

FY2010 Appropriations Request Form

Office of Congresswoman Jackie Speier
211 Cannon House Office Building
Washington, D.C. 20515
Phone: 202/225-3531
Fax: 202/226-4183
Website: www.speier.house.gov

Individuals/Organizations must respond to all questions on the form. Incomplete proposals will not be considered.

All requests will be evaluated before the 12th Congressional District's Citizens Oversight Panel. Appointments to appear before the panel must be made through Cookab Hashemi, chief of staff, at 202/225-3531 or Cookab.Hashemi@mail.house.gov. The panel will convene on the following days; Saturday, March 7, Friday, March 13 and Friday, March 20, 2009. All proposals must be submitted by March 2, 2009.

Date Submitted:

March 2, 2009

Project Name:

Shoreway Environmental Center

Individual/Organization: *(Is the grantee located in the 12th Congressional District?)*

South Bayside Waste Management Authority (SBWMA). Current offices and project are located in the City of San Carlos within the 12th Congressional District.

Amount Requested *(if requesting report language, please attach.):*

\$53.8 million

Appropriations Bill/Account/Relevant Authorization law/bill/status *(e.g., "Public Law 107-111"; "FY2008 DOD Authorization", "Currently pursuing authorization through Agriculture Committee", "Safe Drinking Water Act" or "Hatch Act"):*

Not applicable

Local Contact *(Please provide full contact information, including any relevant phone extensions, and indicate if there is a separate D.C. contact.):*

Kevin McCarthy
Executive Director, SBWMA
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: 650-802-3505
Fax: 650-802-3501
Email: kmccarthy@rethinkwaste.org

There is not a separate D.C. contact

Organization's Main Activities. (Please limit your response to 250 words and indicate whether it is a public, private, non-profit or private for-profit entity.)

The South Bayside Waste Management Authority (SBWMA) is a joint powers authority in San Mateo County managing the collection and processing of garbage, recyclables and organic materials for the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos and San Mateo; the towns of Atherton and Hillsborough; the County of San Mateo; and the West Bay Sanitary District. The SBWMA also owns and manages the Shoreway Recycling and Disposal Center in San Carlos. The SBWMA is a public entity.

Please show main items in the project and total cost in a simplified chart form. (Please include the amount of any Federal/State/Local/Private funds, including any in-kind resources.)

The table below provides the breakout of project costs. It's important to point out a few points as follows:

- This project has three distinct iterative phases.
- 100% complete engineering plans are complete for Phases 1 and 2. Phase 3 is for purchase of recycling sorting equipment with a purchase order expected in the fall 2009.
- Phase 1 is already under construction and is being paid for by the SBWMA.
- Phase 2 construction bids will be released in March 2009 with bids due back in April.

Shoreway Environmental Center Master Plan		
<u>Phases</u>	<u>Projected Costs</u>	<u>% of Total</u>
Phase I ("Traffic Improvements")		
• Scalehouse and Entrance Road		
Traffic Improvements Subtotal:	\$2.195 million	4.1%
Phase II ("Building Improvements")		
• Planning and Design	\$2.269 million	4.2%
• Site Work (including bldg. demo and earthwork)	\$4.136 million	7.7%
• Transfer Station Retrofit	\$8.637 million	16.1%
• New MRF Building	\$14.896 million	27.7%
• Construction Management Fees	\$2.223 million	4.1%
• Soft Costs (landscaping, signage, utilities, etc.)	<u>\$1.461 million</u>	<u>2.7%</u>
Building Improvements Subtotal:	\$33.62 million	62.5%
Phase III (Single Stream Recycling Equipment)		
Recycling Equipment Subtotal:	<u>\$17.957 million</u>	<u>33.4%</u>
Total Traffic, Building, & Equipment:	\$53.772 million	

Project Description, including a timeline, goals, expected outcomes and specific uses of Federal Funds. (Your response must focus on the requested funds rather than the organization's mission and general activities. Please limit your response to 250 – 500 words.)

The Shoreway Recycling and Disposal Center is owned by the SBWMA and serves as a central location for receiving, transferring and processing all garbage, recyclables, yard trimmings and food scraps materials collected from residents and businesses in the SBWMA service area. The existing transfer station was built in 1984 and the materials recovery facility building (MRF), where the

recyclables are processed, was built in 1968. As such, they are both extremely outdated and in need of significant improvements.

The Shoreway Environmental Center will be the new name for the Shoreway Recycling and Disposal Center once the facility master plan improvements are completed. In April 2007, the SBWMA Board of Directors approved a facility master plan to guide facility improvements, including retrofitting the existing transfer station and constructing a new materials recovery facility (processing facility for recyclables). The Shoreway master plan upgrades are needed to accommodate single stream recycling and other new diversion programs that will be rolled out by January 1, 2011 to all residents and businesses in the SBWMA service area. The new programs add convenience for residents who will use wheeled carts to recycle another 50,000 tons annually once the new facility and services are available.

Key features of the Shoreway plan include:

- New state-of-the-art materials recovery facility for sorting single stream (commingled) recyclables from residents and businesses
- Expanded transfer station for more recycling and customer convenience
- Major traffic improvements to increase safety, customer convenience and operational efficiencies
- Improved customer service through a decrease in wait time at the scales, simplified payment process, directive signage and consolidated service areas
- Consolidated public recycling services into one convenient, safe location with its own designated entrance
- “Green building” features such as solar panels and use of natural light, and LEED® certification
- New environmental education center

This project is divided into 3 phases as outlined below. Phase 1 is already under construction and expected to be completed this spring.

Facility Construction Activities (December 2008-1st Quarter 2011)

Phase 1 – Scalehouse and traffic improvements: Dec. 2008-Spring 2009

Phase 2 – MRF construction then Transfer Station construction: Summer 2009 – 1st quarter 2011)

Phase 3 – Installation of new single stream processing equipment: Spring-Fall 2010

Equipment shakedown and testing: December 2010

The Federal Funds will be used toward the construction costs, improvements and equipment needed to complete the Shoreway facility master plan.

How will this earmark serve to expand the capacity of your organization and how will your organization sustain this work beyond the federal funding? (*Your response must focus on the impact of the requested funds rather than the organization’s long-term goals.*)

As stated above, the existing Shoreway facility is outdated and the improvements are needed to accommodate the new residential and commercial collection services, including single stream recycling, expanded organics recycling program and other diversion activities. The Federal Funds will allow for the timely construction of the Shoreway Environmental Center, and minimize financial

impacts to residents and businesses in the SBWMA service area who are otherwise facing a rate increase on their monthly garbage bills to cover the costs of the construction.

Once constructed, the SBWMA will continue to maintain the Shoreway Environmental Center through the collection of tipping fees at the site.

What is the local significance of this project?

The SBWMA's mission is to design and implement sustainable waste reduction, recycling and facility operations services to achieve our Member Agencies' environmental goals and requirements. These include meeting and exceeding state-mandated diversion (recycling) goals, implementing new collection services and facility operating contracts effective January 1, 2011, and addressing climate change and other environmental needs through enhanced programs and services – all while ensuring that customers pay competitive rates for quality programs and services.

The new Shoreway Environmental Center is critical in accomplishing these goals, that directly benefit all our Member Agencies, their residents and businesses.

How many residents of the 12th CD will benefit from this project? (i.e. jobs created, services rendered to, how many people, etc.)

The SBWMA's service area is comprised of over 90,000 households and 10,000 businesses. We anticipate that an additional 10-20 jobs will be created at the Shoreway facility in addition to those currently working there.

List any other organizations or state/local elected officials who have expressed support for the project in writing. (Please submit copies of support letters along with the proposal.)

To date, the following SBWMA Member Agencies' City Councils have voted in favor of the Shoreway facility improvements and plan of financing:

- City of Redwood City approved on September 8th
- City of San Mateo approved on October 6th
- City of Foster City approved on October 6th
- City of San Carlos approved on October 13th
- City of East Palo Alto approved on December 16th
- City of Menlo Park approved on February 23rd

Please follow this link <http://www.rethinkwaste.org/rfprfq/contractor-selection-process/future-services-video> to view a brief video produced on this project that includes testimonials in support of this project from several local and state officials.

Does the organization have any other funding requests for this project? (Federal, State, Local or private pending?)

No, the SBWMA does not have any other funding requests for this project.

Has the organization previously received Federal funds for this project? (Please list any funds received [by fiscal year] and briefly describe how those funds were spent.)

No, the SBWMA has not previously received any Federal Funds for this project.

Please attach a list of your organization's staff and board members (if any).
Please see attached.

Please attach any additional relevant materials.
Please see attached.

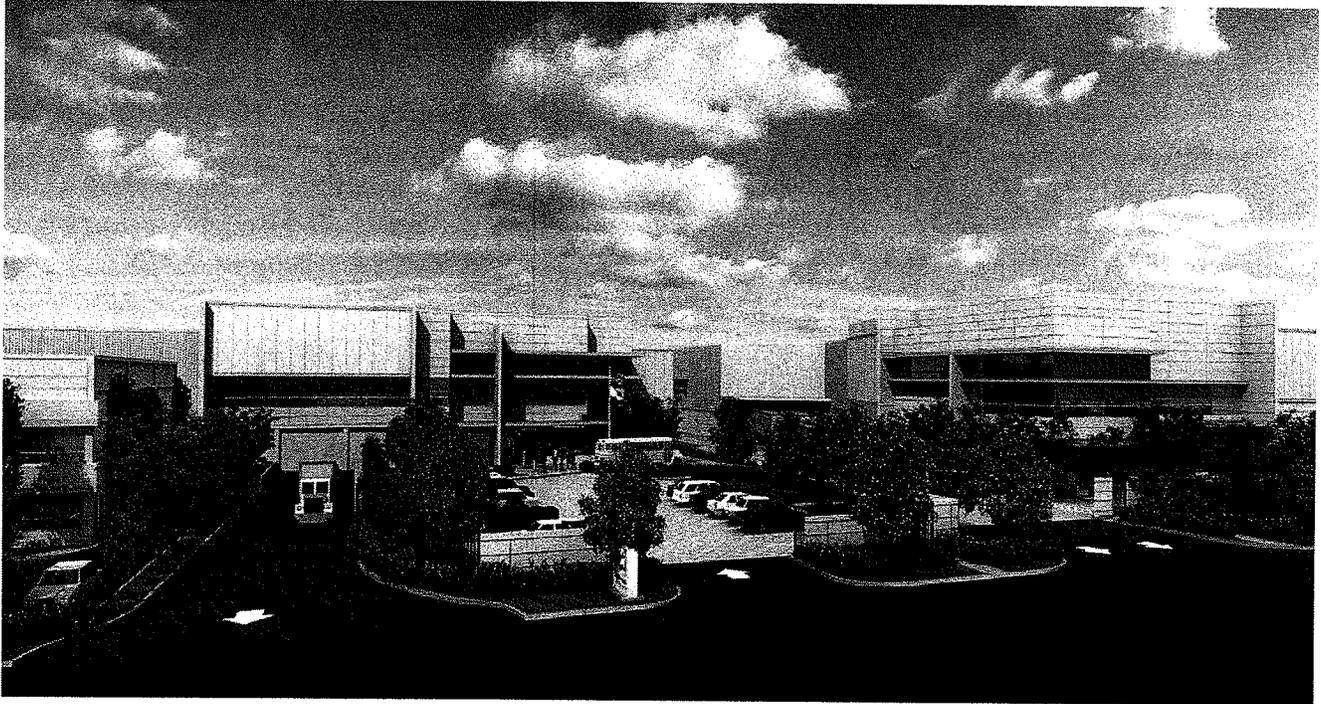
SBWMA Board of Directors Roster

Name	Title	Jurisdiction
Jerry Gruber	City Manager	Town of Atherton
Ray Davis	Public Works Director	City of Belmont
Jesus Nava	Finance Director	City of Burlingame
Alvin D. James	City Manager	City of East Palo Alto
Jim Hardy	City Manager	City of Foster City
Martha DeBry (Board chair)	Public Works Director	Town of Hillsborough
Dianne Dryer	Environmental Programs Manager	City of Menlo Park
Brian Ponty	Finance Director	City of Redwood City
Brian Moura (Board Vice chair)	Assistant City Manager	City of San Carlos
Larry Patterson	Public Works Director	City of San Mateo
Jim Porter	Public Works Department Director	County of San Mateo
John Simonetti	Regulatory Compliance Coordinator	Waste Bay Sanitary District

SBWMA Staff

Name	Title
Kevin McCarthy	Executive Director
Cliff Feldman	Recycling Programs Manager
Hilary Gans	Facility Operations Contract Manager
Cathy Hidalgo	Office Manager/Board Security
Marshall Moran	Finance Manager
Monica Devincenzi	Recycling & Outreach Sustainability Manager

SHOREWAY ENVIRONMENTAL CENTER



The SBWMA Board of Directors approved a facility master plan that will pave the way for needed environmental enhancements at the Shoreway Recycling and Disposal Center (SRDC) in San Carlos.

The Shoreway enhancements will provide the recycling infrastructure needed to handle an expected increase of over 50,000 tons per year of recyclables and organics from the new recycling collection programs beginning in 2010/2011.

The new **Shoreway Environmental Center** will be a national model for sustainable building practices and innovative recycling and material handling operations.

Key features include:

- New state of the art Materials Recovery Facility (MRF) for sorting single stream recyclables from residents and businesses
- Expanded transfer station for more recycling and customer convenience
- "Green building" features such as solar panels and use of natural light
- New environmental education center and demonstration gardens

Groundbreaking: Fall 2008

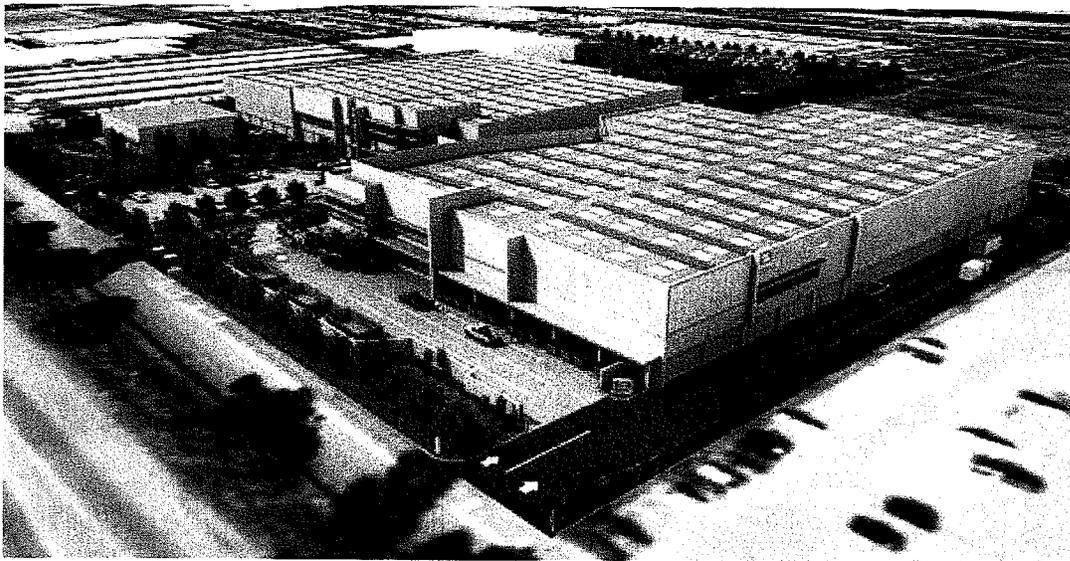
Completion Date: Fall 2010

Estimated Cost: \$36.2 million for building and traffic improvements, and \$17.8 million for MRF processing equipment.



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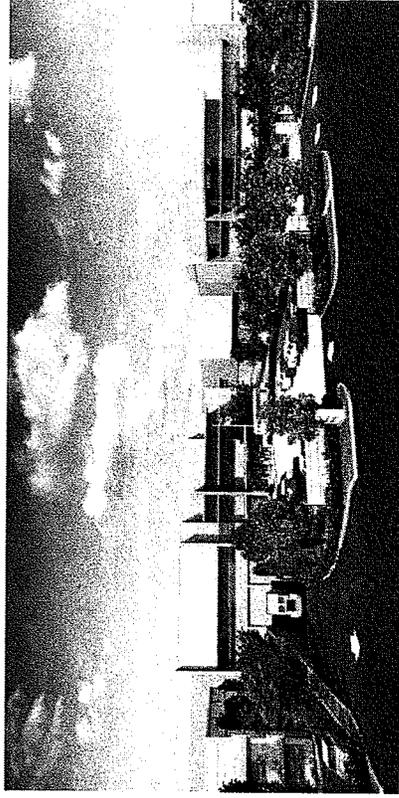
Rollout of Future Collection Services Utilizing Wheeled Carts for Residences



Pictured Left to Right: 96-gallon wheeled green cart for weekly organics collection. 64-gallon wheeled blue cart for weekly single stream (all paper and bottles/cans mixed together) collection. 32-gallon wheeled black cart for weekly garbage collection. Single person operated automated side-loader collection vehicle utilizing B-40 biodiesel will service most homes. Recyclables, organics and garbage will be processed at the upgraded Shoreway Recycling and Disposal Center.

Shoreway Master Plan Update

January 22, 2009



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Presentation Overview

- ✓ Brief History of JPA and Ownership of the Shoreway Facility
- ✓ Master Plan Details
- ✓ Update of Master Plan Costs and Plan of Finance

Elected Official Tours of Shoreway Facility

Atherton

Jerry Carlson, Mayor

Belmont

David Braunstein, Mayor

William Dickenson

Coralin Feierbach

Warren Lieberman

Foster City

Art Kiesel

Hillsborough

Christine Krolik, Mayor

Jess E. Benton



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Elected Official Tours of Shoreway Facility

Menlo Park

Heyward Robinson, Mayor
Andy Cohen
John Boyle
Kelly Fergusson

San Carlos

Randy Royce, Vice Mayor

West Bay Sanitary District

Ronald Shepherd, President
Harry Harrison
Fran Dehn

County of San Mateo

Chris Hunter and Edwin Chan (*Staff for Supervisor Mark Church*)
Andrew Berthelsen (*Staff for Supervisor Gordon*)

THANK YOU!



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South Bayside Waste Management Authority

- ***JPA formed in 1982 (as South Bayside Transfer Station Authority-SBTSA)***
 - ***Addressed local consolidation of service providers & need for coordinated municipal effort to manage solid waste disposal needs***
 - ***Without SBTSA formation, transfer station wouldn't have been built***
- ***JPA amended in 1999, 2002 and 2005***
 - ***1999 amendment transformed SBTSA into SBWMA to own & manage Shoreway facility (transfer station & MRF)***
 - ***2005 amendment approved Executive Director position & other significant governance changes***



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Key Milestones in History of Agency

1982	SBTSA JPA was formed to facilitate the construction of a transfer station. 20-year agreement signed to deliver trash to the BFI San Carlos transfer station. Agreement included future purchase option by SBTSA.
1989	Passage of state recycling law in 1989 (AB 939) requiring every city and county to achieve "diversion" goals of 25% in 1995 and 50% by 2000.
1999- current	Expansion of SBWMA recycling programs following passage of AB939.
1999/2000	SBWMA Purchased Shoreway Recycling and Disposal Center ("Transfer Station") in San Carlos from BFI.
April 6, 2005 Board Action	Approved extension of Allied Waste Collection & Operation Contracts through December 31, 2010. Approved Disposal Agreement with BFI of California at Ox Mountain Landfill. (effective January 1, 2005 thru December 31, 2019) <ul style="list-style-type: none"> - Provided the SBWMA an immediate \$11.49 p/ton reduction to disposal rates (estimated to equal a savings of ~\$58 million over the 15-year term); - A payment of \$11.6 million (to be paid to the SBWMA at a rate of \$1 million per quarter) and distributed to Member Agencies quarterly.
	Decision to put Allied contracts out to competitive procurement.
Sept. 2006	Hired first Executive Director.



Rationale for Purchase of Transfer Station

Benefits of Transfer Station Purchase:

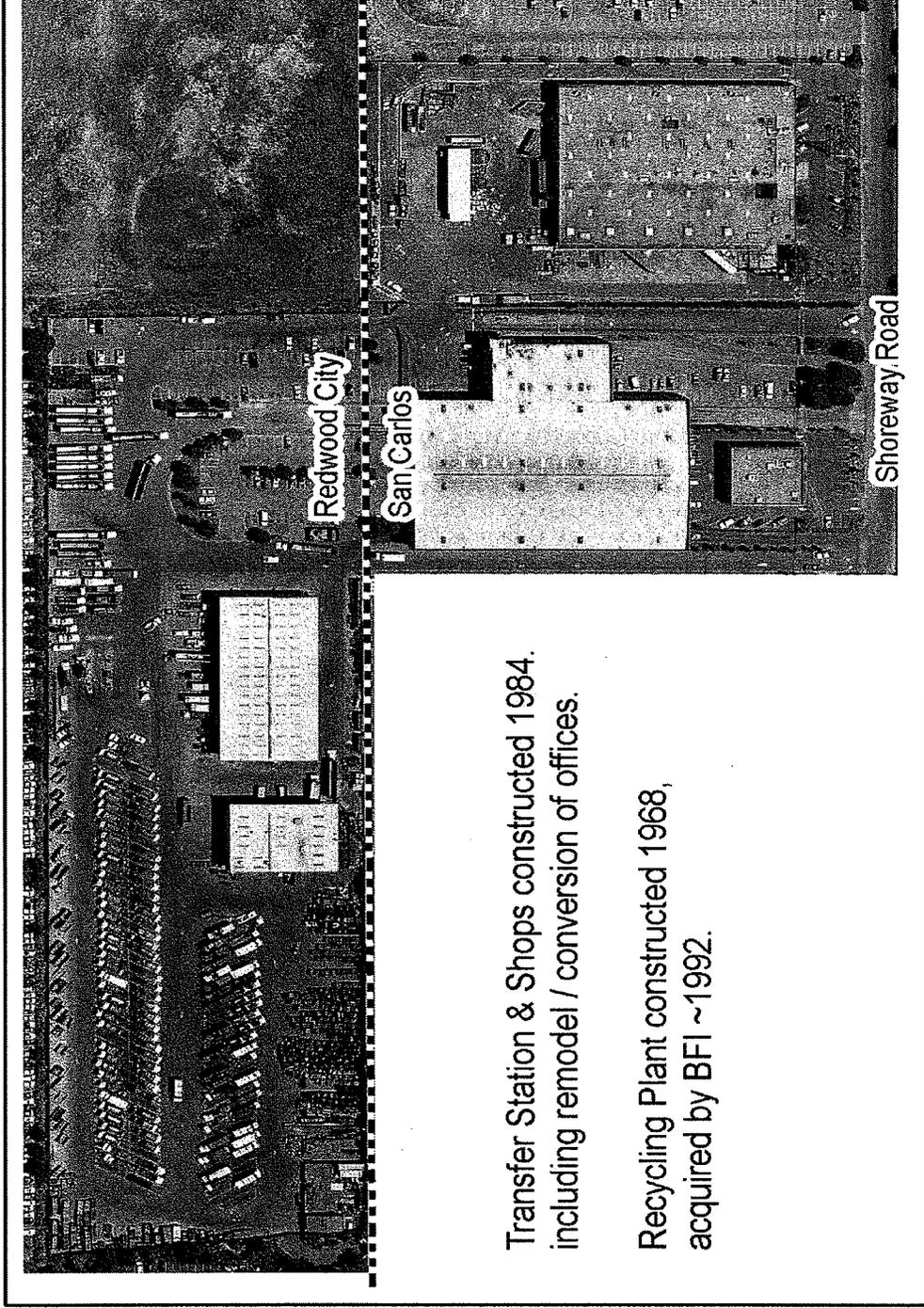
- **JPA Gained Greater Control of Long Term Disposal Costs** - Same company had garbage collection contracts, owned transfer station and owned the landfill.
- **JPA Given Ability to Seek Competitive Bids** - Allowed opportunity for any qualified collection company to bid on future collection services. Franchised garbage contracts had never been subject to competitive bid process.
- **JPA Received Greater Share of Commodity Revenue** - Provided control over recyclables processing & greater share of commodity revenue (than if JPA didn't own transfer station).

Transfer Station is the Foundation of JPA



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Current Shoreway Facility



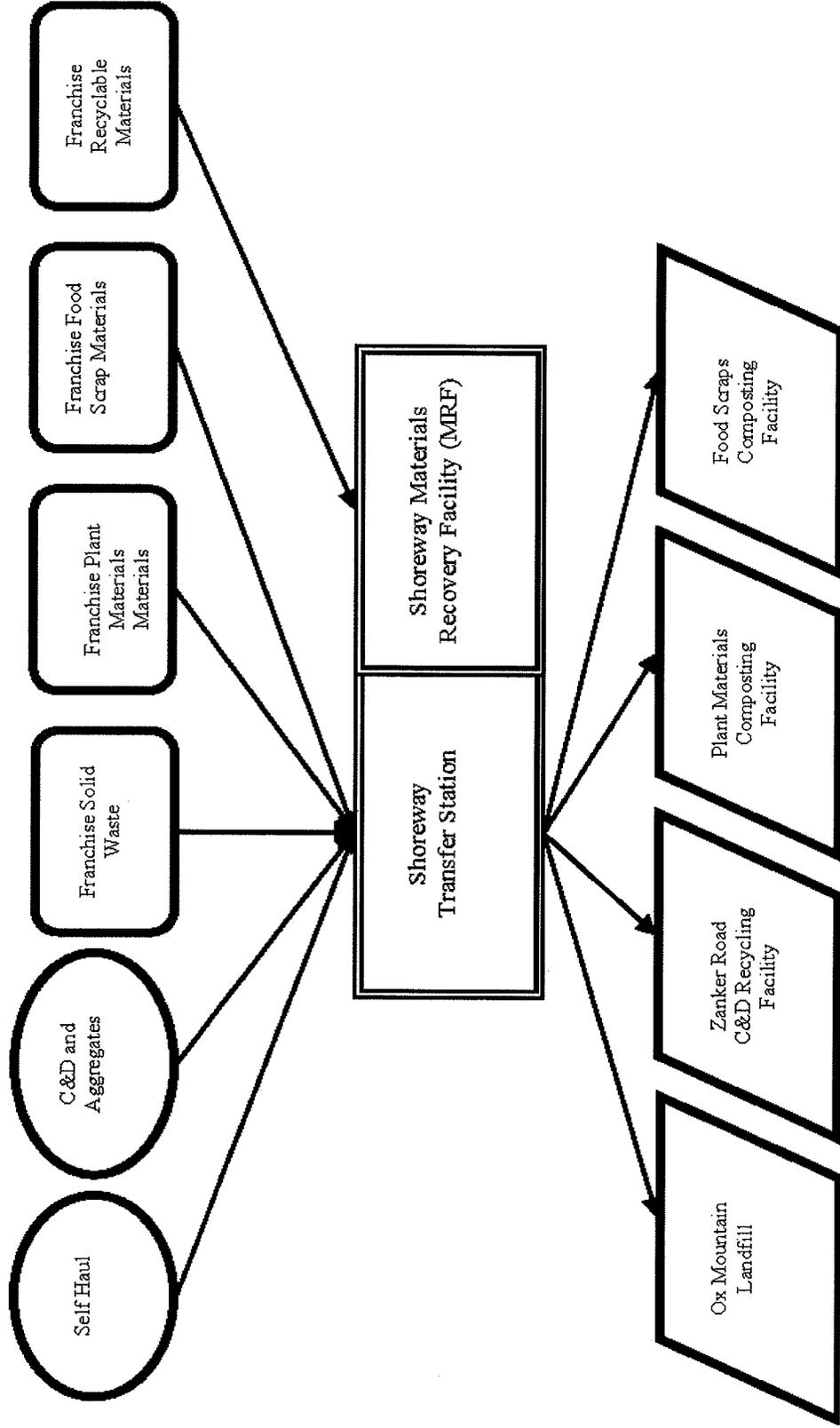
Transfer Station & Shops constructed 1984,
including remodel / conversion of offices.

Recycling Plant constructed 1968,
acquired by BFI ~1992.



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Flow of Materials Into and Out of the Shoreway Facility



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Future Residential Collection Programs

- **OBJECTIVE:** *Modernize programs to increase customer convenience and maximize recycling*
- Solid waste carts: Customers have choice of 20-, 32-, 64-, or 96-gallon wheeled carts
- Recyclables and organics: Customers provided 64- or 96-gallon wheeled carts (smaller carts provided upon customer's request)



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Shoreway Master Plan Goals

- Transform outdated, inefficient Shoreway facility into environmentally sustainable operation. Transfer Station not updated since 1984. MRF Building constructed in 1968.
- Lower operational costs by improving overall efficiency of Shoreway facility.
- Greater capacity to receive/process recyclable & compostable materials.
- Increased convenience & safety for customers (e.g. residents dropping off recyclables).



Sustainable Building Goals

- Minimize Environmental Impact, Maximize Environmental Benefits
- Incorporate Sustainable Building Measures
- Develop an Environmental Education Center
- Achieve USGBC LEED® Certification or Equivalency



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Measurable Project Benefits

- This new infrastructure will support an annual increase in recycling of over 50,000 tons which will yield reductions in greenhouse gas emissions.
- Expanded recycling services will provide local residents an opportunity to reduce their garbage bills.
- Help preserve valuable landfill disposal capacity at Ox Mountain. When Ox Mountain closes, the SBWMA will have to long-haul our garbage to a distant landfill out of county at a much higher economic and environmental cost.



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Measurable Project Benefits

- Both firms short-listed for final selection as the Shoreway operator proposed lower operating costs than our current operator. Proposals were based on the master plan scope.
- Eliminate traffic back-ups at the site and create a much more customer friendly environment for users of the facility.
- Create 10-20 new jobs.
- The facility will serve as a true community resource for local students, teachers and other visitors to the site; expect over 2000 students per year to visit the site.



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Schedule for Shoreway Masterplan

1. Facility Construction Activities (**December 2008- 1st Quarter 2011**)
 - Phase 1 -- Scale House and traffic improvements -- December 2008 - Spring 2009**
 - Phase 2 -- MRF construction followed by Transfer Station construction (Summer 2009 – 1st Quarter 2011)**
 - Phase 3 -- Installation of New Single Stream Processing Equipment**
 - **Spring -Fall 2010**
 - **Shakedown and Testing December 2010**
2. Contractor commence new services
 - **January 1, 2011**



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Update on Project Costs and Financing

Recommendation

- Requested authorization for debt issuance remain at \$65.455 million. Recommendation based on following key factors:
 - While there appears to be two viable alternatives for financing the Shoreway improvements, there remains too much volatility in the credit markets to commit to a lower bond issuance amount.
 - SBWMA's available reserve balances impacted due to substantial recent decline in commodity revenues. Current bond pro forma assumes use of \$16.9 million in cash reserves vs. \$18.9 million previously assumed. Higher tipping fees projected to compensate for \$14.1 million in lower commodity revenues over the next four years (2008-2012).



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Update on Project Costs and Financing

- Updated project cost estimates, based on 100% complete engineering plans, are not appreciably lower than the June 2008 cost estimates. Due in part to higher than expected A&E and construction management fees.
- Overall project contingency of 10% (\$5.38 million) is still assumed; will be reevaluated in April 2009 when construction bids received for MRF and Transfer Station construction work.
- SBWMA should move forward with separate construction bids for the MRF and Transfer Station.



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Shoreway Project Cost Estimate

Date of Project estimate:

	(000s)	JUNE 2008 COST	JAN 2009 COST	% of Total
BASE CONSTRUCTION				
Planning & Design		1,669.30	2,269.10	4.22%
Scales ¹		1,955.50	2,195.00	4.08%
Site Work (includes bldg demo and earthwork)		4,533.20	4,135.90	7.69%
"Soft Costs" ²		1,606.70	1,461.00	2.72%
Transfer Station Building Retrofit		8,200.90	8,636.60	16.06%
MRF Building		16,357.30	14,896.00	27.70%
Construction Management		1,859.50	2,223.30	4.13%
Building sub-total		\$36,182.40	\$35,816.90	66.61%
MRF Equipment Purchase		15,000.00	15,117.10	28.11%
MRF Equipment Installation ³		2,779.00	2,840.20	5.28%
Recycling Equipment sub-total		\$17,779.00	\$17,957.30	33.39%
TOTAL BUILDING & EQUIPMENT		\$53,961.40	\$53,774.20	
Additional Contingency @ 10%		5,396.10	5,377.40	
TOTAL PROJECT		\$59,357.50	\$59,151.60	

¹ Rodan Builders bid award with construction started in December 2008.

² "Soft costs" include LEED fees; and other construction costs such as landscaping, site signage, PG&E transformer, repainting the exterior of the transfer station, transfer station roof replacement, telecom and security, etc.

³ Assumes the SBWMA separately bids out and oversees this work. SBWMA to prequalify firms.



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Summary of Plan of Finance Options

January 09 Type of Debt	(000's)	Oct '08 AMT	Jan-09 VRDB PLAN	Jan '09 BAN / LT
Project Cost		59,357.4	59,151.6	59,151.6
Redemption of 2000 Bonds		14,990.0	13,876.7	13,876.7
2000 Bonds DSRF		(1,690.0)	(1,690.0)	(1,690.0)
SBWMA Capital Reserves		(18,959.0)	(16,991.0)	(16,991.0)
Net Funding Requirement		\$53,698.4	\$54,347.3	\$54,347.3
Issuance Costs		1,397.7	332.5	530.0
Capitalized Interest		3,865.0	4,459.0	4,459.0
Original Issue Discount		900.2	818.1	1,941.9
Debt Service Reserve Fund		5,593.7	5,490.4	5,894.7
<i>rounding</i>			2.7	2.1
Total Bonds Issued		\$65,455.0	\$65,450.0	\$67,175.0
Long Term Bond				
Term (# Years)		20	25	25
Interest Rate		5.75%	5.23%	7.25%
Annual Payment		\$5,593.7	\$5,490.4	\$5,894.7
Short Term Note				
Term (# Years)				2
Interest Rate				5.00%
Annual Interest Payment				\$3,271.5

Refunding of 2000 Bonds included in all Finance Plans.

Two plans of Finance are presented for 2009. Final selection will depend on actual market conditions in place at the time of the planned sale of debt.



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Incremental Collection Rate Impact of New Debt Service

<i>January 2009</i>	(000's)	MAXIMUM CASE	
Date of Project estimate		<u>Oct '08</u>	<u>Jan '09</u>
Type of Debt		<u>AMT</u>	<u>BAN / LT</u>
Project Cost to Fund		\$59,357	\$59,152
TOTAL BOND SIZE		\$65,455	\$67,175
Total Annual Debt Service		\$5,594	\$5,490
Less Current 2000 Bonds Debt Service		(\$1,685)	-1,685
Incremental Debt Service		\$3,909	\$3,805
Incremental Debt Service - Franchise (85%)		\$3,322	\$3,578
Current (2009) Collection Rate Revenue		\$73,237	\$73,237
SBWMA Collection Rate Impact		4.54%	4.42%
			4.89%

DSRF - debt service reserve fund annual debt service held in reserve & applied to the final year of debt service



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Projected Total Collection Rate Impact

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
% Increase from Tip Fees & New Debt:	4.34%	4.39%	3.91%	3.02%	1.67%
% Increase from Collection Operations:	4.50%	4.50%	9.96%*	3.50%	3.50%
Total:	8.84%	8.89%	13.87%	6.52%	5.17%

*Estimated collection rate impact from rollout of new collection services by Norcal Waste



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2009 Bond Allocations to Member Agencies

	<u>January 2009 (000's)</u>	<u>% of</u>	<u>2000 Bond (2009 Balance)¹</u>	<u>2009 Bond</u>	<u>Incremental Bond Amount</u>
Balance			<u>\$13,877</u>	<u>\$65,450</u>	<u>\$51,573</u>
<u>2007 Solid Waste Tonnage</u>		<u>Total</u>			
Atherton	3,117	1.4%	\$191	\$901	\$710
Belmont	12,181	5.4%	\$747	\$3,521	\$2,775
Burlingame	29,623	13.1%	\$1,816	\$8,563	\$6,748
EPA	12,802	5.7%	\$785	\$3,701	\$2,916
Fair Oaks	8,218	3.6%	\$504	\$2,376	\$1,872
Foster City	16,039	7.1%	\$983	\$4,636	\$3,653
Hillsborough	4,097	1.8%	\$251	\$1,184	\$933
Menlo Park	21,187	9.4%	\$1,299	\$6,125	\$4,826
RWC	47,854	21.1%	\$2,933	\$13,833	\$10,900
San Carlos	17,397	7.7%	\$1,066	\$5,029	\$3,963
San Mateo	51,509	22.7%	\$3,157	\$14,890	\$11,733
West Bay	<u>2,391</u>	1.1%	\$147	\$691	\$545
TOTAL	<u>226,415</u>	100.0%	<u>\$13,877</u>	<u>\$65,450</u>	<u>\$51,573</u>

Based on estimated maximum 2009 bond amount.

Allocation method is same as used to allocate the \$11.6M Allied 2004 settlement which was based on SRDC inbound solid waste tons. 2008 tons not available (1/18/09)

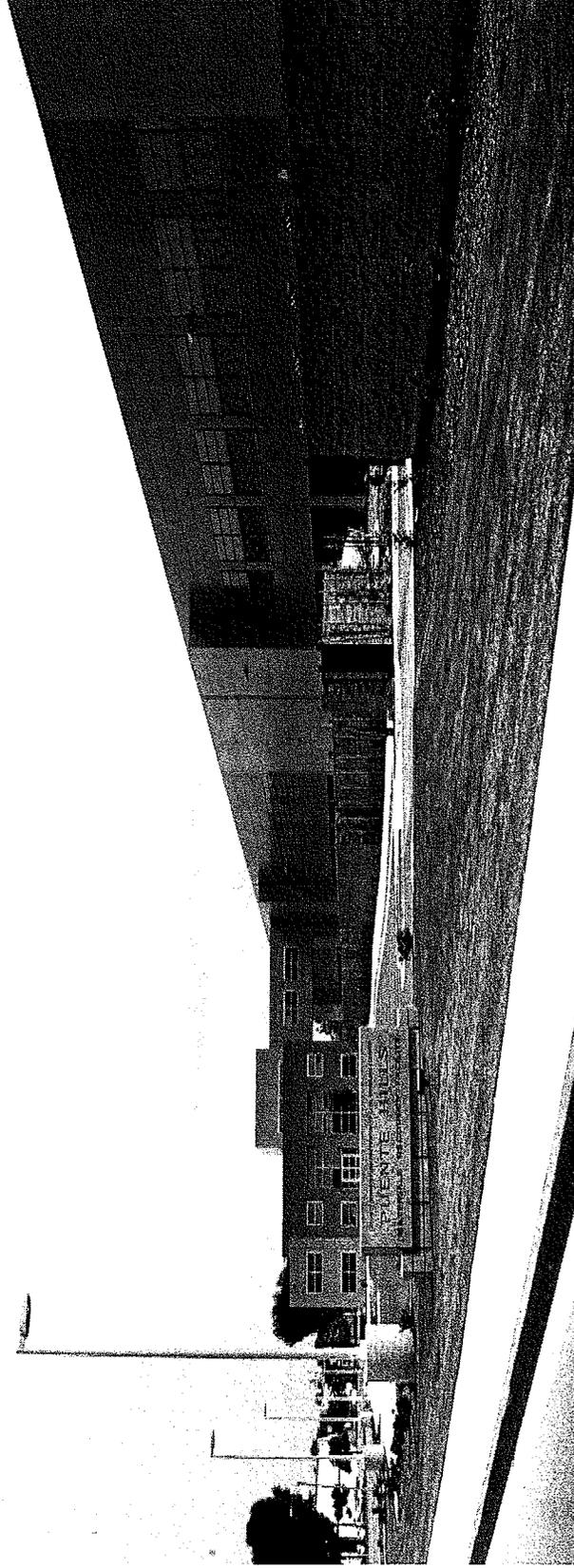
¹ -Includes accrued interest to 5/21/09 and 2% redemption fee



Other Comparable Projects

Puente Hills Materials Recovery Facility and Transfer Station (County of Los Angeles Sanitation District)

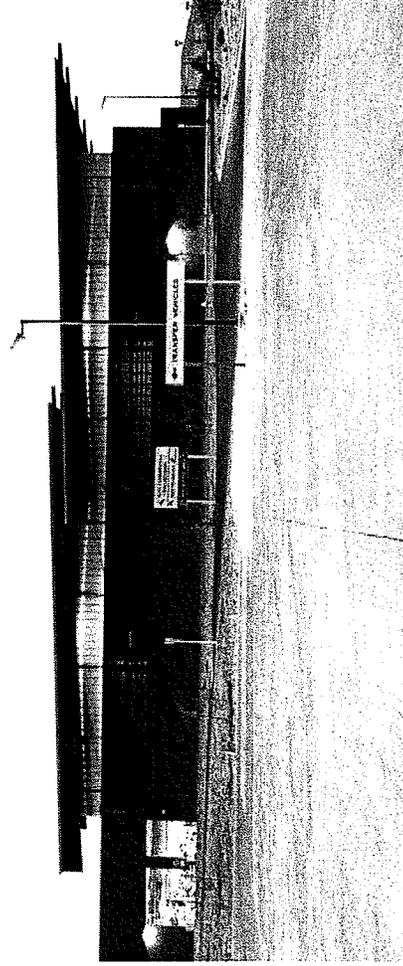
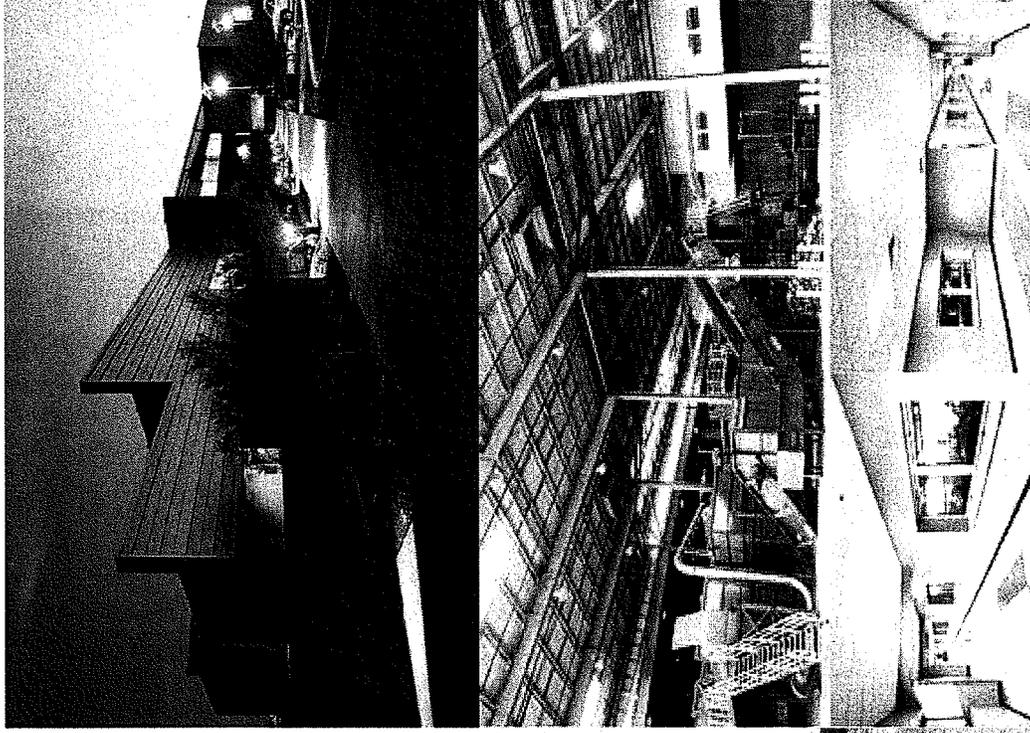
- **Constructed 2003. \$38 million for building only. 236,000 square feet.**



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Other Comparable Projects

**North Phoenix
Transfer & Resource
Recovery Facility (City of Phoenix)
Constructed 2004. \$33.5 million for
building only. 216,000 square feet.**



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Other Comparable Projects

Shoreline Transfer Station - King County, Washington. Construction completed late 2007. 52,200 square ft. transfer station only. \$26.0 million. LEED Certified Gold.



Bow Lake Transfer Station - King County, Washington. Construction complete late 2010. 72,800 sq. ft. Transfer station and some processing. \$15-20 million site work. \$45-\$55 million for buildings. LEED Certified Silver.



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Next Steps

- To date, five Member Agencies have approved the bond issuance up to \$65.455 million:
 - Redwood City approved 7-0 on September 8th
 - City of San Mateo approved 5-0 on October 6th
 - City of Foster City approved 3-2 on October 6th
 - City of San Carlos approved 3-1 on October 13th
 - City of East Palo Alto approved 4-1 on December 16th
- January-March 2009 need additional Member Agency consideration of bond approval.



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Next Steps

- **February 26, 2009** - Board consideration of approval of bid documents for Phase 2 Shoreway master plan improvements.
- **April 23, 2009** - Board consideration of approval of sale of bonds (contingent on two-thirds of member agencies approving bond issuance).
Board consideration of approval of contract award for transfer station and MRF construction. This represents Phase 2 of construction activities as part of the Shoreway master plan improvements.
- **Summer 2009** - Phase 2 construction begins. Improvements completed spring 2011.



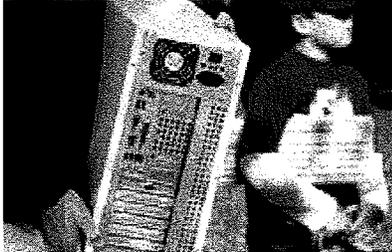
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South Bayside Waste Management Authority

2007-2008 Annual Report



INNOVATIVE RECYCLING AND OUTREACH PROGRAMS

ELECTRONIC SCRAP RECYCLING: Sixteen E-Scrap drop-off events were conveniently held in Member Agency communities in 2007 and 2008, generating nearly 265,000 pounds of computers, televisions and other electronics for recycling.

BATTERY RECYCLING: In October 2007, SBWMA launched one of the largest and most convenient curbside battery collection programs in the United States. Over 72,000 pounds of batteries and cell phones have been collected curbside from single-family residences and recycled through December 2008.



"This curbside program is an important step toward allowing citizens to easily comply with the Universal Waste Law."

—Assemblymember Ira Ruskin, D-Redwood City

"This program provides consumers with free and convenient means to recycle every battery and cell phone to protect the environment. SBWMA is helping their communities to do the right thing and be green".

—Leonard Robinson, Chief Deputy Director, California DTSC

RECYCLE AT PLAY: SBWMA rolled out its new Special Events Recycling Trailer in July 2008. This full-service program provides Member Agencies and special event planners with recycling containers and staffing at community events to maximize diversion efforts. To date, 10 public events used SBWMA's services – generating 14,125 pounds of food scraps, 4,862 pounds of bottles and cans, and 13,431 pounds of cardboard and mixed paper for recycling.

WEBSITE: The SBWMA re-launched its interactive website, www.RethinkWaste.org in October 2008. This website will serve as a one-stop shop of information for our Member Agencies, residents, businesses and the general public.

COMMUNITY PARTNERSHIPS

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

- Acterra
- Bay Roc
- California Climate Registry
- California Product Stewardship Council
- California Resource Recovery Association
- Californians Against Waste
- IKEA
- PG&E ClimateSmart™
- San Mateo Green Business Program
- Sustainable San Mateo County
- U.S. Green Building Council

In December 2007, SBWMA partnered with IKEA and the California Department of Toxic Substances Control (DTSC) to promote retail take-back options for the recycling of household batteries, cell phones, compact fluorescent lamps and other universal waste materials.

CLIMATE ACTION LEADERSHIP



SBWMA has successfully certified its greenhouse gas (GHG) emissions inventory with the California Climate Action Registry to earn the distinction of Climate Action Leader™. We are now publicly and voluntarily reporting our annual GHG emissions for the Shoreway Recycling and Disposal Center (SRDC) in San Carlos and our administrative offices at the San Carlos Library. This data will serve as a baseline for the SBWMA to evaluate climate action options as part of a Climate Action Plan.

In March 2008, the SBWMA also joined ClimateSmart™, a partnership with PGE that will reduce the SRDC's carbon footprint through investments in greenhouse gas emission reduction projects in California. ClimateSmart™ is a voluntary program, which enables PGE's residential and business customers to fund environmental projects aimed at removing greenhouse gases from the air.

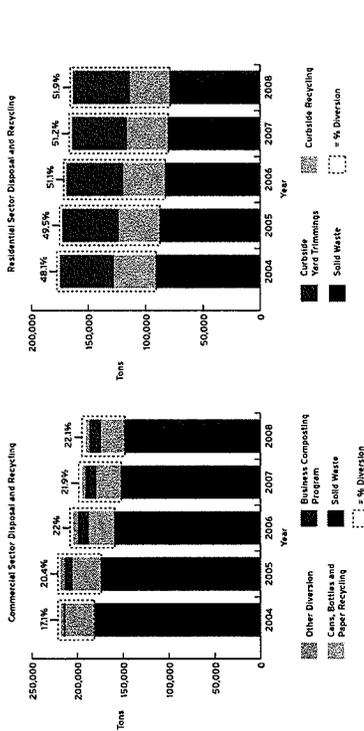


SBWMA and Allied Waste teamed on a GHG reduction plan to convert Allied's entire 225 truck fleet to bio-diesel. This biodegradable, clean burning alternative fuel is proven to help reduce global warming by dramatically reducing greenhouse gas emissions.

"By designing green, energy efficient buildings and then joining ClimateSmart to make the remaining energy use climate neutral, the SBWMA is setting a great example for other public agencies and businesses by demonstrating its commitment to protecting our environment."

—Janice Berman, Senior Director of Customer Energy Efficiency for PGE

RECYCLING & DISPOSAL FACTS AND FIGURES



*Tonages for 04 2008 are projections based on current trends.

- The commercial sector accounts for 65% of all solid waste disposed by the SBWMA Member Agencies, with 148,000 tons disposed.
- Only 42,000 tons of material collected from businesses is currently recycled annually.
- The Business Composting Program, fully implemented in 2005, contributes approximately 12,000 tons annually to the overall commercial diversion efforts.
- Approximately 65,000 tons of material collected from residents is currently recycled annually, with 78,000 tons of solid waste disposed.
- The SBWMA service area disposed of 459,000 tons of solid waste in 2007 and 2008.
- Diversion in the residential and commercial sectors has remained relatively flat over the past 5 years. This is due in part to outdated and inefficient programs and facilities which have not kept up with the standards set by other Bay Area cities.

FUTURE PROGRAMS AND SERVICES



SBWMA Collection Services and Facility Operations RFP and Selection Recommendations

In July 2005, the SBWMA initiated one of the largest and most complex procurement processes in the country to select the next recycling, solid waste and yard trimmings collection services provider, and a facility operator for the Shoreway Recycling and Disposal Center. This process involves a four-year period of planning, soliciting and evaluating proposals through a Request for Proposals process, and selecting and negotiating with selected contractors on behalf of our Member Agencies. Over the next 18-months, we are preparing to implement the new exclusive franchised services on or before January 1, 2011.

When the process is completed, SBWMA's Member Agencies, residents and businesses will have cost-effective and innovative collection programs, equipment and facilities designed to maximize recycling efforts and increase customer convenience.

We're planning now for changes that will take place in January 2011. View our approximately 8-minute Future Plans video at www.RethinkWaste.org featuring interviews with local elected officials and businesses highlighting our "green vision," and previewing future improvements in collection and processing services.

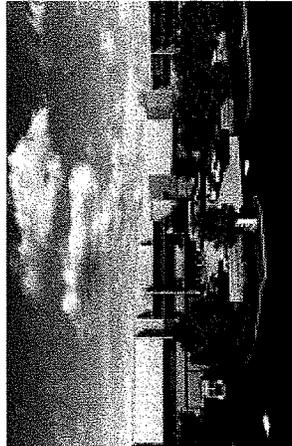
Future Curbside Collection Programs Highlights

- Weekly single-stream (commingled) recyclables collection
- Weekly yard trimmings/food scraps collection
- New wheeled carts for all services
- Used motor oil and oil filters collection
- Household batteries and cell phone collection

SHOREWAY ENVIRONMENTAL CENTER

The SBWMA and its Member Agencies own the Shoreway Recycling and Disposal Center (SRDC) in San Carlos. This operation serves as a central location for receiving, transferring and/or processing all organic, recyclables, yard trimmings and food scraps collected from residents and businesses in the SBWMA service area.

The current facilities are old and inefficient, and need to be replaced to accommodate single-stream (commingled) recycling services that will be rolled out to residents and businesses by January 1, 2011. The SBWMA has completed a master plan to guide facility improvements, including retrofitting the existing transfer station and constructing a new materials recovery facility (processing facility for recyclables), to transform the Shoreway Recycling and Disposal Center into the Shoreway Environmental Center.



Architectural rendering of future Shoreway Environmental Center

Key features will include improved customer service, convenience and safety; major traffic improvements; a new environmental education center and "Green Building" features, such as solar panels and use of natural light. The SBWMA will be seeking to achieve U.S. Green Building Council LEED® certification or equivalency for the facility construction.

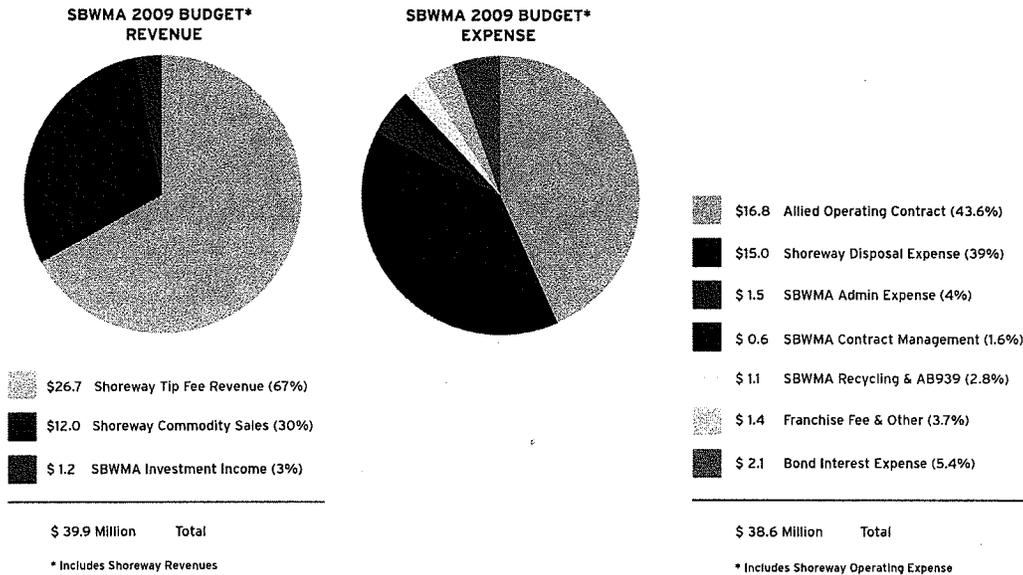
Final plans for future improvements are being completed and reviewed by the SBWMA and its Member Agencies. Decisions on the financing for the improvements are anticipated in early Spring 2009.

"The proposed Shoreway Environmental Center exemplifies the type of local efforts we need throughout California to increase recycling and demonstrate how sustainable waste management practices are a critical tool to combat global warming."

—Rosalie Muñiz, Board Member of the California Interspersed Waste Management Board

FISCAL YEAR 2009 SBWMA OPERATING BUDGET

Each year, the SBWMA Board of Directors approves a budget which includes revenues, expenditures and budget reserves. Sources of revenue include investment income, tipping fee charges at the Shoreway Recycling and Disposal Center, and the sale of recyclable commodities. These revenue sources fund program expenditures related to administration, franchise contract compliance and support, recycling programs, Shoreway operations (includes our contractor's operating budget), and capital improvements. The adopted FY 2008-09 budget was for \$39.9 million in revenues and expenditures of \$38.6 million; these figures are exclusive of capital expenditures.



STRATEGIC PLAN

Our Mission

SBWMA designs and implements sustainable waste reduction, recycling and facility operations services to achieve our Member Agencies' environmental goals and requirements.

About SBWMA

The South Bayside Waste Management Authority (SBWMA) is a joint powers authority in San Mateo County managing the collection and processing of garbage, recyclables and organic materials for the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos and San Mateo; the towns of Atherton and Hillsborough; the County of San Mateo and the West Bay Sanitary District.

Our Strategic Priorities

1. Provide strategic oversight and direction to the environmental services companies that collect, process, recycle and dispose of residuals for the Member Agencies.
2. Ensure contractors' and SBWMA programs are managed cost effectively for the ratepayers with performance metrics for all programs.
3. Deliver strategic oversight and management of the Shoreway Environmental Center to meet financial, operational, and environmental goals.
4. Ensure compliance with environmental regulations governing the collection and processing of recyclables and organic materials and meet or exceed diversion goals.
5. Anticipate trends and implement innovative solutions for waste reduction, recycling and facility operations services.
6. Monitor and assess contractor performance so that customer satisfaction and service delivery meets or exceeds contractual requirements.
7. Adhere to best practices in office operations, operational infrastructure, procurement, human resource, IT and governance.
8. Support SBWMA programs and policies through relevant outreach, education, and focused communication.

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