	18%	23%	15%	27%	20%
<b>OVERALL TOTAL</b>	<b>138.55</b>	<b>107.40</b>	<b>145.58</b>	<b>121.01</b>	<b>512.54</b>
<b>SUBTOTAL: RECOLOGY FRANCHISE SUMMARY TONS</b>	<b>SUBTOTAL: RECOLOGY FRANCHISE SUMMARY TONS</b>				
Subtotal - Disposed	43,805.36	44,429.30	45,114.89	45,486.89	178,836.44
Subtotal - Diverted	42,685.46	42,248.72	41,872.00	47,089.98	173,896.16
Subtotal - Diversion Percentage	49%	49%	48%	51%	49%
<b>OVERALL TOTAL</b>	<b>86,490.82</b>	<b>86,678.02</b>	<b>86,986.89</b>	<b>92,576.87</b>	<b>352,732.60</b>
<b>SELF HAUL TONS</b>	<b>SELF HAUL TONS</b>				
Subtotal - Disposed	5,798.68	6,503.42	7,612.84	7,536.48	27,451.42
Subtotal - Diverted	9,469.80	9,932.95	11,992.60	10,311.09	41,706.44
Subtotal - Diversion Percentage	62%	60%	61%	58%	60%
<b>OVERALL TOTAL</b>	<b>15,268.48</b>	<b>16,436.37</b>	<b>19,605.44</b>	<b>17,847.57</b>	<b>69,157.86</b>
Subtotal - Disposed	2,737.88	2,477.12	2,349.02	2,252.41	9,816.43
Subtotal - Diverted	68.83	0.10	0.06	0.05	69.04
Subtotal - Diversion Percentage	2%	0%	0%	0%	1%
<b>OVERALL TOTAL</b>	<b>2,806.71</b>	<b>2,477.22</b>	<b>2,349.08</b>	<b>2,252.46</b>	<b>9,885.47</b>
<b>SUBTOTAL: SELF HAUL/BUYBACK SBR INTERNAL TONS</b>	<b>SUBTOTAL: SELF HAUL/BUYBACK &amp; SBR TONS</b>				
Subtotal - Disposed	8,536.56	8,980.54	9,961.86	9,788.89	37,267.85
Subtotal - Diverted	10,250.06	10,169.93	12,284.37	10,700.83	43,405.19
Subtotal - Diversion Percentage	55%	53%	55%	52%	54%
<b>OVERALL TOTAL</b>	<b>18,786.62</b>	<b>19,150.47</b>	<b>22,246.23</b>	<b>20,489.72</b>	<b>80,673.04</b>
<b>NON-FRANCHISE TONS</b>	<b>NON-FRANCHISE TONS</b>				
Subtotal - Disposed	136.88	503.47	554.18	603.93	1,798.46
Subtotal - Diverted	10,227.19	8,916.56	7,804.72	8,467.26	35,415.73
Subtotal - Diversion Percentage	97%	90%	88%	88%	91%
<b>OVERALL TOTAL</b>	<b>10,364.07</b>	<b>9,420.03</b>	<b>8,358.90</b>	<b>9,071.19</b>	<b>37,214.19</b>
<b>OVERALL TOTAL FACILITY TONS</b>	<b>OVERALL TOTAL FACILITY TONS</b>				
Subtotal - Disposed	52,478.80	53,913.31	55,630.93	55,879.71	217,902.75
Subtotal - Diverted	63,451.06	61,688.05	62,279.05	66,569.55	253,987.70
Subtotal - Diversion Percentage	55%	53%	53%	54%	54%
<b>OVERALL TOTAL</b>	<b>115,929.86</b>	<b>115,601.36</b>	<b>117,909.98</b>	<b>122,449.26</b>	<b>471,890.45</b>