AGENDA
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL DRAINAGE DISTRICT
OCTOBER 21, 2009
6:00 P.M.
Meeting Room
Town Administrative Offices

91 Ashfield Road
Atherton, California

Closed Session

6:00 P.M. **ROLL CALL** **Lewis, Dobbie, Marsala, McKeithen, Carlson**

6:02 P.M. **PUBLIC COMMENTS**

6:15 P.M. **CLOSED SESSION**

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Subsection (a) of Government Code Section 54956):

John P. Johns v. the Town of Atherton, San Mateo County Superior Court Case No. CIV 479972

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Subsection (a) of Government Code Section 54956):

Atherton et al v. High-Speed Rail Authority Case No. 34-2008-80000022

C. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Subsection (b) of Government Code Section 54956.9): Four (4) potential cases**

- Carol Flaherty Claim *October 15, 2008*
- Jon Venverloh Claim *September 17, 2009*
- Gustavo Eydelsteyn Claim *September 26, 2009*
- Menlo School Claim *September 30, 2009*

RECONVENE TO OPEN SESSION

Report of action taken.

6:55 P.M. **ADJOURN**

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the City Clerk's Office at (650) 752-0500. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (29 CRF 35.104 ADA Title II)

Date posted: 101609

AGENDA
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL DRAINAGE DISTRICT
OCTOBER 21, 2009
6:00 P.M.
Meeting Room
Town Administrative Offices
91 Ashfield Road
Atherton, California

Special Meeting Closed Session

6:00 P.M. **ROLL CALL** **Lewis, Dobbie, Marsala, McKeithen, Carlson**

6:02 P.M. **PUBLIC COMMENTS**

6:15 P.M. **CLOSED SESSION**

A. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION (Subsection (a) of Government Code Section 54956):

Buckheit v. San Mateo County, et al., San Mateo County Superior Court Case No. SP000724

RECONVENE TO OPEN SESSION

Report of action taken.

6:55 P.M. **ADJOURN**

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Date posted: 102009

AGENDA
Town of Atherton
CITY COUNCIL
ATHERTON CHANNEL DRAINAGE DISTRICT
OCTOBER 21, 2009
7:00 p.m.
TOWN COUNCIL CHAMBERS
94 Ashfield Road
Atherton, California
REGULAR MEETING

PLEASE NOTE:

Times listed on the Agenda are an approximation and not a time certain. The Council may take up items out of order. Please arrive well in advance of the time listed for any item in which you are interested.

7:00 P.M. **1.** **PLEDGE OF ALLEGIANCE**

7:02 P.M. **2.** **ROLL CALL** **Lewis, Dobbie, Marsala, McKeithen, J.Carlson**

7:03 P.M. **3** **PRESENTATIONS**

EAGLE SCOUT PROJECT – Daniel Kozlowski – Atherton Reading Park Bench and Garden Renovation Project

7:20 P.M. **4.** **PUBLIC COMMENTS** ***(This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the Agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the Council from acting on items not listed on the Agenda except by special action of the City Council under specified circumstances. Speakers' time is limited to three minutes.)***

7:25 P.M. **5.** **REPORT OUT OF CLOSED SESSION**

7:30 P.M. **6.** **CITY MANAGER'S REPORT**

7:35 P.M. **7.** **COMMUNITY ORGANIZATION ROUNDTABLE REPORT**

SAN MATEO COUNTY LIBRARY ANNUAL REPORT – Carine Risley, Atherton Library Branch Manager

7:45 P.M. **CONSENT CALENDAR (Items 8-27)**

(Consent Calendar items are routine in nature and are generally considered in one motion and adopted by a single vote of the City Council. If discussion regarding a Consent Calendar item is desired, the member(s) of the City Council, public, and/or staff wishing to pull the item should so indicate at the time the Mayor calls for consideration of the Consent Calendar.)

Dated and Posted 101609

8. APPROVAL OF SEPTEMBER 16, 2009 REGULAR MEETING MINUTES AND SEPTEMBER 23, 2009 SPECIAL MEETING MINUTES

Recommendation: Approve September 16, 2009 Regular Meeting minutes and September 23, 2009 Special Meeting minutes

9. APPROVAL OF BILLS AND CLAIMS FOR SEPTEMBER 2009 IN THE AMOUNT OF $2,118,063

Recommendation: Approve Bills and Claims in the amount of $2,118,063

10. ACCEPTANCE OF MONTHLY FINANCIAL REPORT FOR THE MONTH ENDED SEPTEMBER 30, 2009

Recommendation: Accept Monthly Financial Report

11. RESOLUTION 09-37 APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

Report: Finance Director Louise Ho

Recommendation: Adopt Resolution 09-37 Authorizing the sale of the State of California's obligation to repay to the Town of Atherton the real property tax funds it is borrowing because of the State's fiscal emergency

12. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $18,858.16 FOR THE STREET RECONSTRUCTION PHASE 6 PROJECT NUMBER 08-025

Report: Public Works Director Duncan Jones

Recommendation: Accept work, authorizing recording of a notice of completion and approving contract change orders in the amount of $18,858.16 for the Street Reconstruction Phase 6 Project Number 08-025

13. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $6,720.42 FOR THE LAS LOMITAS SAFE ROUTES TO SCHOOL PROJECT NUMBER 08-028

Report: Public Works Director Duncan Jones

Recommendation: Accept work, authorizing recording of a notice of completion and approving contract change orders in the amount of $6,720.42 for the Las Lomitas Safe Routes to School Project, Project Number 08-028

14. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $3,677 FOR THE HOLBROOK-PALMER PARK PEDSTRIAN BRIDGE, PROJECT NUMBER 08-004

Report: Public Works Director Duncan Jones

Recommendation: Accept work, authorizing recording of a notice of completion and approving contract change orders in the amount of $3,677.00 for the Holbrook-Palmer Park Pedestrian Project, Project Number 08-004

15. AWARD OF CONTRACT TO BLOSSOM VALLEY CONSTRUCTION FOR THE HOLBROOK-PALMER PARK IRRIGATION MAINLINE AND WELL INSTALLATION PROJECT, PROJECT NUMBER 09-006 IN AN AMOUNT NOT TO EXCEED $200,920.88 PLUS A TEN PERCENT CONSTRUCTION CONTINGENCY, FOR A TOTAL AUTHORIZATION OF $221,012.97

Report: Public Works Director Duncan Jones

Recommendation: Award the contract for Holbrook-Palmer Park Irrigation Mainline and Well Installation Project, project number 09-006 to Blossom Valley Construction, the low bidder on the October 15, 2009 bids, for $200,920.88, with a 10% construction contingency of $20,092.09, for a total authorization of $221,012.97; and to authorize the City Manager to sign the contract on behalf of the Town

16. AWARD OF CONTRACT TO CASEY CONSTRUCTION, INC. FOR - THE POLHEMUS AVENUE DRAINAGE PROJECT NUMBER 08-011 IN AN AMOUNT NOT TO EXCEED $127,956.00 PLUS A TEN PERCENT CONSTRUCTION CONTINGENCY, FOR A TOTAL AUTHORIZATION OF $140,751.60

Report: Public Works Director Duncan Jones

Recommendation: Award the contract for the Polhemus Avenue Drainage Project, project number 08-011 to Casey Construction, Inc., the low bidder on the October 15, 2009 bids, for $127,956.00, with a 10% construction contingency of $12,795.60, for a total authorization of $140,751.60; and to authorize the City Manager to sign the contract on behalf of the Town

17. PRE-APPROVAL TO PURCHASE A USED VEHICLE TO REPLACE THE PUBLIC WORKS 1986 GMC DUMP TRUCK

Report: Public Works Director Duncan Jones

Recommendation: Authorize staff to purchase, and if necessary, equip a used dump truck for up to $42,000 to replace the 1986 GMC dump truck that is currently in the Public Works Streets fleet with the approval of the City Manager

18. APPROVE A PROFESSIONAL SERVICES AGREEMENT AMENDMENT WITH WILSEY HAM FOR DRAINAGE REDESIGN SERVICES FOR THE FLETCHER RIDGEVIEW DRAINAGE PROJECT, IN AN AMOUNT NOT TO EXCEED $33,000

Report: Public Works Director Duncan Jones

Recommendation: Accept the proposal and authorize the City Manager to sign a Professional Services Agreement Amendment with Wilsey Ham to provide Drainage Redesign services for the Fletcher Ridgeview Project in an amount not exceed $33,000

19. SUPPORT OF THE SAN MATEO COUNTY TRANSIT DISTRICT'S APPLICATION FOR FOCUS TECHNICAL ASSISTANCE FOR THE ECONOMIC AND HOUSING OPPORTUNITIES STUDY

Report: City Manager Jerry Gruber

Recommendation: Council support San Mateo County Transit District's Application for Focus Technical Assistance for the Economic and Housing Opportunities Study

20. CITY MANAGERS EMPLOYMENT AGREEMENT

Report: City Attorney Wynne Furth

Recommendation: Approval of employment agreement between the Town of Atherton and Jerome "Jerry" Gruber

21. REJECT CLAIM OF RODNEY BOGHOSIAN AND TANIA BOGHOSIAN

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Adopt Resolution 09-38 rejecting claim of Rodney Boghosian and Tania Boghosian

22. ACCEPTANCE OF STRUCTURAL EVALUATION REPORTS AND LIFE SAFETY BUILDING PERFORMANCE EVALUATION AND PROBABLE MAXIMUM LOSS (PML) ANALYSIS FOR THE COUNCIL CHAMBERS AND LIBRARY BUILDINGS

Report: City Manager Jerry Gruber

Recommendation: Accept the Structural Evaluation Reports and Life Safety Building Performance Evaluation and Probable Maximum Loss (PML) Analysis for the Council Chambers and Library Buildings

23. APPROVE ISSUANCE OF A REQUEST FOR PROPOSALS FOR SEISMIC DESIGN OF THE COUNCIL CHAMBERS AND LIBRARY BUILDINGS ACCORDING TO THE REQUIREMENTS OF THE STRUCTURAL EVALUATION REPORTS

Report: Public Works Director Duncan Jones

Recommendation: Approve issuance of a Request for Proposals (RFP) for Seismic Design of the Council Chambers and Library Buildings according to the requirements of the Structural Evaluation Reports

24. EMERGENCY PREPARDENESS (DISASTER PROGRAM) PROGRESS REPORT
Report: Police Chief Glenn Nielsen
Recommendation: This informational report is intended to inform Council of the status of the projects.

25. STATUS REPORT ON *TOWN OF ATHERTON et al. v. California High-Speed Rail Authority*
Report: City Attorney Wynne Furth
Recommendation: Receive report on status of litigation, receive any public comment, and provide further direction if needed.

26. APPROVE A COMMENT LETTER ON THE ALIGNMENT ALTERNATIVES ANALYSIS FOR THE CALIFORNIA HIGH-SPEED TRAIN PROJECT LEVEL EIR/EIS FROM SAN FRANCISCO TO SAN JOSE
Report: Public Works Director Duncan Jones
Recommendation: Approve the comment letter on the Alignment Alternatives Analysis for the California High-Speed Train (HST) Project Level EIR/EIS from San Francisco to San Jose and authorize the Mayor to sign the letter

27. DESIGNATE REPRESENTATIVE FOR POLICY MAKER WORKING GROUP FOR HIGH SPEED RAIL
Report: City Manager Jerry Gruber
Recommendation: Designate Mayor Carlson as representative and Vice Mayor McKeithen as alternate to the Policy Maker Working Group for High Speed Rail

PUBLIC HEARINGS (28)

7:55 P.M. 28. CONTINUED PUBLIC HEARING ON ADOPTION OF ZONING CODE UPDATE – TITLE 17
Report: Deputy Town Planner Lisa Costa Sanders
Recommendation: City Council conduct the public hearing and adopt Zoning Code Update Ordinance No. 582 based on the following finding for the reasons outlined in the staff report

REGULAR AGENDA (Items 29-34)

8:10 P.M. 29. SCHEDULE OF INTERVIEWS AND/OR APPOINTMENTS TO THE AUDIT COMMITTEE
Report: City Manager Jerome D. Gruber
Recommendation: To Be Determined

8:25 P.M. 30. RESOLUTION APPROVING A FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS AND SOLID WASTE COLLECTION SERVICES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FRANCHISE AGREEMENT

Report: City Manager Jerome D. Gruber

Recommendation: Adopt Resolution 09-39 approving and authorizing the City Manager to execute a Franchise Agreement for Collection Services of Recyclable Materials, Organic Materials and Solid Waste with Recology San Mateo County ("Recology" - formerly Norcal Waste Systems of San Mateo County) (referred to hereafter as the Agreement).

8:45 P.M. 31. APPROVAL OF AN AGREEMENT BETWEEN THE SBWMA AND THE CITY OF SAN CARLOS RELATED TO A LOCAL IMPACT FEE FROM THE SHOREWAY RECYCLING AND DISPOSAL CENTER

Report: City Manager Jerome D. Gruber

Recommendation: Adopt resolution 09-40 approving an agreement between the SBWMA and the City of San Carlos related to a local impact fee from the Shoreway Recycling and Disposal Center.

9:05 P.M. 32. RESOLUTION APPROVING THE OPERATIONS AGREEMENT WITH SOUTH BAY RECYCLING, LLC (SBR) FOR OPERATION OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER IN SAN CARLOS

Report: City Manager Jerome D. Gruber

Recommendation: Adopt Resolution 09-41 approving the Operating Agreement with South Bay Recycling, LLC (SBR) for operation of the Shoreway Recycling and Disposal Center in San Carlos

9:20 P.M. 33. DRAFT 2007-2014 HOUSING ELEMENT UPDATE RECOMMENDED BY PLANNING COMMISSION

Report: Deputy Town Planner Lisa Costa Sanders

Recommendation: Review the Planning Commission Recommended Draft Housing Element Update 2007-2014. Provide direction to Staff to make any additional changes and direct Staff to forward the Draft Housing Element Update to the California Department of Housing and Community Development (HCD) for review and comment

9:45 P.M. 34. CONSIDERATION TO DIRECT THE PARKS & RECREATION COMMISSION TO REVIEW STORAGE FACILITIES SITUATION AT THE PARK

Report: City Manager Jerome D. Gruber

Recommendation: To Be Determined

10:05 P.M. 35. COUNCIL REPORTS

10:10 P.M. 36. FUTURE AGENDA ITEMS

10:20 P.M. 37. PUBLIC COMMENTS

10:30 P.M. 38. ADJOURN

PLEASE NOTE THE FOLLOWING INFORMATION:

If you challenge a Town zoning, planning, or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this agenda, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Judicial review of any Town administrative decision may be had only if a petition is filed with the court not later than the 90th day following the date upon which the decision becomes final. Judicial review of environmental determinations may be subject to a shorter time period.

Copies of all staff reports and documents subject to disclosure that relate to each item of business referred to on the agenda are available for public inspection by 5:00 p.m. the Friday before each regularly scheduled City Council meeting at the Atherton Library, 2 Dinklespiel, Station Lane, and the Town Administrative Offices, 91 Ashfield Road, Atherton, CA 94027. Additionally, agendas and staff reports may be accessed on the town website at: www.ci.atherton.ca.us

In compliance with SB 343, materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the Town Administrative Offices, 91 Ashfield Road, during normal business hours.

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Dated and Posted 101609

September 21, 2009

The Honorable Mayor and
Members of the Town Council
Town of Atherton
91 Ashfield Road
Atherton, CA 94027

Dear Mayor Carlson and Members of the Town Council,

Once again, it is our privilege to present the San Mateo County Library Annual Report for the 2008-09 fiscal year. The report clearly demonstrates that library services are a meaningful part of the quality of life of residents. Library use is flourishing with record numbers of borrowers, circulation, public access computer use and participation in programs.

It is a pleasure to take a moment to recognize a few of Atherton Library's significant accomplishments over the last year.

In our efforts to provide a destination library to the community, we created a more child-friendly space with colorful and inviting furniture; we also reorganized collection displays to facilitate ease of use and discovery. We saw an increase in library visits and library card registrations over the previous year. Library program attendance numbers gained as the library sought to meet community needs with a diverse array of programming. Highlights include Paws for Tales, a program in partnership with the Peninsula Humane Society that builds confidence for reluctant readers; art docent lectures; job skills trainings; monthly movie nights; and parenting workshops, including Baby Sign Language classes. Adult programming efforts, in particular, expanded and were met with enormous success.

The Friends of the Atherton Library continue to be a strong advocate and supporter of the library. We have enjoyed tremendous support from the community and Town, and thank you for your continued support of the library. As always, we welcome your questions and comments.

Sincerely,

Anne-Marie Despain
Director of Library Services

Carine Risley
Atherton Library Manager

CC: Jerry Gruber, Town Manager

SAN MATEO COUNTY LIBRARY

2008-2009 Annual Report

Connect
Discover
Evolve

Vision
Connect. Discover. Evolve.

Mission
The San Mateo County Library provides innovative, dynamic services that connect our diverse community with opportunities for individual growth and enrichment.

Strategic Goals

Destination Libraries
Create welcoming spaces that promote a sense of community pride and facilitate customer-centered services.

Collections and Services
Develop and deliver outstanding library collections and services that reflect the interests and needs of our diverse customer base.

Community Engagement
Raise awareness and visibility of San Mateo County Library services and increase recognition of the Library as an essential community asset.

Organizational Culture
Become a learning organization that continuously assesses community needs and develops staff to provide excellent customer service.

Over the past year, San Mateo County Library has provided an array of services that encourage personal growth by offering literacy services, materials in a variety of formats and languages, programs and events that educate and inspire, and places for people to connect with their neighbors in a safe and enriching environment.

In fiscal year 2008-09, our twelve community libraries received 2.3 million visits, circulated 4.1 million items, responded to over 220,000 customer questions and provided over 328,000 hours of computer access.

As an organization that supports innovation and creative approaches to library service, we piloted several technology programs including the introduction of toddler early-learning computers and wireless laptops for checkout. Both programs have proved highly successful and will be duplicated in other libraries in the future.

In partnership with our local member cities, we continued to make facility improvements that employ elements of our service model and create welcoming spaces. Most notably, the new Portola Valley Library which opened in September drew over 1,000 people to opening events.

Libraries are dynamic, evolving institutions and staff must keep their skills current in order to meet changing needs. This year an emphasis on leadership and staff development resulted in the completion of over 3,400 hours of staff training.

As we look back at our successes, it is important to thank the Library JPA, our Friends' groups, donors, volunteers and library staff for their outstanding contributions and dedication to providing quality library services to our communities.

I am pleased to present the Library's 2008-09 Annual Report. Although the facts and figures in this report are meaningful, they cannot tell the whole story, so this report also includes some of the faces and stories we see every day that illustrate how libraries change lives.

Anne-Marie Despain
Director of Library Services

Positive Impact

There have been many success stories associated with Quest, East Palo Alto Library's after school homework program. One of these is Emily. Emily is a fourth grade student and at the time she began working in the program, was reading at the kindergarten level. After just seven months in the Quest program, Emily's reading scores increased two grade levels. This dramatic progress had a tremendous effect on Emily's self-esteem and her success at school.

Children who struggle in school may not have many opportunities to receive academic assistance. The Quest program continues to fill a need in the East Palo Alto community. And while not all of the participants see such dramatic improvement as Emily, the East Palo Alto Library's Quest program is making a difference, a few children at a time.

Destination Libraries

San Mateo County Library strives to establish each of our libraries as the hub of community engagement and places that facilitate lifelong learning opportunities for all ages. One way this is done is by offering a variety of programs and events.

This year's programs continued this tradition by offering something for everyone on various topics and interests. In June alone, several libraries held workshops on learning to knit, tango dancing, life coaching, resume writing, family law, and talks on King Tutankhamun and artist Georgia O'Keefe. Programs targeted for children and teens included film nights, interactive music for toddlers, Chinese acrobat demonstrations, comic illustration classes, computer gaming nights, and much more. From July 2008 through June 2009, more than 180,000 people attended 5,302 programs.

Just as books inspire and delight, so do library programs and events. For a complete listing of upcoming activities, refer to the San Mateo County Library website at smcl.org and make a date soon at your local library.

Collections Make The Difference

With over 4,100,000 checkouts in fiscal year 2008-2009, use of the library collection remains the center of library activity. Library users want a collection that supports their diverse educational, informational and recreational needs. The 124,000 items added to the collection this year reflect emphasis in these areas. Items are collected in a variety of formats with focus placed on popular fiction and nonfiction bestsellers, works which receive high reviews in the professional literature, and materials requested by patrons through direct and indirect feedback.

Library staff work to ensure that materials get into the hands of library users as quickly as possible. Materials are frequently ordered from distributors before their publication date and library users are able to place holds on these pre-published titles so that they can enjoy them as soon as they are released. Most new materials are received, processed, and sent to branches within a 24-hour period from the time shipments arrive. This means that library users often enjoy books, DVDs, and music CDs at the same time as they are released to bookstores and other retail outlets.

In addition to traditional print books, works of fiction and nonfiction are also available from the library as audio books on CD and downloadable electronic audio and text files. This year a new format, the Playaway, debuted in the collection. Playaways are small, portable MP3 players that contain the entire contents of an audio book. An initial pilot project has proven popular and this new format will continue to expand throughout the system. By adding new formats and monitoring user needs, the library will continue supporting the strategic objective of providing our communities with up-to-date, dynamic collections.

San Mateo County Library At-A-Glance

Number of Service Outlets	12
Population of the Service Area	281,246
Number of Registered Borrowers	169,042
Borrowers as a % of Population	60%
Annual Circulation *	4,166,905
Circulation per Capita	14.8
Number of Library Visits	2,370,517
Visits per Capita	8.4
Number of Public Computers	325
Percent of Self-Check Usage	79%
Number of Events Offered	5,302
Program & Event Attendance	180,286
Number of Collection Volumes	829,695

*Does not include loans of electronic/digital books or "hits" on electronic databases.

Customer Satisfaction

Critical to the success of the system is feedback from the public. In order to gauge effectiveness, SMCL regularly solicits customer feedback. In fiscal year 2008-09, 384 surveys were received with 92% of respondents rating overall satisfaction as good or excellent. Feedback was overwhelmingly positive. Written comments frequently highlighted staff responsiveness and a feeling of pride for their local library. Additionally, 93% of respondents gave a rating of good or excellent for knowledge of staff assisting them. These high ratings suggest that strategies aimed at providing timely assistance to library users, materials and collections that respond to customers' needs, and a range of innovative programming are being well received.

Measuring Performance

The figures below represent just some of the data collected by the San Mateo County Library. This information helps us understand where we are and which way we are going. It also assists in making sound decisions on issues that affect future service delivery.

Branch	Items Circulated	Library Card Holders	Library Visitors	Program Attendance
Atherton Library	123,998	7,798	77,447	7,901
Belmont Library	567,820	18,736	314,141	21,124
Brisbane Library	91,013	3,537	69,203	5,549
East Palo Alto Library	100,666	16,330	172,301	6,887
Foster City Library	979,853	27,919	426,325	26,630
Half Moon Bay Library	407,048	16,706	232,316	20,082
Millbrae Library	616,145	17,224	399,035	23,261
Pacifica Libraries	397,816	23,525	205,717	25,327
Portola Valley Library	88,115	4,544	60,300	6,645
San Carlos Library	628,379	22,329	320,840	19,804
Woodside Library	114,788	8,525	92,892	13,268
Other *	51,264	1,869	---	9,656
Total	4,166,905	169,042	2,370,517	186,134

* Bookmobile and Other Literacy Programs

Generous Support

San Mateo County Library is fortunate to have strong support from its communities. Last year, Friends of the Library groups contributed over $160,000, helping to pay for collections, homework help centers, children's programs, special events, and library furnishings. The Library also benefited from other funding support including $385,000 in grants and donations. The work of volunteers is also invaluable. To help with events, collection maintenance, and literacy support, volunteers contributed over 114,000 hours of service.

The many monetary contributions and donated time and energy of Friends' groups and volunteers make a tremendous difference in the lives of San Mateo County community members. Thank you!

Foster City Library Service Improvement Project

An exciting project is underway at the Foster City Library designed to improve the user experience. As a result of collaborative working sessions with community members and support from the City of Foster City, San Mateo County Library, and Friends of the Foster City Library, the project focuses on creating a more functional and welcoming environment.

The five areas targeted for improvement include: 1) Creating a "Marketplace Zone" that will enhance the browsing experience; 2) Relocating the service desk and self-check equipment to improve functionality, and installing an automated materials handling system; 3) Improving the layout of the children's room by introducing flexible shelving and creating a playful, age appropriate space that encourages exploration and excitement for reading and learning; 4) Creating a zone for teens to read, learn and study with their peers; and 5) Increasing flexibility and enhancing the user experience by relocating public access computers.

It is estimated that the project will be completed by January 2010 and include a short closure between October - December 2009. Refer to the SMCL website at smcl.org for information regarding the Foster City Library grand re-opening in January!

San Mateo County Library

The San Mateo County Library (SMCL) is a Joint Powers Authority (JPA) comprised of the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, Woodside, and the unincorporated areas of San Mateo County.

San Mateo County Library
125 Lessingia Court
San Mateo, CA 94402

T: 650.312.5258
F: 650.312.5382
W: www.smcl.org

For additional copies of this report please call 650.312.5258 or visit www.smcl.org.

Draft Minutes
Town of Atherton
CITY COUNCIL
ATHERTON CHANNEL DRAINAGE DISTRICT
SEPTEMBER 16, 2009
7:00 p.m.
TOWN COUNCIL CHAMBERS
94 Ashfield Road
Atherton, California
REGULAR MEETING

PLEASE NOTE:

Times listed on the Agenda are an approximation and not a time certain. The Council may take up items out of order. Please arrive well in advance of the time listed for any item in which you are interested.

1. PLEDGE OF ALLEGIANCE

2. ROLL CALL Lewis, Dobbie, Marsala, McKeithen, J.Carlson

3 PRESENTATIONS

Certificate of Achievement to Nicholas Caine – Atherton Resident who Swam the English Channel

Mayor Carlson presented 16-year old Sacred Heart student and Atherton resident, Nicholas Caine with a certificate of achievement for swimming the English Channel.

New Disaster Preparedness Vehicle – Presentation by Disaster Committee Representatives Doug Devivo and Paul Jemelian

The new disaster preparedness vehicle was parked in front of the Council Chambers for viewing. Devivo said this vehicle is the only one of its type on the Peninsula. It has an all agency communications ability in which they can speak to any government agency, Police Department or Fire Department on their frequency. Jemelian informed Council that the vehicle is equipped and prepared to respond to any emergency services and also has the unique ability to speak to any High School, Middle School or Elementary school in Atherton on their frequencies.

4. PUBLIC COMMENTS

Jon Venverloh, Atherton resident, commented on the drainage criteria adopted by Council under Ordinance 573. Venverloh says he is in the process of improving the garage of his property and resurfacing his driveway and patio but because of the drainage criteria he is forced to install a drainage system which will cost $10,000 to design and another $50,000 to install.

Venverloh asked Council to reconsider the maintenance agreement that goes along with the drainage requirements. He said that the agreement would require him to submit an annual report on how the system is being maintained and it allows the Town the right to change the maintenance

requirements and the functionality of the system while the property owner is required to pay for it. It allows access by Atherton officials at any time on the owner's property and it requires that the owner indemnify the Town towards any potential lawsuits that are brought to the owner because of installation. Venverloh requested that Council remove the maintenance agreement or scale it back dramatically.

Carol Flaherty, Atherton resident, concurred with Venverloh and added that the maintenance agreement is requiring property owners to attest to things that they have no knowledge of such as the impacts the 4-foot wide underground pipes have on the ground or to others. Flaherty requested Council either get rid of the maintenance agreement or revise it.

Jeff Wise, Atherton resident, asked Council to re-examine Ordinance 573 and check into whether State law has caught up to Town requirements.

5. REPORT OUT OF CLOSED SESSION

City Attorney Furth reported that Council directed her to prepare a contract for the City Manager for open session at the October Council meeting.

6. CITY MANAGER'S REPORT

City Manager Gruber said he attended the League of California Cities annual conference earlier that day and the emphasis was on finance and the looming budget crisis.

City Manager Gruber said the Senior Management team, the Parks Program Manager and the Public Works Superintendant held a strategic planning workshop that Lieutenant Mike Guerra facilitated. The meeting covered the biggest accomplishments to dates, establishing common purposes and focusing on who the Town serves and what will Atherton look like in three years. Gruber thanked the Management team for their hard work.

City Manager Gruber thanked Council for all the hard work, time and dedication they put into working with Atherton staff.

Mayor Carlson also credited Atherton citizens and their involvement and engagement with Town officials for excellent production.

Gruber said that Atherton resident Colleen Anderson voiced her concerns on safety issues on Parker Avenue at the last Council meeting. Gruber concluded that staff has followed up with a letter of compliance to the resident that was mentioned.

Mayor Carlson asked for an update on the quad gates at Fair Oaks Lane and the work that will be done on Watkins Avenue. Public Works Director Jones said the quad gates on Fair Oaks are being installed on September 28th and as soon as the project is finished they will proceed to install pedestrian gates and a pedestrian crossing connecting to the walkway that was just built with the pedestrian bridge on Watkins Avenue.

7. COMMUNITY ORGANIZATION ROUNDTABLE REPORT

CAROLYN WILLIAM – Selby Lane Principal

Carolyn Williams, Selby Lane School Principal, said that Selby Lane School is a Redwood City public school situated in Atherton and has seen a 30% increase (in what) since last year. Williams said staff does everything they can to ensure great education for its students. Selby School Lane strives to be good neighbors and has strict policies regarding wearing uniforms and discipline. Williams said Selby Lane School receives great support from Atherton and its Police Department. Williams said the Town arborist has held several Arbor Days and thanked staff for their work.

Council Member Marsala asked if the solar light has been installed. Williams said that two of the Selby Lane teachers wrote a grant to PG&E for a solar cell. It is an education program and a one-watt solar cell which may be able to turn on the lights in the parking lot behind the school.

Mayor Carlson thanked Carolyn Williams for attending the Council meeting and acknowledged that Williams was Atherton's nominee for the county wide diversity award a few months ago.

CONSENT CALENDAR (Items 8-23)

Council Member Lewis pulled items 18 and 19 to the regular agenda.
There was a brief discussion on item 20.

8. APPROVAL OF AUGUST 19, 2009 MEETING MINUTES
Recommendation: Approve August 19, 2009 meeting minutes

9. APPROVAL OF BILLS AND CLAIMS FOR AUGUST 2009 IN THE AMOUNT OF $1,588,507
Recommendation: Approve Bills and Claims in the amount of 1,588,507

10. ACCEPTANCE OF MONTHLY FINANCIAL REPORT FOR THE MONTH ENDED AUGUST 31, 2009
Recommendation: Accept Monthly Financial Report

11. ACCEPTANCE OF TREASURER'S REPORT FOR THE FOURTH QUARTER ENDED JUNE 2009
Report: Finance Director Louise Ho
Recommendation: Accept the Treasurer's Report for the Fourth Quarter Ended June 30, 2009

12. APPROVAL OF RESOLUTION 09-34 APPROVING A BANKING SERVICES AGREEMENT WITH THE WELLS FARGO BANK N.A. AND AN AMENDMENT TO THE STATE OF CALIFORNIA MERCHANT SERVICES AGREEMENT WITH WELLS FARGO MERCHANT SERVICES L.L.C. AND AUTHORIZING CERTAIN TOWN OFFICIALS TO ACT ON BEHALF OF THE TOWN IN REGARD TO BANKING SERVICES
Report: Finance Director Louise Ho
Recommendation: Approve resolution 09-34 approving the banking services agreement with the Wells Fargo Bank and an amendment to the State of California master services agreement card payment acceptance with Wells Fargo Merchant Services, L.L.C. and authorizing certain Town officials to act on behalf of the Town in regard to banking and merchant services

13. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $7,244.91 FOR THE HOLBROOK-PALMER PARK SEWER IMPROVEMENT PROJECT NUMBER 08-027

Report: Public Works Director Duncan Jones

Recommendation: Authorize recording of a notice of completion and approving contract change orders in the amount of $7,244.91 for the Holbrook-Palmer Park Sewer Improvement Project Number 08-027

14. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $31,412.92 FOR THE STREET RECONSTRUCTION PHASE 5 PROJECT NUMBER 08-023

Report: Public Works Director Duncan Jones

Recommendation: Authorize recording of a notice of completion and approving contract change orders in the amount of $31,412.92 for the Street Reconstruction Phase 5 Project Number 08-023

15. APPROVAL OF PLANS AND SPECIFICATIONS AND AUTHORIZATION TO ADVERTISE THE POLHEMUS AVENUE DRAINAGE PROJECT NUMBER 08-011

Report: Public Works Director Duncan Jones

Recommendation: Approve the plans and specifications and authorize advertisement for bids for the Polhemus Avenue Drainage Project Number 08-011

16. AUTHORIZATION TO REQUEST PERMISSION FROM SAN MATEO COUNTY TO PLACE A "NO RIGHT TURN 7 AM TO 9 AM" SIGN ON MARSH ROAD AT FAIR OAKS AVENUE FOR A SIX-MONTH TRIAL PERIOD

Report: Public Works Director Duncan Jones

Recommendation: Direct Staff to Request permission from San Mateo County to place a sign on Marsh Road at Fair Oaks Avenue prohibiting right turns during the peak period from 7-9 AM

17. APPROVE A CONTRACT CHANGE ORDER FOR JJ NGUYEN, INC. FOR THE HOLBROOK-PALMER WATER TOWER LAWN PROJECT (PHASE 2) NUMBER 08-026 IN THE AMOUNT OF $6,952.00

Report: Public Works Director Duncan Jones

Recommendation: Approve a Contract Change Order for JJ Nguyen, Inc. for Holbrook-Palmer Water Tower Lawn Project (Phase 2), project number 08-026 in the amount of $6,952.00

20. APPROVAL OF AMENDMENT TO AGREEMENT WITH THE CITY OF REDWOOD CITY FOR VEHICLE MAINTENANCE AND FUEL PURCHASE

Report: Police Chief Glenn Nielsen

Recommendation: Approve Amendment to authorize the renewal of the maintenance and fuel agreement with Redwood City for FY 09-10

Vice Mayor McKeithen questioned the difference in Police Department gas & oil change from the last fiscal year. Chief Nielsen said that the figure is an approximate number and anticipates that it will be lower.

21. APPROVAL OF A RESOLUTION TO PARTICIPATE IN ACTERRA'S ENERGY EFFICIENCY PROGRAM FOR HIGH ENERGY HOMES, AUTHORIZE ACTERRA TO APPLY AND RECEIVE ENERGY EFFICIENCY AND CONSERVATION BLOCK (EECBG) FUNDING ON BEHALF OF THE TOWN OF ATHERTON, AND AUTHORIZE ACTERRRA EXECUTIVE DIRECTOR MICHAEL CLOSSEN TO EXECUTE ALL NECESSARY AGREEMENTS TO IMPLEMENT AND CARRY OUT THE PURPOSES OF THE EECBG AWARD

Report: Town Arborist Kathy Hughes Anderson

Recommendation: Approve Resolution 09-35 to participate in Acterra's energy efficiency program for high energy homes, and authorize Acterra to apply and receive EECBG funding on behalf of the Town of Atherton, and authorize Acterra Executive Director Michael Clossen to execute all necessary agreements to implement and carry out the purposes of the EECBG award

22. REJECT CLAIM OF KATHRYN NICOSIA

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Adopt Resolution 09-36 rejecting claim of Kathryn Nicosia

23. RETURN UNTIMELY CLAIM OF JOHN P. JOHNS RECEIVED ON AUGUST 3, 2009

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Instruct staff to return the claim of John P. Johns without action as it is untimely

MOTION by McKeithen, second by Lewis to approve Items 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22 and 23. The motion passed.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

PUBLIC HEARINGS (24-25)

24. ORDINANCE AMENDING AND RESTATING TITLE 17 TO THE ATHERTON MUNICIPAL CODE - A COMPREHENSIVE ZONING ORDINANCE UPDATE

Report: Deputy Planner Lisa Costa Sanders

Recommendation: City Council continue the public hearing to the October 21, 2009 meeting

City Attorney Furth said that the City Council previously made changes and added new provisions to the recommendations made by the Planning Commission and under California law if Council proposes to make a change to any zoning regulation that was previously considered by the Planning Commission and the proposed change was not already discussed by the Planning Commission then it needs to be referred back to the Planning Commission so they can do so.

MOTION by Lewis, second by McKeithen to continue the public hearing to October 21, 2009. The motion passed.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

25. ADOPT RESOLUTION 09-32 TO APPROVE MASTER FEE SCHEDULE SETTING MISCELLANEOUS FEES FOR TOWN SERVICES

Report: Finance Director Louise Ho

Recommendation: Conduct a Public Hearing and Adopt resolution 09-32 approving Master Fee Schedule for miscellaneous fees for Town services

Carol Flaherty, Atherton resident, said that after speaking with her Attorney she has concluded that the Town can recoup all direct costs, but the only indirect cost that can be recouped is the amount directly related to the activity. Flaherty added that the Town is trying to pass along too much of the indirect overhead costs and that the schedule is flawed because of it.

Flaherty reviewed the Finance and Building Department sections of the fee schedule and gave a detailed analysis of the proposed fees associated with construction projects.

Flaherty stated that her family is in the process of building a brand new home and they have a serious issue with the cost per square foot methodology for building permit fees. Flaherty said it is not fair to use a figure such as $350 per square foot when that is almost double what the house actually costs to build and suggested that Council find a formula that works for everyone.

Flaherty said that the fee schedule left out some very important comparisons with surrounding San Mateo cities whose cost per square foot range from $180 to $250.

Flaherty concluded that the charges for the utility deposit, landscape screening deposits and excavation charges are onerous and urged the Council to rethink those charges.

City Attorney Furth stated that on page 25 of the schedule there is a list of charges such as the utility deposit and the landscape screening deposit which were set by ordinance and can not be changed by a resolution and, therefore, the proposed charges in the fee schedule are incorrect.

Mayor Carlson thanked Flaherty for her attendance and comments on the master fee schedule. Carlson said he hopes to make this master fee schedule work for everyone.

Vice Mayor McKeithen said she felt that there has not been enough public comment since the process began at the beginning of the year and suggested holding a public outreach meeting before final adoption. McKeithen said that the Council is trying to evolve a schedule that is good for the Town and that accurately reflects the costs for the Town.

Council Member Dobbie concurred and added that it costs a lot to run the Town and NBS came up with the method of full cost recovery. Dobbie concluded that he hopes Town citizens would attend a meeting to listen to how NBS came up with the methodology.

Council Member Lewis said that although numerous workshops have been held she felt the need for at least one more meeting for public outreach.

Council Member Marsala said that determining a fee recovery percentage is a very political decision for a Council to make and felt that one more public outreach meeting would give residents more data to feel comfortable for the reasons the Town chooses to be at certain levels.

Council directed the City Manager to set up a public outreach meeting for October and to continue final adoption of the master fee schedule at the November Council meeting.

MOTION by McKeithen, second by Lewis to continue the Public Hearing to November 18, 2009. The motion passed.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

REGULAR AGENDA (Items 26-27)

26. RECONSIDERATION AND APPROVAL OF AMENDMENT #1 TO THE PROFESSIONAL/CONSULTING SERVICES AGREEMENT BETWEEN NBS AND THE TOWN OF ATHERTON FOR COST ALLOCATION PLAN, FULL COST RECOVERY STAFF HOURLY RATES, AND COMPREHENSIVE FEE STUDY
Report: Finance Director Louise Ho
Recommendation: Approve amendment #1 to the professional/consulting services agreement dated January 29, 2009, with NBS; and authorize City Manager to execute in an amount not to exceed $14,600

Finance Director Ho said that $12,140 of the amendment would cover travel, meetings, and additional work or comparisons requested by the Council up to the date of this meeting. Ho added that an additional $2,460 is requested by staff for NBS to conduct on-site training.

Vice Mayor McKeithen said that although she wanted it pulled off the last agenda she now feels it should be paid because she felt that the Town is largely at fault for allowing the work to be done without asking if it would cost more money. McKeithen said she hoped that NBS would have come to staff and said that additional work they were to perform was outside the scope of services and would cost a certain amount of dollars. McKeithen concluded that NBS performed their services very well and felt that they should be paid for it.

Council Member Lewis said that the money should definitely be paid but felt that Council should be more prudent in asking a consultant to go over and above the scope of work. Lewis concluded that on-site training should not be paid for until Council agrees on the analytical model the Town will use going forward.

MOTION by Carlson, second by McKeithen to approve Exhibit A of Amendment #1 in an amount not to exceed $12,140.00. The motion passed.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

27. TOWN RESPONSE TO CIVIL GRAND JURY REPORT - TRASHTALK: RETHINKING WASTE MANAGEMENT RFP PROCESS BY THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
Report: City Manager Jerome D. Gruber
Recommendation: Accept the Town's response to the Civil Grand Jury Report on Trashtalk: Rethinking Waste Management RFP Process by the South Bayside Waste Management Authority

City Manager Gruber suggested an ad-hoc Committee comprised of two Council Members can help respond to future Grand Jury reports.

Mayor Carlson informed Council that they should have received a handout which addresses his concerns with the response and offers his revised recommendations.

Vice Mayor McKeithen said that the revisions were very well done. Council concurred.

MOTION by McKeithen, second by Lewis to approve the Town's response to the Civil Grand Jury Report on Trashtalk: Rethinking Waste Management RFP Process by the South Bayside Waste Management Authority with Mayor Carlson's revisions.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

18. APPROVAL OF AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH GOLDFARB & LIPMAN FOR LEGAL ASSISTANCE ON THE HOUSING ELEMENT

Report: Deputy Town Planner Lisa Costa Sanders

Recommendation: Approve contract amendment to allow for additional services with Goldfarb & Lipman for legal assistance with the Housing Element in an amount not to exceed $3,500

Vice Mayor McKeithen said that the Town has to be more careful and stop paying for services that were already provided.

City Manager Gruber said that he will work with staff to monitor consultants from beginning to end. Mayor Carlson said that staff should give the City Manager an early alert if the contract is getting close to using up funds.

MOTION by Carlson, second by McKeithen to approve contract amendment to allow for additional services with Goldfarb & Lipman for legal assistance with the Housing Element in an amount not to exceed $3,500. The motion passed.

Ayes: 4 Nays: 1 (Dobbie) Abstain: 0 Absent: 0

19. APPROVAL OF CONSULTANT SERVICES AGREEMENT WITH CRW FOR PROGRAMMING THE PROPOSED MASTER FEE SCHEDULE AND FOR INTERFACE WITH SPRINGBROOK FINANCIAL SOFTWARE IN AN AMOUNT NOT TO EXCEED $22,475 PLUS A TEN PERCENT CONTINGENCY, FOR A TOTAL AUTHORIZATION OF $24,723

Report: Building Official Mike Wasmann

Recommendation: Approve consultant services agreement with CRW for programming the proposed master fee schedule and for interface with Springbrook financial software and authorize City Manager to execute the agreement in an amount not to exceed $22,475 plus a ten percent contingency for a total authorization of $24,723

Council Member Lewis felt that it was too early to hire a consultant to interface with the Master Fee Schedule since it is not been adopted.

Mayor Carlson asked staff if they foresee any changes in the scope of work once the Master Fee Schedule is adopted. Building Official Wasmann said that he does not foresee any changes.

Mayor Carlson was concerned that any changes to the Master Fee Schedule between now and November might alter the specifications for the software.

Finance Director Ho stated it takes 60 days before the fees take effect after approval and that some of the work needs to be done before then. Ho recommended approving specific parts of the scope now and the rest once the Master Fee Schedule is adopted.

MOTION by McKeithen, second by Lewis to approve Section B amended to what is applicable work for the program that is needed now and the entire Section D. The motion passed.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

28. COUNCIL REPORTS

Council gave written reports for inclusion in the Agenda packet.

Vice Mayor McKeithen added that the Library Needs Study is underway and they intend to have a contractor chosen by the end of this month. McKeithen said the Library has books on tape and electricity monitors at the Library now. Council Member Marsala said that the Environmental Program Committee was instrumental in getting the electricity monitors in the library.

29. FUTURE AGENDA ITEMS

MOTION by Carlson, second by Marsala to add discussion and review of the Town's Stormwater Treatment and Detention Maintenance Agreement to the next Council Agenda. The motion passed.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

30. PUBLIC COMMENTS

None

31. ADJOURN

Mayor Carlson adjourned the meeting at 9:20p.m.

Respectfully submitted,

_____

Theresa DellaSanta
Deputy City Clerk

Draft Minutes
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL DRAINAGE DISTRICT
SEPTEMBER 23, 2009
3:00 P.M.
Council Chambers

91 Ashfield Road
Atherton, California

Special Meeting

ROLL CALL **Lewis, Dobbie, Marsala, McKeithen, Carlson**

PUBLIC COMMENTS - None

PRESENTATION

1. ECONOMIC AND INVESTMENT PORTFOLIO REVIEW
Presentation Given by MBIA

Neil Waud, Vice President of MBIA, presented the Towns Investment portfolio options.

Waud reviewed safety and liquidity options with Council.

Council Member Dobbie preferred staying conservative this year and possibly a bit more aggressive next year.

Council Member Lewis suggested locking funds into a 1 or 2-year treasure fund.

Mayor Carlson suggested that the Town opt out of the San Mateo County investment pool.

CONSENT

Item 2 was pulled.

2. APPROVAL OF AMENDMENT #2 TO THE PROFESSIONAL/CONSULTING SERVICES AGREEMENT BETWEEN NBS CONCERNING THE TOWN OF ATHERTONS COMPREHENSIVE FEE STUDY
Report: Finance Director Louise Ho
Recommendation: Approve amendment #2 to the professional/consulting services agreement between NBS concerning the Town of Atherton's comprehensive fee study; and authorize City Manager to execute in an amount not to exceed $11,500.00

Date posted: 092109

Finance Director Louise Ho stated made one change to the Scope of Services in Exhibit 1 as shown below.

NBS will attend one onsite event by ~~October 31, 2009~~ November 10, 2009 at which it is expected members of the public will be present. The purpose of the event is to facilitate exchange of information and perspectives, as follows.

MOTION by Lewis, second by Dobbie to approve amendment #2 to the professional/consulting services agreement between NBS concerning the Town of Atherton's comprehensive fee study; and authorize City Manager to execute in an amount not to exceed $11,500.00 with the change made in the scope of services

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

REGULAR

3. APPROVAL OF A RESOLUTION 09-37 ADOPTING THE FINAL FISCAL YEAR 2008-09 BUDGET AMENDMENT
Report: Finance Director Louise Ho
Recommendation: Approval of Resolution 09-37 Adopting the Final Fiscal Year 2008-2009 Budget Amendment

Finance Director Louise Ho informed Council that staff is seeking approval to consolidate two special revenue funds (SLESF and COPS Grant) into on fund (SLESF/COPS grant) and closing two internal services fund (Computer Services and Administrative services) into the General Fund and Equipment Replacement Fund.

MOTION by Lewis, second by Dobbie to approve Resolution 09-37 Adopting the Final Fiscal Year 2008-2009 Budget Amendment.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

ADJOURN

MOTION by Dobbie, second by Lewis to adjourn the meeting. The motion passed.

Mayor Carlson adjourned the meeting at 4:29 p.m.

Respectfully submitted,

_____
Theresa DellaSanta
Deputy City Clerk

TOWN OF ATHERTON
CLAIMS LIST SEPTEMBER 2009

	09/11/09	09/25/09	Amt
Payroll Checks #	13881-13890	13950-13961	$ 7,188
Direct Deposit	13891-13949	13962-14019	289,070
Electronic Transfer			77,243
A/P Checks #	29014-29244		1,744,562
		SEPTEMBER 09 TOTAL	$2,118,063

I, Jerome D. Gruber, City Manager of the Town of Atherton, do hereby certify under penalty of perjury that the demands listed above, check numbers 13881-14019 (payroll), 29014-29244 (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to $2,118,063 are true and correct, and that there are sufficient funds for payment.

Jerome D. Gruber
City Manager

The above claims, check numbers 13881-14019 (payroll), 29014-29244 (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to $2,118,063 are true and correct, and are authorized for payment.

Jerry Carlson
Mayor, Town of Atherton

SOURCE OF FUNDS

101	General Fund	$1,213,828
105	Tennis	1,207
201	Special Parcel Tax	73,594
202	County Measure A	118,988
210	Road Construction Impact Fees	142,267
211	State Grants	4,025
213	Library	708
401	General Capital Projects	520,197
403	Atherton Channel District	9,699
610	Equipment Replacement	29,205
715	Evans Estate	4,345
	TOTAL	$2,118,063

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
029015	09/01/09	CAPORICCI & LARSON, CPAs	08/27/09	3830	Finance	Audit & Financi	2,300.00	INDEPENDENT AUDIT OF TOWN OF ATHERTON YE
						Check Totals	2,300.00	
029016	09/01/09	CASEY CONSTRUCTION, INC	08/03/09	582	NON-DEPARTMENTAL	Other Contract	166.59	HP PARK SEWER IMPROVEMENTS 05/06/2009
029016	09/01/09	CASEY CONSTRUCTION, INC	08/03/09	583	NON-DEPARTMENTAL	Other Contract	226.08	HP PARK SEWER IMPROVEMENTS 05/07/2009
029016	09/01/09	CASEY CONSTRUCTION, INC	08/03/09	584	NON-DEPARTMENTAL	Other Contract	977.31	HP PARK IMPROVEMENTS 05/11/2009
						Check Totals	1,369.98	
029017	09/01/09	COTTON, SHIRES & ASSOCIATES	07/09/09	73036	NON-DEPARTMENTAL	Contract Engine	5,121.85	ATHERTON STREET RECONSTRUCTION PROJECT L
						Check Totals	5,121.85	
029018	09/01/09	MCDONOUGH, HOLLAND & ALLEN	06/09/09	212710	City Attorney	City Attorney R	11,000.00	APRIL 30, 2009
					City Attorney	Attorney - Othe	33,643.99	APRIL 30, 2009
029018	09/01/09	MCDONOUGH, HOLLAND & ALLEN	06/10/09	212713	City Attorney	City Attorney R	10,604.00	MAY 31, 2009
					City Attorney	Attorney - Othe	28,159.33	MAY 31, 2009
029018	09/01/09	MCDONOUGH, HOLLAND & ALLEN	08/31/09	215044	City Attorney	Litigation Serv	26,928.62	JUNE 30, 2009
					City Attorney	Attorney - Othe	0.00	
						Check Totals	110,335.94	
029021	09/03/09	ACCOUNTEMPS FILE 73484	08/17/09	24200754	Finance	Other Contract	522.88	WEEK END 08/14/09 TEMPORARY HELP -MATILD
						Check Totals	522.88	
029022	09/03/09	ALHAMBRA & SIERRA SPRINGS	08/12/09	080927994824	Police	DISASTER/EMERGE	74.30	3 GAL DRINK 07/27-08/10/2009
						Check Totals	74.30	
029023	09/03/09	AT&T CALNET 2	08/10/09	0787139	Police	Communication (	46.50	POLICE DEPT 6503231802 7/10-8/09/2009
029023	09/03/09	AT&T CALNET 2	08/13/09	0791462	Police	Communication (	15.92	TELEMINDER LOOP LINE 6503261167 07/13-8/
029023	09/03/09	AT&T CALNET 2	08/11/09	0788744	Police	Communication (	23.42	DINKELSPIEL PAY PHONE 6504621470 07/11-0
029023	09/03/09	AT&T CALNET 2	08/10/09	0787137	Police	Communication (	30.07	ANALOG LINE PD 6503231014 07/10-08/09/20
029023	09/03/09	AT&T CALNET 2	08/10/09	0787140	Police	Communication (	30.35	TELEMINDER LOOP LINE 6503233612 07/10-08
029023	09/03/09	AT&T CALNET 2	08/10/09	0787143	Police	Communication (	29.33	POLICE FAX REQUEST SERVICE 6503237653 07
029023	09/03/09	AT&T CALNET 2	08/10/09	0787145	Police	Communication (	30.10	PD FAX - ADMIN 6503283220 07/10-08/09/20
029023	09/03/09	AT&T CALNET 2	08/10/09	0786499	Police	Communication (	15.71	DINKELSPIEL ALARM LINE 6502899297 07/10-

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
029023	09/03/09	AT&T CALNET 2	08/10/09	0787141	Police	Communication (	99.04	EMERGENCY LINE 6503236131 07/10-08/09/20
029023	09/03/09	AT&T CALNET 2	08/10/09	0787146	Police	Communication (	16.10	DIRECT CONNECT FAX LINE 6504739743 07/10
029023	09/03/09	AT&T CALNET 2	08/10/09	0787138	Police	Communication (	14.41	PD 6503231801 07/10-08/09/2009
029023	09/03/09	AT&T CALNET 2	08/10/09	0787144	Police	Communication (	155.89	POLICE TRAILER 6503262801 07/10-08/09/20
029023	09/03/09	AT&T CALNET 2	08/10/09	0787142	Police	Communication (	15.70	VOICE PRINT - 911 6503236452 07/10-08/09
029023	09/03/09	AT&T CALNET 2	07/27/09	0761992	Non-Department	Communication (	163.15	6507528099 06/27-07/26/2009
029023	09/03/09	AT&T CALNET 2	07/27/09	0761991	Non-Department	Communication (	111.70	6507520600 06/27-07/26/2009
029023	09/03/09	AT&T CALNET 2	08/10/09	0787147	Non-Department	Communication (	619.18	6506886500 07/10-08/09/2009
						Check Totals	1,416.57	
029025	09/03/09	ATKINSON-FARASYN	08/12/09	ATKINSON 08.	City Attorney	Attorney - Othe	632.50	LEGAL SERVICES, JULY 2009
						Check Totals	632.50	
029026	09/03/09	CAROL BARRETT	08/13/09	08.13.09	NON-DEPARTMENTAL	Park Deposits	500.00	REFUND PARK DEPOSIT 08/13/09
						Check Totals	500.00	
029027	09/03/09	CA STATE DISBURSEMENT UNIT	08/22/09	08.22.09	NON-DEPARTMENTAL	Payroll Deducti	339.80	06/28-07/11/2009 W. BUTLER
					NON-DEPARTMENTAL	Payroll Deducti	339.80	07/12-07/25/2009 W. BUTLER
					NON-DEPARTMENTAL	Payroll Deducti	339.80	07/26-08/08/2009 W. BUTLER
					NON-DEPARTMENTAL	Payroll Deducti	339.80	08/09-08/22/2009 W. BUTLER
						Check Totals	1,359.20	
029028	09/03/09	CALIFORNIA DEPT. OF JUSTICE	08/06/09	748050	City Manager	Recruitment Cos	32.00	TEMP EMPLOYEE MATILDA V. FINGERPRINT APP
						Check Totals	32.00	
029029	09/03/09	CALIFORNIA WATER SERVICE	08/05/09	08.05.09	DPW - Street Mainten	Utilities - Wat	43.47	9293092658 99 ASHFIELD RD 07/03-08/04/20
					DPW - Street Mainten	Utilities - Wat	614.76	0686127445 STATION LN 07/03-08/04/2009
						Check Totals	658.23	
029030	09/03/09	CALPERS HEALTH BENEFITS DIV	08/15/09	380	NON-DEPARTMENTAL	Payroll Benefit	50,134.08	EMPLOYEE DISTRIBUTION 09/2009
					Non-Department	Health Insuranc	281.32	ADMINISTRATIVE COSTS 09/2009
					Building	Retiree Health	410.11	RETIREE MED 09/2009
					City Manager	Retiree Health	2,797.23	RETIREE MED 09/2009

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
					DPW - Engineering	Retiree Health	936.36	RETIREE MED 09/2009
					DPW - Park Maintenan	Retiree Health	275.71	RETIREE MED 09/2009
					Finance	Retiree Health	476.48	RETIREE MED 09/2009
					Police	Retiree Health	9,112.45	RETIREE MED 09/2009
						Check Totals	64,423.74	
029031	09/03/09	CDW GOVERNMENT INC.	08/12/09	PWR7089	Non-Department	Computer Suppli	53.96	CONFERENCE RM ADMIN CORDS OR WIRELESS
						Check Totals	53.96	
029032	09/03/09	COUNTY OF SAN MATEO INFORMA	08/10/09	1YAT10907	Police	Technical Servi	1,313.38	MICROWAVE MICRO CHANNEL, MESSAGE SWITCH
						Check Totals	1,313.38	
029033	09/03/09	CPOA	08/18/09	842391	Police	Subscriptions	40.00	JOURNAL OF CA LAW ENFORCEMENT SUBSCRIPTI
						Check Totals	40.00	
029034	09/03/09	DAILY JOURNAL CORPORATION	08/10/09	B1663702	City Manager	Advertising/Pub	72.80	PUBLIC HEARING-MASTER FEE SCHEDULE, EXAM
029034	09/03/09	DAILY JOURNAL CORPORATION	08/17/09	B1663703	City Manager	Advertising/Pub	111.18	PUBLIC HEARING-MASTER FEE SCHEDULE ALMAN
						Check Totals	183.98	
029035	09/03/09	FIRST CHOICE	08/14/09	225451	City Manager	Office Supplies	30.08	ADMIN BEVERAGES 08/14/09
						Check Totals	30.08	
029036	09/03/09	ROSEMARY GARCIA	08/07/09	08.07.09	NON-DEPARTMENTAL	Park Deposits	700.00	REFUND PARK DEPOSIT 08/07/09
						Check Totals	700.00	
029037	09/03/09	VALERIE GARDNER	08/31/09	2009 ReimbFi	Building	ENVIRONMENTAL P	2,130.00	Reimbursement for Valerie 2009 final for
						Check Totals	2,130.00	
029038	09/03/09	GERRY NELSON	08/13/09	08.13.09	NON-DEPARTMENTAL	Park Deposits	800.00	REFUND PARK DEPOSIT 08/13/09

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						Check Totals	800.00	
029039	09/03/09	HAMMERSCHMIDT CONSTRUCTION,	08/17/09	36 INGLEWOOD	NON-DEPARTMENTAL	Bus Lic Refund	124.40	BATCH 24 REFUND#35 36 INGLEWOOD LANE
						Check Totals	124.40	
029040	09/03/09	I.M.P.A.C. GOVERNMENT SERVI	07/22/09	5465 07.22.0	Police	Machinery & Equ	240.96	CAMERAS IN DISPATCH 6/24/09
					Police	Other Supplies	229.65	GLOVES AND EVIDENCE SUPPLIES 6/25/09
					Police	Vehicles & Acce	383.50	MOTORCYCLE HELMET T.MARKS 6/30/09
					Police	Equipment Maint	152.93	HONDA MOTORCYCLE REPAIR 07/02/09
					Police	Equipment Maint	288.43	HONDA MOTORCYCLE REPAIR 07/07/09
					Police	Other Supplies	303.84	PD SUPPLIES 07/10/09
					Police	Machinery & Equ	47.99	SCALE FOR EVIDENCE PROCESSING 07/10/09
					Police	Office Supplies	144.19	PRINTER INK 07/15/09
					Police	Other Supplies	134.00	PD COFFEE 07/20/09
					Police	Other Supplies	29.46	FOOD FOR WELLNESS PROGRAM 07/20/09
					Police	Equipment Maint	72.36	UPS REPLACEMENT BATTERIES PD 07/21/09
						Check Totals	2,027.31	
029041	09/03/09	JENNIFER JENSEN	08/07/09	08.07.09	NON-DEPARTMENTAL	Park Deposits	1,000.00	REFUND PARK DEPOSIT 08/07/09
						Check Totals	1,000.00	
029042	09/03/09	MBIA MISC GENERAL POST OFFI	08/15/09	12030A	Finance	Other Contract	357.19	INVESTMENT ADVISORY SERVICE JULY 2009
						Check Totals	357.19	
029043	09/03/09	MSA NCVC	09/01/09	09.01.2009	DPW - Street Mainten	Conferences	425.00	T. HENDERSON MSA CONFERENCE MEETING 09/3
029043	09/03/09	MSA NCVC	08/31/09	08.31.09	DPW - Street Mainten	Conferences	425.00	S. TYLER 2009 MSA CONFERENCE REGISTRATIO
						Check Totals	850.00	
029044	09/03/09	MUNI SERVICES LLC	09/03/09	LOZANO'S AER	NON-DEPARTMENTAL	Business Licens	75.00	LOZANO'S AERATING TEL.4085955134 BUS LIC
						Check Totals	75.00	
029045	09/03/09	OFFICE DEPOT	08/13/09	484486476001	Finance	Office Supplies	62.90	PRINT CARTRIDGE, FOLDER, CORRECTION TAPE

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
					City Manager	Office Supplies	151.17	CUBE, FILE, TAPE CORRECTION, BINDER CLIP
					DPW - Engineering	Office Supplies	122.01	FOLDER, REFILLED CARDS, PRINTED PLATE, C
					Building	Office Supplies	6.46	POST-IT NOTES
					Planning Department	Office Supplies	41.09	UNI-BALL PEN
029045	09/03/09	OFFICE DEPOT	07/21/09	481546725001	City Manager	Office Supplies	-213.12	CREDIT MEMO ADMIN
029045	09/03/09	OFFICE DEPOT	07/28/09	481598954001	Building	Office Supplies	-39.58	CREDIT MEMO BUILDING
						Check Totals	130.93	
029046	09/03/09	PAW PRINTS	08/14/09	21417	Police	Other Supplies	81.94	3 ALARM SIGNS
						Check Totals	81.94	
029047	09/03/09	PERSICON COMPANY	08/19/09	96 CLAY DRIV	NON-DEPARTMENTAL	Bus Lic Refund	239.60	BATCH 26 REFUND#37 96 CLAY DRIVE
					NON-DEPARTMENTAL	Bus Lic Refund	25.20	BATCH 26 REFUND#37 96 CLAY DRIVE
					NON-DEPARTMENTAL	Bus Lic Refund	7,083.81	BATCH 26 REFUND#37 96 CLAY DRIVE
						Check Totals	7,348.61	
029048	09/03/09	PG & E	07/31/09	5678831191-0	Building	Uilities - Elec	107.33	STATION LANE BUILDING 6/25-7/24/2009
					DPW - Engineering	Communication (	53.67	STATION LANE BUILDING 6/25-7/24/2009
					DPW - Engineering	Communication (	4,010.28	STREET LIGHTS AND SIGNALS 7/2-31/2009
					DPW - Park Maintenan	Uilities - Elec	537.46	PUMP, HP PARK 6/26-7/27/2009
					DPW - Park Program	Uilities - Elec	1,363.05	ACTIVITY AND MODULAR BLDGS 6/26-7/27/200
					Planning Department	Uilities - Elec	17.89	STATION LANE BLDG 6/25-7/24/2009
					City Manager	Uilities - Elec	487.52	TOWN HALL 6/25-7/24/2009
						Check Totals	6,577.20	
029049	09/03/09	PITNEY BOWES INC.	08/16/09	971432	Non-Department	Post Office Exp	330.00	POSTAL SECURITY DEVICE RENT 09/16-12/15/
						Check Totals	330.00	
029050	09/03/09	MAUREEN QUESADA	08/07/09	08.07.09	NON-DEPARTMENTAL	Park Deposits	900.00	REFUND PARK DEPOSIT 08/7/09
						Check Totals	900.00	
029051	09/03/09	RECALL SECURE DESTRUCTION S	07/25/09	2303049286	Police	Other Contract	85.56	SHRED DOCUMENTS P.D. 06/26/09-07/23/09

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						Check Totals	85.56	
029052	09/03/09	ROCKY POINT, LLC	08/10/09	16427	Police	Other Supplies	597.08	4-PART PARKING CITATION 80 BOOKS
						Check Totals	597.08	
029053	09/03/09	S M CO SHERIFF'S OFFICE COU	08/07/09	8203	City Manager	Recruitment Cos	18.00	TEMP EMPLOYEE MATILDA V. LIVE SCAN SERVI
						Check Totals	18.00	
029054	09/03/09	SPRING CREEK POOL & SPA	08/17/09	84 LUPIN LN	NON-DEPARTMENTAL	Bus Lic Refund	244.80	BATCH 25 REFUND#36 84 LUPIN LANE
						Check Totals	244.80	
029055	09/03/09	TEAMSTERS UNION LOCAL 856	08/22/09	08.22.09	NON-DEPARTMENTAL	Payroll Deducti	401.55	08/09-22/2009
						Check Totals	401.55	
029056	09/03/09	WITMER-TYSON IMPORTS, INC.	08/03/09	T7407	Police	K-9 Expenses	850.73	JULY 09 K-9 MAINTENANCE TRAINING, DOG FO
						Check Totals	850.73	
029060	09/10/09	KIMLEY-HORN & ASSOCIATES IN	05/31/09	3891370	NON-DEPARTMENTAL	Other Contract	6,008.09	TRAFFIC ENGINEERING SERVICES FOR THE ROA
						Check Totals	6,008.09	
029062	09/10/09	54 BARRY LANE ATHERTON	09/01/09	54 BARRY LAN	Planning Department	PLANNING DEPOSI	1,384.96	REFUND DEPOSIT 54 BARRY LANE
						Check Totals	1,384.96	
029063	09/10/09	A-A LOCK & ALARM INC	08/12/09	212850	DPW - Building Maint	Construction Ma	27.04	3 ALARM KEYS CITY COUNCIL
						Check Totals	27.04	
029064	09/10/09	A-A-A RENTALS INC	08/19/09	512980	DPW - Street Mainten	Gas & Oil	23.99	12 UNITS OF CHAINSAW OIL
029064	09/10/09	A-A-A RENTALS INC	08/10/09	512437	DPW - Street Mainten	Construction Ma	76.48	5 LBS STRING FOR WEED EATER

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
						Check Totals	100.47	
029065	09/10/09	ACCOUNTEMPS FILE 73484	08/24/09	24233355	Finance	Other Contract	522.88	WEEK END 08/21/09 TEMPORARY HELP -MATILD
						Check Totals	522.88	
029066	09/10/09	AFLAC ATTN: REMITTANCE PROC	09/02/09	719297ER	Building	Cafeteria Insur	5.00	K.ANDERSON 8/1-31/09
					Finance	Cafeteria Insur	10.00	M.COLLIAY, L.HO 8/1-31/09
					Police	Cafeteria Insur	20.00	D.DUNPHY, M.GUERRA, S.HALL, J.MATTES 8/1
					DPW - Engineering	Cafeteria Insur	5.00	T.HENDERSON 8/1-31/09
						Check Totals	40.00	
029067	09/10/09	AFLAC ATTN: REMITTANCE PROC	08/20/09	452150	NON-DEPARTMENTAL	Payroll Deducti	1,740.64	PREMIUM FOR AUGUST 2009
						Check Totals	1,740.64	
029068	09/10/09	ALHAMBRA & SIERRA SPRINGS	08/12/09	080927993914	Police	Other Supplies	159.03	COOLER RENTAL, 5 GAL WATER 07/27-08/10/0
						Check Totals	159.03	
029069	09/10/09	JAVIER ANDRADE	08/28/09	08.28.09	DPW - Street Mainten	Training & Work	20.00	MSA PAVING SEMINAR LUNCH 07/16/2009
						Check Totals	20.00	
029070	09/10/09	AT&T PAYMENT CENTER	08/19/09	08.19.09	Non-Department	Communication (	26.27	650-325-2677 08/19-09/18/2009
						Check Totals	26.27	
029071	09/10/09	AT&T CALNET 2	08/20/09	0807913	Non-Department	Communication (	84.20	2332511053 07/20-08/19/2009
029071	09/10/09	AT&T CALNET 2	08/20/09	0807914	Police	Communication (	97.08	CIRCUIT NUMBER FROM PD TO 590 HAMILTON-R
029071	09/10/09	AT&T CALNET 2	08/20/09	0807916	Police	Communication (	265.86	83 ASHFIELD TO INDUSTRIAL RD 2372715840
029071	09/10/09	AT&T CALNET 2	08/25/09	0819702	Police	Communication (	0.09	RECORDS ROOM, 65003228691 07/25-08/24/09
029071	09/10/09	AT&T CALNET 2	08/20/09	0807918	Police	Communication (	66.34	MP FIRE TO PD VOTER 2394516689 07/20-08/
029071	09/10/09	AT&T CALNET 2	08/20/09	0807920	Police	Communication (	76.65	CAL WATER BEAR GULCH I VOTER 2394516691
029071	09/10/09	AT&T CALNET 2	08/20/09	0807915	Police	Communication (	37.24	83 ASHFIELD & KCEA RADIO 2372528343 07/2
029071	09/10/09	AT&T CALNET 2	08/20/09	0807919	Police	Communication (	66.34	MP FIRE TO PD VOTER 2394516690 07/20-08/
029071	09/10/09	AT&T CALNET 2	08/20/09	0807917	Police	Communication (	359.71	CIRCUIT DATA LINE 2392717360 07/20-08/19

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
029071	09/10/09	AT&T CALNET 2	08/27/09	0821689	Non-Department	Communication (	111.54	6507520600 7/27-8/26/2009
						Check Totals	1,165.05	
029072	09/10/09	ATHERTON ARTS FOUNDATION	08/26/09	08.26.09	NON-DEPARTMENTAL	Other Contract	2,000.00	9/18/09 ART EXHIBIT EXPENSES
						Check Totals	2,000.00	
029073	09/10/09	ATHERTON DAMES C/O MARYLUE	08/26/09	08.26.09	NON-DEPARTMENTAL	Other Contract	250.00	DONATION 09/13/09 EVENT "SWING IN THE PA
						Check Totals	250.00	
029074	09/10/09	ROBERT T. BEARDSLEY	08/31/09	338 GREENOAK	Building	Building Deposi	1,000.00	REFUND RECYCLING DEPOSIT 338 GREENOAKS D
						Check Totals	1,000.00	
029075	09/10/09	G. BORTOLOTTO & CO	08/26/09	3689	NON-DEPARTMENTAL	Other Contract	247,000.00	STREET RECONSTRUCTION PHASE VI -ATHERTON
					NON-DEPARTMENTAL	Other Contract	169,754.76	STREET RECONSTRUCTION PHASE VI -ATHERTON
						Check Totals	416,754.76	
029076	09/10/09	BILL BUTLER	08/28/09	08.28.09	DPW - Street Mainten	Training & Work	20.00	MSA PAVING CLASS LUNCH 07/16/2009
						Check Totals	20.00	
029077	09/10/09	CLARK PEST CONTROL	08/01/09	8709422	DPW - Park Maintenan	Grounds Mainten	780.00	WEED CONTROL HP PARK, AUGUST 09
						Check Totals	780.00	
029078	09/10/09	COTTON, SHIRES & ASSOCIATES	08/13/09	83090	NON-DEPARTMENTAL	Contract Engine	2,007.75	COMPACTION TESTING FOR STEVICK DRIVE REC
						Check Totals	2,007.75	
029079	09/10/09	COUNTY OF MARIN/CAL-SLA FAR	08/24/09	316	DPW - Street Mainten	Membership/Dues	600.00	FY09-10 CAL-SLA STREETLIGHT ASSESSMENT D
						Check Totals	600.00	
029080	09/10/09	CSG CONSULTANTS, INC.	08/21/09	016527	Non-Department	Code enforcemen	4,482.94	JULY 09 CODE ENFORCEMENT SERVICES

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
						Check Totals	4,482.94	
029081	09/10/09	DRUMMOND POOLS	08/03/09	1 MADRONE RD	Building	Building Deposi	2,100.00	REFUND RECYCLING DEPOSIT 1 MADRONE RD.
						Check Totals	2,100.00	
029082	09/10/09	FIRST CHOICE	08/14/09	225452	Building	Office Supplies	14.24	BUILDING DEPT. COFFEE
						Check Totals	14.24	
029083	09/10/09	GRANITE ROCK CO. #16774 ACC	07/31/09	526680	DPW - Street Mainten	Construction Ma	156.10	1.5 TONS ASPHALTIC CONCRETE
						Check Totals	156.10	
029084	09/10/09	I.M.P.A.C. GOVERNMENT SERVI	08/24/09	7190 08.24.0	Finance	Training & Work	522.00	REVENUE FORECAST & ANALYSIS CLASS, L.HO
						Check Totals	522.00	
029085	09/10/09	D.A. MCCOSKER CONSTRUCTION	08/13/09	09-08-0100	NON-DEPARTMENTAL	Other Contract	1,615.22	1 EA 10% CONTINGENCY, STREET RECONSTRUCT
029085	09/10/09	D.A. MCCOSKER CONSTRUCTION	06/29/09	09-06-0113	NON-DEPARTMENTAL	Other Contract	737.10	1 EA 10% CONTINGENCY, STREET RECONSTRUCT
029085	09/10/09	D.A. MCCOSKER CONSTRUCTION	06/29/09	09-06-0112	NON-DEPARTMENTAL	Other Contract	2,048.72	1 EA 10% CONTINGENCY, STREET RECONSTRUCT
029085	09/10/09	D.A. MCCOSKER CONSTRUCTION	06/22/09	09-06-0111	NON-DEPARTMENTAL	Other Contract	2,070.00	1 EA 10% CONTINGENCY, STREET RECONSTRUCT
029085	09/10/09	D.A. MCCOSKER CONSTRUCTION	07/22/09	09-07-0102	NON-DEPARTMENTAL	Other Contract	2,070.00	1 EA 10% CONTINGENCY, STREET RECONSTRUCT
029085	09/10/09	D.A. MCCOSKER CONSTRUCTION	07/31/09	09-07-0004	NON-DEPARTMENTAL	Other Contract	116,289.52	STREET RECONSTRUCTION PHASE V, PROJECT 0
					NON-DEPARTMENTAL	Other Contract	12,839.51	STREET RECONSTRUCTION PHASE V, PROJECT 0
029085	09/10/09	D.A. MCCOSKER CONSTRUCTION	08/31/09	09-08-0001	NON-DEPARTMENTAL	Other Contract	110,447.36	STREET RECONSTRUCTION PHASE V, PROJECT 0
						Check Totals	248,117.43	
029086	09/10/09	INTERSTATE TRAFFIC CONTROL	08/05/09	122761	DPW - Street Mainten	Construction Ma	589.95	WHITE, TRAFFIC PAINT, CURBS
						Check Totals	589.95	
029087	09/10/09	KNIGHT ROOFING SERVICES	08/26/09	76 FAIRVIEW	NON-DEPARTMENTAL	Bus Lic Refund	399.60	BATCH 27 REFUND #38 76 FAIRVIEW AVE
						Check Totals	399.60	
029088	09/10/09	L'ARTISTE A LA CARTE	09/10/09	09.10.09	NON-DEPARTMENTAL	Other Contract	687.00	CARICATURES FOR SHOW 09/18/09

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						Check Totals	687.00	
029089	09/10/09	EDDIE LOPEZ	08/28/09	08.28.09	DPW - Street Mainten	Training & Work	20.00	MSA PAVING SEMINAR LUNCH 07/16/2009
						Check Totals	20.00	
029090	09/10/09	NEAL MARTIN & ASSOCIATES	07/31/09	993	Planning Department	HOUSING ELEMENT	4,074.26	HOUSING ELEMENT SERVICES JULY 1-31, 2009
029090	09/10/09	NEAL MARTIN & ASSOCIATES	07/31/09	992	Planning Department	Contract Planne	13,920.65	CONTRACT PLANNING SERVICES JULY 1-31, 20
						Check Totals	17,994.91	
029091	09/10/09	MARTHA & DENNIS MERZ	08/31/09	28 ALMENDRAL	Building	Building Permit	50.00	REFUND OVERPAYMENT FOR PERMIT 28 ALMENDR
						Check Totals	50.00	
029092	09/10/09	METROMOBILE COMMUNICATIONS	08/11/09	19169	Police	Equipment Maint	1,403.13	LAYOUT ANTENNA SPACE AND MOUNT, ANTENNA
						Check Totals	1,403.13	
029093	09/10/09	OFFICE DEPOT	08/20/09	485298761001	City Manager	Office Supplies	73.07	2 BOXES LTR/LGL
029093	09/10/09	OFFICE DEPOT	08/14/09	484695394001	Finance	Office Supplies	135.79	TONER, HP
			08/17/09	484695393001	Finance	Office Supplies	-55.67	CREDIT 727381
						Check Totals	153.19	
029094	09/10/09	OIL CHANGER	08/12/09	202-0345629	DPW - Street Mainten	Equipment Maint	77.06	OIL CHANGE UTILITY TRUCK LIC.CA-1001284
						Check Totals	77.06	
029095	09/10/09	PACIFIC PENINSULA GROUP	09/04/09	PACIFIC PENI	NON-DEPARTMENTAL	Bus Lic Refund	27,099.20	BATCH 08 REFUND #17
					NON-DEPARTMENTAL	Bus Lic Refund	28,453.70	BATCH 08 REFUND #17
					NON-DEPARTMENTAL	Bus Lic Refund	23,741.60	BATCH 08 REFUND #17
						Check Totals	79,294.50	
029096	09/10/09	SIMONE PARDORLA	09/01/09	09.01.09	Police	Gas & Oil	65.08	REIMB GAS, COMMUTE TO DISPATCHER UPDATE

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						Check Totals	65.08	
029097	09/10/09	PUBLIC EMPLOYEES RETIREMENT	08/22/09	08.22.09	NON-DEPARTMENTAL	Payroll Deducti	3,154.50	PERS 08/09-22/2009
					NON-DEPARTMENTAL	Payroll Benefit	50,282.54	PERS 08/09-22/2009
						Check Totals	53,437.04	
029098	09/10/09	R & S ERECTION OF S.M. INC.	07/30/09	19385G	DPW - Building Maint	Facility Repair	286.00	REMOVE & REPLACED 6" RUBBER TRUCK WHEEL
						Check Totals	286.00	
029099	09/10/09	SETCOM CORP. ATTN: CHRIS T	09/01/09	888923	Police	Other Supplies	831.63	1 EACH SMA/T-8M9/L Super Mic+
			09/01/09	150	Police	Other Supplies	298.25	1 EACH KA-23 HELMET KIT
					Police	Other Supplies	-818.28	CREDIT SMA/T-8M9/L SUPERMIC+
						Check Totals	311.60	
029100	09/10/09	SHARP ELECTRONICS CORPORATI	08/13/09	AR211255	City Manager	Equipment Maint	85.69	SHARP MXM550N COPIER 07/16-08/15/2009
						Check Totals	85.69	
029101	09/10/09	SPRINT	08/29/09	130538811-02	Police	Communication (	400.51	07/26-08/25/2009 A/C #130538811
						Check Totals	400.51	
029102	09/10/09	TEAMSTERS LOCAL 856 H & W	09/02/09	09.02.09	NON-DEPARTMENTAL	Payroll Benefit	6,721.00	PREMIUMS FOR SEPTEMBER 2009
						Check Totals	6,721.00	
029103	09/10/09	UNIFIRST CORP.	08/18/09	3800333626	DPW - Street Mainten	Uniforms	47.12	LAUNDRY SERVICE 08/18/09
029103	09/10/09	UNIFIRST CORP.	08/25/09	3800334578	DPW - Street Mainten	Uniforms	51.48	LAUNDRY SERVICE 08/25/09
					DPW - Park Program	Custodial Servi	172.80	SYN MAT, MOPS
029103	09/10/09	UNIFIRST CORP.	08/11/09	3800332657	DPW - Street Mainten	Uniforms	47.12	LAUNDRY SERVICE 08/11/09
						Check Totals	318.52	
029104	09/10/09	AGI PUBLISHING DBA: VALLEY	08/01/09	08.01.09	DPW - Park Program	Advertising/Pub	1,029.32	ADVERTISING HP PARK AUGUST 2009

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
						Check Totals	1,029.32	
029105	09/10/09	VERIZON WIRELESS	08/21/09	0791409005	City Manager	Communication (	45.01	CELL PHONE 279-2351 07/22-08/21/2009
					Building	Communication (	133.70	CELL PHONE BUILDING DEPT 07/22-08/21/200
					Police	Communication (	632.20	CELL PHONE P.D. 07/22-08/21/2009
					DPW - Engineering	Communication (	125.16	CELL PHONE ENGINEERING 07/22-08/21/2009
					DPW - Street Mainten	Communication (	224.56	CELL PHONE STREET MAINT 07/22-08/21/2009
					DPW - Park Maintenan	Communication (	41.66	CELL PHONE PARK 07/22-08/21/2009
					DPW - Park Program	Communication (	83.53	CELL PHONE PARK PROGRAM 07/22-08/21/2009
029105	09/10/09	VERIZON WIRELESS	07/21/09	0782572825	City Manager	Communication (	34.35	CELL PHONE 279-2351 06/22-07/21/2009
					Building	Communication (	133.66	CELL PHONE BUILDING DEPT 06/22-07/21/200
					Police	Communication (	568.74	CELL PHONE PD 06/22-07/21/2009
					DPW - Engineering	Communication (	124.98	CELL PHONE ENGINEERING 06/22-07/21/2009
					DPW - Street Mainten	Communication (	221.26	CELL PHONE STREET MAINT 06/22-07/21/2009
					DPW - Park Maintenan	Communication (	41.66	CELL PHONE PARK MAINT 06/22-07/21/2009
					DPW - Park Program	Communication (	83.17	CELL PHONE PARK PROGRAM 06/22-07/21/2009
						Check Totals	2,493.64	
029106	09/10/09	VISION SERVICE PLAN ATTN: A	08/19/09	08.19.09	NON-DEPARTMENTAL	Payroll Benefit	831.68	PREMIUM FOR SEPTEMBER 2009
						Check Totals	831.68	
029109	09/18/09	IEDA, INC.	09/01/09	15567	City Manager	Labor Relations	1,000.00	LABOR RELATIONS CONSULTING FEES 09/1-30/
						Check Totals	1,000.00	
029110	09/18/09	RENE PULIDO	09/17/09	09.18.09	NON-DEPARTMENTAL	Other Contract	687.00	CARTOONS & CARICATURES FOR ART COMMITTEE
						Check Totals	687.00	
029113	09/22/09	ACCOUNTEMPS FILE 73484	09/01/09	24285541	Finance	Other Contract	784.32	WEEK END 08/28/09 TEMPORARY HELP -MATILD
						Check Totals	784.32	
029114	09/22/09	AT&T CALNET 2	08/27/09	0821687	Police	Communication (	15.63	ALARM LINE - POLICE SHED 6503300686 07/2
029114	09/22/09	AT&T CALNET 2	08/27/09	0821688	Police	Communication (	1.03	DISASTER LINE, 6505660280 07/27-08/26/20
029114	09/22/09	AT&T CALNET 2	08/27/09	0821690	Non-Department	Communication (	502.01	650-7528099 07/27-08/26/2009

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029114	09/22/09	AT&T CALNET 2	09/01/09	0832833	Non-Department	Communication (	15.69	650-3274866 08/01-31/2009
029114	09/22/09	AT&T CALNET 2	09/01/09	0832830	Non-Department	Communication (	55.62	6503245396 08/01-31/2009
029114	09/22/09	AT&T CALNET 2	09/01/09	0832832	Non-Department	Communication (	55.32	6503274859 08/01-31/2009
029114	09/22/09	AT&T CALNET 2	09/01/09	0832831	Non-Department	Communication (	15.63	6503273232 08/01-31/2009
						Check Totals	660.93	
029115	09/22/09	CHARLIE BARNETT	09/08/09	98 STEVENSON	Planning Department	PLANNING DEPOSI	2,000.00	REFUND EXCESSIVE HEIGHT DEPOSIT 98 STEVE
					Planning Department	PLANNING DEPOSI	2,000.00	REFUND TREE DEPOSIT 98 STEVENSON
						Check Totals	4,000.00	
029116	09/22/09	BEE BUSTERS	08/27/09	08.27.09	DPW - Street Mainten	Other Contract	900.00	EMERGENCY HIVE REMOUNT FROM D.E.D INFECT
						Check Totals	900.00	
029117	09/22/09	BIGGS CARDOSA ASSOCIATE	08/05/09	55326	NON-DEPARTMENTAL	Other Contract	2,334.82	HP PARK PEDESTRIAN BRIDGE BIDDING & CONS
						Check Totals	2,334.82	
029118	09/22/09	BOREL PRIVATE BANK & TRUST	09/08/09	61 SELBY LN	Planning Department	PLANNING DEPOSI	2,000.00	REFUND HERITAGE TREE DEPOSIT 61 SELBY LN
					Planning Department	Zoning & Planni	1,500.00	REFUND HERITAGE TREE DEPOSIT 61 SELBY LN
						Check Totals	3,500.00	
029119	09/22/09	CA STATE DISBURSEMENT UNIT	09/09/09	09.11.09	NON-DEPARTMENTAL	Payroll Deducti	339.80	08/23-09/05/2009
						Check Totals	339.80	
029120	09/22/09	CACCI CONSTRUCTION, INC.	09/09/09	16 TUSCALOOS	NON-DEPARTMENTAL	Bus Lic Refund	376.40	BATCH 05 REFUND #12 16 TUSCALOOSA AVE.
						Check Totals	376.40	
029121	09/22/09	CALIFORNIA WATER SERVICE	09/09/09	08.31.09	City Council	Utilities - Wat	52.80	94 ASHFIELD 7/3-8/4/09
					City Manager	Utilities - Wat	74.74	91 ASHFIELD 7/3-8/4/09
					Planning Department	Utilities - Wat	7.84	STATION LANE 7/3-8/4/09
					Building	Utilities - Wat	47.03	STATION LANE 7/3-8/4/09
					Police	Utilities - Wat	206.37	83 ASHFIELD 7/3-8/4/09
					DPW - Engineering	Utilities - Wat	23.52	STATION LANE 7/3-8/4/09

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					DPW - Street Mainten	Utilities - Wat	837.74	FIRE PROTECT, 99 ASHFIELD, EL CAMINO REA
					DPW - Park Program	Utilities - Wat	266.85	150 WATKINS 7/25-8/25/09
					NON-DEPARTMENTAL	Utilities - Wat	52.80	2 STATION LANE 7/3-8/4/09
						Check Totals	1,569.69	
029122	09/22/09	CITY OF WALNUT CREEK	09/09/09	09.21.09	City Manager	Bus Meeting & M	40.00	NCCCA DIVISION/BUSINESS MEETING T.DELLAS
						Check Totals	40.00	
029123	09/22/09	CLEAN SOURCE	07/08/09	1891203-00	DPW - Building Maint	Building Suppli	506.98	TISSUE, DISINF CLEANER, SOAP, LINER TOWE
						Check Totals	506.98	
029124	09/22/09	COLANTUONO & LEVIN, PC	09/02/09	18908	City Attorney	Attorney - Othe	108.00	SPECIAL COUNSEL SERVICES AUGUST 2009
						Check Totals	108.00	
029125	09/22/09	COMPUCOM	08/14/09	89976149	Non-Department	Computer Softwa	1,234.96	60 R18-02804 WINSVRCAL(LICENSEO USRCAL
					Non-Department	Computer Softwa	4,625.21	40 359-05101 SQLCAL 2008(LICENSE) USRCAL
					Non-Department	Computer Softwa	4,007.29	80 381-03131 EXCHGSTDCAL 2007(LICENSE) U
						Check Totals	9,867.46	
029126	09/22/09	DUNBAR ARMORED INC.	09/01/09	2609837	Finance	Bank Service Ch	152.96	ARMORED CAR SERVICES AUGUST 2009
					Non-Department	Post Office Exp	8.94	ARMORED CAR SERVICES JULY 2009
					Non-Department	Post Office Exp	10.60	ARMORED CAR SERVICES AUGUST 2009
					Non-Department	Post Office Exp	10.00	ARMORED CAR SERVICES JULY 2009
					Non-Department	Post Office Exp	10.00	ARMORED CAR SERVICES AUGUST 2009
						Check Totals	192.50	
029127	09/22/09	EMBARCADERO PUBLISHING CO	08/31/09	08.31.09	Planning Department	Advertising/Pub	290.00	ALMANAC LEGAL AD 10 UNIT ZONING 08/12/09
						Check Totals	290.00	
029128	09/22/09	GREER GARDENS LANDSCAPE DES	09/09/09	198 FAIROAKS	NON-DEPARTMENTAL	Bus Lic Refund	1,159.20	BATCH 05 REFUND#13 198 FAIROAKS LN
					NON-DEPARTMENTAL	Bus Lic Refund	356.40	BATCH 05 REFUND#13 198 FAIROAKS LN

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						Check Totals	1,515.60	
029129	09/22/09	HOME DEPOT CREDIT SERVICES	08/25/09	1254 08.25.0	DPW - Street Mainten	Construction Ma	174.51	WOOD, REBAR, STUDS, STEEL STAKE FOR WALS
					DPW - Park Maintenan	Construction Ma	47.98	1X6X10 WOOD REPAIR FENCE ALONG CHANNEL O
						Check Totals	222.49	
029130	09/22/09	I.M.P.A.C. GOVERNMENT SERVI	07/22/09	0596 7.22.09	Police	Equipment Maint	282.96	RUNNING BOARDS FOR FORD EXPEDITION 07/14
					Police	Other Supplies	348.44	BLACKHAWK MONOSHOCK RAM 06/29/09
					NON-DEPARTMENTAL	Sales/User Use	-53.46	SALES TAX PAYABLE
029130	09/22/09	I.M.P.A.C. GOVERNMENT SERVI	08/24/09	5440 08.24.0	Police	Technical Servi	88.95	ENTERSECT POLICE ONLINE JULY 09
					Police	Gas & Oil	11.30	GAS - TOWN VEHICLE 7/30/09
029130	09/22/09	I.M.P.A.C. GOVERNMENT SERVI	08/24/09	5432 08.24.0	Police	Machinery & Equ	21.14	SAFETY VEST T.LYNCH 08/07/09
					Police	Training - POST	414.72	LODGING - NICHOLS - DISASTER COURSE 08/1
					Police	Office Supplies	305.88	TONER, DISPATCH 08/20/09
					NON-DEPARTMENTAL	Sales/User Use	-1.79	SALES TAX PAYABLE
029130	09/22/09	I.M.P.A.C. GOVERNMENT SERVI	08/24/09	5424 08.24.0	Building	Training & Work	150.00	D.MARTINEZ, NONSTRUCTURAL PLAN CHECK 1 1
					Building	Membership/Dues	200.00	BUILD IT GREEN MEMBERSHIP 2009
029130	09/22/09	I.M.P.A.C. GOVERNMENT SERVI	08/24/09	0596 08.24.0	Police	Office Supplies	20.06	CARD STOCK FOR FTO EVAL. CARDS 08/05/09
029130	09/22/09	I.M.P.A.C. GOVERNMENT SERVI	08/24/09	4960 08.24.0	City Manager	Special Events	42.69	FLOWERS FOR COUNCIL MEMBER JIM DOBBIE 07
						Check Totals	1,830.89	
029131	09/22/09	INTERSTATE TRAFFIC CONTROL	08/17/09	122973	DPW - Street Mainten	Construction Ma	109.14	SIGN - PARK ENTRANCE AHEAD, STOP/SLOW PA
						Check Totals	109.14	
029132	09/22/09	ANDREA JOHNSON	09/08/09	102 CATALPA	Planning Department	PLANNING DEPOSI	1,000.00	REFUND LOT LINE DEPOSIT 102 CATALPA DRIV
						Check Totals	1,000.00	
029133	09/22/09	ANDREA LUSKIN	09/03/09	68 DOUGLASS	Planning Department	Zoning & Planni	2,000.00	DEPOSIT REFUND 68 DOUGLASS
						Check Totals	2,000.00	
029134	09/22/09	LYNX TECHNOLOGIES	08/15/09	5989	DPW - Engineering	Technical Servi	1,700.00	GIS IMPLEMENTATION SERVICES FY 2008/2009

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						Check Totals	1,700.00	
029135	09/22/09	MCDONOUGH, HOLLAND & ALLEN	09/04/09	215220	City Attorney	City Attorney R	11,000.00	FEES JULY 2009
					City Attorney	City Attorney -	5,002.40	FEES JULY 2009
					City Attorney	City Attorney -	1,144.00	FEES JULY 2009
					City Attorney	City Attorney -	29,525.60	FEES JULY 2009
					City Attorney	City Attorney -	1,623.48	COSTS JULY 2009
						Check Totals	48,295.48	
029136	09/22/09	MID-PENINSULA ANIMAL HOSPIT	09/01/09	413011	Police	K-9 Expenses	128.80	K-9 ZAR, METACAM 100ML BOTTLE
						Check Totals	128.80	
029137	09/22/09	GEORGE FRIEDENBACH, MEMBERS	08/31/09	08.31.09	DPW - Street Mainten	Membership/Dues	120.00	MSA 07/01/09-06/30/10 MEMBERSHIP DUE S.T
						Check Totals	120.00	
029138	09/22/09	MUNI SERVICES LLC	09/04/09	RHC CONSTRUC	NON-DEPARTMENTAL	Business Licens	175.00	RHC CONSTRUCTION BUS. LIC. FEE 09/04/09
						Check Totals	175.00	
029139	09/22/09	NORCAL COATINGS INC.	08/26/09	08.26.09	NON-DEPARTMENTAL	Other Contract	270.89	1 MAIN HOUSE REBUILD NORTHWEST CORNER OF
					NON-DEPARTMENTAL	Other Contract	948.10	1 REINFORCE ENTIRE DECK
					NON-DEPARTMENTAL	Other Contract	4,131.01	1 TEXTURE CRETE
						Check Totals	5,350.00	
029140	09/22/09	OFFICE DEPOT	08/13/09	484486808001	DPW - Street Mainten	Office Supplies	19.15	CALCULATOR T.HENDERSON
						Check Totals	19.15	
029141	09/22/09	HSBC BUSINESS SOLUTIONS	08/06/09	7206 08.06.0	Police	Office Supplies	31.61	FEES FOR AUGUST 2009
						Check Totals	31.61	
029142	09/22/09	PACIFIC PENINSULA GROUP	09/08/09	102 CATALPA	Planning Department	PLANNING DEPOSI	2,000.00	REFUND TREE DEPOSIT 102 CATALPA DRIVE

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
						Check Totals	2,000.00	
029143	09/22/09	PARIKH CONSULTANTS	08/11/09	20908113	NON-DEPARTMENTAL	Other Contract	1,689.99	GEOTECHNICAL ENGINEERING SERVICES HP PAR
						Check Totals	1,689.99	
029144	09/22/09	PUBLIC EMPLOYEES RETIREMENT	09/09/09	09.11.09	NON-DEPARTMENTAL	Payroll Deducti	3,161.06	PERS 08/23-09/05/2009
					NON-DEPARTMENTAL	Payroll Benefit	50,471.03	PERS 08/23-09/05/2009
						Check Totals	53,632.09	
029145	09/22/09	THE POLICE & SHERIFF PRESS,	09/02/09	22549	Police	Other Contract	13.54	40 MIRANDA CARDS
					NON-DEPARTMENTAL	Sales/User Use	-1.15	SALES TAX PAYABLE
029145	09/22/09	THE POLICE & SHERIFF PRESS,	08/27/09	22531	Police	Other Supplies	13.59	HOLOVIEW SECURE ID CARDS
					NON-DEPARTMENTAL	Sales/User Use	-1.15	SALES TAX PAYABLE
						Check Totals	24.83	
029146	09/22/09	PRIMA PRINTING	09/03/09	24705	Police	Other Contract	454.29	PRINT 167 DARE BOOKS
						Check Totals	454.29	
029147	09/22/09	RECALL SECURE DESTRUCTION S	08/22/09	2303068897	Police	Other Contract	85.96	164 GAL SDS 7/24/09, 8/7/09
						Check Totals	85.96	
029148	09/22/09	REPUBLIC ITS	08/11/09	0907534	DPW - Street Mainten	Traffic Mainten	314.01	TRAFFIC SIGNAL MAINT 07/2009
						Check Totals	314.01	
029149	09/22/09	SAN MATEO DAILY JOURNAL	08/31/09	02611897-001	Planning Department	Advertising/Pub	360.00	ADVERTISING 08/08/09
						Check Totals	360.00	
029150	09/22/09	SHARP ELECTRONICS CORPORATI	08/11/09	AR210625	DPW - Engineering	Equipment Maint	167.00	COPIER RENT 08/12-09/11/2009 BASE RATE
					DPW - Engineering	Equipment Maint	41.44	COPIER RENT 07/12-08/11/2009 OVERAGE CHA

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
						Check Totals	208.44	
029151	09/22/09	MAURISA SOMMERFIELD	09/03/09	69 TUSCALOOS	Planning Department	PLANNING DEPOSI	2,000.00	REFUND DEPOSIT 69 TUSCALOOSA
						Check Totals	2,000.00	
029152	09/22/09	TEAMSTERS UNION LOCAL 856	09/09/09	09.11.09	NON-DEPARTMENTAL	Payroll Deducti	401.55	08/23-09/05/2009
						Check Totals	401.55	
029153	09/22/09	TEE'S PLUS	08/28/09	307583	Police	Other Supplies	1,033.51	160 DARE STARS & STRIPES TEE S-XL
					NON-DEPARTMENTAL	Sales/User Use	-87.51	SALES TAX PAYABLE
						Check Totals	946.00	
029154	09/22/09	TINCHER CONSTRUCTION	09/03/09	383 WALSH RO	Planning Department	PLANNING DEPOSI	4,000.00	REFUND CUP 0004 & 0003 DEPOSIT 383 WALSH
						Check Totals	4,000.00	
029155	09/22/09	TURBO DATA SYSTEMS INC.	08/31/09	15823	Police	Citations Proce	41.58	CITATION, NOTICE PROCESSING AUGUST 09
						Check Totals	41.58	
029156	09/22/09	USPS BUSINESS MAIL ENTRY UN	09/09/09	MP POST OFFI	City Manager	Postage	700.00	FALL ATHERTONIAN NEWSLETTER 09/21/09
						Check Totals	700.00	
029157	09/22/09	VOYAGER	08/24/09	869016477908	Police	Gas & Oil	128.90	FUEL AUGUST 2009
						Check Totals	128.90	
029158	09/22/09	JOSEPH WADE	09/03/09	09.03.09	Police	Education	525.00	EDUCATION REIMBURSEMENT J.WADE
						Check Totals	525.00	
029159	09/22/09	WILLIAMS SCOTSMAN	08/29/09	92890628	Police	Rent - Faciliti	729.97	LEASE PAYMENT, PD TRAILER 08/29-09/28/20

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						Check Totals	729.97	
029160	09/22/09	WILSEY HAM	08/11/09	6441	NON-DEPARTMENTAL	Other Contract	2,007.51	CONCEPTUAL DESIGN SERVICE FOR THE MANDAR
029160	09/22/09	WILSEY HAM	08/11/09	6442	NON-DEPARTMENTAL	Other Contract	3,645.00	CONCEPTUAL AND FINAL DESIGN SERVICES FOR
						Check Totals	5,652.51	
029161	09/22/09	WITMER-TYSON IMPORTS, INC.	09/02/09	T7469	Police	K-9 Expenses	620.09	AUGUST 09 K-9 MAINTENANCE TRAINING, FOOD
						Check Totals	620.09	
029163	09/29/09	244 POLHEMUS LLC	09/16/09	244 POLHEMUS	DPW - Engineering	DPW Deposit Pay	2,500.00	REFUND ROAD BOND 244 POLHEMUS AVE
						Check Totals	2,500.00	
029164	09/29/09	A-A-A RENTALS INC	09/08/09	514123	DPW - Street Mainten	Rent - Tools &	65.50	CONCRETE SAW FOR IRRIGATION REPAIR 09/08
029164	09/29/09	A-A-A RENTALS INC	09/09/09	514179	DPW - Street Mainten	Rent - Tools &	65.50	CONCRETE SAW, IRRIGATION REPAIR TRAIN ST
029164	09/29/09	A-A-A RENTALS INC	09/08/09	09.08.09	DPW - Street Mainten	Construction Ma	76.48	5 LBS STRINGS 08/10/09
					DPW - Park Program	Rent - Tools &	149.30	CARPET SHAMPOOER, CLEANER, RUG EXTRACTOR
					DPW - Street Mainten	Equipment Maint	23.99	OIL 08/19/09
					DPW - Park Maintenan	Rent - Tools &	115.00	TRENCHER 08/21/09
						Check Totals	495.77	
029165	09/29/09	ACCOUNTEMPS FILE 73484	08/15/09	24351543	Finance	Other Contract	534.32	WEEK END 09/11/09 TEMPORARY HELP MATILDA
029165	09/29/09	ACCOUNTEMPS FILE 73484	09/09/09	24319832	Finance	Other Contract	784.32	WEEK END 09/04/09 TEMPORARY HELP MATILDA
						Check Totals	1,318.64	
029166	09/29/09	AFLAC ATTN: REMITTANCE PROC	09/15/09	766238ER	Building	Cafeteria Insur	5.00	9/1-30/2009 FEE FOR K.ANDERSON
					Finance	Cafeteria Insur	10.00	9/1-30/2009 FEE FOR L.HO, M.COLLIAY
					Police	Cafeteria Insur	20.00	9/1-30/2009 FEE FOR D.DUNPHY, M.GUERRA,
					DPW - Engineering	Cafeteria Insur	5.00	9/1-30/2009 FEE FOR T.HENDERSON
						Check Totals	40.00	
029167	09/29/09	AT&T CALNET 2	09/13/09	0851112	Police	Communication (	15.90	6503261167 TELEMINDER LOOP LINE 08/13-09
029167	09/29/09	AT&T CALNET 2	09/10/09	0846759	Police	Communication (	16.00	6504739743 DIRECT CONNECT FAX LINE 08/10

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029167	09/29/09	AT&T CALNET 2	09/10/09	0846750	Police	Communication (	29.93	6503231014 ANALOG LINE - PD 08/10-09/09/
029167	09/29/09	AT&T CALNET 2	09/10/09	0846757	Police	Communication (	155.76	6503262801 POLICE TRAILER 08/10-09/09/20
029167	09/29/09	AT&T CALNET 2	09/10/09	0846112	Police	Communication (	15.64	6502899297 DINKELSPIEL ALARM LINE 08/10/
029167	09/29/09	AT&T CALNET 2	09/10/09	0846751	Police	Communication (	14.34	6503231801 P.D. 08/10-09/09/2009
029167	09/29/09	AT&T CALNET 2	09/10/09	0846753	Police	Communication (	30.20	6503233612 TELEMINDER LOOP LINE 08/10-09
029167	09/29/09	AT&T CALNET 2	09/10/09	0846758	Police	Communication (	30.17	6503283220 PD FAX- ADMIN 08/10-09/09/200
029167	09/29/09	AT&T CALNET 2	09/11/09	0848395	Police	Communication (	22.85	6504621470 DINKELSPIEL PAY PHONE 08/11-0
029167	09/29/09	AT&T CALNET 2	09/10/09	0846752	Police	Communication (	45.51	6503231802 P.D. 08/10-09/09/2009
029167	09/29/09	AT&T CALNET 2	09/10/09	0846756	Police	Communication (	29.20	6503237653 POLICE FAX REQUEST SERVICE 08
029167	09/29/09	AT&T CALNET 2	09/10/09	0846760	Non-Department	Communication (	619.05	6506886500 08/10-09/09/2009
029167	09/29/09	AT&T CALNET 2	09/10/09	0846755	Police	Communication (	15.63	VOICE PRINT - 911 6503236452115 08/10-09
						Check Totals	1,040.18	
029168	09/29/09	ATKINSON-FARASYN	09/08/09	09.08.09	City Attorney	Attorney - Othe	977.64	LEGAL SERVICES AUGUST 2009
						Check Totals	977.64	
029169	09/29/09	RICHARD BASSIN	09/25/09	39 LABURNUM	Building	Building Permit	1,531.35	REFUND PERMIT FEE 39 LABURNUM
					NON-DEPARTMENTAL	Road Impact Fee	1,391.60	REFUND ROAD IMPACT FEE 39 LABURNUM
029169	09/29/09	RICHARD BASSIN	09/25/09	39 LABURNUM.	Building	Building Permit	14,200.85	REFUND PERMIT FEE 39 LABURNUM
					NON-DEPARTMENTAL	Road Impact Fee	23,813.40	REFUND ROAD IMPACT FEE 39 LABURNUM
						Check Totals	40,937.20	
029170	09/29/09	BAY AREA RE-ROOFING INC	09/21/09	160 ISABELLA	Building	Building Deposi	500.00	REFUND RECYCLING DEPOSIT 160 ISABELLA
						Check Totals	500.00	
029171	09/29/09	BKF ENGINEERS	08/20/09	9080205	NON-DEPARTMENTAL	Other Contract	9,699.14	CREEK STABILIZATION DESIGN SERVICES FOR
						Check Totals	9,699.14	
029172	09/29/09	CA STATE DISBURSEMENT UNIT	09/25/09	09.25.09	NON-DEPARTMENTAL	Payroll Deducti	339.80	09/06-19/2009
						Check Totals	339.80	
029173	09/29/09	CALPERS HEALTH BENEFITS DIV	09/15/09	381	NON-DEPARTMENTAL	Payroll Benefit	48,719.22	EMPLOYEE DISTRIBUTION 10/01/09
					Non-Department	Health Insuranc	275.23	ADMINISTRATIVE COSTS 10/01/09

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
					Building	Retiree Health	410.11	RETIREE MED 10/2009
					City Manager	Retiree Health	2,797.23	RETIREE MED 10/2009
					DPW - Engineering	Retiree Health	936.36	RETIREE MED 10/2009
					DPW - Park Maintenan	Retiree Health	275.71	RETIREE MED 10/2009
					Finance	Retiree Health	476.48	RETIREE MED 10/2009
					Police	Retiree Health	8,988.73	RETIREE MED 10/2009
						Check Totals	62,879.07	
029174	09/29/09	JEAN CARDONA	09/16/09	09.16.09	DPW - Park Program	Landscape Suppl	362.22	PLANTS AND CONTAINERS AT PAVILION 08/28/
						Check Totals	362.22	
029175	09/29/09	CLARK PEST CONTROL	08/28/09	9193394	DPW - Park Maintenan	Grounds Mainten	880.00	WEED CONTROL SERVICE HP PARK
029175	09/29/09	CLARK PEST CONTROL	09/09/09	8831926	DPW - Park Maintenan	Grounds Mainten	780.00	WEED CONTROL SERVICE 09/09/09
						Check Totals	1,660.00	
029176	09/29/09	CONTRACT SWEEPING SERVICES	08/28/09	INV000005377	DPW - Engineering	Other Contract	992.70	7 EA SWEEPING SERVICES AUG. 09
						Check Totals	992.70	
029177	09/29/09	CSG CONSULTANTS, INC.	09/11/09	016728	Non-Department	Code enforcemen	3,742.43	CODE ENFORCEMENT SERVICES AUGUST 2009
						Check Totals	3,742.43	
029178	09/29/09	DAILY JOURNAL CORPORATION	09/11/09	B1680685	City Manager	Advertising/Pub	125.39	MASTER FEE NOTICE THE ALMANAC 09/09/09
029178	09/29/09	DAILY JOURNAL CORPORATION	09/07/09	B1679726	City Manager	Advertising/Pub	168.00	MASTER FEE SCHEDULE NOTICE SEPT HEARING
						Check Totals	293.39	
029179	09/29/09	DELL MARKETING L.P. C/O DEL	09/09/09	XDD3FF464	Police	Computer Equipm	73.74	EXTERNAL USB 8X DVD+/-RW LATITUDE 09/09/
029179	09/29/09	DELL MARKETING L.P. C/O DEL	09/14/09	XDD67X5K2	Police	Computer Equipm	2,621.37	POLICE DESK TOP OPTIPLEX, WINDOWS XP 09/
029179	09/29/09	DELL MARKETING L.P. C/O DEL	09/10/09	XDD4MR3K3	Police	Computer Equipm	49.15	KEYBOARD & MOUSE
						Check Totals	2,744.26	
029180	09/29/09	DIVERSIFIED MAINTENANCE SER	09/01/09	RC-D060228	DPW - Building Maint	Custodial Servi	308.17	TOWN HALL/POLICE DEPT SEPTEMBER 2009
					DPW - Building Maint	Custodial Servi	417.85	POLICE MODULAR OFFICE SEPTEMBER 2009

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					DPW - Building Maint	Custodial Servi	115.08	PWD MODULAR SEPTEMBER 2009
					DPW - Building Maint	Custodial Servi	145.98	ADDITIONAL MODULAR SEPTEMBER 2009
					DPW - Building Maint	Custodial Servi	193.09	99 STATION LANE SEPTEMBER 2009
					NON-DEPARTMENTAL	Custodial Servi	445.59	LIBRARY SEPTEMBER 2009
						Check Totals	1,625.76	
029181	09/29/09	INGRID DONAHUE	09/21/09	84 GREEN OAK	Building	Building Deposi	1,000.00	REFUND RECYCLING DEPOSIT 84 GREEN OAKS
						Check Totals	1,000.00	
029182	09/29/09	DOUGLAS PRINTERS	09/13/09	8164	City Manager	Office Supplies	79.75	250 BC, J.GRUBER TYPESETTING
						Check Totals	79.75	
029183	09/29/09	EMBARCADERO PUBLISHING CO	07/31/09	07.31.09	NON-DEPARTMENTAL	Advertising/Pub	928.00	ALMANAC LEGAL AD, WATER TOWER 07/01/09,
						Check Totals	928.00	
029184	09/29/09	RICK ENGERG	09/03/09	09.03.09	Police	Training - POST	19.29	REIMB LUNCH, DRIVER TRAINING UPDATE COUR
					Police	Gas & Oil	66.00	REIMB MILEAGE, DRIVER TRAINING UPDATE CO
						Check Totals	85.29	
029185	09/29/09	FASTSIGNS	09/15/09	395-21312	City Council	Other Supplies	458.11	DIG-BANNER 14 48H X 144W
						Check Totals	458.11	
029186	09/29/09	FIRST CHOICE	09/14/09	232470	Building	Office Supplies	49.60	BEVERAGES FOR BUILDING DEPT 09/14/09
029186	09/29/09	FIRST CHOICE	08/14/09	225454	DPW - Street Mainten	Office Supplies	34.00	BEVERAGES STREET MAINT.
029186	09/29/09	FIRST CHOICE	09/14/09	232469	City Manager	Office Supplies	30.08	BEVERAGES, ADMIN
						Check Totals	113.68	
029187	09/29/09	PETER FOITZIK	09/21/09	217 STOCKBRI	Building	Building Deposi	500.00	REFUND RECYCLING DEPOSIT 217 STOCKBRIDGE
						Check Totals	500.00	
029188	09/29/09	NICHOLAS GIORDANO	09/11/09	09.11.09	NON-DEPARTMENTAL	Park Deposits	600.00	REFUND PARK DEPOSITS

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						Check Totals	600.00	
029189	09/29/09	LOUISE HO	09/16/09	09.16.09	Finance	Mileage Reimbur	43.89	REIMB MILEAGE ATTEND GFOA TRAINING - REV
					Finance	Training & Work	10.00	PARKING GFOA TRAINING - REVENUE ANALYSIS
						Check Totals	53.89	
029190	09/29/09	HOME DEPOT CREDIT SERVICES	09/04/09	1254 09.04.0	DPW - Park Program	Landscape Suppl	37.53	PLANTS 8/18/09
						Check Totals	37.53	
029191	09/29/09	HORIZON	09/24/09	12392839-00	DPW - Park Maintenan	Construction Ma	69.49	NOZZLE, COUPLING, ADAPTER, PIPES 08/25/0
029191	09/29/09	HORIZON	09/25/09	12393067-00	DPW - Park Maintenan	Construction Ma	25.03	REDUCER BUSHING 08/26/09
029191	09/29/09	HORIZON	09/08/09	12394299-00	DPW - Street Mainten	Construction Ma	78.45	RAINBIRD POP-UP, IRRIGATION REPAIRS 09/0
029191	09/29/09	HORIZON	09/09/09	12394458-00	DPW - Street Mainten	Construction Ma	57.73	RAINBIRD POP-UP, TURFGRO SWING ASSEMBLY
029191	09/29/09	HORIZON	09/04/09	12394132-00	DPW - Street Mainten	Minor Tools & E	31.90	POLY TARP, PRUNING SAW 09/04/09
						Check Totals	262.60	
029192	09/29/09	I.M.P.A.C. GOVERNMENT SERVI	08/24/09	4954 08.24.0	DPW - Park Program	Rent - Faciliti	382.38	RENTAL STORAGE PODS 08/10/09
						Check Totals	382.38	
029193	09/29/09	IMAGE SOURCE	09/10/09	64	City Council	Other Supplies	95.76	15' XLR TO XLR MICROPHONE CABLE, INSTALL
						Check Totals	95.76	
029194	09/29/09	INFORMATION SERVICES ATTN:	09/08/09	1YAT10908	Police	Technical Servi	1,313.42	MICRO CHANNEL, MESSAGE SWITCH LINES AUGU
						Check Totals	1,313.42	
029195	09/29/09	INTERSTATE TRAFFIC CONTROL	08/27/09	123260	DPW - Street Mainten	Minor Tools & E	107.07	MEASURE WHEEL 12"
029195	09/29/09	INTERSTATE TRAFFIC CONTROL	08/20/09	123138	DPW - Street Mainten	Construction Ma	54.08	BLACK TRAFFIC PAINT
029195	09/29/09	INTERSTATE TRAFFIC CONTROL	08/19/09	123096	DPW - Street Mainten	Construction Ma	137.55	STENCIL GUARD, GLASS BEADS, PAINT FOR PA
029195	09/29/09	INTERSTATE TRAFFIC CONTROL	09/03/09	123393	DPW - Street Mainten	Equipment Maint	157.31	TIP GUARD, FLUSH AND REPAIR SERVICE, REP
						Check Totals	456.01	

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029196	09/29/09	IWORQ SYSTEMS	08/20/09	2979	DPW - Street Mainten	Computer Softwa	75.00	IWORQ INTERNET SUPPORT SEPTEMBER 2009
						Check Totals	75.00	
029197	09/29/09	KIKUCHI & ASSOCIATES	09/03/09	FOUNTAIN PRO	NON-DEPARTMENTAL	Other Contract	475.80	CONSTRUCTION ADMINISTRATION FOR HOLBROOK
029197	09/29/09	KIKUCHI & ASSOCIATES	09/03/09	WATER TOWER	NON-DEPARTMENTAL	Other Contract	840.00	2 PRE-CONSTRUCTION MEETINGS AND SUBMITTA
029197	09/29/09	KIKUCHI & ASSOCIATES	09/03/09	HP IRRIG MAS	NON-DEPARTMENTAL	Other Contract	3,210.68	LANDSCAPE DESIGN SERVICE FOR THE HOLBROO
						Check Totals	4,526.48	
029198	09/29/09	JAYNE LANGE	09/11/09	09.11.09	NON-DEPARTMENTAL	Park Deposits	400.00	REFUND PARK DEPOSITS
						Check Totals	400.00	
029199	09/29/09	LYNGSO GARDEN MATERIAL	09/03/09	781587	DPW - Park Maintenan	Construction Ma	589.95	WOOD CHIPS HP PARK 09/03/09
						Check Totals	589.95	
029200	09/29/09	MARTIN & CHAPMAN CO.	06/11/09	29208	City Manager	Office Supplies	102.05	BINDERS, FILLER OF ELECTION MANUAL, FORM
						Check Totals	102.05	
029201	09/29/09	MAZE & ASSOCIATES CERTIFIED	09/14/09	23304	Finance	Audit & Financi	1,000.00	INDEPENDENT AUDITOR FOR TOWN'S FINANCIAL
						Check Totals	1,000.00	
029202	09/29/09	MBIA MISC GENERAL POST OFFI	09/15/09	12154A	Finance	Other Contract	404.29	INVESTMENT ADVISORY SERVICES FOR 08/01-3
						Check Totals	404.29	
029203	09/29/09	MCDONOUGH, HOLLAND & ALLEN	09/18/09	215453	City Attorney	City Attorney R	10,428.00	AUGUST 2009
					City Attorney	City Attorney -	1,643.20	AUGUST 2009
					City Attorney	City Attorney -	140.40	MENLO COLLEGE, AUGUST 2009
					City Attorney	City Attorney -	17,122.44	AUGUST 2009
						Check Totals	29,334.04	
029204	09/29/09	MENLO ATHERTON GLASS	03/20/09	09-0411	DPW - Building Maint	Other Contract	913.24	REPLACE BROKEN GLASS IN HISTORIC WATER T

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						Check Totals	913.24	
029205	09/29/09	CITY OF MENLO PARK	08/27/09	08.27.09	NON-DEPARTMENTAL	Other Contract	8,901.62	RESURFACING LAUREL ST BETWEEN ENCINAL AV
						Check Totals	8,901.62	
029206	09/29/09	MUNI SERVICES LLC	08/14/09	OLD TIME TRE	NON-DEPARTMENTAL	Business Licens	175.00	BUS. LIC. FEES OLD TIME TREE SERVICE
029206	09/29/09	MUNI SERVICES LLC	09/24/09	SOUTH BAY GU	NON-DEPARTMENTAL	Business Licens	175.00	BUS. LIC. FEES SOUTH BAY GUNITE
						Check Totals	350.00	
029207	09/29/09	NEXGEN BUILDERS INC.	08/17/09	01312618	NON-DEPARTMENTAL	Other Contract	42,804.93	1 EA HOLBROOK-PALMER PARK PEDESTRIAN BRI
						Check Totals	42,804.93	
029208	09/29/09	OFFICE DEPOT	09/11/09	487882990001	City Manager	Office Supplies	65.54	FAX PAPER
029208	09/29/09	OFFICE DEPOT	09/10/09	487898191001	DPW - Engineering	Office Supplies	117.50	PAPER
029208	09/29/09	OFFICE DEPOT	09/10/09	487903275001	City Manager	Office Supplies	117.50	PAPER
029208	09/29/09	OFFICE DEPOT	09/10/09	487882987001	City Manager	Office Supplies	4.68	REFILL, MTH, SIZE 4
029208	09/29/09	OFFICE DEPOT	09/10/09	487882865001	City Manager	Office Supplies	331.38	MARKERS, CARTRIDGE, PENS, PAPER, COFFEEM
					Non-Department	Post Office Exp	38.86	PACKING TAPE
					Building	Office Supplies	58.74	SCOTCH TAPE, RUBBERBANDS, SANITIZER, PAP
						Check Totals	734.20	
029209	09/29/09	ORCHARD SUPPLY HARDWARE	08/25/09	1359 08.25.0	DPW - Building Maint	Construction Ma	27.53	FLOOD LIGHTS FOR BUILDINGS 08/14/09
					DPW - Park Maintenan	Construction Ma	54.99	PAINT, MASKING TAPE, BRUSHES - PAINT FOU
					DPW - Building Maint	Construction Ma	20.46	HOSE WASHER, VALVE - LEAK REPAIR 07/31/0
					DPW - Building Maint	Construction Ma	2.50	SINK STEM 08/05/09
					Non-Department	Construction Ma	16.58	BASIN FAUCET CHROM - FAUCET REPAIR AT LI
					DPW - Street Mainten	Construction Ma	22.93	DRAINAGE REPAIR AT WALSH
					DPW - Street Mainten	Construction Ma	10.36	ROLLERS FOR PAINTS 08/20/09
					DPW - Street Mainten	Construction Ma	7.64	RAZOR BLADE FOR GRAFFITTI 08/25/09
					DPW - Park Program	Building Suppli	50.34	MOUNTING TAPE, BOLTS, LIGHT BULBS 07/30/
					DPW - Park Program	Custodial Servi	81.83	SCOTCHGARD FOR PAVILLION CHAIRS 08/17/09
					DPW - Park Program	Landscape Suppl	81.36	FERTILIZERS, PLANTS, PLANTING SUPPLIES 0
					DPW - Park Program	Landscape Suppl	30.02	PLANTS 08/19/09
					DPW - Park Program	Facility Repair	35.60	FLANGE, CONNECTOR, AERATORS 08/21/09

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					DPW - Park Program	Building Suppli	16.23	LIGHT BULB, LIQUID SOAP 08/21/09
						Check Totals	458.37	
029210	09/29/09	PACIFIC PENINSULA GROUP	09/21/09	251 ATHERTON	NON-DEPARTMENTAL	Building Deposi	5,000.00	REFUND ROAD BOND DEPOSIT 251 ATHERTON AV
						Check Totals	5,000.00	
029211	09/29/09	JUN PAN	09/02/09	09.02.09	Finance	Mileage Reimbur	26.95	REIMB MILEAGE GOVERNMENT ACCOUNTING TRAI
						Check Totals	26.95	
029212	09/29/09	PARIKH CONSULTANTS	09/11/09	20909119	NON-DEPARTMENTAL	Other Contract	475.86	GEOTECHNICAL ENGINEERING SERVICES, HP PO
						Check Totals	475.86	
029213	09/29/09	PAW PRINTS	09/10/09	21525	Police	Other Contract	186.80	1,000 MAGNETS - WALSH RD SIREN TONES
						Check Totals	186.80	
029214	09/29/09	PERSICON COMPANY	09/21/09	96 CLAY.2	NON-DEPARTMENTAL	Building Deposi	5,000.00	REFUND UTILITY DEPOSIT 96 CLAY
						Check Totals	5,000.00	
029215	09/29/09	PG & E	08/31/09	5678831191-0	Building	Uilities - Elec	112.91	STATION LN BLDG 07/25-08/24/2009
					Police	Uilities - Elec	2,615.26	83 ASHFIELD 07/25-08/24/2009
					DPW - Engineering	Uilities - Elec	56.46	STATION LN BLDG 07/25-08/24/2009
					DPW - Street Mainten	Uilities - Elec	4,379.78	TRAFFIC SIGNALS, 99 STATION LANE, STREET
					DPW - Park Maintenan	Uilities - Elec	430.84	150 WATKINS PUMP 07/28-08/25/2009
					DPW - Park Program	Uilities - Elec	1,001.25	150 WATKINS, ACTIVITY & MODULAR BLDGS 07
					NON-DEPARTMENTAL	Uilities - Elec	977.67	LIBRARY 07/25-08/24/2009
					Planning Department	Uilities - Elec	18.82	STATION LANE BLDG 07/25-08/24/2009
					City Manager	Uilities - Elec	481.22	91 ASHFIELD/TOWN HALL 07/25-08/24/2009
						Check Totals	10,074.21	
029216	09/29/09	PITNEY BOWES INC.	09/03/09	09.03.09	Non-Department	Postage	1,033.10	POSTAGE METER REFILL 08/11/09

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						Check Totals	1,033.10	
029217	09/29/09	PROFESSIONAL TREE CARE COMP	09/09/09	14303	DPW - Street Mainten	Tree Maintenanc	22,720.00	TREE REMOVAL WORK 08/10-31/2009
					DPW - Park Maintenan	Tree Maintenanc	3,600.00	TREE REMOVAL WORK 08/10-31/2009
						Check Totals	26,320.00	
029218	09/29/09	RENE PULIDO	09/25/09	09.25.09	NON-DEPARTMENTAL	Other Contract	125.00	CARICATURES FOR SHOW 09/18/09
						Check Totals	125.00	
029219	09/29/09	R & B COMPANY ACCOUNTING DE	08/27/09	S1189090.001	DPW - Park Maintenan	Construction Ma	46.50	STEEL COUPLING, MAIN LINE REPAIR
029219	09/29/09	R & B COMPANY ACCOUNTING DE	08/27/09	S1189361.001	DPW - Park Maintenan	Construction Ma	90.80	4 COUPLING KIT FOR MAIN LINE REPAIR
						Check Totals	137.30	
029220	09/29/09	CITY OF REDWOOD CITY INFORM	08/31/09	BR23551	Non-Department	IT Support	2,262.00	AUGUST 2009 IT SUPPORT
						Check Totals	2,262.00	
029221	09/29/09	CITY OF REDWOOD CITY FINANC	08/31/09	BR23521	DPW - Engineering	Gas & Oil	108.33	07/16-08/15/2009 FUEL
					DPW - Park Maintenan	Gas & Oil	184.95	07/16-08/15/2009 FUEL
					DPW - Street Mainten	Gas & Oil	985.65	07/16-08/15/2009 FUEL
					Police	Gas & Oil	3,151.61	07/16-08/15/2009 FUEL
					Building	Gas & Oil	44.27	07/16-08/15/2009 FUEL
029221	09/29/09	CITY OF REDWOOD CITY FINANC	08/31/09	BR23483	Police	Equipment Maint	13,552.73	VEHICLE REPAIR/MAINTENANCE CHARGES 07/16
						Check Totals	18,027.54	
029222	09/29/09	REDWOOD GENERAL TIRE	09/02/09	442222	DPW - Park Maintenan	Equipment Maint	16.00	REPAIR FLAT TIRE ON TORO GOLFCART
						Check Totals	16.00	
029223	09/29/09	REDWOOD PLUMBING	08/28/09	W33625	DPW - Building Maint	Facility Repair	186.00	AIR CONDITIONING SERVICE - UNIT MAKING N
						Check Totals	186.00	
029224	09/29/09	REPUBLIC ITS	09/11/09	0908534	DPW - Street Mainten	Traffic Mainten	314.01	TRAFFIC SIGNAL MAINTENANCE AUGUST 2009

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						Check Totals	314.01	
029225	09/29/09	SAN MATEO COUNTY CHAPLAINCY	07/31/09	07.31.09	Police	Other Contract	250.00	CHAPLAINCY SERVICE JULY 2009
029225	09/29/09	SAN MATEO COUNTY CHAPLAINCY	08/31/09	08.31.09	Police	Other Contract	250.00	CHAPLAINCY SERVICE AUGUST 2009
						Check Totals	500.00	
029226	09/29/09	SAN MATEO CO SHERIFF'S OFFI	08/31/09	CL02183	Police	Other Contract	409.00	FINGERPRINT PROCESS EVIDENCE CASE#08-236
						Check Totals	409.00	
029227	09/29/09	SAN MATEO REGIONAL NETWORK,	09/10/09	18337	Police	Technical Servi	385.00	SEPTEMBER 2009 ACCESS FEE T-1 SERVICE
						Check Totals	385.00	
029228	09/29/09	SCAPES INC. LANDSCAPE CO.	08/31/09	4442	NON-DEPARTMENTAL	Other Contract	21,880.71	TOWER LAWN PROJECT, HP PARK
029228	09/29/09	SCAPES INC. LANDSCAPE CO.	09/10/09	4444	NON-DEPARTMENTAL	Other Contract	2,818.18	TOWER LAWN PROJECT PHASE 1, INSTALL TEMP
						Check Totals	24,698.89	
029229	09/29/09	JEAN SCHAAF	09/25/09	09.25.09	NON-DEPARTMENTAL	Advertising/Pub	49.75	POSTERS FOR ART EXHIBIT 09/18/09
					NON-DEPARTMENTAL	Temporary Help	481.00	TEMP HELP L.ROMAN, P.DEWALT 09/18/09
					NON-DEPARTMENTAL	Office Supplies	64.97	SUPPLIES, FOAMIES & WOOD PICTURES FOR CA
						Check Totals	595.72	
029230	09/29/09	SERVICEMASTER BUILDING MAIN	09/09/09	128875	Non-Department	Other Contract	600.00	CARPET CLEANING, LIBRARY
						Check Totals	600.00	
029231	09/29/09	SHARP ELECTRONICS CORPORATI	09/14/09	AR218148	City Manager	Equipment Maint	203.44	SHARP/MXM550N COPIER CHARGE FOR 08/16-09
						Check Totals	203.44	
029232	09/29/09	SHELTON ROOFING COMPANY, IN	08/25/09	2862	NON-DEPARTMENTAL	Other Contract	13,079.68	REPLACE MAIN HOUSE ROOF AT HOLBROOK PALM
					NON-DEPARTMENTAL	Other Contract	9,087.17	REPLACE PLAYSCHOOL ROOF OLD BUILDING

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						Check Totals	22,166.85	
029233	09/29/09	SIMPSON DESIGN GROUP ARCHIT	09/03/09	66 VIRGINIA	Building	Building Permit	2,029.75	REFUND BUILDING PERMIT FEE 66 VIRGINIA L
					Building	Plan Check Fee	1,319.34	REFUND PLAN CHECK FEE 66 VIRGINIA LN
					NON-DEPARTMENTAL	Road Impact Fee	2,023.50	REFUND ROAD IMPACT FEE 66 VIRGINIA LN
						Check Totals	5,372.59	
029234	09/29/09	ROD SOCKOLOV	09/21/09	173 HAWTHORN	NON-DEPARTMENTAL	Building Deposi	5,000.00	REFUND DEPOSIT FOR UTILITY 173 HAWTHORN
						Check Totals	5,000.00	
029235	09/29/09	STEAM SYSTEM ROBERT KNOPPS	09/04/09	09.04.09	DPW - Park Program	Facility Repair	250.00	STEAM CLEANING ALL CARPETS 180 WATKINS P
029235	09/29/09	STEAM SYSTEM ROBERT KNOPPS	09/04/09	09.04.09/1	DPW - Park Program	Facility Repair	250.00	STEAM CLEANING ALL CARPETS 180 WATKINS O
						Check Totals	500.00	
029236	09/29/09	TEAMSTERS UNION LOCAL 856	09/25/09	09.25.09	NON-DEPARTMENTAL	Payroll Deducti	401.55	09/06-19/2009
						Check Totals	401.55	
029237	09/29/09	DARYL D. JONES, INC. DBA TE	09/10/09	40280	Police	Technical Servi	934.00	FACILITIES MGT & MAINT FOR PUBLIC-SAFETY
						Check Totals	934.00	
029238	09/29/09	TERMINIX PROCESSING CENTER	08/31/09	288935798	Non-Department	Other Contract	108.00	PEST CONTROL AT LIBRARY 8/24/09
						Check Totals	108.00	
029239	09/29/09	NARIMAN TEYMOURIAN	09/25/09	66 BARRY LAN	Building	Building Permit	1,381.88	REFUND PERMIT FEE @80% 66 BARRY LANE
					NON-DEPARTMENTAL	Business Licens	831.60	REFUND BUSINESS LICENSE FEE
					NON-DEPARTMENTAL	Road Impact Fee	1,640.10	REFUND ROAD IMPACT FEE
029239	09/29/09	NARIMAN TEYMOURIAN	09/25/09	66 BARRY LAN	Building	Building Permit	11,737.36	REFUND PERMIT FEE @80% 66 BARRY LANE
					NON-DEPARTMENTAL	Business Licens	12,538.80	REFUND BUSINESS LICENSE FEE
					NON-DEPARTMENTAL	Road Impact Fee	24,729.30	REFUND ROAD IMPACT FEE
029239	09/29/09	NARIMAN TEYMOURIAN	09/25/09	66 BARRY LAN	Building	Building Permit	1,216.12	REFUND PERMIT FEE @80% 66 BARRY LANE
					NON-DEPARTMENTAL	Business Licens	698.40	REFUND BUSINESS LICENSE FEE
					NON-DEPARTMENTAL	Road Impact Fee	1,377.40	REFUND ROAD IMPACT FEE 66 BARRY LANE

Check#	Check Dt	Vendor Name	Inv Date	Invc #	Department	GL Account	Amounts	Detail Description
						Check Totals	56,150.96	
029240	09/29/09	TOYOTA 101	09/15/09	JTNBB46KX930	Police	Vehicles & Acce	29,205.09	1 2009 Toyota Camry Hybird per specifica
						Check Totals	29,205.09	
029241	09/29/09	UNIFIRST CORP.	09/01/09	3800335532	DPW - Park Program	Custodial Servi	40.37	PURELL, MAT, MOPS, BAR TOWELS
					DPW - Park Maintenan	Uniforms	14.81	LAUNDRY SERVICE
					DPW - Park Program	Uniforms	14.81	LAUNDRY SERVICE
029241	09/29/09	UNIFIRST CORP.	08/11/09	3800332658	DPW - Park Maintenan	Uniforms	13.66	LAUNDRY SERVICE
					DPW - Park Program	Uniforms	13.66	LAUNDRY SERVICE
029241	09/29/09	UNIFIRST CORP.	09/08/09	3800336456	DPW - Street Mainten	Uniforms	56.48	LAUNDRY SERVICE
029241	09/29/09	UNIFIRST CORP.	08/25/09	3800334579	DPW - Park Program	Custodial Servi	8.60	MOPS, FRESHENER
					DPW - Park Maintenan	Uniforms	14.81	LAUNDRY SERVICE
					DPW - Park Program	Uniforms	14.81	LAUNDRY SERVICE
029241	09/29/09	UNIFIRST CORP.	08/18/09	3800333627	DPW - Park Program	Custodial Servi	5.38	MOPS, BAR TOWELS
					DPW - Park Maintenan	Uniforms	13.66	LAUNDRY SERVICE
					DPW - Park Program	Uniforms	13.66	LAUNDRY SERVICE
029241	09/29/09	UNIFIRST CORP.	09/01/09	3800335531	DPW - Street Mainten	Uniforms	56.48	LAUNDRY SERVICE
						Check Totals	281.19	
029242	09/29/09	AGI PUBLISHING DBA: VALLEY	09/01/09	09.01.09	DPW - Park Program	Advertising/Pub	970.00	ADVERTISING HP PARK SEPTEMBER 2009
						Check Totals	970.00	
029243	09/29/09	VANGUARD CONSTRUCTION	08/31/09	3523	NON-DEPARTMENTAL	Other Contract	60,161.13	LOS LOMITAS SRTS PROJECT 08-028 (308 IN
						Check Totals	60,161.13	
029244	09/29/09	VISION SERVICE PLAN ATTN: A	09/18/09	09.18.09	NON-DEPARTMENTAL	Payroll Benefit	806.05	OCTOBER 2009 VISION PLAN FEES
						Check Totals	806.05	
						Grand Totals	1,744,562.25	

Item No. 10

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JEROME GRUBER, CITY MANAGER

FROM: **LOUISE HO, FINANCE DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **FINANCIAL REPORT FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009**

RECOMMENDATION

Receive the General Fund Financial Report for the three months ended September 30, 2009.

DISCUSSION

Staff revised the format on how the financial report is to be presented. The new format incorporates a column "**Accrual**" to account for revenues and expenditures that need to be included in order to more accurately reflect the actual data. For the three months ended September 30, 2009, if revenues and expenditures are assumed to be distributed evenly, 25% of the annual FY 2009-10 Budget (3/12) should be earned or incurred.

The accrual amounts only reflect data up to October 14, 2009.

General Fund Revenues

For the three months ended September 30, 2009, the General Fund reported revenues of $682,345 which is 7% of the annual revenue budget for FY 2009-10. The low percentage was due to major revenues such as property taxes and franchise fees are not paid to the Town on a monthly basis.

General Fund Expenditures

As to the expenditures for the three months ended September 30, 2009, the General Fund reported $2,887,659, which is 28% of the annual expenditure budget for FY 2009-10

To better explain the variance in revenues and expenditures, staff is providing variance explanation for material items.

Staff would like to make a correction to the July & August 2009 monthly reports. The $500,000 (Transfer to EE Benefits Fund) included as budgeted revenue was an error. The September report removed this line item. Instead, the $500,000 was approved by the City Council in June 2009 budget adoption process to use $500,000 of the designated General Fund reserve to fund 84% of the Annual Required Contribution for the unfunded retiree health-care liability (GASB 45) in FY 2009-10.

FISCAL IMPACT

None

Prepared by:

Louise Ho
Finance Director

Approved by:

Jerome D. Gruber

Jerome D. Gruber
City Manager

Attachment: Financial Report
Variance Explanation

Town of Atherton

General Fund

Financial Report for the Three Months Ended September 30, 2009

(Excl. Encumbrances)

Dept	Description	Adjusted Budget FY09/10	3/12 of Budget	Actual July 09 to Sept. 09	Accrual	Adj. Actual July 09 to Sept. 09	% of 3/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Sept 08	
			25.0%								
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)	
	Revenues										
	Secured	4,540,000	1,135,000	-		-	0.0%	4,540,000	0.0%		A
	Unsecured	250,000	62,500	-		-	0.0%	250,000	0.0%		
	SB813 Redemption	90,000	22,500	3,807		3,807	16.9%	86,193	4.2%	8,052	
	Home Owners Prop Tax Re	31,500	7,875	-		-	0.0%	31,500	0.0%		
	Local Sales & Use Tax	90,000	22,500	9,356		9,356	41.6%	80,644	10.4%	6,849	
	Public Safety Sales Tax	65,000	16,250	9,718		9,718	59.8%	55,282	15.0%	10,674	
	IN LIEU SALES TAX/TRIPLE FLIP	60,000	15,000			-	0.0%	60,000	0.0%		A
	Franchise Taxes-PG&E	220,000	55,000			-	0.0%	220,000	0.0%		B
	Franchise Tax-Cal Water	73,000	18,250			-	0.0%	73,000	0.0%		B
	Franchise Tax-BFI	175,000	43,750			-	0.0%	175,000	0.0%		B
	Franchise Taxes-Cable	102,000	25,500	24,407		24,407	95.7%	77,593	23.9%	23,961	
	Document Trsf Tax	125,000	31,250	43,850		43,850	140.3%	81,150	35.1%	62,042	
	Motor Vehicle In-Lieu	625,000	156,250			-	0.0%	625,000	0.0%		A
	Motor Veh. Lic Fees (MVLF)	20,000	5,000	4,238		4,238	84.8%	15,762	21.2%	8,779	
	Business Licenses	150,000	37,500	45,511		45,511	121.4%	104,489	30.3%	130,950	
	Bus Lic Refund -FY 06/07	-				-	0.0%	-	0.0%		C
	Bus Lic Refund -FY 07/08	-	-			-	0.0%	-	0.0%		C
	Bus Lic Refund -FY 08/09	-	-			-	0.0%	-	0.0%		C
	Home Occupation	2,500	625	200		200	32.0%	2,300	8.0%	1,200	
	Building Permit	600,000	150,000	95,686		95,686	63.8%	504,314	15.9%	221,585	
	Encroachment	125,000	31,250	15,500		15,500	49.6%	109,500	12.4%	45,145	
	Grading & Drainage	88,500	22,125	10,000		10,000	45.2%	78,500	11.3%		
	Other Licenses & Permit	500	125	150		150	120.0%	350	30.0%	175	
	Landscape Fee	-	-			-	0.0%	-	0.0%	(5,000)	
	Vehicle Code Fines	11,000	2,750	555		555	20.2%	10,445	5.0%	5,628	
	Other Fines & Forfeit	8,525	2,131	2,329		2,329	109.3%	6,196	27.3%	864	
	ERAF Subvention	530,000	132,500			-	0.0%	530,000	0.0%		A
	POST Reimb	8,000	2,000	1,230		1,230	61.5%	6,770	15.4%	1,834	
	CALNENA Reimbursement	3,000	750			-	0.0%	3,000	0.0%		
	CLEARS Reimbursement	395	99			-	0.0%	395	0.0%		
	DOJ Grant (vest)	1,500	375			-	0.0%	1,500	0.0%		

Town of Atherton

General Fund

Financial Report for the Three Months Ended September 30, 2009

(Excl. Encumbrances)

Dept	Description	Adjusted Budget FY09/10	3/12 of Budget	Actual July 09 to Sept. 09	Accrual	Adj. Actual July 09 to Sept. 09	% of 3/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Sept 08	
			25.0%								
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)	
	DOC Grant	5,000	1,250			-	0.0%	5,000	0.0%		
	ABAG Grant	10,000	2,500			-	0.0%	10,000	0.0%		
	Other Reimbursements	-	-			-	0.0%	-	0.0%	14,750	
	SB 90 reimbursement	-	-			-	0.0%	-	0.0%		
	Grants	-	-			-	0.0%	-	0.0%	7,530	
	React Task Force Reimb	-	-			-	0.0%	-	0.0%		
	NARCOTICS Task Force	-	-			-	0.0%	-	0.0%		
	Elections Processing Fee	-	-			-	0.0%	-	0.0%	2,000	
	Document/Research Fee	-	-			-	0.0%	-	0.0%		
	Photocopy Fee	6,000	1,500	1,094		1,094	73.0%	4,906	18.2%	2,307	
	Alarm Sign Fees	600	150	180		180	120.0%	420	30.0%	60	
	Vehicle Release	1,000	250	40		40	16.0%	960	4.0%	600	
	Fingerprinting Fee	-	-	15		15	100.0%	(15)	100.0%		
	Affidavit of Cost	2,000	500	150		150	30.0%	1,850	7.5%		
	Police Report	2,500	625	915		915	146.4%	1,585	36.6%	680	
	Special Service Fee	525	131			-	0.0%	525	0.0%	174	
	DUI Recovery (Enforcement)	1,200	300			-	0.0%	1,200	0.0%		
	Post Office	51,768	12,942	12,941		12,941	100.0%	38,828	25.0%	12,941	
	Solicitor's Permit	400	100			-	0.0%	400	0.0%		
	Application Fee	-	-	500		500	100.0%	(500)	100.0%	8,400	
	Zoning & Planning Fees	75,000	18,750	7,550		7,550	40.3%	67,450	10.1%	3,250	
	Plan Check	320,000	80,000	75,598		75,598	94.5%	244,402	23.6%	136,504	
	Social Fees	60,000	15,000	16,150		16,150	107.7%	43,850	26.9%	62,868	
	Meeting Fees	60,000	15,000	19,300		19,300	128.7%	40,700	32.2%	17,994	
	Class Fees	15,000	3,750	4,419		4,419	117.8%	10,581	29.5%	3,916	
	Weddings	140,000	35,000	35,000		35,000	100.0%	105,000	25.0%	21,973	
	Misc. Use Fee	1,400	350	825		825	235.7%	575	58.9%	274	
	Interest Income	150,000	37,500			-	0.0%	150,000	0.0%	61,710	D
	Cellular One	36,000	9,000	9,224		9,224	102.5%	26,776	25.6%	8,821	
	Property Rental-Playscl	77,580	19,395	19,394		19,394	100.0%	58,186	25.0%	19,654	
	Sale of Property	-	-	500		500	100.0%	(500)	100.0%	1,514	
	Donations/Contributions	14,286	3,572	14,361		14,361	402.1%	(75)	100.5%	1,086	

Town of Atherton

General Fund

Financial Report for the Three Months Ended September 30, 2009

(Excl. Encumbrances)

Dept	Description	Adjusted Budget FY09/10	3/12 of Budget	Actual July 09 to Sept. 09	Accrual	Adj. Actual July 09 to Sept. 09	% of 3/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Sept 08
			25.0%							
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)
	Miscellaneous Income	10,000	2,500	2,436		2,436	97.4%	7,564	24.4%	4,258
	Trsf in from Spec Parcel Tax	780,863	195,216	195,216		195,216	100.0%	585,647	25.0%	
	Transfers in from Gas Tax	-	-			-	0.0%	-	0.0%	
	Transfers in from GFCIP	-	-			-	0.0%	-	0.0%	
	Total Revenues	**9,816,542**	**2,454,136**	**682,345**	**-**	**682,345**	**27.8%**	**9,134,197**	**7.0%**	**916,000**
	EXPENDITURES									
City Council	Advertising/Publishing	2,000	500			-	0.0%	2,000	0.0%	
	Other Contract Services		-			-	0.0%	-	0.0%	80
	Office Supplies	1,950	488	554		554	113.6%	1,396	28.4%	1,299
	Membership/Dues	8,407	2,102			-	0.0%	8,407	0.0%	9,447
	Utilities-Electricity	625	156			-	0.0%	625	0.0%	
	Conferences	5,000	1,250	161		161	12.9%	4,839	3.2%	1,045
	Mileage Reimbursement	1,300	325			-	0.0%	1,300	0.0%	
	Bus Meeting & Meal	1,100	275			-	0.0%	1,100	0.0%	
	Boards & Commissions	2,000	500			-	0.0%	2,000	0.0%	
	Special Events & Awards	-	-			-	0.0%	-	0.0%	119
	Office Machines & Furniture	7,000	1,750			-	0.0%	7,000	0.0%	
	Administrative Services		-			-	0.0%	-	0.0%	95
	Computer Services Charge		-			-	0.0%	-	0.0%	199
	City Council Totals:	29,382	7,346	715	-	715	9.7%	28,667	**2.4%**	12,284
Administration	Salaries & Benefits	721,747	180,437	161,797	18,478	180,276	99.9%	541,471	25.0%	96,288
(CM, CC, HR)	Contract Services	27,968	6,992	4,641	1,462	6,103	87.3%	21,865	21.8%	66,718
	Supplies & Materials	3,800	950	1,169		1,169	123.0%	2,631	30.8%	3,500
	General Expenses	41,045	10,261	6,595		6,595	64.3%	34,450	16.1%	20,212
	Facility & Equipment	3,500	875	1,094		1,094	125.1%	2,406	31.3%	
	Reimbursements	-	-	-		-	0.0%	-	0.0%	7,579
	Administration Totals:	798,060	199,515	175,297	19,941	195,237	97.9%	602,823	**24.5%**	194,297
City Attorney	Contract Services	423,000	105,750	78,925	43,415	122,340	115.7%	300,660	28.9%	41,023
	General Expenses	-	-			-	0.0%	-	0.0%	

Town of Atherton

General Fund

Financial Report for the Three Months Ended September 30, 2009

(Excl. Encumbrances)

Dept	Description	Adjusted Budget FY09/10	3/12 of Budget	Actual July 09 to Sept. 09	Accrual	Adj. Actual July 09 to Sept. 09	% of 3/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Sept 08	
			25.0%								
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)	
	Supplies & Materials	-	-			-	0.0%	-	0.0%		
	Reimbursements	-	-			-	0.0%	-	0.0%	1,557	
	City Attorney Totals:	423,000	105,750	78,925	43,415	122,340	115.7%	300,660	**28.9%**	42,580	
Finance	Salaries & Benefits	413,524	103,381	93,572	11,250	104,822	101.4%	308,702	25.3%	62,900	
	Contract Services	87,205	21,801	20,030	1,038	21,067	96.6%	66,138	24.2%	2,929	
	Supplies & Materials	4,250	1,063	239		239	22.5%	4,011	5.6%	955	
	General Expenses	16,605	4,151	729	432	1,160	28.0%	15,445	7.0%	11	
	Rents & Leases	-	-	-		-	0.0%	-	0.0%		
	Facility & Equipment	3,000	750	-		-	0.0%	3,000	0.0%		
	Reimbursements	10,000	2,500	2,500		2,500	100.0%	7,500	25.0%	4,904	
	Finance Totals:	534,584	133,646	117,070	12,720	129,789	97.1%	404,795	**24.3%**	71,698	
						-					
Planning	Contract Services	191,327	47,832	18,645	38,509	57,154	119.5%	134,173	29.9%	47,254	
	Supplies & Materials	2,000	500	41	-	41	8.2%	1,959	2.1%		
	General Expenses	2,930	733	45	-	45	6.1%		1.5%		
	Planning Totals:	196,257	49,064	18,731	38,509	57,239	116.7%	136,132	**29.2%**	47,254	
Building	Salaries & Benefits	957,142	239,286	223,630	27,886	251,515	105.1%	705,627	26.3%	161,587	
	Contract Services	16,240	4,060	10,312	3,513	13,825	340.5%	2,415	85.1%	41,827	
	Supplies & Materials	20,790	5,198	765		765	14.7%	20,025	3.7%	16,888	
	General Expenses	8,375	2,094	785		785	37.5%	7,590	9.4%	2,217	
	Facility & Equipment	4,500	1,125			-	0.0%	4,500	0.0%		
	Reimbursements	10,000	2,500	2,500		2,500	100.0%	7,500	25.0%	12,089	
	Building Totals:	1,017,047	254,262	237,991	31,398	269,389	105.9%	747,658	**26.5%**	234,608	
Non-Dept	Retiree Health Care	-	-	1,130		1,130	100.0%	(1,130)	100.0%		
	Contract Services	126,539	31,635	13,758	16,284	30,042	95.0%	96,497	23.7%		
	Supplies & Materials	11,300	2,825	9,921	30	9,952	352.3%	1,349	88.1%		
	General Expenses	295,638	73,910	241,632	4,471	246,103	333.0%	49,535	83.2%		
	Settlement Expense	-	-			-	0.0%	-	0.0%		
	Non-Dept. Totals:	433,477	108,369	266,442	20,786	287,228	265.0%	146,249	**66.3%**	-	E

Town of Atherton											
General Fund											
Financial Report for the Three Months Ended September 30, 2009											
(Excl. Encumbrances)											
Dept	**Description**	**Adjusted Budget FY09/10**	**3/12 of Budget**	**Actual July 09 to Sept. 09**	**Accrual**	**Adj. Actual July 09 to Sept. 09**	**% of 3/12 Budget**	**Year-To-Date Variance**	**% of Annual Budget**	**Actual July 08 to Sept 08**	
			25.0%								
		(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(e/b)**	**(a-e)**	**(e/a)**	**(f)**	
Police	Salaries & Benefits	4,517,313	1,129,328	1,042,525	122,318	1,164,843	103.1%	3,352,470	25.8%	905,640	
	Contract Services	221,033	55,258	74,810	4,432	79,243	143.4%	141,790	35.9%	64,265	
	Supplies & Materials	147,665	36,916	13,673	4,510	18,183	49.3%	129,482	12.3%	23,183	
	General Expenses	76,238	19,060	8,476	3,570	12,045	63.2%	64,193	15.8%	19,588	
	Rent & lease	8,590	2,148	2,162	490	2,651	123.5%	5,939	30.9%		
	Facility & Equipment	44,671	11,168	3,460	3,801	7,262	65.0%	37,409	16.3%	15,188	
	Reimbursement	69,800	17,450	17,450		17,450	100.0%	52,350	25.0%	35,471	
	Police Totals:	5,085,310	1,271,328	1,162,557	139,120	1,301,677	102.4%	3,783,633	**25.6%**	1,063,336	
Public Works	Salaries & Benefits	1,270,341	317,585	377,918	46,104	424,021	133.5%	846,320	33.4%	355,175	F
(& Parks)	Contract Services	288,000	72,000	49,651	1,373	51,024	70.9%	236,976	17.7%	90,717	
	Supplies & Materials	70,800	17,700	11,238	2,871	14,109	79.7%	56,691	19.9%	15,547	
	General Expenses	107,393	26,848	19,599	2,944	22,543	84.0%	84,850	21.0%	22,117	
	Rent & Leases	27,000	6,750	6,851	-	6,851	101.5%	20,149	25.4%	1,921	
	Facility & Equipment	16,000	4,000	1,156	-	1,156	28.9%	14,844	7.2%	157	
	Reimbursements	19,892	4,973	4,340	-	4,340	87.3%	15,552	21.8%	14,901	
	Public Works Totals:	1,799,426	449,857	470,753	53,292	524,045	116.5%	1,275,381	**29.1%**	500,534	
	Total Expenditures	**10,316,543**	**2,579,136**	**2,528,478**	**359,181**	**2,887,659**	112.0%	**7,425,999**	**28.0%**	**2,166,591**	
Excess (Deficiency) of Revenues over Expenditures		**(500,001)**	**(125,000)**	**(1,846,133)**	**(359,181)**	**(2,205,314)**	1764.2%	**1,708,198**	**441.1%**	**(1,250,591)**	
	Beg. Fund Balance	7,203,277				7,203,277					
	Proj. Ending Fund Balance	6,703,276				4,997,964					

Town of Atherton
Financial Report for the Three Months Ended September 30, 2009

Revenue Variance Explanation

A. **Property Tax**
The Town receives secured, unsecured, and ERAF money from the County of San Mateo in installments starting November 2009.

B. **Franchise Fees**
Franchise fees are paid to the Town either quarterly or annually.

C. **Business License Refund**
The Town accrued remaining (unpaid) business license refund claims in FY 2008-09 audited financial report. As a result, refund claims paid in FY 2009-10 are charged directly to the liability account.

D. **Interest Income**
The Town receives interest income from LAIF and San Mateo County Pool after quarter ended.

Expenditures Variance Explanation

E. **Non-Department**
This department expended 66.3% of the annual budget because of annual general and employment practice liability insurance premium paid in advance for the entire year. In addition, the NBS fee study incurred $12,000 (amendment #1 approved by City Council).

F. **Public Works Department**
Salary to be charged to capital improvement projects has not been recorded.

Item No. 11

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **LOUISE HO, FINANCE DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE: AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

RECOMMENDATION

Adopt resolution 09-37 authorizing the sale of the State of California's obligation to repay to the Town of Atherton the real property tax funds it is borrowing because of the State's fiscal emergency. Three votes are required for passage.

DISCUSSION

The following analysis was provided to the Town by the California Statewide Communities Development Authority. The resolutions and all other documents related to the financing were prepared by Orrick, Herrington & Sutcliffe, LLP, transaction counsel for this financing program. Because the program involves hundred of local agencies, the documents have been presented to participants on a "take it or leave it" basis; alterations to the resolution and associated documents, including opinions of counsel, are not permitted. The City Attorney's firm has reviewed the documents and approved them as to form.

Background

Proposition 1A Suspension: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concur.

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest by June 30, 2013.

The legislature is currently reviewing a clean-up bill, SB67 which would provide for a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November; county auditor certification of amount of Prop 1A receivable; tax-exempt structure; California Communities as the only issuer; more flexibility on bond structure (interest payments, state payment date and redemption features); sales among local agencies; and revision to the hardship mechanism.

Proposition 1A Securitization Program:
Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Currently, SB67 is being considered to clarify specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the Town of Atherton sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the Town's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The Town's sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the Town if the State does not make the Proposition 1A Repayment.

Proposition 1A Program Sponsor:
California Statewide Communities Development Authority ("California Communities") is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include approximately 230 cities and 54 counties throughout California. The Town does not need to be a member of California Communities to participate.

Benefits of Participation in the Proposition 1A Securitization Program:

The benefits to the Town of participation in the Proposition 1A Securitization Program include:

- Immediate cash relief – the sale of the Town's Proposition 1A Receivable will provide the Town with 100% of its Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010.

- Mitigates impact of 8% property tax withholding in January and May – Per ABX4 14 and ABX4 15 and the proposed clean-up legislation SB 67, the State will withhold 8% of property tax receivables due to Cities, Counties, and Special Districts under Proposition 1A. The financing outlines bond proceeds to be distributed to coincide with the dates that the State will be shifting property tax from local agencies.

- All costs of financing borne by the State of California. The Town will not have to pay any interest cost or costs of issuance in connection with its participation.

- No obligation on Bonds. The Town has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other compliance obligations associated with the bonds.

Proceeds of the Sale of the Town of Atherton's Proposition 1A Receivable:
Upon delivery of the Proposition 1A Bonds, California Communities will make available to the Town its fixed purchase price, which will equal 100% of the local agency's Proposition 1A Receivable. These funds may be used for any lawful purpose of the Town and are not restricted by the program.

Proposed Proposition 1A Receivables Sale Resolution:
The proposed Proposition 1A Receivables Sale Resolution attached to this report:

(1) Authorizes the sale of the Town's Proposition 1A Receivable to California Communities for 100% of its receivable;
(2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
(3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;

(4) Appoints certain Town officers and officials as Authorized Officers for purposes of signing documents; and
(5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

(1) Provides for the sale of the Proposition 1A Receivable to California Communities;

(2) Contains representations and warranties of the Town to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions is pending or threatened to disrupt the transaction and the this is an arm's length "true sale" of the Proposition 1A Receivable.

(3) Provides mechanics for payment of the Purchase Price

(4) Contains other miscellaneous provisions.

Proposed Purchase and Sale Agreement and Exhibits:

The proposed Proposition 1A Purchase and Sale Agreement Exhibits include the following:

(B1) Opinion of Counsel: This is an opinion of the City Attorney covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing date of the bonds (currently expected to be November 10, 2009).

(B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).

(C1) Certificate of the Clerk of the Local Agency: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.

(C2) Seller Certificate: A certification of the Seller dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.

(C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.

(D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.

(E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

FISCAL IMPACT

The County of San Mateo Controller's Office estimated the Town's 8% to be $442,363. This amount is based on 8% of total property tax received in fiscal year 2008-09 and includes the in-lieu of sales tax and the in-lieu of vehicle license fee.

Staff is not recommending that the Atherton Channel Drainage District enroll in the securitization program because the impact of the 8% borrowing is $5,257.

If the Town decides not to participate in the Prop 1A securitization loan program, the State is not obligated to repay the borrowed funds until June 30, 2013, with an interest rate of 2%.

ALTERNATIVES

1. Adopt the attached resolution.

2. Decline to participate in the Proposition 1A financing and elect to await repayment from the State of California of seized property tax revenues.

Prepared by:

Louise Ho
Finance Director

Approved by:

Jerome D. Gruber

Jerome D. Gruber
City Manager

Item No. 12

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $18,858.16 FOR THE STREET RECONSTRUCTION PHASE 6 PROJECT NUMBER 08-025**

RECOMMENDATION

Pass a motion accepting work, authorizing recording of a notice of completion and approving contract change orders in the amount of $18,858.16 for the Street Reconstruction Phase 6 Project Number 08-025.

INTRODUCTION

The Council awarded a contract in July 2009 to G. Bortolotto & Company for $390,264.55, with a $39,026.46 construction contingency, for a total authorized amount of $429,291.11. In August of 2009 an additional $54,176.22 was approved, increasing the authorized amount to $483,467.33. Work under the contract has been completed.

ANALYSIS

The original contract price was for $390,264.65. There were 2 field directive change orders totaling $62,066.06 and quantity increases of $10,968.32 bringing the total contract to $463,060.84. The contract changes were as follows:

1. Original Contract	$390,026.46
2. Quantity Increases	$ 10,968.32

3. Change Order No. 1 – Subgrade stabilization $ 54,176.22
   (Previously approved at the August 2009 Council Meeting)

4. Change Order No. 2 – Removed and replace old driveways $ 7,889.84

TOTAL $463,060.84

FISCAL IMPACT

ARRA funds in the amount of $468,000 have been obligated to this project. Of those, $221,000 are funds exchanged with the Town of Woodside, which will be reimbursed to Woodside with Atherton Road Impact Fee funds (210-00-3165-244). $247,000 is Atherton's share of the ARRA funding (401-00-3165-244).

Road Impact funds in the amount of $250,736, Measure A funds of 80,000, Proposition 1B funds of $63,923 and ARRA funds of $247,000 are budgeted for this project in FY 2009-10, for a total budget of $641,659. These funds are all derived from savings on previous projects and reallocated to this project, plus the ARRA grant.

The final cost of this segment of work is $463,060.84, less than the budget estimate.

CONCLUSION:

It is appropriate for the Council to accept the work and authorize recording a Notice of Completion at this time.

Prepared By:

Approved:

Jerome D. Gruber

Duncan L. Jones, P.E.
Public Works Director

Jerome D. Gruber
City Manager

Attachment: Notice of Completion

RECORD REQUESTED BY:

TOWN OF ATHERTON
AND WHEN RECORDED MAIL TO:

CITY CLERK, TOWN OF ATHERTON

91 ASHFIELD ROAD
(Street Address)
ATHERTON, CALIFORNIA 94027
(City, State and Zip Code)

No fee pursuant to Government Code Section 6103 SPACE ABOVE THIS LINE FOR RECORDER'S USE

TOWN OF ATHERTON

NOTICE OF COMPLETION

Street Reconstruction Phase 6
PROJECT NO. 08-025
ATHERTON, CALIFORNIA

NOTICE IS HEREBY GIVEN THAT Duncan L. Jones, Engineer of Work for the Town of Atherton, County of San Mateo, California, on the 21st day of October 2009 did file with the City Clerk of said Town a Certificate of Completion for the work described in the construction contract awarded to G. Bortolotto & Company on the 15th day of July, 2009, said contract being executed on the 29th day of July 2009.

That said work and improvements were accepted as completed on the 28th day of August, 2009 and that acceptance for completion of said work was ordered by Motion of the City Council of said Town, adopted on the 21st day of October 2009, and that the name of the surety on the Contractor's bond for performance, labor and materials on said project is Travelers Casualty and Surety Company of America, 2370 Watson Court, Suite 200, Palo Alto, CA 94303.

That said work and improvements consisted of Atherton Avenue Street Reconstruction from Stern Lane to Elena Avenue as described in the plans an specification approved by the City Council of the Town of Atherton pursuant to motion, adopted the 18th day of February, 2009.

That I, Duncan L. Jones, City Engineer of the Town of Atherton, am authorized by said Motion to execute and file this notice with the County Recorder of the County of San Mateo.

BY: _____ ATTEST: _____
City Engineer City Clerk

_____ _____
Date Date

'I declare under penalty of perjury that the foregoing is true and correct.'

_____ _____
(Date and Place) (Signature)

TOWN OF ATHERTON

CERTIFICATE OF COMPLETION

PROJECT NAME: **Street Reconstruction Phase 6**
PROJECT NUMBER: **08-025**
LOCATION: **Atherton Avenue (from Stern to Elena)**

NOTICE IS HEREBY GIVEN:

1. That on August 28, 2009, the Public Works project known as Street Reconstruction Phase 6 Project Number 08-025 was completed in accordance with the plans and specifications as required by the Town of Atherton.

2. That the name and address of the party filling this notice is:

   Town of Atherton
   91 Ashfield Road
   Atherton, California 94027.

3. That the name and address of the Contractor responsible for the construction of the project is:

   G. Bortolotto & Company
   582 Bragato Road
   San Carlos, CA 94070

4. That the name and address of the Contractor's surety is:

   Travelers Casualty and Surety Company of America
   2370 Watson Court
   Suite 200
   Palo Alto, CA 94303

5. That the project is described as:

   Atherton Avenue street reconstruction from Stern Lane to Elena Avenue, as more particularly described in the plans and specification approved by the City Council of the Town of Atherton pursuant to Motion, adopted the 21st day of October 2009.

BY: _____ _____
Duncan L. Jones, P.E. **Date**
Public Works Director

ATTEST: _____ _____
Theresa Della Santa **Date**
Deputy City Clerk

Item No. 13

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $6,720.42 FOR THE LAS LOMITAS SAFE ROUTES TO SCHOOL PROJECT NUMBER 08-028**

RECOMMENDATION

Pass a motion accepting work, authorizing recording of a notice of completion and approving contract change orders in the amount of $6,720.42 for the Las Lomitas Safe Routes to School Project, Project Number 08-028.

INTRODUCTION

The Council awarded a contract in May 2009 to FBD Vanguard Construction for $60,126.28, with a $6,012.63 construction contingency, for a total authorized amount of $66,138.91. Work under the contract has been completed.

ANALYSIS

The original contract price was for $60,126.28. There were 5 field directive change orders totaling $4,942.63 and quantity increases of $1,775.79 bringing the total contract to $66,845.70. The contract changes were as follows:

1. Original Contract	$ 60,126.28
2. Quantity Increases	$ 1,775.79
3. Change Order No. 1 – Relocate Spigot from proposed sidewalk	$ 1,290.53

4.	Change Order No. 2 – Remove and replace uneven sidewalk	$ 2,000.00
5.	Change Order No. 3 – installation of surface mounted detectable warning domes on existing ramp	$ 1,016.85
6.	Change Order No. 4 – Install additional top soil in treewells	$ 635.25
	TOTAL	$ 66,845.70

FISCAL IMPACT

Safe Routes to School funding in the amount of $102,600 and Las Lomitas School District Matching funds in the amount of $11,400 are included in the FY 2009-2010 budget, for a total budget of $114,000. The final cost of this segment of work is $66,845.70, less than the budget estimate.

The remaining funding will be used to defray engineering and surveying costs, to fund a Safe Routes to School Education program at the school, and to add additional landscaping in the treewells.

CONCLUSION:

It is appropriate for the Council to accept the work and authorize recording a Notice of Completion at this time.

Prepared By:

Approved:

Jerome D. Gruber

Duncan L. Jones, P.E.
Public Works Director

Jerome D. Gruber
City Manager

Attachment: Notice of Completion

RECORD REQUESTED BY:

TOWN OF ATHERTON
AND WHEN RECORDED MAIL TO:

CITY CLERK, TOWN OF ATHERTON

91 ASHFIELD ROAD
(Street Address)
ATHERTON, CALIFORNIA 94027
(City, State and Zip Code)

No fee pursuant to Government Code Section 6103 SPACE ABOVE THIS LINE FOR RECORDER'S USE

TOWN OF ATHERTON

NOTICE OF COMPLETION

Las Lomitas Safe Routes to School
PROJECT NO. 08-028
ATHERTON, CALIFORNIA

NOTICE IS HEREBY GIVEN THAT Duncan L. Jones, Engineer of Work for the Town of Atherton, County of San Mateo, California, on the 21st day of October 2009 did file with the City Clerk of said Town a Certificate of Completion for the work described in the construction contract awarded to FBD Vanguard Construction on the 21st day of May, 2009, said contract being executed on the 2nd day of July 2009.

That said work and improvements were accepted as completed on the 1st day of September, 2009 and that acceptance for completion of said work was ordered by Motion of the City Council of said Town, adopted on the 21st day of October, 2009, and that the name of the surety on the Contractor's bond for performance, labor and materials on said project is Arch Insurance Company, 4480 Willow Road, Pleasanton, CA 94588.

That said work and improvements consisted of concrete sidewalk, installation of 6" speed table, and landscaping as described in the plans and specifications approved by the City Council of the Town of Atherton pursuant to motion, adopted the 15th day of April, 2009.

That I, Duncan L. Jones, City Engineer of the Town of Atherton, am authorized by said Motion to execute and file this notice with the County Recorder of the County of San Mateo.

BY: _____ ATTEST: _____
City Engineer City Clerk

_____ _____
Date Date

'I declare under penalty of perjury that the foregoing is true and correct.'

_____ _____
(Date and Place) (Signature)

TOWN OF ATHERTON

CERTIFICATE OF COMPLETION

PROJECT NAME: **Las Lomitas Safe Routes to School**
PROJECT NUMBER: **08-028**
LOCATION: **Las Lomitas School (North of Camino Al Lago, from Barney Avenue to Alameda De Las Pulgas**

NOTICE IS HEREBY GIVEN:

1. That on September 1, 2009, the Public Works project known as Las Lomitas Safe Routes to School Project Number 08-028 was completed in accordance with the plans and specifications as required by the Town of Atherton.

2. That the name and address of the party filling this notice is:

   Town of Atherton
   91 Ashfield Road
   Atherton, California 94027.

3. That the name and address of the Contractor responsible for the construction of the project is:

   FBD Vanguard Construction
   651 Enterprise Court
   Livermore, CA 94550

4. That the name and address of the Contractor's surety is:

   Arch Insurance Company
   4480 Willow Road
   Pleasanton, CA 94588

5. That the project is described as:

   Concrete sidewalk, installation of 6" speed table, and landscaping, as more particularly described in the plans and specification approved by the City Council of the Town of Atherton pursuant to Motion, adopted the 21st day of October, 2009.

BY: _____ _____
Duncan L. Jones, P.E. **Date**
Public Works Director

ATTEST: _____ _____
Theresa Della Santa **Date**
Deputy City Clerk

Item No. 14

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF $3,677 FOR THE HOLBROOK-PALMER PARK PEDSTRIAN BRIDGE, PROJECT NUMBER 08-004**

RECOMMENDATION

Pass a motion accepting work, authorizing recording of a notice of completion and approving contract change orders in the amount of $3,677.00 for the Holbrook-Palmer Park Pedestrian Project, Project Number 08-004.

INTRODUCTION

The Council awarded a contract in April 2009 to Nexgen Builders for $113,296.59, with a $11,329.66 construction contingency, for a total authorized amount of $124,626.25. Work under the contract has been completed.

ANALYSIS

The original contract price was for $113,296.59. There was 1 field directive change orders totaling $3,677.00 bringing the total contract to $116,973.59. The contract changes were as follows:

1. Original Contract		$113,296.59
2. Change Order No. 1 – Fabricate and install iron gate		$ 3,677.00
	TOTAL	$116,973.59

FISCAL IMPACT

Regional Trail Program (RTP) grant funds (401-00-3165-426) in the amount of $104,800 and Atherton Dames funds in the amount of $26,200 (401-00-3165-426) are budgeted for this project in FY 2009-10, for a total budget of $131,000. The final cost of this segment of work is $116,973.59, less than the budget estimate.

CONCLUSION:

It is appropriate for the Council to accept the work and authorize recording a Notice of Completion at this time.

Prepared By:

Approved:

Jerome D. Gruber

Duncan L. Jones, P.E.
Public Works Director

Jerome D. Gruber
City Manager

Attachment: Notice of Completion

RECORD REQUESTED BY:

TOWN OF ATHERTON
AND WHEN RECORDED MAIL TO:

CITY CLERK, TOWN OF ATHERTON

91 ASHFIELD ROAD
(Street Address)
ATHERTON, CALIFORNIA 94027
(City, State and Zip Code)

No fee pursuant to Government Code Section 6103 SPACE ABOVE THIS LINE FOR RECORDER'S USE

TOWN OF ATHERTON

NOTICE OF COMPLETION

HOLBROOK-PALMER PARK PEDESTRIAN BRIDGE
PROJECT NO. 08-004
ATHERTON, CALIFORNIA

NOTICE IS HEREBY GIVEN THAT Duncan L. Jones, Engineer of Work for the Town of Atherton, County of San Mateo, California, on the 21ST day of October 2009 did file with the City Clerk of said Town a Certificate of Completion for the work described in the construction contract awarded to Nexgen Builders, Inc. on the 18th day of February, 2009, said contract being executed on the 4th day of May 2009.

That said work and improvements were accepted as completed on the 9th day of September 2009 and that acceptance for completion of said work was ordered by Motion of the City Council of said Town, adopted on the 21st day of October, 2009, and that the name of the surety on the Contractor's bond for performance, labor and materials on said project is International Fidelity Insurance Company, 1575 Treat Blvd., Suite 208, Walnut Creek, CA 94598.

That said work and improvements consisted of installation of steel prefabricated bridge, concrete pouring of piers, abutments, and curbs, asphalt concrete walking paths as described in the plans and specifications approved by the City Council of the Town of Atherton pursuant to motion, adopted the 21st day of October, 2009.

That I, Duncan L. Jones, City Engineer of the Town of Atherton, am authorized by said Motion to execute and file this notice with the County Recorder of the County of San Mateo.

BY: _____ ATTEST: _____
City Engineer City Clerk

_____ _____
Date Date

'I declare under penalty of perjury that the foregoing is true and correct.'

_____ _____
(Date and Place) (Signature)

TOWN OF ATHERTON

CERTIFICATE OF COMPLETION

PROJECT NAME: **HOLBROOK-PALMER PARK PEDESTRIAN BRIDGE**
PROJECT NUMBER: **08-004**
LOCATION: **HOLBROOK-PALMER PARK AT ATHERTON CHANNEL**

NOTICE IS HEREBY GIVEN:

1. That on September 8, 2009, the Public Works project known as HOLBROOK-PALMER PARK PEDESTRIAN BRIDGE Project Number 08-004 was completed in accordance with the plans and specifications as required by the Town of Atherton.

2. That the name and address of the party filling this notice is:

   Town of Atherton
   91 Ashfield Road
   Atherton, California 94027.

3. That the name and address of the Contractor responsible for the construction of the project is:

   Nexgen Builders, Inc.
   225 Demeter Street
   East Palo Alto, CA 94303

4. That the name and address of the Contractor's surety is:

   International Fidelity Insurance Company
   1575 Treat Blvd.
   Suite 208
   Walnut Creek, CA 94598

5. That the project is described as:

   Installation of steel prefabricated bridge, concrete pouring of piers, abutments, and curbs, asphalt concrete walking paths**,** as more particularly described in the plans and specification approved by the City Council of the Town of Atherton pursuant to Motion, adopted the 21st day of October, 2009.

BY: _____ _____
Duncan L. Jones, P.E. **Date**
Public Works Director

ATTEST: _____ _____
Theresa Della Santa **Date**
Deputy City Clerk

Item No. 15

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **AWARD OF CONTRACT TO BLOSSOM VALLEY CONSTRUCTION FOR THE HOLBROOK-PALMER PARK IRRIGATION MAINLINE AND WELL INSTALLATION PROJECT, PROJECT NUMBER 09-006 IN AN AMOUNT NOT TO EXCEED $200,920.88 PLUS A TEN PERCENT CONSTRUCTION CONTINGENCY, FOR A TOTAL AUTHORIZATION OF $221,012.97.**

RECOMMENDATION:

Pass a motion to award the contract for Holbrook-Palmer Park Irrigation Mainline and Well Installation Project, project number 09-006 to Blossom Valley Construction, the low bidder on the October 15, 2009 bids, for $200,920.88, with a 10% construction contingency of $20,092.09, for a total authorization of $221,012.97; and to authorize the City Manager to sign the contract on behalf of the Town.

INTRODUCTION:

The Holbrook-Palmer Park Master Plan was approved by Council in April 2005. Many of the projects included in the Master Plan will require additional water demand or modified irrigation configuration. There is a desire to bring forward the Water Tower Lawn project, which will have a high additional water demand because there is currently very little vegetation and no irrigation where the project is proposed. As discussed at the joint City Council/Park and Recreation Commission meeting on August 25, 2008, in order to effectively implement the Water Tower Lawn Project and other Landscape Master Plan projects, an overall irrigation plan needs to be developed. There was agreement that the underground infrastructure should be designed and constructed in phases as the projects are implemented.

The Master Irrigation Plan will provide a grid of main pipelines sized sufficient for all landscaping proposed in the Landscape Master Plan. All existing irrigation systems will be

connected to the master piping. The pipes will be installed with connection points and sufficient wiring for each additional landscape area irrigation system to be connected.

The master piping will be connected to the existing well, located in the corporation yard, and a new well will be installed adjacent to the playground restrooms. The two wells will be adequate to supply the water demand at any point in the park at all times.

The Holbrook-Palmer Park Master Irrigation Plan Upgrades and Second Park Well project is budgeted for construction in FY 2009-10. Kikuchi &Associates prepared the design for the project. The project plans and specifications are ready to be advertised for construction.

ANALYSIS:

9 bids were received for the Holbrook-Palmer Irrigation Mainline and Well Installation Project as follows:

CONTRACTOR	LOCATION	BID
CEL Landscape	Gilroy, CA	$174,636.00
Blossom Valley Construction	San Jose, CA	$200,920.88
Cagwin & Dorward	Novato, CA	$212,738.85
McNabb Construction	Lafayette, CA	$231,429.87
Scapes	Half Moon Bay, CA	$245,574.25
B&B Landscaping	San Jose, CA	$252,012.50
JJ Nguyen, Inc.	San Jose, CA	$265,254.00
Rodan Builders	Burlingame, CA	$299,775.00
Douglas Landscaping	San Jose, CA	$306,883.00

The initial low bid from CEL Landscape was non-responsive in that the bid contained irregularities. The irregularities were reviewed with the City Attorney who advised that the bid should be rejected. A letter was sent to CEL advising them of the grounds for rejection.

FISCAL IMPACT:

Parcel Tax funds in the amount of $200,000 are budgeted for this project in FY 2009-10. Bids were received for the project on October 15, 2009. Blossom Valley Construction was the low bidder at $200,920.88. This bid was 31% below the engineer's estimate prepared by Kikuchi & Associates, the designer of the project, of $290,293. A 10% construction contingency of $20,092.09 would bring the total authorization to $221,012.97, which is $21,012.97 (10.5%) above the FY 2009-09 budget.

Prepared By:

Duncan L. Jones, P.E.
Public Works Director

Approved:

Jerome D. Gruber

Jerome D. Gruber
City Manager

Item No. 16

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **AWARD OF CONTRACT TO CASEY CONSTRUCTION, INC. FOR THE POLHEMUS AVENUE DRAINAGE PROJECT NUMBER 08-011 IN AN AMOUNT NOT TO EXCEED $127,956.00 PLUS A TEN PERCENT CONSTRUCTION CONTINGENCY, FOR A TOTAL AUTHORIZATION OF $140,751.60.**

RECOMMENDATION:

Pass a motion to award the contract for the Polhemus Avenue Drainage Project, project number 08-011 to Casey Construction, Inc., the low bidder on the October 15, 2009 bids, for $127,956.00, with a 10% construction contingency of $12,795.60, for a total authorization of $140,751.60; and to authorize the City Manager to sign the contract on behalf of the Town.

INTRODUCTION:

The FY 2008-09 adopted Capital Improvement Program includes funds for constructing the project. The need for this project resulted from the 2000 Townwide Drainage Study (the Nolte Study). Wilsey Ham prepared the design for the project.

ANALYSIS:

13 bids were received for the Polhemus Avenue Drainage Project as follows:

CONTRACTOR	LOCATION	BID
Casey Construction, Inc.	Emerald Hills, CA	$127,956.00
Interstate Grading and Paving	S. San Francisco, CA	$149,960.00
Stoloski & Gonzales	Half Moon Bay, CA	$167,395.00
Platinum Pipelines	Dublin, CA	$172,710.00

Pacific Underground	San Jose, CA	$176,675.00
D&D	San Francisco, CA	$184,110.00
Redwood Engineering Const.	Redwood City, CA	$191,290.00
Kingdom Pipelines, Inc.	San Francisco, CA	$194,738.00
J&M, Inc.	Livermore, CA	$204,417.00
Soil Engineering	Redwood City, CA	$206,900.00
WR Forde Associates	Richmond, CA	$219,256.00
Rodan Builders, Inc.	Burlingame, CA	$232,354.00
Bay Pacific Pipelines	Novato, CA	$278,825.00

FISCAL IMPACT:

Parcel Tax funds in the amount of $200,000 are budgeted for this project in FY 2009-10. Bids were received for the project on October 15, 2009. Casey Construction, Inc. was the low bidder at $127,956.00. This bid was 49% below the engineer's estimate prepared by Wilsey Ham, the designer of the project, of $252,233. A 10% construction contingency of $12,795.60 would bring the total authorization to $140,751.60, which is $59,248.40 (29.6%) below the FY 2009-10 budget.

Prepared By:

Approved:

Jerome D. Gruber

Duncan L. Jones, P.E.
Public Works Director

Jerome D. Gruber
City Manager

Item No. 17

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 14, 2009**

SUBJECT: **PRE-APPROVAL TO PURCHASE A USED VEHICLE TO REPLACE THE PUBLIC WORKS 1986 GMC DUMP TRUCK.**

RECOMMENDATION:

Allow the City Manager to dispense with usual bidding policies, as permitted by Section 3.16.110 of the Atherton Municipal Code, and authorize staff to purchase, and if necessary, equip a used dump truck for up to $42,000 to replace the 1986 GMC dump truck that is currently in the Public Works Streets fleet with the approval of the City Manager, as more particularly described below. Because of the nature of the market for used equipment, use of the Town's normal bidding procedures will greatly limit the number of vendors and increase the Town's costs.

INTRODUCTION:

Council approved $42,000 in the 2009-10 budget for the purchase of a used dump truck to replace our worn out 1986 GMC dump truck currently in the street department fleet.

Staff has been researching the market for these types of used trucks, and one can certainly be found that will give us many years of useful service, equipped as we need it to be, for this amount of money.

The specifications we have set up for this purchase is as follows;

- Less than 5 years old.

- Less than 40,000 miles (we don't put many miles on our trucks, but we don't want the truck to be already worn out from mileage).
- Gross vehicle weight (gvw) of less than 26,000 lbs.
- 5 yard capacity dump bed w/tailgate.
- Automatic transmission.
- Other desirable qualities include extended seating capacity, multiple drop door tailgate, back-up camera, new tires, utility boxes and extended warranty. Most of these (other than seating capacity) could be added to trucks without them, if the truck sold for less, within the authorized budget.

There are numerous sources for buyers to shop for this type of used equipment. Some of the equipment is local but lots of it is spread across the country. By just looking locally, you greatly reduce the vehicles at our disposal for sale. Staff concentrated on equipment from the western United States that met our criteria.

We began looking in early August, and found a number of trucks that would have been an excellent value for the Town of Atherton. It became clear as we looked and tried to talk price with the dealers, we needed the ability to be able to see the equipment and take it to a mechanic for a reliability check-up.

We also found that many vendors were willing to move equipment up to northern California for a "serious" buyer who would be willing to give a refundable deposit with the intention and ability to purchase a truck that passed the test in person as it had on the internet details.

Lastly, we determined that when you find a good piece of equipment, you need to act quickly. Problematic for a used vehicle purchase is our own purchasing system that normally requires us to get three bids (which is nearly impossible on a used piece of equipment), write a staff report on the request to purchase and then wait until the next city council meeting to act. It is very unlikely the piece of equipment, when a good one is found, will be there for that amount of time.

ANALYSIS:

We are asking the council to empower the City Manager look at the information brought forth by staff and evaluate if the purchase of a particular truck is appropriate. With his approval, the finance director can cut a check for the deposit. If the truck meets the requirements the City Manager would be authorized to make the purchase in full for up to the $42,000 budget for this one time purchase only.

It should be noted that if the Town were to purchase a new dump truck, using the California Multiple Awards Schedule (CMAS) statewide competitive bidding process, the cost would exceed $75,000.

FISCAL IMPACT:

Replacement of this 1986 GMC dump truck with a good used vehicle was approved in the 2009/10 budget for $42,000 and will be paid for out of the vehicle replacement fund.

Prepared By:

Duncan L. Jones, P.E.
Public Works Director

Approved:
Jerome D. Gruber

Jerome D. Gruber
City Manager

Attachments: Sample used truck advertisements

HENGEHOLD TRUCKS

Sales Office Open Mon-Fri, 8am-5pm
Rental Office Open Mon-Sat, 8am-5pm

2005 CHEV C7500 5/6 YARD DIRT DUMP - 7.2L C7 CATERPILLAR TURBO DIESEL 210 HP

Stock No.	16376
Year	2005
Make	Chev
Model	C7500
Body	5/6 Yard Dirt Dump - 7.2L C7 Caterpillar Turbo Diesel 210 HP
Engine	7.2L C7 210 HP Caterpillar Turbo Diesel
Transmission	Allison Automatic 2500 (5 spds)
GVW	26K
Miles	27K
Exterior Color	White
Interior Color	Charcoal
Price	$29,995

Vehicle Features

- 7.2L C7 Caterpillar Turbo Diesel
- ALLISON AUTOMATIC TRANS. (5 Speeds)
- AC
- FM
- Tilt Wheel
- Cruise Control
- Dual Tanks-75 Gal. Capacity
- Air Brakes
- Electric Trailer Brake
- Tow Ball and Pintle Hook
- Hotshift PTO
- Roll-Out Tarp
- VERY LOW MILES
- ADDITIONAL WARRANTY AVAILABLE
- FULLY INSPECTED AND SERVICED. READY TO WORK NOW!
- Extended or Additional WARRANTY Available!

Why buy from us?

- We have no commissioned salespeople.

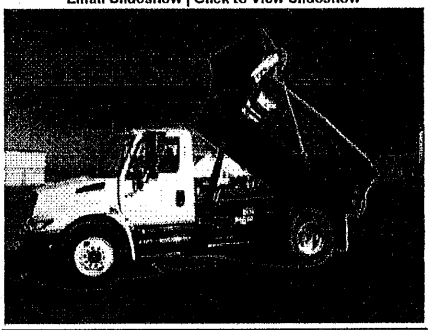
TRUCKER TO TRUCKER.COM

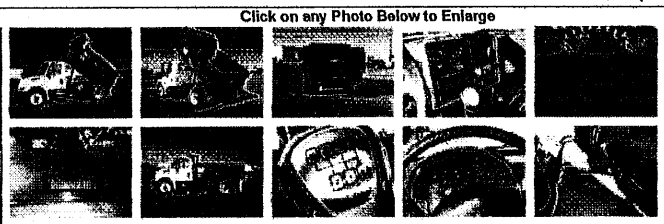
Truck Accident Lawyers
Over $350M in courtroom verdicts. Call us at 800-255-5070.
Ads by Google

2002 International 4300 (Stock# 7391P) $29,500.00

Email Slideshow | Click to View Slideshow

Click on any Photo Below to Enlarge





Bruckner's - Contact Bruckner Truck Sales - 877-220-1569 - See all ads - Visit Seller Website

Listing#:	79120	**Type:**	Trucks	**Category:**	Dump
Unit Location:	Amarillo, TX United States	**Stock#:**	7391P	**VIN#:**	1HTMMAALX2H535977
Mileage:	184,274	**ECM:**	n/a	**New or Used:**	Used

Print Ad | Email Ad | Calculate Payments | Finance/Lease Application | Map Location

# Gears:	6	**5Th Wheel:**	None
Axles:	1	**Body Type:**	LEDWELL DUMP BED
Brakes:	Air Brakes	**Brakes Condition:**	50 percent
Bumper:	Steel	**Color:**	White
Driver'S Seat:	Air Ride	**Engine Horsepower:**	215
Engine Make:	International	**Engine Model:**	DT466
Engine Type:	Diesel	**Exhaust:**	Under
Frame:	Steel	**Fuel Tank Material:**	Steel
Gear Ratio:	4.11	**Gvwr:**	25500
Interior:	Vinyl	**Lh Fuel Tank:**	50
Mirrors:	standard	**Passenger'S Seat:**	Stationary
Radio:	AM FM	**Retarder:**	None
Sleeper:	None	**Steering:**	Stationary
Suspension Type:	Spring	**Tire Size:**	22.5
Tire Size (Front):	22.5	**Transmission Make:**	Eaton-Fuller
Transmission Type:	Manual	**Wheels (Front):**	Steel
Wheels (Rear):	Steel		

All information listed is believed accurate. Pictures, specifications, prices, and all information are subject to change and correction without notice. All liability is expressly disclaimed.

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www.interstateaccidents.com

Ads by Google

Steven Tyler

From: Tony Guell [tguell@tectrucks.com]
Sent: Tuesday, July 21, 2009 4:16 PM
To: Steven Tyler
Subject: TEC Oakland GMC - C6500 Dump Truck quote 7/21

Attachments: Tony Guell.vcf

Tony Guell.vcf
(642 B)

Good afternoon Mr. Tyler

Here are the specifications and quotation on your requested truck. Once you have reviewed the information and possibly have any questions our would like to see the truck, please contact myself at the posted numbers below. Thank you for the opportunity to offer our products and services to the City of Atherton and yourself.

Regards,

Tony Guell
TEC Equipment, Inc.
(510) 577-5510 Direct Office Line #
(650) 280-3905 Cell / Text #
tguell@tectrucks.com

****

Selling price: $55,785.00 plus sales tax, DMV fees, doc & tire fees.
(Chassis and Body application)

Chassis:

2007' GMC C6500 TopKick - Regular cab
25,950 GVWR
Duramax diesel 7.8L, 200 HP/520 Ft. Lbs.
Allison Transmission 2200 series 5-speed 75-gallons of fuel - two tanks Hydraulic split brake system Exhaust brake 10K front suspension 21K rear suspension
5.29 rear axle ratio
Tires - 295/75R22.5G
Air-conditioning
Tilt and cruise control
Three-person seating
Summit white exterior color
Dark cloth interior

Body application:

Crysteel 10' foot E-tipper Dump Body (5-6 yard dump) 96" O.D width 87" I.D width 22" tall
10 - gauge rigid sides
7 - gauge floor
1/4 cab shield
28" tall manual release double panel tailgate
17.7 - ton hydraulic hoist
Body raised warning lights
Back-up alarm
Hot-shift PTO
Pintle hook (45-ton capacity)
Painted white

Item No. 18

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **APPROVE A PROFESSIONAL SERVICES AGREEMENT AMENDMENT WITH WILSEY HAM FOR DRAINAGE REDESIGN SERVICES FOR THE FLETCHER RIDGEVIEW DRAINAGE PROJECT, IN AN AMOUNT NOT TO EXCEED $33,000.**

RECOMMENDATION:

Accept the proposal and authorize the City Manager to sign a Professional Services Agreement Amendment with Wilsey Ham to provide Drainage Redesign services for the Fletcher Ridgeview Project in an amount not exceed $33,000.

BACKGROUND:

The Fletcher Ridgeview Drainage design project is underway. The design was prepared using the criteria provided by the Town for a normal street design. When the design was reviewed by staff, it was felt that additional design, using revised criteria, would probably save significant construction costs and reduce the impacts to adjacent properties.

ANALYSIS:

Staff and the consultant conducted a value engineering exercise to discuss possible modifications to the design to save costs and impacts. It was determined that additional design, using specific revised criteria, would probably save considerably more than it would cost. In addition, by eliminating retaining walls, the residents of the area would be better served. Staff requested a proposal from the consultant, Wilsey Ham, for additional value engineering of the original design and preparation of a revised final design.

Staff evaluated the proposal and determined that the costs were reasonable. The total design budget for the project is approximately 10% of the construction cost, which is a reasonable percentage. The costs saved by the redesign were estimated at approximately one-third of the costs that would be saved by eliminating retaining walls.

FISCAL IMPACT:

Parcel Tax funds in the amount of $1,000,000 are budgeted for this project in FY 2009-10. The Scope of Services and Fee Estimate were negotiated with the selected firm. The final negotiated fee estimate is $33,000. The 10% contingency of the original contract would remain, bringing the total contract to $140,830 and the total authorization to $151,613.4, which is within the approved budget.

Prepared By:

Duncan L. Jones, P.E.
Public Works Director

Approved:

Jerome D. Gruber

Jerome D. Gruber
City Manager

Attachments: Professional Services Agreement Amendment
Proposal

WILSEY HAM
ENGINEERING ■ PLANNING ■ SURVEYING

October 12, 2009

Duncan Jones
Public Works Director
Town of Atherton
91 Ashfield Road
Atherton, CA 94027

WH Job No. 256-080

Re: Proposed Amendment #2 to Existing Agreement for Fletcher Drive/Ridgeview Drive Pavement and Drainage Improvements

Dear Duncan:

As discussed, Wilsey Ham is pleased to submit this proposal to the Town for additional engineering services on the Fletcher Drive/Ridgeview Drive Pavement and Drainage Improvements Project.

Background

To date, Wilsey Ham has prepared the 95% complete plans for the road and storm drain improvements on Fletcher Drive and Ridgeview Drive. The design criteria used for the roadway utilized design standards that were requested by the Town of Atherton as well as other typical standards for roadway design. This design criterion included:

- a consistent 20-foot wide crowned road section,
- a horizontal alignment that corrected geometric alignment issues,
- roadway shoulders of 2 feet to support the newly installed curb,
- a maximum slope of 2:1 for cut and fill slopes,
- protection of existing trees,
- driveway elevations on the downhill side of the street that are 4 to 6 inches above the gutter flow-line to prevent gutter flows from running down the driveway, while maintaining driveway slopes that are no steeper than existing.

Following these criterion and standards, the design of Fletcher Drive resulted in the need for several hundred linear feet of retaining walls located on the uphill and downhill sides of the road.

As discussed in our meeting on September 11, 2009, the Town is willing to relax some of this design criterion such as maximum cut and fill slopes, minimum shoulder widths and protection of existing trees in order to reduce the project construction costs. To accomplish this reduction in construction costs, the roadway grades will need to be redesigned to incorporate the revised design criterion. This will also require revisions to the elevations of some of the storm drain system manholes, catch basins and piping in the street. Through this value-engineering design revision, Wilsey Ham will be able to eliminate the retaining walls from the project which will save the Town approximately $115,000 in construction costs.

393 Vintage Park Dive ■ Suite 100 ■ Foster City, CA 94404 ■ 650 / 349-2151 ■ Fax: 650 / 345-4921

In order to revise the roadway and storm drain plans to reduce construction costs for the Town, Wilsey Ham requests additional fees to make the changes to the plans as described below.

Fee and Schedule
Wilsey Ham's estimated Labor Fee for the additional work described above is a maximum of $33,000. The resulting total contract amount would be $140,830 (current amount of $107,830 plus Amendment #2). Billings will be monthly and will be charged on a time and materials basis to the new maximum shown above, in accordance with the attached Charge Rate Fee Schedule.

Authorization
You may authorize Wilsey Ham to proceed in accordance with this proposal and our current agreement with the Town of Atherton by returning an executed Amendment.

We appreciate the opportunity to participate on your project.

Very truly yours,

WILSEY HAM
A California Corporation

Amy Dunning, P.E.
Project Manager
RCE #69,658

Jeff Peterson
Principal
RCE #41,385

SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN THE TOWN OF ATHERTON AND WILSEY HAM

This Second Amendment to the Professional Services Agreement by and between the Town of Atherton ("Town") and Wilsey Ham ("Consultant") for the design of storm drain and street improvements for Fletcher Drive and Ridgeview Drive ("Second Amendment") is entered into as of the ___ day of _____, 2009, ("Effective Date"), by and between Town and Consultant.

RECITALS

A. Town and Consultant are parties to that certain Professional Services Agreement for the Municipal Storm Drain System Final Design Services for Fletcher-Ridgeview Storm Drain Project dated August 20, 2008 ("Agreement").

B. Whereas, Consultant has designed street and storm drainage improvements for Fletcher Drive and Ridgeview Drive that meet typical street design criteria and Town requirements; and

C. Whereas, Town and Consultant have performed a value-engineering evaluation of the project and have determined that certain modifications to the design criteria will allow the project to be re-designed to save construction costs without compromising the integrity of the design; and

D. Whereas, the potential construction cost savings is significantly greater than the cost of re-design;

E. Town and Consultant now desire to enter into this Second Amendment to provide for the additional services as described below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby amend the Agreement as follows:

1. Exhibit A, Scope of Services. The scope of services includes the redesign of Fletcher Drive and Ridgeview Drive to adjust the roadway profiles, grading and storm drain improvements to allow for the removal of retaining walls as more particularly described in the attached Exhibit A.

2. Exhibit B, Compensation. Compensation for the services provided by this Second Amendment shall be as shown in the Attached Exhibit B.

3. Agreement in Effect. The parties acknowledge and agree that the Agreement, except as amended by this Second Amendment, remains unmodified and in full force and effect in accordance with its terms.

4. Counterpart Signatures. This Second Amendment may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

IN WITNESS THEREOF, the parties have executed this Second Amendment as of the Effective Date.

TOWN OF ATHERTON:

By:_____/_____
Jerry Gruber, City Manager (Date)

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CONSULTANT:

By: Jeff Peterson /10/13/09
Name: Jeff Peterson (Date)
Title: President

By:_____/_____
Name:_____(Date)
Title:_____

EXHIBIT A

Scope of Services

Re: Second Amendment to Existing Agreement for Fletcher Drive/Ridgeview Drive Pavement and Drainage Improvements

The following Scope of Services is included in this Second Amendment:

- Revise roadway profiles and elevations as needed to eliminate the retaining walls.
- Revise driveway conform grades to accommodate the revised roadway profiles.
- Revise the top of manhole and catch basin grades where the roadway profiles have been adjusted.
- Revise pipe depths as needed to provide the necessary the depth of cover.
- Revise cut and fill slopes for the roadways where the profile grades have changed.
- Make other plan revisions as necessary to eliminate the need for retaining walls from the design.

Deliverables: Revised street and storm drain plans for bidding.

EXHIBIT B

Compensation

Wilsey Ham's estimated Labor Fee for the additional work described in Exhibit A is a maximum of $33,000, to be charged on a time and materials basis in accordance with the Charge Rate Fee Schedule in the Professional Service Agreement. The resulting total contract amount will be $140,830 (current contract amount of $107,830 plus the Second Amendment amount of $33,000).

ITEM 19

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **JEROME D. GRUBER, CITY MANAGER**

DATE: **FOR THE REGULAR MEETING OF OCTOBER 21, 2009**

SUBJECT: **SUPPORT OF THE SAN MATEO COUNTY TRANSIT DISTRICT'S APPLICATION FOR FOCUS TECHNICAL ASSISTANCE FOR THE ECONOMIC AND HOUSING OPPORTUNITIES STUDY**

RECOMMENDATION:

To Be Determined

BACKGROUND:

Michael Garvey, San Mateo County Transit District, has asked that the Town of Atherton to submit the letter of support for ECHO assistance.

The goal of the ECHO for the Grand Boulevard is to define the overall development potential for the Mission Street/El Camino Real Corridor from Daly City to San Jose and make the case for why new development will benefit individual communities as well as the region.

FISCAL IMPACT:

None

ATTACHMENTS:

1- ECHO Project Description

2- Draft Support letter

Transforming El Camino Real:

Economic and Housing Opportunity Assessment (ECHO) for the Grand Boulevard

Our Goal:

Define the overall development potential for the Mission Street/El Camino Real Corridor from Daly City to San Jose and make the case for why new development will benefit individual communities as well as the region.

Phase I: ECHO will "Assess the Opportunity and Make the Case" by:

- Examining market trends and conditions and using parcel-based tax assessor data to determine "underutilization" and demonstrate the Corridor's capacity to accommodate significant increases in jobs and housing, enhance local tax bases, and support and create vibrant community centers
- Profiling existing transformational projects to understand what conditions are necessary to produce development that meets private and public objectives
- Creating a "redevelopment scenario" to demonstrate potential profitability for both property owners and cities, illustrating how these projects can be visually designed to meet Grand Boulevard goals, and demonstrating how mobility issues could be addressed

Phase II: ECHO will help cities "Implement the Change" by:

- Working with up to four case study communities to focus on the tools, techniques and mechanics of implementation, define development scenarios, measure the potential impacts, and address opportunities, barriers and constraints
- Engaging a broad range of stakeholders in each case study community
- Creating guidance for all the Grand Boulevard communities on the "how to" of transforming the El Camino Corridor and when to deploy each tool, giving real world examples to demonstrate outcomes

The AUDIENCE to Transform El Camino Real includes:

Cities that want to improve fiscal sustainability (additional sales/property tax support) and deliver high quality projects for a more vibrant community

County and Regional Agencies that want to improve the jobs-housing balance and address job creation and workforce development

Land Owners that want to realize the highest and best use of their property

Developers that want to leverage private investment through more public/private partnerships

PROJECT LEADERS: San Mateo County Transit District, San Mateo City/County Association of Governments (C/CAG) and Silicon Valley Community Foundation, in partnership with the Grand Boulevard Initiative sponsors, member cities and counties

COST: Phase I - $230,000

Phase II – TBD

August 21, 2009

Ms. Sailaja Kurella
ABAG Regional Planner
Association of Bay Area Governments
FOCUS Program
P.O. Box 2050
Oakland, CA 94604

Subject: Economic and Housing Opportunities Study
FOCUS Technical Assistance Program

Dear Ms. Kurella,

On behalf of [city/agency], I write to strongly support the San Mateo County Transit District's application for FOCUS Technical Assistance for the Economic and Housing Opportunities (ECHO) Study to be conducted by the San Mateo County Transit District in partnership with C/CAG. The ECHO Study, a Grand Boulevard Initiative (GBI) project, will make the economic case for why transit-oriented development will benefit the 43-mile Mission Street/El Camino Real corridor and provide a toolbox to assist in advancing the implementation of smart growth. This corridor, which spans from Daly City to San Jose, has been identified as a FOCUS Priority Development Area (PDA) within San Mateo County and crosses through FOCUS PDAs within Santa Clara County.

The GBI is unique as an inter-jurisdictional collaboration, consisting of 19 cities, San Mateo and Santa Clara counties, and local and regional agencies, united to revitalize and improve the performance, safety and aesthetics of the El Camino Real corridor. As part of the GBI vision, the ECHO Study will assess the corridor's development opportunities to enhance jobs, housing, a more vibrant pedestrian environment, and the public transportation usage without an exponential increase in automobile traffic. The study will analyze the development potential for the entire El Camino Real corridor, from Daly City to San Jose, and estimate an overall benefit for the region. In addition, three case study cities will provide realistic development implementation strategies to overcome barriers and constraints in order to realize smart growth that will deliver the GBI vision. The information and strategies provided by the ECHO study are intended to assist cities along the Grand Boulevard in overcoming barriers to implementation in order to progress their respective plans in order to provide a more sustainable and environmentally friend way of life for residents.

The ECHO study will demonstrate realizable outcomes, as well as create guidance for both GBI communities and other cities in California as to how to transform urban arterial corridors from low density, auto-oriented, underutilized strip commercial development to pedestrian-, transit-, and environmentally-friendly multi-modal economic activity centers.

We wholeheartedly support the funding of this worthy project.

Sincerely,

[signature]

[Name]

Item No.

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: WYNNE S. FURTH, CITY ATTORNEY

DATE: FOR THE MEETING OF OCTOBER 21, 2009

SUBJECT: CITY MANAGER'S EMPLOYMENT AGREEMENT

RECOMMENDATION

The Council's negotiators recommend approval of the Employment Agreement between the Town of Atherton and Jerome "Jerry" Gruber attached as Exhibit A.

DISCUSSION

Following a performance evaluation of the City Manager, the City Council appointed Council Members Elizabeth Lewis and James Dobbie to negotiate an employment agreement with the City Manager. The negotiation team met regularly with the City Council in closed session during the negotiations. The agreement is attached to this staff report as Exhibit A. The City's labor counsel, Julie Raney of McDonough Holland & Allen PC, has reviewed the agreement and approved it as to form.

FISCAL IMPACT

Sections 4, 5, and 6 of the Employment Agreement detail the City Manager's compensation and benefits that will fiscally impact the Town.

Wynne Furth

Wynne Furth, City Attorney

Attachments:

Employment Agreement Between
The Town of Atherton and Jerome ("Jerry") Gruber

EMPLOYMENT AGREEMENT
BETWEEN
THE TOWN OF ATHERTON
AND
JEROME ("JERRY") GRUBER

This Agreement is made this _____ day of October, 2009, between the TOWN OF ATHERTON, a municipal corporation of the State of California ("Town") and JEROME ("JERRY") GRUBER ("City Manager").

RECITALS

The Town desires to continue to employ JEROME ("JERRY") GRUBER as City Manager for the Town.

JEROME ("JERRY") GRUBER desires to continue in the position of City Manager of the Town of Atherton.

For mutual consideration which is acknowledged, the parties agree as follows:

1. Employment.

A. General.

City Manager is hereby employed by Town as City Manager. City Manager accepts this position on the terms and conditions set forth below.

B. Effective Date.

The effective date of this Agreement is October ___, 2009.

2. Duties.

A. Town agrees to employ City Manager to perform the functions and duties of City Manager for the Town as specified by state law, by the Atherton Municipal Code, Chapter 2.12, and by any other applicable ordinances, resolutions or policies of the Town, and as directed from time to time by the Town Council, including, but not limited to, the following:

1. Administer and enforce Town policies and procedures.

2. Attend all meetings of the Town Council, unless excused by the Mayor, and take part in all matters before the Town Council.

3. Provide management, direction and leadership to department heads and staff.

4. Recommend to the Town Council, from time to time, the adoption of measures to achieve the Town's goals.

B. City Manager agrees that to the best of his ability and experience he will at all times loyally and conscientiously perform all the duties and obligations required of him, either expressly or implicitly, by the terms of this Agreement. City Manager is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligation of the City Manager position, and while there are no set hours the City Manager is expected to be available at all times reasonably necessary to fulfill his duties. City Manager will devote his full time to his duties and agrees that he will not, so long as he is employed by the Town, take any employment that will interfere or be inconsistent with the performance of his duties as City Manager for the Town.

C. City Manager will not engage in any employment, consulting service, or other business enterprise, for compensation or otherwise, which is actually or potentially in conflict with, inimical to, or which may interfere with the performance of his duties, without the express written consent of the Town Council.

3. Term of Agreement.

City Manager agrees to remain in the exclusive employ of the Town subject to termination of the Agreement by either party as provided below.

4. Compensation and Benefits.

A. Base Salary.

During the term of this Agreement, City Manager shall be paid a salary at the rate of $160,000.00 per year, or at such salary as may be approved by the Town Council of the Town by resolution from time to time. Within 7 business days of the effective date of this Agreement,

Town shall make payment to City Manager in the amount representing the difference between his current annual salary and the annual salary of $160,000.00 from January 1, 2009 to the beginning of the next payroll period after the effective date of this Agreement.

B. Car Allowance.

Town agrees to pay City Manager a car allowance in the amount of Four Hundred Dollars ($400.00) per month.

C. Retirement Payment.

The Town is a member of PERS (Public Employee's Retirement System) and shall pay to PERS City Manager's contribution, both the employer's and the employee's share.

5. Expense Reimbursement.

A. Reasonable Expenses.

The Town shall pay or reimburse City Manager for all reasonable expenses incurred by the City Manager in the performance of his duties and in accordance with the approved budget and policies of the Town.

B. Professional Dues and Meetings.

Town shall pay for reasonable professional dues and subscriptions, including City Manager's membership in the National ICMA and shall pay or reimburse for City Manager's reasonable expenses in attendance at the annual ICMA Conference and the City Manager's Conference sponsored by the California League of Cities.

C. Vacation.

City Manager shall have four (4) weeks of annual vacation per fiscal year. Vacation time may be adjusted by agreement of the parties as set out in a written amendment to this Agreement. City Manager may take vacation time at his discretion with notice to the Town Council.

D. Holidays.

City Manager shall be entitled to the same holidays provided to Town management employees as may be amended by Town Council from time to time.

E. Sick Leave.

City Manager shall be entitled to accrued sick leave at the same rate as other management employees of the Town under then current policies, presently up to a maximum of 1040 hours.

F. Medical/Dental/Long-Term Disability Insurance.

The Town shall provide group health insurance and dental coverage for City Manager and his dependents and long-term disability insurance for City Manager.

G. Life Insurance.

Town shall provide City Manager life insurance in an amount of $150,000.00 for the benefit of City Manager's designated beneficiaries.

6. Housing Assistance.

A. It is expressly understood by the parties to the Agreement that the duties of the City Manager regarding oversight of the Holbrook-Palmer Park require City Manager to reside in the Town-owned residence located at 160 Watkins Avenue, Atherton, California, for the purpose, among others, of providing ongoing, regular and active superintendence of Holbrook-Palmer Park. City Manager will exercise diligence in assuring the security of the park and will take steps to remedy any special problems and/or difficulties experienced with the park's operation as quickly as possible.

B. Occupancy of the House.

Occupancy of the house at 160 Watkins Avenue, Atherton, California, shall be at no cost to City Manager, save its interior furnishing with personal household goods. Except as otherwise provided here, Town shall pay all costs for non-routine maintenance, repairs, and upkeep including replacement of major built-in appliances, taxes, fees, and assessments. City Manager shall be responsible for all utilities (including water usage within the house) and routine maintenance including, but not limited to, window washing. Town shall provide gardening services. City Manager must vacate the premises within thirty (30) days of termination of his employments for any reason.

C. Tax Issues.

The parties understand that the Town has been provided with an opinion from legal counsel, that because it is an essential part of the City Manager's duties to occupy the house at 160 Watkins Avenue, Atherton, California, there is no income tax impact to City Manager. City Manager will be provided with a copy of this written opinion.

D. Housing Repair.

When City Manager vacates the premises upon termination of this Agreement, Town shall cause an inspection of the house and provide City Manager with a written copy of the inspection report. Any repairs which must be made to the house as a result of this inspection, which repairs are found to be caused by negligence of or neglect by the City Manager and which repairs do not result from latent defects not previously discovered, shall be paid for by City Manager.

E. Housing Loan.

In the event that City Manager's duties are changed so that occupancy of the house at 160 Watkins Avenue, Atherton, California, is no longer required, Town agrees to loan to City Manager the sum of not more than Four Hundred Thousand Dollars ($400,000.00) to enable City Manager to acquire a residence (the "Property") elsewhere. The parties understand and agree that any such residence shall be located no further from the city limits of the Town than will require more than one hour of travel, by automobile, from City Manager's residence to the Town Hall. The loan shall be secured by a standard form of Deed of Trust in first position against the Property. The interest rate shall be the then current Local Agency Investment Fund (LAIF) rate ordinarily received by Town for its reserved funds, which shall be fixed as the interest rate. Other specific terms and conditions of the loan will be subject to approval of the parties at the time of the loan.

F. Mortgage, Taxes, Insurance, Homeowner Fee.

In the event of a loan as described in Paragraph E above, then, thereafter, during the term of this Agreement, City Manager shall pay in a timely manner the obligation secured by

the Deed of Trust described above. City Manager shall obtain and keep in force policies of fire and hazard insurance with limits of not less than the replacement value of the Property naming both Town and City Manager as insured parties. All taxes assessed against the Property and the cost of maintaining the policies of fire and hazard insurance shall be paid on a timely basis by City Manager.

G. Maintenance and Improvements.

In the event of a loan as described in Paragraph E above, City Manager shall maintain the Property, at his sole expense, in good and habitable condition, reasonable wear and tear excepted. City Manager may make such improvements to the home as he deems beneficial.

H. Loan Due on Sale or Termination of Employment.

In the event of a loan as described in Paragraph E above, the loan to City Manager shall not be assumable and shall be due on sale or other transfer of title of the Property to any third party and is conditioned on the future continued performance of substantial services by City Manager as City Manager. In the event City Manager's employment is terminated for any reason, the loan shall become due and payable in full not later than one (1) year following the termination of City Manager's employment by Town. Similarly, the loan shall become due and payable in full within one (1) year from the date of termination of the use of the Property as the principal residence of City Manager.

7. Termination of Agreement.

A. At Will Employment.

The Town Council may, subject to provisions set out below, terminate the services of City Manager at any time, with or without cause, it being expressly understood and agreed between the parties that City Manager serves as an at-will employee of the Town. Town must provide City Manager with thirty (30) days written notice prior to separation from employment. Town may place City Manager on paid leave during this time in accordance with the provisions of Section 2.12.090 of the Atherton Municipal Code. City Manager understands and agrees that he has no constitutionally protected property or other interest in his employment

as City Manager. Notwithstanding the at-will nature of employment, City Manager may not be terminated without cause within 90 days after a General Municipal Election that includes the election of a council member.

B. Separation Payment - Releases.

In the event of separation from employment by the Town Council without cause while still willing and able to perform his duties, City Manager shall be entitled to receive his then current salary and health and welfare benefits, and specifically excluding the value of the housing and the car allowance, (subject to all applicable withholdings and deductions) for a period not to exceed six (6) months from the date of separation. The parties acknowledge the requirements of Government Code section 53260 and agree that, given the open-ended term of this Agreement, the Agreement will be deemed to have six (6) months remaining at such time as the Town Council should separate City Manager from service as provided above.

City Manager agrees and acknowledges that the separation payments and benefits described herein will fully compensate him for any and all obligations that the Town may have to him, and therefore, City Manager agrees that at the time of termination he will sign a release of all claims against the Town, excepting only claims that may not be released legally. The Separation Payment will release Town from any further obligations under this Agreement, and any claims of any nature that City Manager might have against the Town by virtue of his employment or termination thereof.

Also in return for such Separation Payment, City Manager agrees to be reasonably available for consultation and assistance to an Interim City Manager, a newly appointed city manager, or any other Council appointee during the period covered by such Separation Payment.

City Manager shall not be entitled to a Separation Payment in the following events:

1. City Manager is terminated for cause which shall mean gross misconduct or mismanagement, willful failure to carry out or abide by the lawful and legitimately adopted

policies, directions or decisions approved by a majority of the Town Council, malfeasance or dishonesty.

2. City Manager is convicted of (a) any felony that adversely affects his reputation, (b) a misdemeanor involving moral turpitude or arising out of City Manager's duties pursuant to this Agreement, or (c) is convicted of any act involving gain to himself.

3. City Manager dies during the term of employment.

4. City Manager resigns his employment with the Town.

City Manager may resign at any time from his position with the Town provided he gives the Town not less than sixty (60) days prior written notice. Should City Manager not provide the Town with at least sixty (60) days prior written notice, he shall not be entitled to cash out of any benefit other than as required by law. In the event City Manager resigns his position as City Manager, he shall not be entitled to a Severance Payment.

8. Dispute Resolution.

If City Manager's employment terminates for any reason that would disqualify him from receiving the Separation Payment, his sole remedy for any claim that Town breached this Agreement by failing to pay the Separation Payment shall be a judicial action for declaratory relief to determine whether there was substantial evidence to support the grounds upon which the Town based the termination. If the Court determines that such substantial evidence did not exist, City Manager shall receive the Separation Payment provided for in Section 7, but no other damages. The prevailing party in any such action shall be entitled to reasonable attorney's fees incurred in bringing or defending the action as the case may be. All other claims associated with or arising out of City Manager's employment shall be submitted to binding arbitration as set forth in the Mutual Agreement to Arbitrate, attached hereto as **Attachment A**.

9. Disability.

If City Manager is disabled to the extent that he cannot perform the full range of the essential functions of his position, with or without reasonable accommodation, as determined by a health care provider or is otherwise unable to perform the full range of the essential functions

of his position because of sickness, accident, injury, mental incapacity or other health reasons, the Town shall have the option to terminate this Agreement, subject to compliance with all provisions of law.

10. Performance Evaluation.

A. The Town Council shall review and evaluate the performance and compensation of City Manager at least once every twelve (12) months. The performance evaluation shall be delivered to City Manager no later than July 31st of every year. The compensation evaluation shall be completed and communicated to City Manager no later than January 31st of every year.

B. Annually, the Town Council, in consultation with City Manager, shall define such goals and performance objectives which they determine to be necessary for the proper operation of the Town. Further, the Town Council, in consultation with City Manager, shall establish a relative priority among the various goals and objectives, and reduce said goals and objectives to writing.

11. Bonding.

City Manager shall maintain a public official's bond in the amount determined by the Town Council in conformance with Section 2.12.040 of the Atherton Municipal Code. Town shall bear the full cost of such bond and/or any other bonds required of City Manager under any law or ordinance.

12. Other Terms and Conditions of Employment.

A. The Town Council, in conjunction with City Manager, shall fix any other terms and conditions of employment as it may determine from time to time, relating to the performance of City Manager, provided such terms and conditions are not inconsistent with or conflict with the provisions of this Agreement or other applicable law.

B. All provisions of the Atherton Municipal Code, and regulations and rules of the Town relating to management benefits, retirement and pension system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended,

shall also apply to the City Manager as they do other management employees of the Town except as herein provided.

13. Notice.

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial proceedings. Notice shall be deemed given as of the date of personal service or 24 hours after the date of deposit of such written notice in the course of transmission in the United States Postal Service to the addresses set forth below or as subsequently communicated by one party to the other in writing.

Notice to City Manager shall be sent to:

City Manager
160 Watkins Avenue
Atherton, CA 94027

Notice to Town shall be sent to:

Mayor
Town Hall
91 Ashfield Road
Atherton, CA 94027

14. General Provisions.

A. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

B. This Agreement constitutes the entire agreement between the parties and supercedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written agreement executed by Town and City Manager.

C. If any legal action or proceeding is brought to enforce or interpret this Agreement, the prevailing party, as determined by the court or other decision-maker, shall be entitled to recover from the other party all reasonable costs and attorneys' fees.

D. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking or condition. To be effective, a waiver must be in writing, signed and dated by the parties.

E. City Manager may not assign this Agreement.

Dated: July ____, 2009

TOWN OF ATHERTON

By: _____

Mayor

Dated: July ____, 2009

_____

JEROME ("JERRY") GRUBER

ATTEST:

_____

Acting City Clerk

APPROVED AS TO FORM:

_____

City Attorney

MUTUAL AGREEMENT TO ARBITRATE

This Mutual Agreement to Arbitrate ("Agreement") is made and entered into by and between the Town of Atherton ("Employer") and Jerome Gruber, an individual, ("Employee") and shall become effective when executed by Employee.

1. **General.** Except with respect to seeking injunctive relief to prevent irreparable harm or specific performance and except as to any claim by Employee that he is owed the Separation Payment set forth in his Employment Agreement, Employer and Employee agree that any claim, complaint, or dispute that relates in any way to the parties' employment relationship and that has not been resolved by any available internal grievance process shall be submitted to binding arbitration before a neutral arbitrator.

2. **Covered Claims.** Except as provided above, this Agreement covers all grievances, disputes, claims, or causes of action (collectively, "claims") arising out of the termination of Employee's employment, or any claim of discrimination or unlawful harassment of any kind, that Employee may have against Employer or against its officers, directors, employees, or agents, or that Employer may have against Employee. The claims covered by this Agreement include, but are not limited to, claims for breach of any contract or covenant (express or implied), tort claims, claims for discrimination (including, but not limited to, race, sex, sexual harassment, or any type of unlawful harassment, religion, national origin, age, marital status, medical condition, disability, or sexual orientation), claims for violation of any federal, state, or other governmental law, statute, regulation, or ordinance, including, but not limited to, all claims arising under Title VII of the Civil Rights Act of 1969, the Age Discrimination Act of 1967, the Americans With Disabilities Act, the California Fair Employment and Housing Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, or Employee Retirement Income Security Act.

3. **Claims Not Covered.** Claims not covered by this Agreement are claims for workers' compensation or unemployment compensation benefits, claims for injunctive relief premised on irreparable harm or specific performance, and other claims found not subject to mandatory arbitration by governing law.

4. **Claims Procedure.** Arbitration shall be initiated upon the express written request of either party. The aggrieved party must give written notice of any claim to the other party within the limitations period that would apply to the claim were it pursued in a court action. The written notice shall identify and describe the nature of all claims asserted and detail the facts upon which such claims are based. The notice shall be sent by regular U.S mail or by certified mail, return receipt requested to the following addresses:

If to Employer, to:

Mayor
Town Hall
91 Ashfield Road
Atherton, CA 94027

If to Employee, to:

City Manager
160 Watkins Avenue
Atherton, CA 94027

5. **Arbitrator Selection.** The arbitration shall be conducted before a retired judge who is licensed to practice law in the State of California (the "Arbitrator"). The arbitration shall be conducted under the auspices of JAMS/ENDISPUTE, in accordance with its Employment Arbitration Rules. The parties may informally choose their desired Arbitrator. If informal selection is not possible, then the Arbitrator shall be selected as follows: The arbitration service shall give each party a list of five arbitrators, drawn from its panel of arbitrators with employment dispute experience. Each party may strike all names on the list it deems unacceptable. If only one common name remains on the lists of all parties, that individual shall be designated as the Arbitrator. If more than one common name remains on the lists of all parties, the parties shall strike names alternately until only one remains. The party who did not initiate the claim shall strike first. If no common name remains on the lists of all parties, the arbitration service shall furnish an additional list or lists until an Arbitrator is selected.

6. **Discovery.** The laws of the State of California regarding discovery practices and rules of evidence in civil actions, except as otherwise agreed upon herein, shall be applied to the arbitration. Each party shall have the right to take the deposition of five (5) individuals and any expert witness designated by another party. Each party shall also have the right to make requests for production of documents, requests for admissions, and special interrogatories to any party, according to the laws of the State of California regarding such forms of discovery. The subpoena right specified below shall be applicable to discovery pursuant to this paragraph. Upon a showing of substantial need, additional discovery may be had only where the Arbitrator selected according to this Agreement so orders. At least fifteen (15) calendar days before the arbitration, the parties must exchange lists of witnesses (not including witnesses to be used for impeachment purposes), including any experts, and copies of exhibits intended to be used at the arbitration.

7. **Substantive Law/Written Decision.** The Arbitrator shall apply the substantive state or federal law (and the law of remedies, if applicable) as applicable to the claim(s) asserted. The California Rules of Evidence shall apply. The Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, including, but not limited to, any claim that all or any part of this Agreement is void or voidable. The Arbitrator shall provide the parties with a written decision explaining his or her findings and conclusions. The Arbitrator's decision shall be final and binding upon the parties, except as provided in this Agreement. The Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, including, but not limited to, any claim that all or any part of this Agreement is void or voidable.

8. **Motions.** The Arbitrator shall have jurisdiction to hear and rule on pre-hearing disputes and is authorized to hold pre-hearing conferences by telephone or in

person as the Arbitrator deems necessary. The Arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motion under the California Code of Civil Procedure.

9. **Confidentiality.** The parties agree to maintain in absolute confidence the final results of the arbitration and shall not divulge or release to any member of the general public the results of the arbitration whether resolved by decision of the Arbitrator after hearing or by voluntary dismissal or by negotiated settlement, except as California law provides for confirmation, correction, or vacation of the award pursuant to California Code of Civil Procedure sections 1285 *et seq.*

10. **Damages/Attorney Fees.** The prevailing party shall be entitled to the same type and measure of damages and recovery of attorneys' fees and costs as available under the law governing the claims resolved through the arbitration process.

11. **Compelling Arbitration/Enforcing Award.** Either party may bring an action in court to compel arbitration under this Agreement or to enforce an arbitration award, and each party shall bear their own attorneys' fees and costs and other expenses of such action.

12. **Arbitration Fees.** Employer shall be responsible to pay for the arbitration and the Arbitrator's fees, except that Employee shall be obligated to pay the filing fee if Employee initiates the claim (up to a maximum of $500).

13. **Term of Agreement.** This Agreement shall survive the termination of Employee's employment. It can only be revoked or modified by a writing signed by the parties that specifically states an intent to revoke or modify this Agreement.

14. **Severability.** If any provision of this Agreement is adjudged to be void or otherwise unenforceable, in whole or in part, such adjudication shall not affect the validity of the remainder of this Agreement.

15. **Waiver of Trial By Jury.** The parties understand and fully agree that by entering into this Agreement providing for binding arbitration, they are giving up their constitutional right to have a trial by jury, and are giving up their normal rights of appeal following the rendering of a decision except as California law provides for judicial review of arbitration proceedings. The parties anticipate that by entering this Agreement, they will gain the benefits of a speedy, impartial dispute resolution procedure.

EMPLOYER

Dated:_____ By _____
Mayor, Jerry Carlson

Dated:_____ _____
Jerome Gruber

Item No. 21

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **EILEEN M. WILKERSON, ASSISTANT CITY MANAGER**

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

SUBJECT: **REJECT CLAIM OF RODNEY BOGHOSIAN AND TANIA BOGHOSIAN**

RECOMMENDATION

Adopt Resolution 09-38 rejecting claim of Rodney Boghosian and Tania Boghosian.

BACKGROUND

The Town received a claim filed by Rodney Boghosian and Tania Boghosian regarding structural damage.

ABAG has recommended that the Town reject the claim of Rodney Boghosian and Tania Boghosian.

FISCAL IMPACT

No fiscal impact.

Attachment: Resolution 09-38 rejecting the claim of Rodney Boghosian and Tania Boghosian

RESOLUTION 09-38

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON REJECTING THE CLAIM OF

Rodney Boghosian and Tania Boghosian

BE IT RESOLVED by the City Council of the Town of Atherton that the Claim for alleged structural damages on April 14, 2009 and received September 22, 2009 is hereby rejected.

DULY AND REGULARLY ADOPTED this 21st day of October, 2009.

TOWN OF ATHERTON

_____

Jerry Carlson, Mayor

ATTEST

_____

Theresa N. DellaSanta, Deputy City Clerk

Resolution 09-38

Adopted October 21, 2009

Item No. 22

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **ACCEPTANCE OF STRUCTURAL EVALUATION REPORTS AND LIFE SAFETY BUILDING PERFORMANCE EVALUATION AND PROBABLE MAXIMUM LOSS (PML) ANALYSIS FOR THE COUNCIL CHAMBERS AND LIBRARY BUILDINGS**

RECOMMENDATION:

Receive and accept the Structural Evaluation Reports and Life Safety Building Performance Evaluation and Probable Maximum Loss (PML) Analysis for the Council Chambers and Library Buildings.

INTRODUCTION:

Last year the Town hired the Crosby Group to evaluate the Council Chambers and Library buildings for seismic performance.

This year the Town hired the Crosby Group to perform further evaluation according to Federal Emergency Management Agency (FEMA) guidelines for public occupancy.

ANALYSIS:

The ASCE 31-03 Structural Evaluation Report to determine if the structures meet the Life-Safety Performance Level of ASCE 31-03 standards for seismic evaluation of existing structures. The report concludes that the structures will require modification, and present a cost estimate for each.

The Life Safety Building Performance Evaluation determined that both buildings have the risk of falling roof tiles, where not anchored, and of falling window glass during a seismic event. Note that most roof tiles are wired, but some were found not anchored.

FISCAL IMPACT:

The Town has budgeted for the seismic retrofit of the Council Chambers in FY 2009-10.

The Library is currently undergoing a needs assessment to determine the improvements needed at the Library. This may conclude that the seismic retrofits should be performed, along with other upgrades, or it may determine that all or part of the library should be replaced.

Interim measures are being implemented for both buildings to secure any loose roof tiles and secure window glass from falling into the building on occupants, or out of the building onto persons entering or leaving the buildings. The cost of these interim measures is still being determined.

Prepared By:

Duncan L. Jones, P.E.
Public Works Director

Approved:

Jerome D. Gruber

Jerome D. Gruber
City Manager

The Structural Evaluation Reports and Life Safety Building Performance Evaluation and Probable Maximum Loss (PML) Analysis for the Council Chambers and Library Buildings are available **online in the October 21 Agenda packet** and in the **City Clerks office.**

FEMA 356
Life Safety Building Performance Evaluation & PML Analysis

For

Atherton Council Chambers
94 Ashfield Road
Atherton, California

October 6, 2009

Prepared for:
Town of Atherton
Office of the City Clerk
91 Ashfield Road
Atherton, CA 94027

Prepared by:
Crosby Group
2200 Bridge Parkway Ste. 104
Redwood City, CA 94065

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Appendix A: Structural Calculations

Appendix B: PML Evaluation Results

A. PURPOSE AND SCOPE

A1. PURPOSE OF REPORT

The purpose of this evaluation is to determine whether the building's structural systems meet the *Life-Safety Building Performance Level (3-C)* according to the Federal Emergency Management Agency (FEMA 356). Buildings meeting this level may experience extensive damage to structural and nonstructural components, but the structure should remain stable and have significant reserve capacity, while hazardous nonstructural damage is controlled. However, repairs may be required prior to reoccupancy of the building, and these repairs may potentially be deemed economically impractical. The risk to life safety in buildings meeting this target Building Performance Level is low. Additionally, a Probable Maximum Loss analysis will be conducted, to measure the structure's potential earthquake losses.

A2. FEMA 356 METHOD AND SCOPE OF EVALUATION

The seismic lateral forces used in this evaluation refer to those calculated in the analysis performed in the ASCE 31-03 Structural Evaluation Report done for the Atherton Council Chambers dated April 6, 2009. The calculations provided in Appendix A of this report show why the forces calculated in the April 6 report are still valid and thus should be referred to for the following evaluation.

Due to inherent uncertainties in prediction of ground motion and analytical prediction of building performance, some variation in actual performance should be expected. Compliance with this standard should not be considered a guarantee of performance.

A3. PML ANALYSIS

The probable maximum loss (PML) is the traditional measure of earthquake loss popularized by the insurance and seismic engineering industry in the 1980s. A probabilistic analysis accounts for the full range of possible earthquakes, their location, frequency of occurrence, size, and the propagation of the earthquake motion from the rupture zone to the site of interest. Uncertainty in each of these elements and in the damageability of the building is taken into account. This provides a more complete and "realistic" evaluation of the potential earthquake losses. If the effects of all events are combined, the hazard can be determined, that is, the probability that a ground motion of intensity X will be exceeded. This measures the likelihood that a building will encounter certain levels of ground shaking. The risk to the building then represents a probabilistic measurement of the hazard and the building's response to certain levels of shaking, or damage. Damage can then be translated into financial loss to the owner, casualty to occupants, operational loss to a business (including loss of market share), and other losses.

The PML is historically associated with a 90 percent confidence level on the structural response of the building (i.e., given that this event occurs, the PML would not be exceeded by 9 out of 10 buildings having the same structural features). Because the term "PML" has been in use for a large number of years, many people in the industry have developed benchmarks by which to judge the acceptable limits on PMLs for individual buildings.

B. STRUCTURAL & COMPONENT LEVEL OF DAMAGE TABLES

Damage Control and Building Performance Levels		
Overall Damage	**Life Safety Level (3-C) of Damage**	**Atherton Council Chambers Anticipated Damage**
General	Some residual strength and stiffness left in all stories. Gravity-load-bearing elements function. No out-of-plane failure of walls or tipping of parapets. Some permanent drift. Damage to partitions. Building may be beyond economical repair.	There is limited residual strength left in the inadequate single sheathed wood plank lateral system. Shear walls will fail under high seismic stress. Unbraced cripple walls may fail causing potential shift in the building. Significant structural damage.
Nonstructural Components	Falling Hazards mitigated but many architectural, mechanical, and electrical systems are damaged.	Unanchored Spanish ceramic tiles on the roof are severe falling hazards and pose a threat to life safety.

STRUCTURAL Performance Levels and Damage – Vertical Elements			
Elements	**Type**	**Life Safety (S-3) Level of Damage**	**Atherton Council Chambers Anticipated Damage**
Wood Stud Walls	Primary	Connections loose. Nails partially withdrawn. Some splitting of members and panels. Veneers dislodged.	Plank and stucco sheathing will potentially fracture and buckle under stress, causing major Life Safety concern.
	Secondary	Sheathing Sheared off. Let-in braces fractured and buckled. Framing split and fractured.	Sheathing will shear, braces and framing will fracture and split.
	Drift	3% transient or permanent.	The structure will exceed the 3% transient and have permanent drift.
Foundations	General	Major settlement and tilting.	Settlement is moderate.

Structural Performance Levels and Damage – Horizontal Elements		
Element	**Life Safety (S-3) Level of Damage**	**Atherton Council Chambers Anticipated Damage**
Wood Diaphragms	Some Splitting at connections. Loosening of sheathing. Observable withdrawal of nails and extensive splitting of elements.	Single sheathed wood plank diaphragms are inadequate to transfer loads to and from vertical elements. Diaphragm will experience fracture and splitting.

Nonstructural Performance Levels and Damage – Architectural Components		
Component	**Life Safety (N-C) Level of Damage**	**Atherton Council Chambers Anticipated Damage**
Cladding	Severe distortion in connections. Distributed cracking, bending, crushing, and spalling of cladding elements. Some fracturing of cladding, but panels do not fall.	Exterior plaster will crack and experience spalling but poses little threat to life safety. Masonry veneer at the building's main entrance may fall.
Glazing	Extensive cracked glass; little broken glass.	Glazing with shatter at shear walls. It may pose significant risk due to falling pieces.
Partitions	Distributed damage; some severe cracking, crushing, and racking in some areas.	Severe cracking, crushing and racking may occur.
Ceilings	Extensive damage. Dropped suspended ceiling tiles. Moderate cracking in hard ceilings.	Hard plaster ceilings will crack due to inadequate bracing.
Parapets & Ornamentation	Extensive damage; some falling in unoccupied areas.	Heavy Spanish ceramic roof tiles may slip from roof, falling into unoccupied perimeter of building, as well as above building egress, threatening life safety.
Canopies & Marquees	Moderate damage.	n/a
Chimneys & Stacks	Extensive damage. No collapse	n/a
Stairs & Fire Escapes	Some racking and cracking of slabs. Usable.	Stairs may crack from weak lateral strength in a seismic event.
Doors	Distributed damage. Some racked and jammed doors.	Doors may experience damage.

Nonstructural Performance Levels and Damage – Mechanical, Electrical, and Plumbing Systems/Components		
System/Component	**Life Safety (N-C) Level of Damage**	**Atherton Council Chambers Anticipated Damage**
Elevators	Elevators out of service; counterweights do not dislodge.	n/a
HVAC Equipment	Units shift on supports, rupturing attached ducting, piping, and conduit, but do not fall.	HVAC units may shift, but are not a threat to life-safety.
Manufacturing Equipment	Units slide, but do not overturn; utilities not available; some realignment required to operate.	n/a
Ducts	Ducts break loose of equipment and louvers; some supports damaged, but systems remain suspended.	n/a
Piping	Minor damage at joints, with some leakage. Some supports damaged, but systems remain suspended.	Piping may have damage, but should remain suspended. Not a life safety concern.
Fire Sprinkler Systems	Some sprinkler heads damaged by swaying ceilings. Leaks develop at some couplings.	n/a
Fire Alarm Systems	Ceiling mounted sensors damaged. May not function.	n/a
Emergency Lighting	Some lights fall. Power may be available from emergency generator.	n/a
Electrical Distribution Equipment	Units shift on supports and may not operate. Generators provided for emergency power start; utility service lost.	Units may shift and lose power. Not a life safety concern.
Light Fixtures	Many broken light fixtures. Falling hazards generally avoided in heavier fixtures (> 20 pounds)	Light fixtures may brake and fall, but none over 20 pounds. Not a life safety concern.
Plumbing	Some fixtures broken, lines broken; mains disrupted at source.	Plumbing may have broken fixtures from building movement, but not a life safety concern.

Nonstructural Performance Levels and Damage – Contents		
Contents	**Life Safety (N-C) Level of Damage**	**Atherton Council Chambers Anticipated Damage**
Computer Systems	Units shift and may disconnect cables, but do not overturn.	Units may shift. Not a life safety concern.
Desktop Equipment	Some equipment slides off desks	Equipment may slide. Not a life safety concern.
File Cabinets	Cabinets overturn and spill contents.	Cabinets may overturn. Not a life safety concern.
Book Shelves	Books slide off shelves.	Books may slide off shelves, but bookshelves are anchored. Not a life safety concern.
Hazardous Materials	Minor damage; occasional materials spilled; gaseous materials contained.	n/a
Art Objects	Objects damaged by falling, water, dust.	Art objects may be damaged. Not a life safety concern.

C. EVALUATION SUMMARY OF FINDINGS

C.1 GENERAL

Due to the high level of seismicity and dated construction, the Atherton Council Chambers building does not meet the Target Building Performance Level 3-C according to FEMA 356 and therefore poses threat to the life safety of its occupants. The FEMA 356 defined Building Performance Level 3-C considers buildings that meet its criteria to have no major structural deficiencies, however the inadequate lateral system of the Atherton Council Chambers risks instability and very little, if any reserve capacity. Following a seismic event, the building may become "beyond economical repair". This evaluation exposes the significant level of threat to life safety that the Atherton Council Chambers possesses in the event of an earthquake, reinforcing the need for the structure to be rehabilitated.

The PML analysis obtained a level of 25 for the Atherton Council Chambers.

C2. COUNCIL CHAMBERS

The main area of concern is the structure's lateral system. The wood plank sheathing does not provide enough strength for the high seismic forces that the structure is susceptible to experience. This weakness will cause the shear walls to crack, split and fracture. Similarly, where vertical discontinuities exist at the different diaphragm heights, the out-of-plane forces from the lower diaphragms may cause walls to crack and fracture. Also, the Atherton Council Chambers building shares a wall near the East entrance of the original 1929 Library structure, without any visible expansion joint, which means when the two buildings move independently in an earthquake there is the potential of fracture at that shared wall. The wall at the Library's east entrance may then shear and lose its lateral capacity. Additionally, the Spanish ceramic tiles on the roof of the structure are not anchored appropriately. Under the intensity of even an average seismic event, they will become significant falling hazards along the perimeter of the building, including the building's entrance and exit, creating a life threatening situation. This poses a danger to individuals surrounding or evacuating the building.

APPENDIX A:

STRUCTURAL CALCULATIONS

Crosby group

Project:	Job No:	
Description: BSE-1 RESPONSE ACCL.	Date: 9/2009	Sht:
	By: JKR Ck:	

S_{XS} , S_{X1} IS SMALLER OF...

1] 10%/50 YR SPECRAL RESPONSE ACCL. CONTOUR MAPS ↓ MODIFIED FOR SITE CLASS W/ SEC 1.6.1.4

2] 2/3 OF VALUES FOR BSE-2 EARTHQUAKE HAZ. LVL (S_{DS} + S_{D1} VALUES FROM MCE SPECTRAL RESPONSE ACCL. CONTOUR MAPS) , 2%/50YR

1] S_{XS} = 1.305g

S_{X1} = 0.804g

(SEE ATTACHED OUTPUT)

2] S_{XS} = 1.159g ← SMALLEST VALUES GOVERN

S_{X1} = 0.789g

(SEE ATTACHED OUTPUT)

∴ SEE LATERAL CALCS FROM TIER1 / TIER 2 ANALYSIS REPORT FOR ATHERTON LIBRARY + CHAMBERS (SAME SPECTRAL RESPONSE ACCL)

10% / 50 YR Spectral Response Accelerations

Conterminous 48 States
2002 Data
Uniform Hazard Spectrum (UHS) for 10 % PE in 50 years

Latitude = 37.4629
Longitude = -122.1957
B/C Boundary
Data are based on a 0.05 deg grid spacing

Period (sec)	Sa (g)	Sd (inches)
0.000	0.542	0.000
0.100	0.976	0.095
0.200	**1.208**	0.472
0.300	1.138	1.001
0.500	0.890	2.173
1.000	**0.536**	5.232
2.000	0.272	10.625

Ss = 1.208
S_1 = 0.536

Site Class D

Fa = 1.08
Fv = 1.5

Sxs = S_{MS} = Ss x Fa = 1.305
S_{X1} = S_{M1} = S_1 x Fv = .804

BSE-2 Values

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations Ss and S1
Ss and S1 = Mapped Spectral Acceleration Values
Site Class B - Fa = 1.0 ,Fv = 1.0
Data are based on a 0.01 deg grid spacing

Period (sec)	Sa (g)
0.2	1.738 (Ss, Site Class B)
1.0	0.789 (S1, Site Class B)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations SMs and SM1
SMs = Fa x Ss and SM1 = Fv x S1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	1.738 (SMs, Site Class D)
1.0	1.183 (SM1, Site Class D)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Design Spectral Response Accelerations SDs and SD1
SDs = 2/3 x SMs and SD1 = 2/3 x SM1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	**1.159** (SDs, Site Class D)
1.0	**0.789** (SD1, Site Class D)

$S_{XS} = S_{DS} = 1.159$
$S_{X1} = S_{D1} = 0.789$

APPENDIX B:

PML EVALUATION RESULTS

ATHERTON COUNCIL CHAMBERS - PML - Seismic Risk Analysis

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Council Chambers	**Job Number:**	
Street Address:	94 Ashfield Road Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

INFORMATION SOURCES

SiteVisit: Dan Petruc-Naum **Date:** 3-16-2009
Interviewed: **Docs Reviewed:**

BUILDING DESCRIPTION

Building Classification: W1 - Wood Light Frame
Occupancy: Office
Latitude/Longitude: 37.4629 -122.1957
Region: USA: California
Region Version: 3.00
Evaluation Lifetime (yrs): 30
Uniform Building Code Design Edition: ? (pre-1973)
Year Constructed: 1929
Year Retrofitted:
Building Height (ft): 20
Fundamental Period (s): 0.567000
Area (sf): 1,820
Replacement Cost ($):
Plan Dimensions: Approximately 58' x 55'
Exterior North-South Walls: Wood planks
Exterior East-West Walls: Wood planks
Roof Deck/Framing: Planks over wood joists
Intermediate Floors/Framing: n/a
Ground Floors: Planks over wood joists
Columns: n/a
Foundation: Continuous footings, spread footings
Basement Levels: n/a
Parking Structure: n/a

LATERAL FORCE RESISTING SYSTEM

Floors/Roof: Wood Plank Sheathing
Walls/Braces: Wood Plank Sheathing

BUSINESS INTERRUPTION

Max. Loss With No BI:
Min. Loss At Abandonment:
BI Months At Abandonment:
BI Revenue Loss Rate($/Month):

ATHERTON COUNCIL CHAMBERS - PML - Seismic Risk Analysis

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Council Chambers	**Job Number:**	
Street Address:	94 Ashfield Road Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

GEOTECHNICAL DESCRIPTION

Provider:
Date:
Topography:
Soil Conditions:
UBC Soil Class: Unknown [Assuming - D]
Liquefaction Resilience: Low
Liquefaction Susceptibility: Moderate
Depth to Water Table (ft): Unknown [Assuming - 20]
Landslide Susceptibility: Unknown [Assuming - Very Low]

COMMENTS

Comments:

ATHERTON COUNCIL CHAMBERS - PML

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Council Chambers	**Job Number:**	
Street Address:	94 Ashfield Road	**Engineer:**	Dan Petruc-Naum
	Atherton, CA, USA 94027	**PE Number/State:**	C 51766 California

MODIFIED FEMA-310 WORKSHEET

W1Wood Light Frame

Category	Range	Typical	Modifier
GENERAL BUILDING FEATURES			
Complete load path	T, F	F	T
No vertical discontinuities	T, F	T	T
No overdriven fasteners	N/A, T, F	T	T
Cripple walls braced	N/A, T, F	F	N/A
Wood sills bolted	N/A, T, F	F	F
LATERAL FORCE RESISTING SYSTEM			
Redundancy	T, F, 0-5	2	T
Shear stress check in shear walls	T, F, 0-10	8	F
No stucco shear walls	T, F, 0-10	5	F
No gypsum wallboard or plaster shear walls	T, F, 0-10	5	T
No narrow wood shear walls	T, F, 0-10	5	F
Walls connected through floors	T, F, 0-5	2	T
Adequate hillside shear wall aspect ratios	N/A, T, F, 0-10	5	N/A
Openings properly detailed	N/A, T, F, 0-5	2	N/A
Properly constructed hold-downs	N/A, T, F, 0-10	5	N/A
CONNECTIONS			
Adequate wood sill bolt spacing	N/A, T, F, 0-10	0	F
Adequate girder to column/wall connection	N/A, T, F, 0-10	0	N/A
Wood posts positively connected to foundation	N/A, T, F, 0-10	0	T
FLOOR DIAPHRAGMS			
Reinforcing at re-entrant corner	N/A, T, F, 0-10	0	N/A
Adequate reinforcing at openings	N/A, T, F, 0-5	0	N/A
Diaphragm continuity	T, F, 0-10	5	F
Adequate straight sheathing aspect ratios	N/A, T, F, 0-5	2	F
Large spans adequately sheathed	N/A, T, F, 0-5	2	N/A
Unblocked diaphragms meet requirements	T, F, 0-5	2	T
Chord continuity	T, F, 0-10	5	F
Other diaphragms meet requirements	N/A, T, F, 0-5	2	T

ATHERTON COUNCIL CHAMBERS - PML

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Council Chambers	**Job Number:**	
Street Address:	94 Ashfield Road	**Engineer:**	Dan Petruc-Naum
	Atherton, CA, USA 94027	**PE Number/State:**	C 51766 California

MODIFIED FEMA-310 WORKSHEET

Category	Range	Typical	Modifier
ROOF DIAPHRAGM			
Reinforcing at re-entrant corner	N/A, T, F, 0-10	0	N/A
Adequate reinforcing at openings	N/A, T, F, 0-5	0	N/A
Diaphragm continuity	T, F, 0-10	5	F
Adequate straight sheathing aspect ratios	N/A, T, F, 0-5	2	F
Large spans adequately sheathed	N/A, T, F, 0-5	2	N/A
Unblocked diaphragms meet requirements	T, F, 0-5	2	T
Chord continuity	T, F, 0-10	5	F
Other diaphragms meet requirements	N/A, T, F, 0-5	2	T
UNUSUAL CONDITIONS			
Little deterioration of wood	T, F, 0-5	2	T
Adequate overturning resistance	T, F, 0-5	2	T
Little foundation damage	T, F, 0-5	2	F
Little foundation deterioration	T, F, 0-5	2	T
Ties between foundation elements	N/A, T, F, 0-5	2	N/A
Insignificant sloping at site	N/A, T, F, 0-5	0	T
SITE DEPENDENT HAZARDS - ACTIVE FAULTS			
Surface fault rupture	N/A, 0-50	0	0
NONSTRUCTURAL EXTERIOR 'WALLS'			
Cladding, glazing, veneer	N/A, T, F, 0-10	5	F
Chimneys	N/A, T, F, 0-5	5	N/A
NONSTRUCTURAL INTERIOR 'WALLS'			
Partitions (HC tile)	N/A, T, F, 0-10	0	N/A
Partitions (pre-cast panels..)	N/A, T, F, 0-10	5	N/A
EXTERIOR ORNAMENTATION			
Parapets, cornices, and appendages	N/A, T, F, 0-10	0	N/A
INTERIOR ORNAMENTATION			
Building contents and furnishings	T, F, 0-10	5	T
Ceiling systems	T, F, 0-5	5	F
Light fixtures	T, F, 0-5	5	T

ATHERTON COUNCIL CHAMBERS - PML

Company Name: Crosby Group
Building Name: Atherton Council Chambers
Street Address: 94 Ashfield Road
Atherton, CA, USA 94027

Date: September 15, 2009
Job Number:
Engineer: Dan Petruc-Naum
PE Number/State: C 51766 California

MODIFIED FEMA-310 WORKSHEET

Category	Range	Typical	Modifier
MECHANICAL AND ELECTRICAL SYSTEMS			
Mechanical and electrical equipment	T, F, 0-10	5	T
Piping and sprinklers	T, F, 0-5	2	T
Ducts	T, F, 0-5	2	T
Elevators	N/A, T, F, 0-5	2	N/A
HAZARDOUS EXPOSURES - POUNDING			
No adjacent buildings	N/A, T, F, 0-5	0	F
HAZARDOUS EXPOSURES - MATERIALS			
No hazardous materials	N/A, T, F, 0-10	0	T
OCCUPANCY (TYPE: OFFICE)			
Interior Construction	-5-5	0	?
SITE DEPENDENT CHARACTERISTICS			
UBC Soil Class	A - E	D	Unknown
Liquefaction Resilience	Low - High	Low	Low
Liquefaction Susceptibility	V. Low-V. High	Moderate	Moderate
Depth to Water Table (ft)	0-1000+	20	Unknown
Landslide Susceptibility	V. Low-V. High	Very Low	Unknown

ATHERTON COUNCIL CHAMBERS - PML

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Council Chambers	**Job Number:**	
Street Address:	94 Ashfield Road	**Engineer:**	Dan Petruc-Naum
	Atherton, CA, USA 94027	**PE Number/State:**	C 51766 California

VULNERABILITY SUMMARY

Component Modifier Summary

Base Class 90% Fractile Loss at MMI=IX (% of Value): **24**

Modifiers to Base Class Loss

Item	Group Modifier (% of Loss)	Sigma (% of Loss)
1. Occupancy type:	0	1.7
2. Connections:	3	2.7
3. Walls:		
A. Exterior	10	7.7
B. Interior	0	0.0
4. Diaphragms:		
A. Floor(s)	4	3.2
B. Roof	4	3.2
5. Ornamentation:		
A. Exterior	0	0.0
B. Interior	-3	2.4
6. Mechanical/electrical systems:	-8	2.5
7. Unusual conditions:	-3	5.4
8. Hazardous exposures:		
A. Tank and overhanging walls	0	2.6
B. Pounding and adjacent buildings	5	1.9
9. Site dependent hazards:		
A. Proximity of active fault	0	19.1
Total	12	22.5

Modified Base Class 90% Fractile Loss at MMI=IX (% of Value): **27**

Loss vs MMI

MMI	Loss to Facilities (% of Value)	
	90% Frac. Loss	Mean
V	0	0
VI	1	1
VII	10	5
VIII	18	9
IX	27	14
X	31	16
XI	36	18
XII	40	21

ATHERTON COUNCIL CHAMBERS - PML

Company Name: Crosby Group
Building Name: Atherton Council Chambers
Street Address: 94 Ashfield Road
Atherton, CA, USA 94027

Date: September 15, 2009
Job Number:
Engineer: Dan Petruc-Naum
PE Number/State: C 51766 California

RISK SUMMARY

Expected Loss Table

Probability of Exceedence	MMI	Loss to Facilities (% of Value)			BI (months)
		PL	SUL	SEL	
50.0% in 30 years 43 year return period	VI-VII	2	8	4	N/A
10.0% in 30 years 285 year return period	VIII	12	21	11	N/A
2.0% in 30 years 1485 year return period	IX	70	70	70	N/A
10.0% in 50 years 475 year return period	VIII-IX	17	PML 25	13	N/A
2.0% in 50 years 2475 year return period	IX	82	82	82	N/A

Event and Fault Table

Close and Significant Seismic Sources	Maximum Magnitude	Closest Distance (km)	Max. MMI	Max. SUL *	Max. SEL *	Maximum Business Interuption (months)	Percent Contribution **
California Gridded***	7.0	5.0	VIII-IX	24	12	N/A	6
Monte Vista-Shannon	6.5	5.3	VIII	19	10	N/A	4
N. San Andreas;SAP	7.2	7.7	VIII	20	10	N/A	3
N. San Andreas;SAO+SAN+SAP	8.0	7.7	VIII-IX	24	12	N/A	1
N. San Andreas;SAN+SAP	7.7	7.7	VIII-IX	23	12	N/A	<1
N. San Andreas;SAO+SAN+SAP+SAS	8.1	7.7	VIII-IX	24	12	N/A	32
N. San Andreas	8.0	7.7	VIII-IX	24	12	N/A	11
N. San Andreas;SAN+SAP+SAS	7.9	7.7	VIII-IX	23	12	N/A	<1
N. San Andreas;SAP+SAS	7.5	7.7	VIII-IX	22	11	N/A	26
Hayward-Rodgers Creek	7.3	22.9	VII-VIII	14	7	N/A	<1
Hayward-Rodgers Creek;RC+HN+HS	7.3	22.9	VII-VIII	14	7	N/A	<1
Hayward-Rodgers Creek;HS	6.8	23.0	VII	10	5	N/A	2
Hayward-Rodgers Creek;HN+HS	7.0	23.0	VII	12	6	N/A	2
San Gregorio Connected	7.5	23.0	VII-VIII	15	8	N/A	6
Extensional Gridded	7.0	25.8	VII	11	6	N/A	<1
Calaveras;CN	6.9	31.6	VII	8	4	N/A	<1

* Losses to individual events are from shaking only.
** Percent contributions are for the probabilistic 475 year return period risk.
*** Event causing highest loss (from shaking only)

Average Annual Loss (% of Repl. Cost): 0.260775
Business Interruption Average Annual Loss ($): 0
Return Period of Major Liquefaction/Landslide: 887 Years

ATHERTON COUNCIL CHAMBERS - PML

Company Name:	Crosby Group	**Date:**	September 15, 2009
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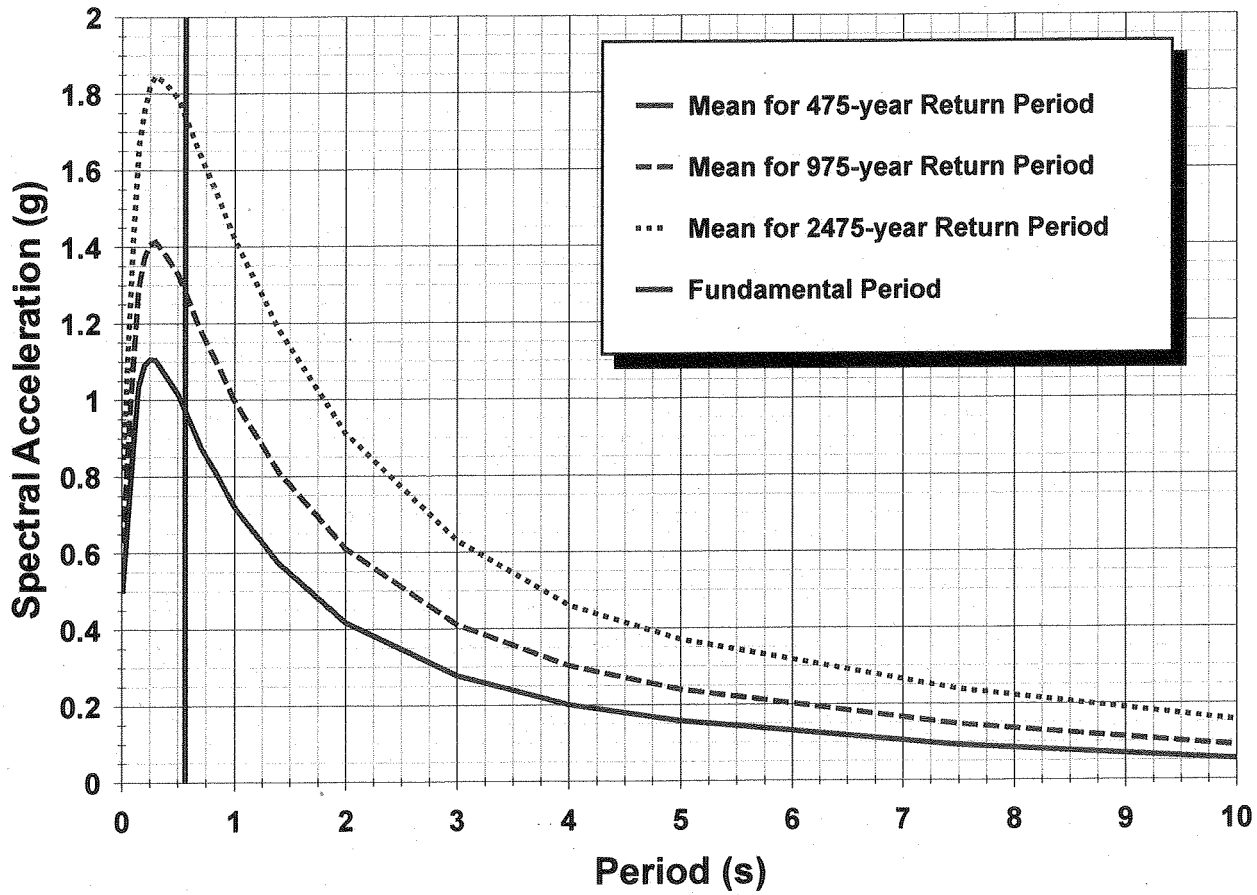
Street Address:	94 Ashfield Road	**Engineer:**	Dan Petruc-Naum
	Atherton, CA, USA 94027	**PE Number/State:**	C 51766 California

SPECTRAL RESPONSE SUMMARY

Uniform Hazard Spectra



Spectral Response Values

Period (s)	10% in 50 yrs (g)	5% in 50 yrs (g)	2% in 50 yrs (g)
(0.567)	0.96	1.27	1.73
PGA	0.50	0.63	0.82
0.1	0.86	1.08	1.41
0.15	1.04	1.29	1.66
0.2	1.09	1.37	1.76
0.25	1.11	1.41	1.82
0.3	1.10	1.41	1.85
0.4	1.06	1.37	1.82
0.5	1.02	1.33	1.79
0.7	0.88	1.18	1.64
1.	0.72	1.00	1.42
1.4	0.57	0.81	1.18
2.	0.42	0.61	0.91
3.	0.28	0.41	0.63
4.	Report generated by ST-RISK Version 4.41		0.46
5.	0.16	0.24	0.37
7.5	0.09	0.15	0.24

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Council Chambers	**Job Number:**	
Street Address:	94 Ashfield Road Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

DISCLAIMERS and OTHER INFORMATION

RESULTS DISCLAIMER

This report, and the analyses, estimates and conclusions are based on scientific data, mathematical and empirical models, and experience of engineers, geologist and geotechnical specialist, using the input specified by the software licensee. Actual losses experienced during any earthquake may differ substantially from these estimates. Neither Risk Engineering, Inc., Degenkolb Engineers, nor any third party supplier of information to this software can be held liable for any inaccuracies in the results obtained by ST-RISK.

SPRINKLER DAMAGE

Substantial building facilities loss has occurred in recent large earthquakes due to fire sprinkler damage. The figures presented herein may not adequately account for these potential losses. If the modifier for sprinklers in the Mechanical and Electrical Systems section of the Modified FEMA-310 Worksheet was 3 or higher, or '?', a more detailed evaluation of potential sprinkler damage should be made and additional loss anticipated.

THIRD PARTY DATA

Much of the data in this report is derived from data provided by the California Geological Survey (CGS), the US Geological Survey (USGS), the Geological Survey of Canada (GSC), as well as other parties. Most of the original data received was modified to make compatible with ST-RISK. None of these parties can be held liable for any inaccuracies inherent in the data or inherent in the modifications.

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Council Chambers	**Job Number:**	
Street Address:	94 Ashfield Road Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

GLOSSARY

MMI	Modified Mercalli Intensity - A measure of ground motion intensity based on human perception of motion and observed structural damage.
PML	Probable Maximum Loss - The percentage monetary loss (damage/replacement cost x 100) that has a 10 percent chance of being exceeded for a 475-year ground motion.
PL	Probable Loss - For a given time interval, or return period, this is the amount of loss that a property is expected to meet or exceed on an average basis. This combines the probability distribution of hazard with the full damage distribution, representing the best overall assessment of risk.
SUL	Scenario Upper Loss - The percentage monetary loss (damage/replacement cost x 100) that has a 10 percent chance of being exceeded given any defined ground shaking intensity. Equal to PML for 475-year ground shaking.
SEL	Scenario Expected Loss - The expected, or mean, percentage monetary loss (damage/replacement cost x 100) that is predicted given any defined ground shaking intensity.
Mean Loss	The expected, or average, percentage monetary loss (damage/replacement cost x 100) that is predicted for a given ground shaking level.
Sigma	The range of building assessment variation covered by one standard deviation. This represents the uncertainty of characterizing the building properly. This does not include uncertainty in the expected ground motion intensities nor range of expected damage. It is implied that the distribution of uncertainty is truncated at 100% and 0% of building value.
BI	Business Interruption / Loss-of-Use - The number of months that the facility is out of operation.
Base Class Loss	The percentage monetary loss for 90% fractile (damage/replacement cost x 100) assigned to a building class that accounts for type of construction and important construction deficiencies.
Modified Base Class Loss	The percentage monetary loss for 90% fractile assigned to a building class that accounts for the Base Class Loss and location and minor construction deficiencies.
Probability of Exceedence	The probability that the ground shaking level or damage level will be exceeded.
Event Causing Highest Loss	The highest level of intensity due only to shaking that is experienced when considering all earthquakes given a median predicted shaking level.
Maximum Considered Earthquake (MCE)	Loss associated with a 2% in 50 year probability of exceedence.
Uniform Building Code (UBC)	Loss associated with a 10% in 50 year probability of exceedence as defined by new building design provisions found in the Uniform Building Code.
% Contribribution	Percent contribution of fault or fault segment to the 475-year return period risk.

FEMA 356
Life Safety Building Performance Evaluation & PML Analysis

For

Atherton Library
2 Dinkelspiel Station Ln.
Atherton, California

September 24, 2009

Prepared for:
Town of Atherton
Office of the City Clerk
91 Ashfield Road
Atherton, CA 94027

Prepared by:
Crosby Group
2200 Bridge Parkway Ste. 104
Redwood City, CA 94065

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Appendix A: Structural Calculations

Appendix B: PML Evaluation Results

A. PURPOSE AND SCOPE

A1. PURPOSE OF REPORT

The purpose of this evaluation is to determine whether the building's structural systems meet the *Life-Safety Building Performance Level (3-C)* according to the Federal Emergency Management Agency (FEMA 356). Buildings meeting this level may experience extensive damage to structural and nonstructural components, but the structure should remain stable and have significant reserve capacity, while hazardous nonstructural damage is controlled. However, repairs may be required prior to reoccupancy of the building, and these repairs may potentially be deemed economically impractical. The risk to life safety in buildings meeting this target Building Performance Level is low. Additionally, a Probable Maximum Loss analysis will be conducted, to measure the structure's potential earthquake losses.

A2. METHOD AND SCOPE OF EVALUATION

The seismic lateral forces used in this evaluation refer to those calculated in the analysis performed in the ASCE 31-03 Structural Evaluation Report done for the Atherton Library dated February 11, 2009. The calculations provided in Appendix A of this report show why the forces calculated in the February 11 report are still valid and thus should be referred to for the following evaluation.

Due to inherent uncertainties in prediction of ground motion and analytical prediction of building performance, some variation in actual performance should be expected. Compliance with this standard should not be considered a guarantee of performance.

A3. PML ANALYSIS

The probable maximum loss (PML) is the traditional measure of earthquake loss popularized by the insurance and seismic engineering industry in the 1980s. A probabilistic analysis accounts for the full range of possible earthquakes, their location, frequency of occurrence, size, and the propagation of the earthquake motion from the rupture zone to the site of interest. Uncertainty in each of these elements and in the damageability of the building is taken into account. This provides a more complete and "realistic" evaluation of the potential earthquake losses. If the effects of all events are combined, the hazard can be determined, that is, the probability that a ground motion of intensity X will be exceeded. This measures the likelihood that a building will encounter certain levels of ground shaking. The risk to the building then represents a probabilistic measurement of the hazard and the building's response to certain levels of shaking, or damage. Damage can then be translated into financial loss to the owner, casualty to occupants, operational loss to a business (including loss of market share), and other losses.

The PML is historically associated with a 90 percent confidence level on the structural response of the building (i.e., given that this event occurs, the PML would not be exceeded by 9 out of 10 buildings having the same structural features). Because the term "PML" has been in use for a large number of years, many people in the industry have developed benchmarks by which to judge the acceptable limits on PMLs for individual buildings.

B. STRUCTURAL & COMPONENT LEVEL OF DAMAGE TABLES

B.1 Damage Control and Building Performance Levels

Overall Damage	Life Safety Level (3-C) of Damage	Atherton Library Anticipated Damage
General	Some residual strength and stiffness left in all stories. Gravity-load-bearing elements function. No out-of-plane failure of walls or tipping of parapets. Some permanent drift. Damage to partitions. Building may be beyond economical repair.	There is limited residual strength left in the inadequate single sheathed wood plank lateral system. Shear walls will fail under high seismic stress. Unbraced cripple walls may fail causing potential shift in the building. Significant structural damage.
Nonstructural Components	Falling Hazards mitigated but many architectural, mechanical, and electrical systems are damaged.	Unanchored Spanish ceramic tiles on the roof are severe falling hazards and pose a threat to life safety.

B.2 Structural Performance Levels & Damage – Vertical Elements

Elements	Type	Life Safety (S-3) Level of Damage	Atherton Library Anticipated Damage
Wood Stud Walls	Primary	Connections loose. Nails partially withdrawn. Some splitting of members and panels. Veneers dislodged.	Plank and stucco sheathing will potentially fracture and buckle under stress, causing major Life Safety concern.
	Secondary	Sheathing Sheared off. Let-in braces fractured and buckled. Framing split and fractured.	Sheathing will shear, braces and framing will fracture and split.
	Drift	3% transient or permanent.	The 1981 library addition will be within 2% transient drift. The original two story1929 structure will exceed the 3% transient and have permanent drift.
Foundations	General	Major settlement and tilting.	Settlement is minimal.

B.3 Structural Performance Levels & Damage – Horizontal Elements		
Element	**Life Safety (S-3) Level of Damage**	**Atherton Library Anticipated Damage**
Wood Diaphragms	Some Splitting at connections. Loosening of sheathing. Observable withdrawal of nails and extensive splitting of elements.	Single sheathed wood plank diaphragms are inadequate to transfer loads to and from vertical elements. Diaphragm will experience fracture and splitting.

B.4 Nonstructural Performance Levels & Damage – Architectural Components		
Component	**Life Safety (N-C) Level of Damage**	**Atherton Library Anticipated Damage**
Cladding	Severe distortion in connections. Distributed cracking, bending, crushing, and spalling of cladding elements. Some fracturing of cladding, but panels do not fall.	Exterior plaster will crack and experience spalling but poses little threat to life safety.
Glazing	Extensive cracked glass; little broken glass.	Glazing with shatter with the damaged shear wall. It may pose significant risk due to falling pieces.
Partitions	Distributed damage; some severe cracking, crushing, and racking in some areas.	Severe cracking, crushing and racking may occur.
Ceilings	Extensive damage. Dropped suspended ceiling tiles. Moderate cracking in hard ceilings.	Suspended ceiling tiles in Library will fall. Hard plaster ceilings will crack due to inadequate bracing.
Parapets & Ornamentation	Extensive damage; some falling in unoccupied areas.	Heavy Spanish ceramic roof tiles may slip from roof, falling into unoccupied perimeter of building, as well as above building egress, threatening life safety.
Canopies & Marquees	Moderate damage.	Canopy at East entrance may fail due to inadequate anchorage, creating a falling hazard and blocking means of egress.
Chimneys & Stacks	Extensive damage. No collapse	n/a
Stairs & Fire Escapes	Some racking and cracking of slabs. Usable.	Stairs may crack from weak lateral strength in a seismic

		event.
Doors	Distributed damage. Some racked and jammed doors.	Doors may experience damage.

B.5 Nonstructural Performance Levels & Damage - Mechanical, Electrical, and Plumbing Systems/Components

System/Component	Life Safety (N-C) Level of Damage	Atherton Library Anticipated Damage
Elevators	Elevators out of service; counterweights do not dislodge.	n/a
HVAC Equipment	Units shift on supports, rupturing attached ducting, piping, and conduit, but do not fall.	HVAC units may shift, but are not a threat to life-safety.
Manufacturing Equipment	Units slide, but do not overturn; utilities not available; some realignment required to operate.	n/a
Ducts	Ducts break loose of equipment and louvers; some supports damaged, but systems remain suspended.	n/a
Piping	Minor damage at joints, with some leakage. Some supports damaged, but systems remain suspended.	Piping may have damage, but should remain suspended. Not a life safety concern.
Fire Sprinkler Systems	Some sprinkler heads damaged by swaying ceilings. Leaks develop at some couplings.	n/a
Fire Alarm Systems	Ceiling mounted sensors damaged. May not function.	n/a
Emergency Lighting	Some lights fall. Power may be available from emergency generator.	n/a
Electrical Distribution Equipment	Units shift on supports and may not operate. Generators provided for emergency power start; utility service lost.	Units may shift and lose power. Not a life safety concern.
Light Fixtures	Many broken light fixtures. Falling hazards generally avoided in heavier fixtures (> 20 pounds)	Light fixtures may brake and fall, but none over 20 pounds. Not a life safety concern.
Plumbing	Some fixtures broken, lines broken; mains disrupted at source.	Plumbing may have broken fixtures from building movement, but not a life safety concern.

B.6 Nonstructural Performance Levels & Damage – Contents		
Contents	**Life Safety (N-C) Level of Damage**	**Atherton Library Anticipated Damage**
Computer Systems	Units shift and may disconnect cables, but do not overturn.	Units may shift. Not a life safety concern.
Desktop Equipment	Some equipment slides off desks	Equipment may slide. Not a life safety concern.
File Cabinets	Cabinets overturn and spill contents.	Cabinets may overturn. Not a life safety concern.
Book Shelves	Books slide off shelves.	Books may slide off shelves, but bookshelves are anchored. Not a life safety concern.
Hazardous Materials	Minor damage; occasional materials spilled; gaseous materials contained.	n/a
Art Objects	Objects damaged by falling, water, dust.	Art objects may be damaged. Not a life safety concern.

C. EVALUATION SUMMARY OF FINDINGS

C.1 GENERAL

Due to the high level of seismicity and dated construction, the Atherton Library building does not meet the Target Building Performance Level 3-C according to FEMA 356 and therefore poses threat to the life safety of its occupants. The FEMA 356 defined Building Performance Level 3-C considers buildings that meet its criteria to have no major structural deficiencies, however the inadequate lateral system of the Atherton Library risks instability and very little, if any reserve capacity. Following a seismic event, the building may become "beyond economical repair". This evaluation exposes the significant level of threat to life safety that the Atherton Library possesses in the event of an earthquake, reinforcing the need for the structure to be rehabilitated.

The PML analysis obtained a level of 38 for the Atherton Library.

C2. ORIGINAL BUILDING (1929)

The main area of concern is the lateral system in the original library structure. The wood plank sheathing does not provide enough strength for the high seismic forces that the structure is susceptible to experience. This weakness will cause the shear walls to crack, split and fracture. Also, the East Entrance of the Atherton Library building shares a wall with the adjacent the Council Chambers structure, without any visible expansion joint, which means when the two buildings move independently in an earthquake there is the potential of fracture at that shared wall. The wall at the Library's east entrance may then shear and lose its lateral capacity. Additionally, the Spanish ceramic tiles on the roof of the structure are not anchored appropriately. Under the intensity of even an average seismic event, they will become significant falling hazards along the perimeter of the building, including the building's entrance and exit, creating a life threatening situation. This poses a danger to individuals surrounding or evacuating the building.

C3. ADDITION (1981)

While the newer 1981 one story addition to the Library is in general compliance with the FEMA 356 life safety criteria, there is still one explicit deficiency. Similar to the original 1929 structure, the Spanish ceramic tiles continue throughout the perimeter of the building's roof. These heavy tiles are severe falling hazards, especially where located above the building's exit, threatening those individuals evacuating the building.

APPENDIX A:

STRUCTURAL CALCULATIONS

Crosby group

Project:	Job No:	
Description: BSE-1 RESPONSE ACCL.	Date: 9/2009	Sht:
	By: JKR Ck:	

S_{XS}, S_{X1} IS SMALLER OF...

1] 10%/50 YR SPECTRAL RESPONSE ACCL. CONTOUR MAPS MODIFIED FOR SITE CLASS W/ SEC 1.6.1.4

2] 2/3 OF VALUES FOR BSE-2 EARTHQUAKE HAZ. LVL (S_{DS} + S_{D1} VALUES FROM MCE SPECTRAL RESPONSE ACCL. CONTOUR MAPS), 2%/50YR

1] S_{XS} = 1.305g

S_{X1} = 0.804g

(SEE ATTACHED OUTPUT)

2] S_{XS} = 1.159g

S_{X1} = 0.789g

(SEE ATTACHED OUTPUT)

← SMALLEST VALUES GOVERN

∴ SEE LATERAL CALCS FROM TIER1 / TIER 2 ANALYSIS REPORT FOR ATHERTON LIBRARY + CHAMBERS (SAME SPECTRAL RESPONSE ACCL)

10% / 50 YR Spectral Response Accelerations

Conterminous 48 States
2002 Data
Uniform Hazard Spectrum (UHS) for 10 % PE in 50 years

Latitude = 37.4629
Longitude = -122.1957
B/C Boundary
Data are based on a 0.05 deg grid spacing

Period (sec)	Sa (g)	Sd (inches)
0.000	0.542	0.000
0.100	0.976	0.095
0.200	**1.208**	0.472
0.300	1.138	1.001
0.500	0.890	2.173
1.000	**0.536**	5.232
2.000	0.272	10.625

Ss = 1.208
S_1 = 0.536

Site Class D

Fa = 1.08
Fv = 1.5

Sxs = S_{MS} = Ss x Fa = 1.305
S_{X1} = S_{M1} = S_1 x Fv = .804

BSE-2 Values

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations Ss and S1
Ss and S1 = Mapped Spectral Acceleration Values
Site Class B - Fa = 1.0 ,Fv = 1.0
Data are based on a 0.01 deg grid spacing

Period (sec)	Sa (g)
0.2	1.738 (Ss, Site Class B)
1.0	0.789 (S1, Site Class B)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations SMs and SM1
SMs = Fa x Ss and SM1 = Fv x S1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	1.738 (SMs, Site Class D)
1.0	1.183 (SM1, Site Class D)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Design Spectral Response Accelerations SDs and SD1
SDs = 2/3 x SMs and SD1 = 2/3 x SM1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	**1.159** (SDs, Site Class D)
1.0	**0.789** (SD1, Site Class D)

$S_{XS} = S_{DS} = 1.159$
$S_{X1} = S_{D1} = 0.789$

APPENDIX B:

PML EVALUATION RESULTS

ATHERTON LIBRARY PML - Seismic Risk Analysis

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Library	**Job Number:**	
Street Address:	2 Dinkelspiel Station Lane Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

INFORMATION SOURCES

SiteVisit: Dan Petruc-Naum
Date: 1-7-2009
Interviewed:
Docs Reviewed: 7/15/1981 Addition and Alterations to Atherton Branch drawings

BUILDING DESCRIPTION

Building Classification: W1 - Wood Light Frame
Occupancy: Office
Latitude/Longitude: 37.4629 -122.1957
Region: USA: California
Region Version: 3.00
Evaluation Lifetime (yrs): 30
Uniform Building Code Design Edition: ? (pre-1973)
Year Constructed: 1929
Year Retrofitted:
Building Height (stories): 2
Fundamental Period (s): 0.590000
Area (sf): 4,700
Replacement Cost ($):
Plan Dimensions: Approximately 46' x 95'
Exterior North-South Walls: Wood planks
Exterior East-West Walls: Wood planks
Roof Deck/Framing: Planks over wood joists in Original 1929 Buildng, Plywood Diaphragm with wood joists in 1981 Addition
Intermediate Floors/Framing: Planks over wood joists
Ground Floors: Planks over wood joists
Columns: HSS tube steel
Foundation: Concrete continuous and spread footings
Basement Levels: n/a
Parking Structure: n/a

LATERAL FORCE RESISTING SYSTEM

Floors/Roof: Wood Plank Sheathing
Walls/Braces: Wood Plank Sheathing

BUSINESS INTERRUPTION

Max. Loss With No BI:
Min. Loss At Abandonment:
BI Months At Abandonment:
BI Revenue Loss Rate($/Month):

ATHERTON LIBRARY PML - Seismic Risk Analysis

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		PE Number/State:	C 51766 California

GEOTECHNICAL DESCRIPTION

Provider:
Date:
UBC Soil Class: Unknown [Assuming - D]
Liquefaction Resilience: Low
Liquefaction Susceptibility: Moderate
Depth to Water Table (ft): Unknown [Assuming - 20]
Landslide Susceptibility: Very Low

Topography:
Soil Conditions:

COMMENTS

Comments:

ATHERTON LIBRARY PML

Company Name: Crosby Group
Building Name: Atherton Library
Street Address: 2 Dinkelspiel Station Lane
Atherton, CA, USA 94027

Date: September 15, 2009
Job Number:
Engineer: Dan Petruc-Naum
PE Number/State: C 51766 California

MODIFIED FEMA-310 WORKSHEET

W1Wood Light Frame

Category	Range	Typical	Modifier
GENERAL BUILDING FEATURES			
Complete load path	T, F	F	F
No vertical discontinuities	T, F	T	T
No overdriven fasteners	N/A, T, F	T	T
Cripple walls braced	N/A, T, F	F	?
Wood sills bolted	N/A, T, F	F	T
LATERAL FORCE RESISTING SYSTEM			
Redundancy	T, F, 0-5	2	T
Shear stress check in shear walls	T, F, 0-10	8	F
No stucco shear walls	T, F, 0-10	5	F
No gypsum wallboard or plaster shear walls	T, F, 0-10	5	T
No narrow wood shear walls	T, F, 0-10	5	T
Walls connected through floors	T, F, 0-5	2	T
Adequate hillside shear wall aspect ratios	N/A, T, F, 0-10	5	N/A
Openings properly detailed	N/A, T, F, 0-5	2	T
Properly constructed hold-downs	N/A, T, F, 0-10	5	N/A
CONNECTIONS			
Adequate wood sill bolt spacing	N/A, T, F, 0-10	0	N/A
Adequate girder to column/wall connection	N/A, T, F, 0-10	0	N/A
Wood posts positively connected to foundation	N/A, T, F, 0-10	0	N/A
FLOOR DIAPHRAGMS			
Reinforcing at re-entrant corner	N/A, T, F, 0-10	0	F
Adequate reinforcing at openings	N/A, T, F, 0-5	0	N/A
Diaphragm continuity	T, F, 0-10	5	T
Adequate straight sheathing aspect ratios	N/A, T, F, 0-5	2	T
Large spans adequately sheathed	N/A, T, F, 0-5	2	T
Unblocked diaphragms meet requirements	T, F, 0-5	2	T
Chord continuity	T, F, 0-10	5	F
Other diaphragms meet requirements	N/A, T, F, 0-5	2	T

ATHERTON LIBRARY PML

Company Name: Crosby Group
Building Name: Atherton Library
Street Address: 2 Dinkelspiel Station Lane
Atherton, CA, USA 94027

Date: September 15, 2009
Job Number:
Engineer: Dan Petruc-Naum
PE Number/State: C 51766 California

MODIFIED FEMA-310 WORKSHEET

Category	Range	Typical	Modifier
ROOF DIAPHRAGM			
Reinforcing at re-entrant corner	N/A, T, F, 0-10	0	F
Adequate reinforcing at openings	N/A, T, F, 0-5	0	N/A
Diaphragm continuity	T, F, 0-10	5	T
Adequate straight sheathing aspect ratios	N/A, T, F, 0-5	2	T
Large spans adequately sheathed	N/A, T, F, 0-5	2	T
Unblocked diaphragms meet requirements	T, F, 0-5	2	T
Chord continuity	T, F, 0-10	5	F
Other diaphragms meet requirements	N/A, T, F, 0-5	2	T
UNUSUAL CONDITIONS			
Little deterioration of wood	T, F, 0-5	2	T
Adequate overturning resistance	T, F, 0-5	2	T
Little foundation damage	T, F, 0-5	2	T
Little foundation deterioration	T, F, 0-5	2	T
Ties between foundation elements	N/A, T, F, 0-5	2	N/A
Insignificant sloping at site	N/A, T, F, 0-5	0	T
SITE DEPENDENT HAZARDS - ACTIVE FAULTS			
Surface fault rupture	N/A, 0-50	0	0
NONSTRUCTURAL EXTERIOR 'WALLS'			
Cladding, glazing, veneer	N/A, T, F, 0-10	5	F
Chimneys	N/A, T, F, 0-5	5	N/A
NONSTRUCTURAL INTERIOR 'WALLS'			
Partitions (HC tile)	N/A, T, F, 0-10	0	N/A
Partitions (pre-cast panels..)	N/A, T, F, 0-10	5	N/A
EXTERIOR ORNAMENTATION			
Parapets, cornices, and appendages	N/A, T, F, 0-10	0	F
INTERIOR ORNAMENTATION			
Building contents and furnishings	T, F, 0-10	5	T
Ceiling systems	T, F, 0-5	5	F
Light fixtures	T, F, 0-5	5	T

ATHERTON LIBRARY PML

Company Name:	Crosby Group	**Date:**	September 15, 2009
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Street Address:	2 Dinkelspiel Station Lane Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

MODIFIED FEMA-310 WORKSHEET

Category	Range	Typical	Modifier
MECHANICAL AND ELECTRICAL SYSTEMS			
Mechanical and electrical equipment	T, F, 0-10	5	T
Piping and sprinklers	T, F, 0-5	2	T
Ducts	T, F, 0-5	2	T
Elevators	N/A, T, F, 0-5	2	N/A
HAZARDOUS EXPOSURES - POUNDING			
No adjacent buildings	N/A, T, F, 0-5	0	F
HAZARDOUS EXPOSURES - MATERIALS			
No hazardous materials	N/A, T, F, 0-10	0	T
OCCUPANCY (TYPE: OFFICE)			
Interior Construction	-5-5	0	?
SITE DEPENDENT CHARACTERISTICS			
UBC Soil Class	A - E	D	Unknown
Liquefaction Resilience	Low - High	Low	Low
Liquefaction Susceptibility	V. Low-V. High	Moderate	Moderate
Depth to Water Table (ft)	0-1000+	20	Unknown
Landslide Susceptibility	V. Low-V. High	Very Low	Very Low

ATHERTON LIBRARY PML

Company Name:	Crosby Group	**Date:**	September 15, 2009
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Street Address:	2 Dinkelspiel Station Lane Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

VULNERABILITY SUMMARY

Component Modifier Summary

Base Class 90% Fractile Loss at MMI=IX (% of Value): **37**

Modifiers to Base Class Loss

Item	Group Modifier (% of Loss)	Sigma (% of Loss)
1. Occupancy type:	0	1.7
2. Connections:	0	0.0
3. Walls:		
A. Exterior	10	7.7
B. Interior	0	0.0
4. Diaphragms:		
A. Floor(s)	1	3.1
B. Roof	1	3.1
5. Ornamentation:		
A. Exterior	10	7.7
B. Interior	-3	2.4
6. Mechanical/electrical systems:	-8	2.5
7. Unusual conditions:	-8	3.3
8. Hazardous exposures:		
A. Tank and overhanging walls	0	2.6
B. Pounding and adjacent buildings	5	1.9
9. Site dependent hazards:		
A. Proximity of active fault	0	19.1
Total	8	23.2

Modified Base Class 90% Fractile Loss at MMI=IX (% of Value): **40**

Loss vs MMI

MMI	Loss to Facilities (% of Value)	
	90% Frac. Loss	Mean
V	0	0
VI	1	1
VII	14	7
VIII	27	14
IX	40	21
X	47	24
XI	53	27
XII	60	31

ATHERTON LIBRARY PML

Company Name: Crosby Group
Building Name: Atherton Library
Street Address: 2 Dinkelspiel Station Lane
Atherton, CA, USA 94027

Date: September 15, 2009
Job Number:
Engineer: Dan Petruc-Naum
PE Number/State: C 51766 California

RISK SUMMARY

Expected Loss Table

Probability of Exceedence	MMI	Loss to Facilities (% of Value)			BI (months)
		PL	SUL	SEL	
50.0% in 30 years 43 year return period	VI-VII	3	11	6	N/A
10.0% in 30 years 285 year return period	VIII	17	31	16	N/A
2.0% in 30 years 1485 year return period	IX	71	70	70	N/A
10.0% in 50 years 475 year return period	VIII-IX	25	PML 38	19	N/A
2.0% in 50 years 2475 year return period	IX	82	82	82	N/A

Event and Fault Table

Close and Significant Seismic Sources	Maximum Magnitude	Closest Distance (km)	Max. MMI	Max. SUL *	Max. SEL *	Maximum Business Interuption (months)	Percent Contribution **
California Gridded***	7.0	5.0	VIII-IX	36	18	N/A	6
Monte Vista-Shannon	6.5	5.3	VIII	27	14	N/A	4
N. San Andreas;SAP	7.2	7.7	VIII	30	15	N/A	3
N. San Andreas;SAO+SAN+SAP	8.0	7.7	VIII-IX	35	18	N/A	1
N. San Andreas;SAN+SAP	7.7	7.7	VIII-IX	33	17	N/A	<1
N. San Andreas;SAO+SAN+SAP+SAS	8.1	7.7	VIII-IX	36	18	N/A	32
N. San Andreas	8.0	7.7	VIII-IX	35	18	N/A	11
N. San Andreas;SAN+SAP+SAS	7.9	7.7	VIII-IX	34	18	N/A	<1
N. San Andreas;SAP+SAS	7.5	7.7	VIII-IX	32	16	N/A	26
Hayward-Rodgers Creek	7.3	22.9	VII-VIII	20	10	N/A	<1
Hayward-Rodgers Creek;RC+HN+HS	7.3	22.9	VII-VIII	21	11	N/A	<1
Hayward-Rodgers Creek;HS	6.8	23.0	VII	14	7	N/A	2
Hayward-Rodgers Creek;HN+HS	7.0	23.0	VII	17	9	N/A	2
San Gregorio Connected	7.5	23.0	VII-VIII	22	11	N/A	6
Extensional Gridded	7.0	25.8	VII	16	8	N/A	<1
Calaveras;CN	6.9	31.6	VII	12	6	N/A	<1

* Losses to individual events are from shaking only.
** Percent contributions are for the probabilistic 475 year return period risk.
*** Event causing highest loss (from shaking only)

Average Annual Loss (% of Repl. Cost): 0.328854
Business Interruption Average Annual Loss ($): 0
Return Period of Major Liquefaction/Landslide: 887 Years

ATHERTON LIBRARY PML

Company Name:	Crosby Group	**Date:**	September 15, 2009
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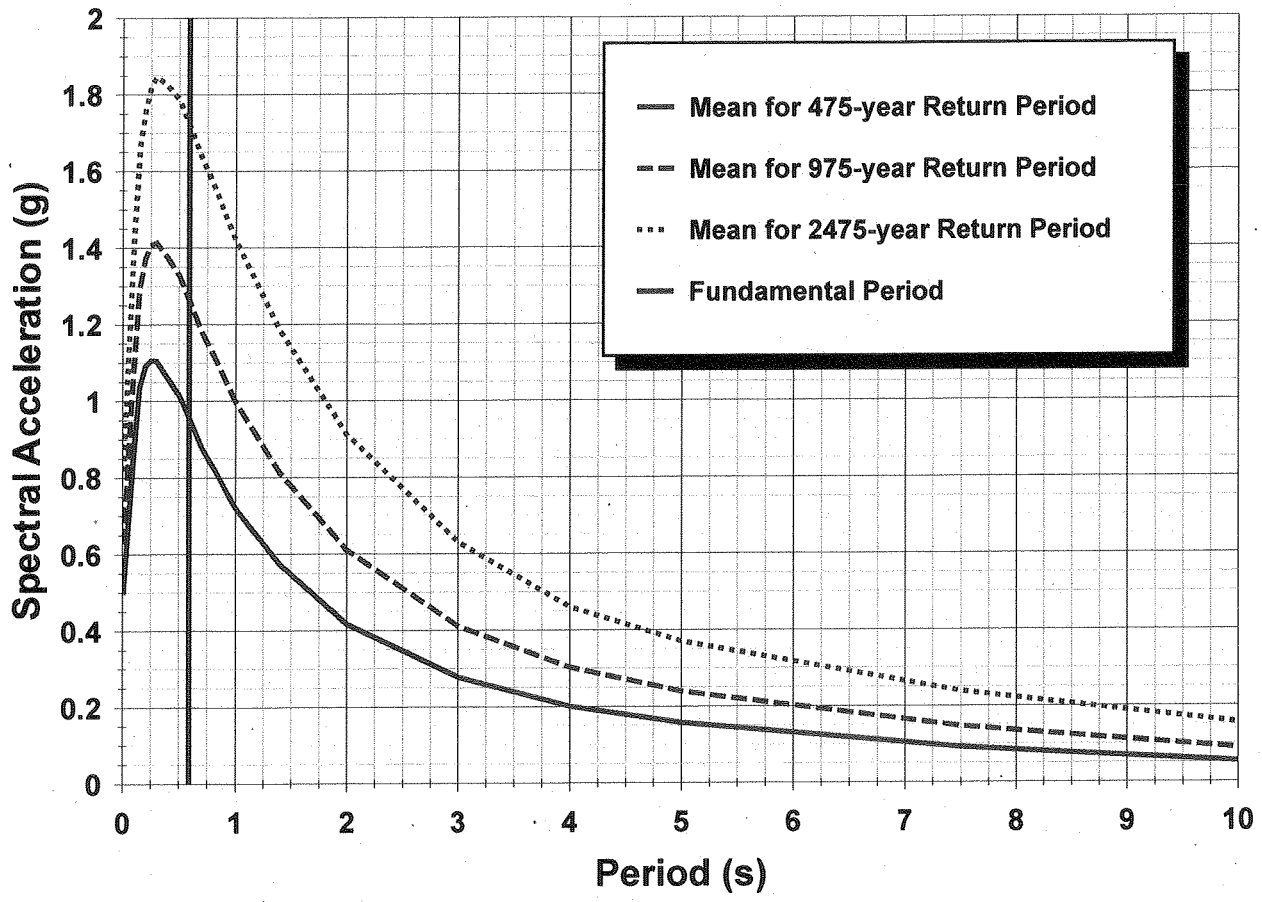
Street Address:	2 Dinkelspiel Station Lane Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

SPECTRAL RESPONSE SUMMARY

Uniform Hazard Spectra



Spectral Response Values

Period (s)	10% in 50 yrs (g)	5% in 50 yrs (g)	2% in 50 yrs (g)
(0.59)	0.95	1.26	1.71
PGA	0.50	0.63	0.82
0.1	0.86	1.08	1.41
0.15	1.04	1.29	1.66
0.2	1.09	1.37	1.76
0.25	1.11	1.41	1.82
0.3	1.10	1.41	1.85
0.4	1.06	1.37	1.82
0.5	1.02	1.33	1.79
0.7	0.88	1.18	1.64
1.	0.72	1.00	1.42
1.4	0.57	0.81	1.18
2.	0.42	0.61	0.91
3.	0.28	0.41	0.63
4.	Report generated by ST-RISK Version 4.41		0.46
5.	0.16	0.24	0.37
7.5	0.09	0.15	0.24

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Library	**Job Number:**	
Street Address:	2 Dinkelspiel Station Lane Atherton, CA, USA 94027	**Engineer:**	Dan Petruc-Naum
		PE Number/State:	C 51766 California

DISCLAIMERS and OTHER INFORMATION

RESULTS DISCLAIMER

This report, and the analyses, estimates and conclusions are based on scientific data, mathematical and empirical models, and experience of engineers, geologist and geotechnical specialist, using the input specified by the software licensee. Actual losses experienced during any earthquake may differ substantially from these estimates. Neither Risk Engineering, Inc., Degenkolb Engineers, nor any third party supplier of information to this software can be held liable for any inaccuracies in the results obtained by ST-RISK.

SPRINKLER DAMAGE

Substantial building facilities loss has occurred in recent large earthquakes due to fire sprinkler damage. The figures presented herein may not adequately account for these potential losses. If the modifier for sprinklers in the Mechanical and Electrical Systems section of the Modified FEMA-310 Worksheet was 3 or higher, or '?', a more detailed evaluation of potential sprinkler damage should be made and additional loss anticipated.

THIRD PARTY DATA

Much of the data in this report is derived from data provided by the California Geological Survey (CGS), the US Geological Survey (USGS), the Geological Survey of Canada (GSC), as well as other parties. Most of the original data received was modified to make compatible with ST-RISK. None of these parties can be held liable for any inaccuracies inherent in the data or inherent in the modifications.

Company Name:	Crosby Group	**Date:**	September 15, 2009
Building Name:	Atherton Library	**Job Number:**	
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		PE Number/State:	C 51766 California

GLOSSARY

MMI	Modified Mercalli Intensity - A measure of ground motion intensity based on human perception of motion and observed structural damage.
PML	Probable Maximum Loss - The percentage monetary loss (damage/replacement cost x 100) that has a 10 percent chance of being exceeded for a 475-year ground motion.
PL	Probable Loss - For a given time interval, or return period, this is the amount of loss that a property is expected to meet or exceed on an average basis. This combines the probability distribution of hazard with the full damage distribution, representing the best overall assessment of risk.
SUL	Scenario Upper Loss - The percentage monetary loss (damage/replacement cost x 100) that has a 10 percent chance of being exceeded given any defined ground shaking intensity. Equal to PML for 475-year ground shaking.
SEL	Scenario Expected Loss - The expected, or mean, percentage monetary loss (damage/replacement cost x 100) that is predicted given any defined ground shaking intensity.
Mean Loss	The expected, or average, percentage monetary loss (damage/replacement cost x 100) that is predicted for a given ground shaking level.
Sigma	The range of building assessment variation covered by one standard deviation. This represents the uncertainty of characterizing the building properly. This does not include uncertainty in the expected ground motion intensities nor range of expected damage. It is implied that the distribution of uncertainty is truncated at 100% and 0% of building value.
BI	Business Interruption / Loss-of-Use - The number of months that the facility is out of operation.
Base Class Loss	The percentage monetary loss for 90% fractile (damage/replacement cost x 100) assigned to a building class that accounts for type of construction and important construction deficiencies.
Modified Base Class Loss	The percentage monetary loss for 90% fractile assigned to a building class that accounts for the Base Class Loss and location and minor construction deficiencies.
Probability of Exceedence	The probability that the ground shaking level or damage level will be exceeded.
Event Causing Highest Loss	The highest level of intensity due only to shaking that is experienced when considering all earthquakes given a median predicted shaking level.
Maximum Considered Earthquake (MCE)	Loss associated with a 2% in 50 year probability of exceedence.
Uniform Building Code (UBC)	Loss associated with a 10% in 50 year probability of exceedence as defined by new building design provisions found in the Uniform Building Code.
% Contribribution	Percent contribution of fault or fault segment to the 475-year return period risk.

ASCE 31-03
Structural Evaluation Report

For

Atherton Council Chambers
94 Ashfield Road
Atherton, California

April 6, 2009

Prepared for:
Town of Atherton
Office of the City Clerk
91 Ashfield Road
Atherton, CA 94027

Prepared by:
Crosby Group
726 Main St.
Redwood City, CA 94063

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Appendix E: Site Mapped Spectral Accelerations

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SUMMARY OF FINDINGS

The following report summarizes the results of an ASCE 31-03 evaluation for the facility located at 94 Ashfiled Rd. This report has been prepared at the request of the Town of Atherton to determine whether or not the facility's building meets the Life-Safety Performance Level. The following is a list of findings contained within this report and any subsequent recommended mitigations.

1. The structure will need several modifications to meet the Life-Safety Performance Level outlined in ASCE 31-03. Please note that ASCE 31 has replaced FEMA 178 and FEMA 310 as the current recognized standard for the seismic evaluation of existing buildings.

2. The original building constructed in the 1920's, having little to no available structural drawings, is assumed to have a single sheathed plank shear wall system. This system will need to be reinforced with plywood sheathing to accommodate the large seismic forces and create an adequate load path to transfer forces to the foundation. Additionally, should any stucco walls be used as lateral shear walls, they must be replaced with plywood sheathing as well.

3. The structure has insufficient connections. Continuous chord elements should be installed to complete a load path along the entire perimeter of the diaphragm. Also, wood sill connections will need adequate anchorage to the foundations with additional anchor bolts and straps.

4. The diaphragm over the main chamber portion of the building (18' ceiling height) is made up of straight sheathed planks and will instead need plywood or diagonal sheathing.

5. The Spanish ceramic roof tiles will need to be anchored to the roof overhang to avoid dislodging during seismic events.

6. Each bearing wall panel will need a minimum of two bearing connections.

7. The hard ceiling of suspended lath and plaster will additionally need to be seismically braced as required.

8. The masonry veneer at the main entrance of the building will need anchorage to the back-up adjacent to the weakened planes.

9. The television in the main chamber and any similarly suspended equipment will need to be seismically braced.

10. An expansion joint will need to be installed at the south east corner of the building where the adjacent library extended wall and canopy are attached to allow for independent drifts between the two structures.

11. In-plane and out-of-plane anchorage from the diaphragm to the surrounding walls will need reinforcement as required.

12. Due to the vertical offsets in the roof diaphragms, additional structural detailing will need to be implemented to mitigate the discontinuity.

13. A grout injection procedure should be completed to mitigate and compensate for existing and future ground settlement effects.

14. A total of 10 caissons should be installed at the building's main perimeter corners to counteract uplift from the overturning due to lateral seismic forces.

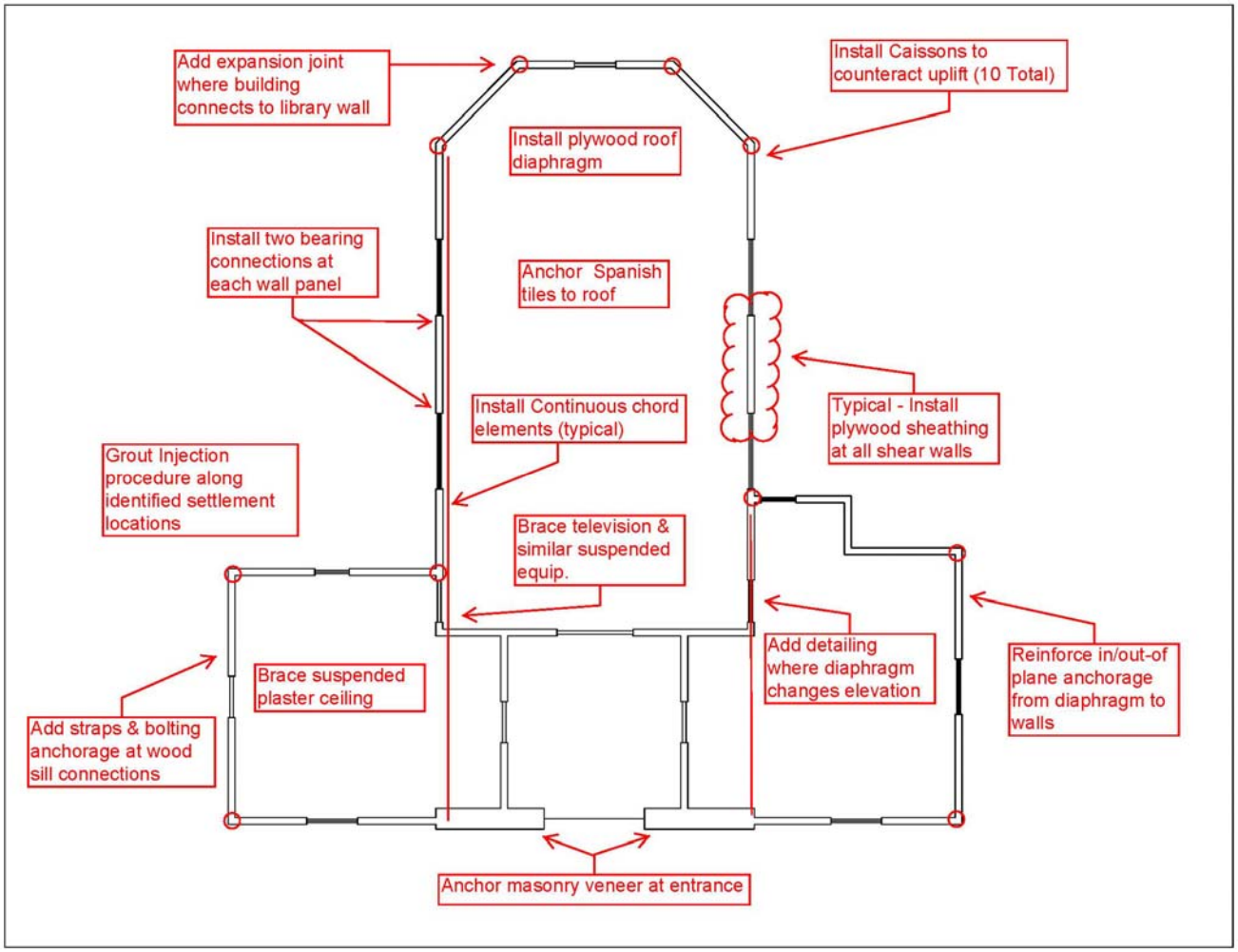


FIGURE 1: Plan Summary of Recommendations

A. PURPOSE AND SCOPE

A1. PURPOSE OF REPORT

The purpose of this evaluation is to determine whether the buildings' structural systems meet the *Life-Safety* seismic performance level required by the State of California's Real Estate Services Division (RESD). This requirement States that, "The Building has been evaluated and meets the Life Safety Performance Level as set forth in FEMA 178 or its equivalent".. Since its initial publication in 1992, FEMA 178, NEHRP Handbook for the Seismic Evaluation of Existing Buildings (BSSC 1992a), has been superseded by ASCE 31-03. As such, this guideline has been used for the evaluation of the said buildings.

It should be noted that the facility in question is connected to an adjacent building (Atherton Library) without use of any visible expansion joint.

A2. METHOD AND SCOPE OF EVALUATION

As noted above, the appropriate standard to assess whether or not the building meets a level of "Life Safety" in regards to future seismic events is ASCE-31-03. This document identifies buildings of certain age and construction type as "Benchmark Building" or buildings that are generally perceived as compliant. Where a particular building falls within the parameters of this classification, only limited evaluation is normally required. Where a building falls outside of these parameters, a full assessment is required to determine whether the said building does or does not meet the stated performance level. For the purposes of this evaluation, this Performance Level is "Life-Safety."

Since the building in question does fall outside of these parameters, a full ASCE 31 has been performed. This evaluation starts with a "Tier 1 – Screening Phase" that attempts to assess main components of the building's seismic force resisting system by the use of standard checklists and simplified structural calculations. These procedures also include assessment of the building's major non-structural components that could pose a risk to Life-Safety during a significant seismic event, and assessment of the building foundation system and site.

Where any potential deficiencies are found during the initial Tier 1 analysis, ASCE-31 methodology requires that these potential deficiencies be corrected or that a refined evaluation be completed which could better assess the potential risk of these items. This second order evaluation phases are termed Tier 2 and Tier 3 and generally require substantially greater levels of effort. These subsequent assessments can either consist of a complete evaluation, or in some instances, may consist of a limited tier 2 evaluation focused on a certain "perceived" deficiency. This procedure is outlined in Appendix B.

For the purposes of this assessment, a complete Tier 1 and "deficiency only" Tier 2 evaluation were required to completely assess the building and included the following items:

1. Site visit to establish general conditions of building and to verify generally information shown on the drawings.

2. Preparation of rapid screening evaluation techniques and calculations for the structural system using ASCE 31-03 design guidelines for Life-Safety Performance Level Tier 1.
3. Additional limited analysis using ASCE 31-03 design guidelines for Life-Safety Performance Level Tier 2.

A3. LIMITATIONS

The services performed for this project have been provided at a level that is consistent with the general level of skill and care ordinarily provided by engineers practicing Structural Engineering. Work provided is done under the constraints of time and budget. Conclusions and information presented in this report are dependent on information provided by others. No warranty is expressed or implied.

It should also be noted that a number of factors make it difficult to fully and easily assess the current condition of the existing structural elements. These include both the limited documentation available and the presence of hard finishes in many areas.

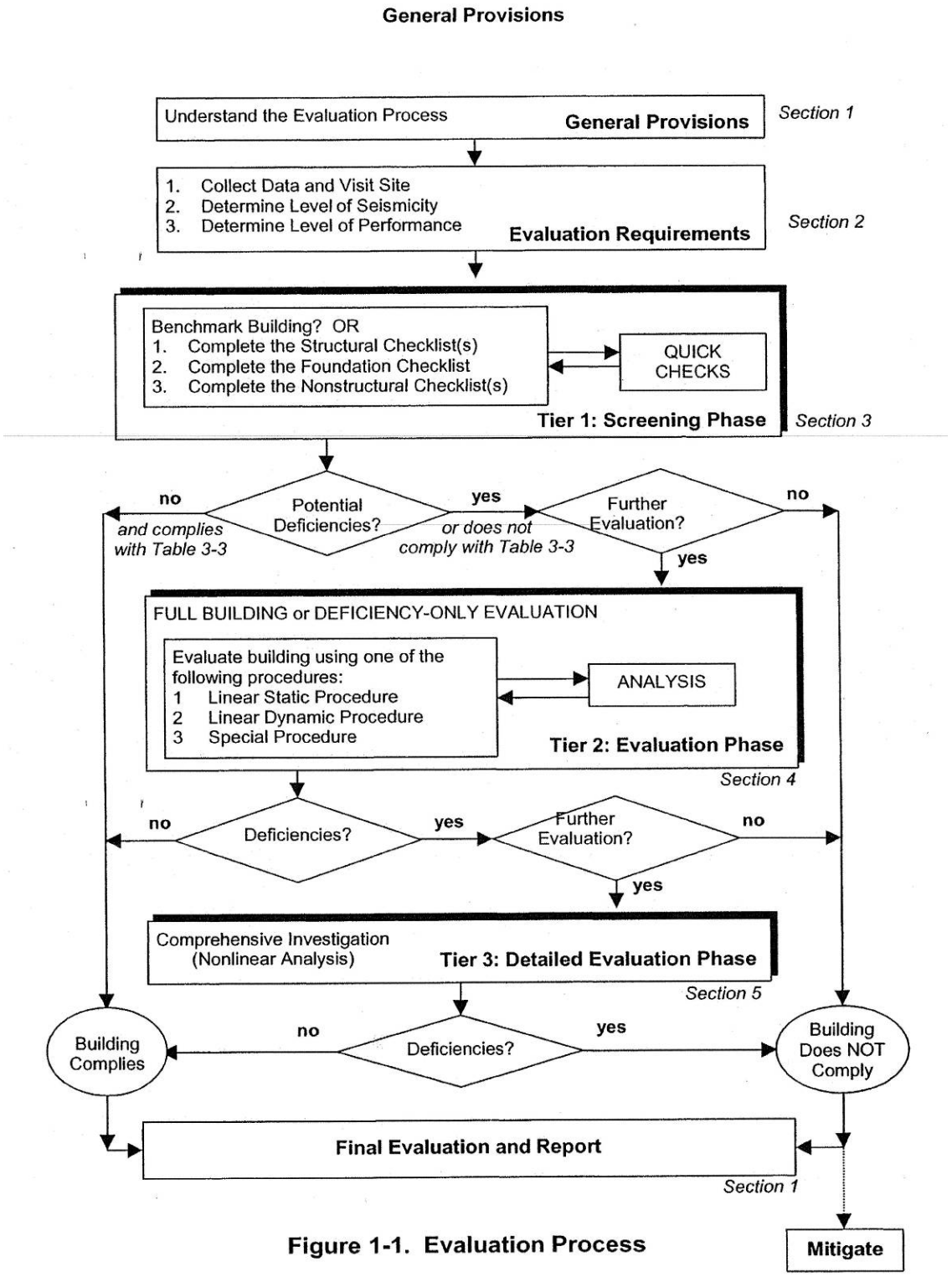


Figure 1-1. Evaluation Process

FIGURE 2- ASCE 31-03 Evaluation Procedure

B. SITE SEISMICITY AND SOILS

B1. GENERAL

The successful performance of building in areas of high seismicity depends up the combination of strength, structural component ductility, and the presence of a fully interconnected, balanced, and complete lateral force resisting system. As the level of seismicity is decreased, the demands on the structural system are decreased.

The peninsula is in a region of historically high seismic activity and seismic potential. The San Andreas fault line is located approximately 5 miles away from the structure, proving the site to be highly susceptible to an earthquake of sizeable magnitude. See Figure 3 below for a map of this.

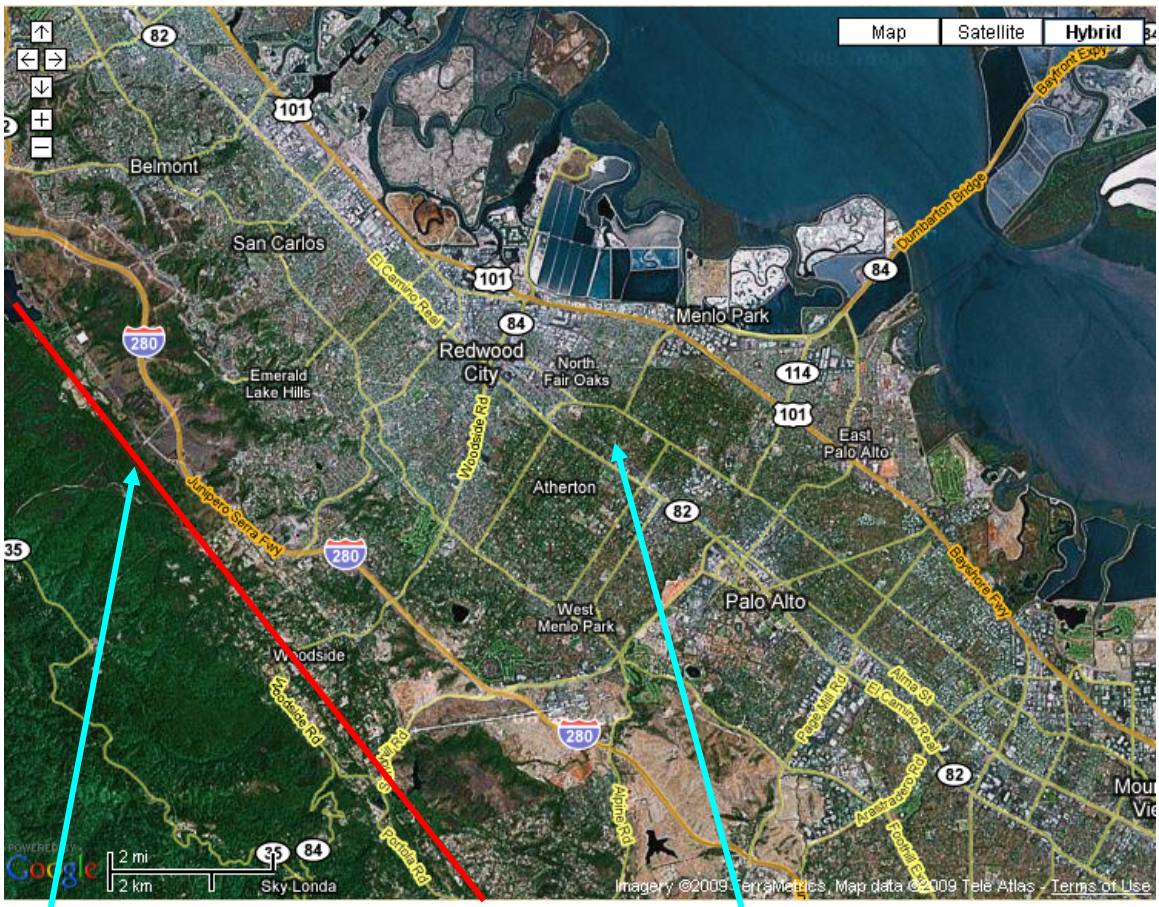


FIGURE 3- Site Map of Distance to Nearest Fault Line

B2. SITE ACCELERATIONS

In general site "Seismicity" or the potential for strong ground motion is classified into regions of Low, Medium, and High. These regions are based upon mapped site accelerations S_S and S_1 which are then modified by site coefficients F_a and F_v to produce Design Spectral Accelerations S_{DS} (short period) and S_{D1} (1 second).

Design Spectral accelerations computed for this site are as follows:

S_{DS}= 1.159g
S_{D1}= .759g

As indicated below by the site accelerations, this standard places the subject property in a region of HIGH Seismicity.

Region of Seismicity	S_{DS}	S_{D1}
Low	<.167g	<.067g
Moderate	<.500g >.167g	<.200g >.067g
High	**>.500g**	**>.200g**

FIGURE 4- Site Seismicity Based on Design Accelerations

B3. SITE SOILS

The foundations are made up of continuous grade beams along the perimeter of the building, which are visible from the exterior of the structure, along with spread footings over the interior of the building. No soils report is available, but the following site soils assumptions were made based on the building site location.

Site Characteristics	
Fault Rupture Potential	Assumed Moderate
Liquefaction Potential	Moderate
Land Slide Potential	Site is Flat -Assumed Low

FIGURE 5- Site Characteristics

C. BUILDING DESCRIPTIONS

C1. GENERAL

The subject property for this evaluation consists of one single story structure, constructed in the 1920's. The structure is laid in a tee shape in plan area and was constructed from light framed wood panels or sheathing. Structural drawings were not available. The building's evaluations are presented in Appendices C-E. Descriptions of the building as well as FEMA building designations are given below.

C2. COUNCIL CHAMBERS

The building is one story tall and is approximately 1820 square feet. The building appears to have been constructed in the 1920's and is comprised of light framed timber. Due to a lack of available structural drawings and hard ceilings, it is assumed that the structure is made up of plaster over straight sheathed wood planks, studs and joists, with no structural plywood as plywood wasn't an available construction material in the 1920's.

Building Characteristics- Structural Original 1920's Construction	
Building Code	1927 UBC (assumed)
Exterior Wall System/Cladding	Planks (assumed)
ASCE 31 Building Type	Type W1- Wood Light Frame
Lateral Force System	Planks (assumed)
Roof System	Planks over wood joists
Second Floor System	Planks (assumed)
Interior Columns	n/a
First Floor system	Planks (assumed)
Foundation System	Continuous footings, spread footings

Figure 6- Structural Characteristics for Original 1920's Structure

D. TIER 1 EVALUATION PHASE- FINDINGS

D1. GENERAL

The council chambers building is directly attached to the adjacent library building with no visible seismic joint. The structure was found to have potentially major structural deficiencies, which will need further investigation and renovations to bring up to an appropriate Life-Safety performance level. These items are noted below.

D2. COUNCIL CHAMBERS

There are a few major deficiencies which should be corrected to bring the building up to an adequate Life-Safety Performance Level per ASCE 31-03. These items include an insufficient lateral-force-resisting system, weak connection details, diaphragm weakness and discontinuities, weak foundation performance, and unanchored cladding, ceilings, and equipment. These are expanded as follows:

1. The original building is assumed to rely only on single plank sheathed walls as the primary lateral-force-resisting system, which has a very low shear capacity to resist lateral forces. This results in an insufficient shear wall capacity for seismic forces to be transferred to the foundation.

2. The original structure has deficient connections as well. Wood sills will require additional proper anchorage to the foundation, with wood sill bolts spaced at 6 feet or less with proper edge and end distance.

3. Diaphragm continuity is non-compliant as the main chamber has a roof height starting at 18feet and the two outer wings have roof heights starting at 11 feet. Chords are considered discontinuous, which will need to be made continuous to transfer tensile and compressive forces from the diaphragm. Some of the straight sheathed shear walls have aspect ratios greater than 2 to 1, so this should be taken into account in the tier 2 shear wall analysis.

4. The foundation performance has been deemed non-compliant, as signs of settlement in the foundation are apparent from the cracks in the exterior walls, shown in appendix A.

5. During the site visit it was noticed that the Spanish tiles laid along the roof overhangs are not anchored to the structure, creating a potential hazard to life safety in the event of an earthquake, where the heavy tiles will be free to fall. Also, bearing walls will require a minimum of two bearing connections for each wall panel, the masonry veneer at the front entrance of the building will need to be reinforced with corrosion-resistant ties, and the television hanging on the corner wall of the main chamber will need to be braced.

E. LIMITED TIER-2 EVALUATION- SUPPLMENTAL FINDINGS

E1. GENERAL

Where items are initially noted as NC or "Non-Compliant" during the Tier 1 evaluation, the screening process may end and a rehabilitation procedure implemented. As an alternative, the designer may choose to conduct a more detailed evaluation which may eventually reveal that the condition in question, while existing, does not represent a "Life-Safety" condition. This subsequent step is called a Tier 2 evaluation and is shown diagrammatically in Figure 2.

As indicated below, several conditions were determined to be "non-compliant" during the initial screening. Some of these items, however, were not Life-Safety concerns. See below for further evaluation.

E2. COUNCIL CHAMBERS

From this building's initial Tier 1 analysis, several non-compliant items were re-evaluated per the Tier 2 process, where enough information was available to assess.

As previously stated, the shear walls of the structure are assumed to be single plank sheathed walls, which have relatively small shear capacities. Therefore, as one of the main deficiencies in this building, causing a life-safety hazard, more sufficient shear walls will need to be added to strengthen the lateral system's resistance to earthquakes.

As there is no evidence otherwise, it cannot be denied that stucco might be used as shear walls in some locations of the original 1920's structure, which is in direct violation of current code regulations. Therefore an alternate, lateral system must be used in place of any stucco walls.

The narrow wood shear walls with aspect ratios larger than 2 to 1, but not exceeding 3 to 1 were given appropriate m-factors in their analysis, as the narrowness can result in severe deformations and reduce the capacity of the walls. These walls, along with the other shear walls have all been found to be insufficient for lateral resistance.

Also, it is safe to assume that wood sill bolts are insufficient as well. Adequate bolts should be placed no more than 6 feet apart, capable of resisting lateral forces from the lateral system above and straps should be used to tie the wood sills to the foundation.

The load path surrounding the discontinuous roof diaphragm has been identified, to accommodate the vertical offset. Additional detailing will need to be implemented to mitigate the discontinuity.

Due to the dated construction of this building, it is safe to assume that the chord elements are discontinuous. This discontinuity can make the diaphragm more flexible, thereby causing more damage around the perimeter. To provide continuity, continuous chord elements should be installed, which is necessary in achieving a Life-Safety performance level.

Due to the straight sheathed diaphragm of the main chamber being over a 2 to 1 aspect ratio, the shear capacity of the diaphragm was analyzed. The diaphragm failed in shear, so a stronger material such as plywood or diagonally sheathing should be installed for the diaphragm to withstand the shear stresses applied.

The vertical cracking visible on the exterior walls shows evidence of foundation settlement. This can be seen in several site photos in Appendix A. We propose a grout injection procedure to mitigate and compensate for any such ground settlement, which should be added under areas of visible settlement effects such as cracking.

Because there was no existing anchorage for the Spanish ceramic tiles above the roof, no calculations were necessary to check adequacy. Anchorage must be provided for these items to avoid life-safety hazards of tiles falling off of the roof in the event of an earthquake. Similarly, the masonry veneer at the front entrance will need anchorage to the back-up adjacent to weakened planes.

Additionally, panel bearing connections will need to be upgraded, so as to provide a minimum of two bearing connections per panel. Having only one bearing connection can result in a dangerous lack of redundancy. If connections are non-existent, they will need to be installed to this minimum design.

Another non-compliant item is the suspended lath and plaster. The hard ceilings in this building will need seismic bracing for every 12 square feet of area.

In the general analysis of the Tier 2 procedure, several items were deficient as well. While no structural drawings were available to provide existing details, it is assumed that in-plane and out-of-plane anchorage from the diaphragm to the shear walls will need reinforcement to resist loads of 609plf and 44plf, respectively. Additional connections should be provided, such as rim board straps, to resist in-plane forces.

The southeast corner of the building is attached to the adjacent library structure by one wall and a canopy without use of an expansion joint, which does not allow the two structures to move independently of each other in a seismic event. An expansion joint will need to be installed for these deflections to occur without undermining the connecting wall and canopy.

During the Tier 2 overturning analysis, it was discovered that several lines of walls experience overturning under lateral forces, therefore caissons should be installed at each of the main corners (10 total) with locations shown on plan. These caissons will provide enough hold down force to resist this uplift and tie the structure to the foundation.

APPENDIX A

Site Photos

Main Entrance Elevation

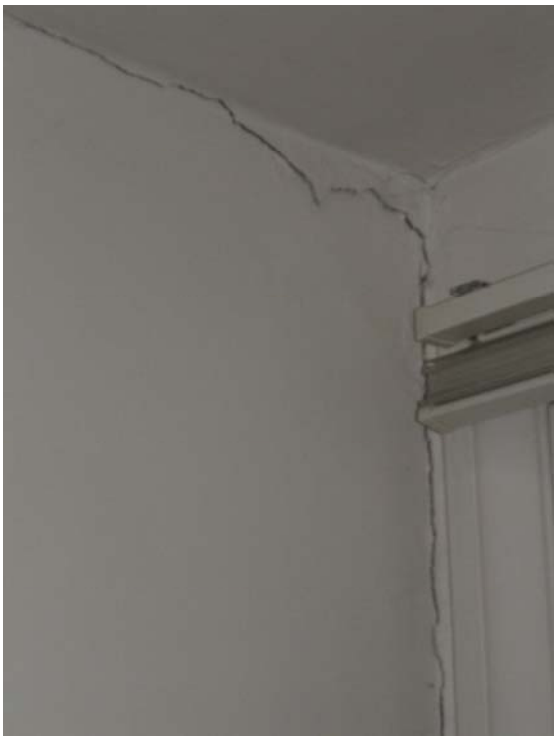
Partial West Elevation

Partial West Elevation

Attachment to Atherton Library- No Expansion Joint

Post Inside of Crawl Space

Cracking Along West Elevation



Cracking Along Interior Walls

Cracking along Main (North) Entrance

APPENDIX B

Evaluation Procedure

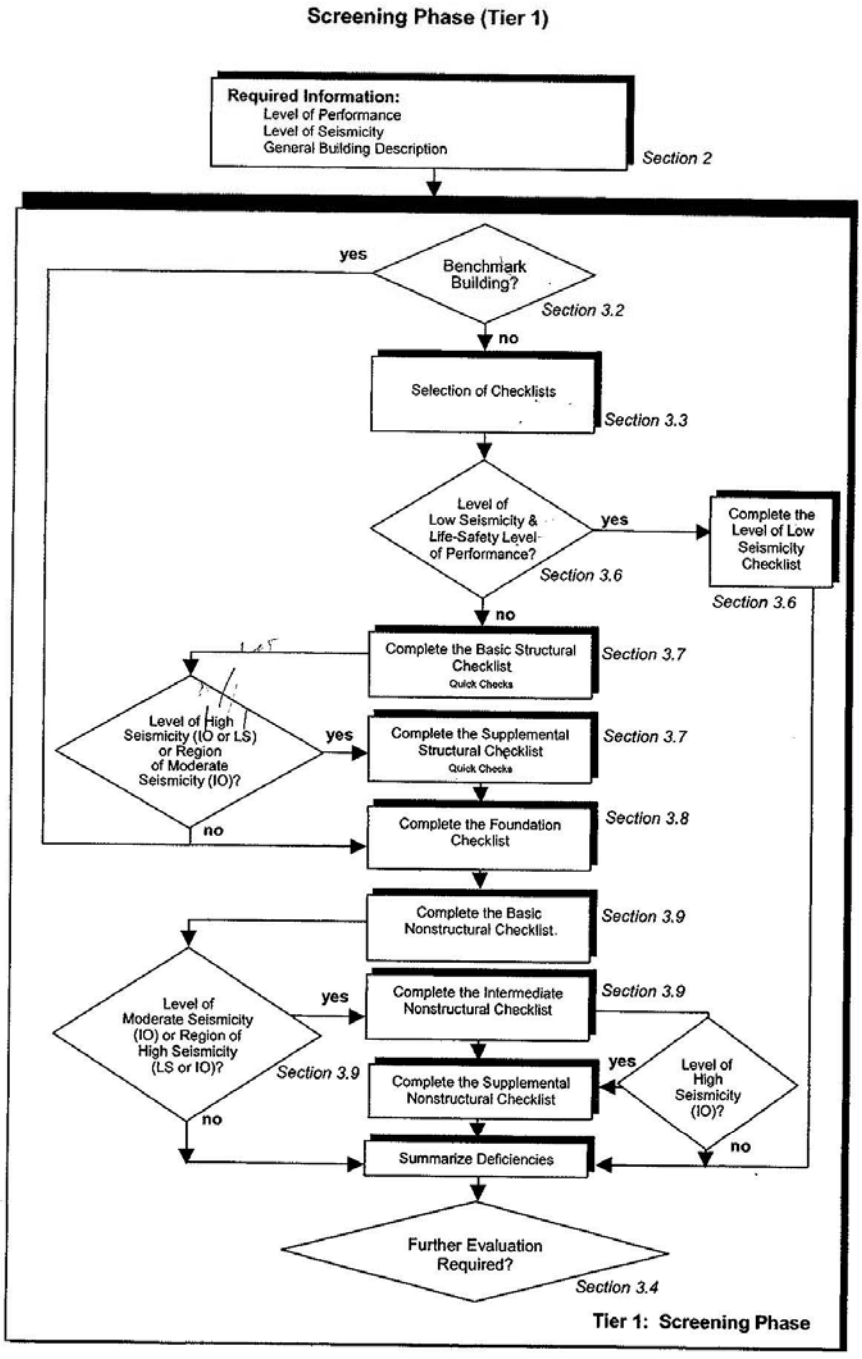


Figure 3-1. Tier 1 Evaluation Process

APPENDIX C

Evaluation Checklists

Mechanical and Electrical Equipment

C NC N/A VIBRATION ISOLATORS: Equipment mounted on vibration isolators shall be equipped with restraints or snubbers. (Tier 2: Sec. 4.8.12.5)

Ducts

C NC N/A STAIR AND SMOKE DUCTS: Stair pressurization and smoke control ducts shall be braced and shall have flexible connections at seismic joints. (Tier 2: Sec. 4.8.14.1)

3.7.1 Basic Structural Checklist for Building Type W1: Wood Light Frames

This Basic Structural Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

C3.7.1 Basic Structural Checklist for Building Type W1

These buildings are single- or multiple-family dwellings of one or more stories in height. Building loads are light and the framing spans are short. Floor and roof framing consists of wood joists or rafters on wood studs spaced no more than 24 inches apart. The first floor framing is supported directly on the foundation, or is raised up on cripple studs and post-and-beam supports. The foundation consists of spread footings constructed on concrete, concrete masonry block, or brick masonry or even wood in older construction. Chimneys, where present, consist of solid brick masonry, masonry veneer, or wood frame with internal metal flues. Lateral forces are resisted by wood frame diaphragms and shear walls. Floor and roof diaphragms consist of straight or diagonal lumber sheathing, tongue-and-groove planks, oriented strand board, or plywood. Shear walls consist of straight or diagonal lumber sheathing, plank siding, plywood, oriented strand board, stucco, gypsum board, particle board, or fiberboard. Interior partitions are sheathed with plaster or gypsum board.

Building System

C	NC	N/A	LOAD PATH: The structure shall contain a minimum of one complete load path for Life Safety and Immediate Occupancy for seismic force effects from any horizontal direction that serves to transfer the inertial forces from the mass to the foundation. (Tier 2: Sec. 4.3.1.1)
C	NC	N/A	VERTICAL DISCONTINUITIES: All vertical elements in the lateral-force-resisting system shall be continuous to the foundation. (Tier 2: Sec. 4.3.2.4)
C	NC	N/A	DETERIORATION OF WOOD: There shall be no signs of decay, shrinkage, splitting, fire damage, or sagging in any of the wood members, and none of the metal connection hardware shall be deteriorated, broken, or loose. (Tier 2: Sec. 4.3.3.1)
C	NC	N/A	WOOD STRUCTURAL PANEL SHEAR WALL FASTENERS: There shall be no more than 15 percent of inadequate fastening such as overdriven fasteners, omitted blocking, excessive fastening spacing, or inadequate edge distance. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.3.3.2)

Lateral-Force-Resisting System

C	NC	N/A	REDUNDANCY: The number of lines of shear walls in each principal direction shall be greater than or equal to 2 for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.4.2.1.1)

Screening Phase (Tier 1)

C NC N/A **SHEAR STRESS CHECK:** The shear stress in the shear walls, calculated using the Quick Check procedure of Section 3.5.3.3, shall be less than the following values for Life Safety and Immediate Occupancy (Tier 2: Sec. 4.4.2.7.1):

Structural panel sheathing	1,000 plf
Diagonal sheathing	700 plf
Straight sheathing	100 plf
All other conditions	100 plf

C NC N/A **STUCCO (EXTERIOR PLASTER) SHEAR WALLS:** Multi-story buildings shall not rely on exterior stucco walls as the primary lateral-force-resisting system. (Tier 2: Sec. 4.4.2.7.2)

C NC N/A GYPSUM WALLBOARD OR PLASTER SHEAR WALLS: Interior plaster or gypsum wallboard shall not be used as shear walls on buildings over one story in height with the exception of the uppermost level of a multi-story building. (Tier 2: Sec. 4.4.2.7.3)

C NC N/A **NARROW WOOD SHEAR WALLS:** Narrow wood shear walls with an aspect ratio greater than 2-to-1 for Life Safety and 1.5-to-1 for Immediate Occupancy shall not be used to resist lateral forces developed in the building in levels of moderate and high seismicity. Narrow wood shear walls with an aspect ratio greater than 2-to-1 for Immediate Occupancy shall not be used to resist lateral forces developed in the building in levels of low seismicity. (Tier 2: Sec. 4.4.2.7.4)

C NC N/A WALLS CONNECTED THROUGH FLOORS: Shear walls shall have interconnection between stories to transfer overturning and shear forces through the floor. (Tier 2: Sec. 4.4.2.7.5)

C NC N/A HILLSIDE SITE: For structures that are taller on at least one side by more than one-half story due to a sloping site, all shear walls on the downhill slope shall have an aspect ratio less than 1-to-1 for Life Safety and 1 to 2 for Immediate Occupancy. (Tier 2: Sec. 4.4.2.7.6)

C NC N/A CRIPPLE WALLS: Cripple walls below first-floor-level shear walls shall be braced to the foundation with wood structural panels. (Tier 2: Sec. 4.4.2.7.7)

C NC N/A OPENINGS: Walls with openings greater than 80 percent of the length shall be braced with wood structural panel shear walls with aspect ratios of not more than 1.5-to-1 or shall be supported by adjacent construction through positive ties capable of transferring the lateral forces. (Tier 2: Sec. 4.4.2.7.8)

Connections

C NC N/A WOOD POSTS: There shall be a positive connection of wood posts to the foundation. (Tier 2: Sec. 4.6.3.3)

C NC N/A **WOOD SILLS:** All wood sills shall be bolted to the foundation. (Tier 2: Sec. 4.6.3.4)

C NC N/A GIRDER/COLUMN CONNECTION: There shall be a positive connection utilizing plates, connection hardware, or straps between the girder and the column support. (Tier 2: Sec. 4.6.4.1)

3.7.1S Supplemental Structural Checklist for Building Type W1: Wood Light Frames

This Supplemental Structural Checklist shall be completed where required by Table 3-2. The Basic Structural Checklist shall be completed prior to completing this Supplemental Structural Checklist.

Lateral-Force-Resisting System

C NC (N/A) HOLD-DOWN ANCHORS: All shear walls shall have hold-down anchors constructed per acceptable construction practices, attached to the end studs. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.4.2.7.9)

Diaphragms

C (NC) N/A DIAPHRAGM CONTINUITY: The diaphragms shall not be composed of split-level floors and shall not have expansion joints. (Tier 2: Sec. 4.5.1.1)

C (NC) N/A ROOF CHORD CONTINUITY: All chord elements shall be continuous, regardless of changes in roof elevation. (Tier 2: Sec. 4.5.1.3)

C NC (N/A) PLAN IRREGULARITIES: There shall be tensile capacity to develop the strength of the diaphragm at re-entrant corners or other locations of plan irregularities. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.5.1.7)

C NC (N/A) DIAPHRAGM REINFORCEMENT AT OPENINGS: There shall be reinforcing around all diaphragm openings larger than 50 percent of the building width in either major plan dimension. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.5.1.8)

C (NC) N/A STRAIGHT SHEATHING: All straight sheathed diaphragms shall have aspect ratios less than 2-to-1 for Life Safety and 1-to-1 for Immediate Occupancy in the direction being considered. (Tier 2: Sec. 4.5.2.1)

C NC (N/A) SPANS: All wood diaphragms with spans greater than 24 feet for Life Safety and 12 feet for Immediate Occupancy shall consist of wood structural panels or diagonal sheathing. (Tier 2: Sec. 4.5.2.2)

C NC (N/A) UNBLOCKED DIAPHRAGMS: All diagonally sheathed or unblocked wood structural panel diaphragms shall have horizontal spans less than 40 feet for Life Safety and 30 feet for Immediate Occupancy and shall have aspect ratios less than or equal to 4-to-1 for Life Safety and 3-to-1 for Immediate Occupancy. (Tier 2: Sec. 4.5.2.3)

(C) NC N/A OTHER DIAPHRAGMS: The diaphragm shall not consist of a system other than wood, metal deck, concrete, or horizontal bracing. (Tier 2: Sec. 4.5.7.1)

Connections

C (NC) N/A WOOD SILL BOLTS: Sill bolts shall be spaced at 6 feet or less for Life Safety and 4 feet or less for Immediate Occupancy, with proper edge and end distance provided for wood and concrete. (Tier 2: Sec. 4.6.3.9)

3.8 Geologic Site Hazards and Foundations Checklist

This Geologic Site Hazards and Foundations Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

Geologic Site Hazards

The following statements shall be completed for buildings in levels of high or moderate seismicity.

C NC N/A LIQUEFACTION: Liquefaction-susceptible, saturated, loose granular soils that could jeopardize the building's seismic performance shall not exist in the foundation soils at depths within 50 feet under the building for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.7.1.1)

C NC N/A SLOPE FAILURE: The building site shall be sufficiently remote from potential earthquake-induced slope failures or rockfalls to be unaffected by such failures or shall be capable of accommodating any predicted movements without failure. (Tier 2: Sec. 4.7.1.2)

C NC N/A SURFACE FAULT RUPTURE: Surface fault rupture and surface displacement at the building site is not anticipated. (Tier 2: Sec. 4.7.1.3)

Condition of Foundations

The following statement shall be completed for all Tier 1 building evaluations.

C NC N/A FOUNDATION PERFORMANCE: There shall be no evidence of excessive foundation movement such as settlement or heave that would affect the integrity or strength of the structure. (Tier 2: Sec. 4.7.2.1)

The following statement shall be completed for buildings in levels of high or moderate seismicity being evaluated to the Immediate Occupancy Performance Level.

C NC N/A DETERIORATION: There shall not be evidence that foundation elements have deteriorated due to corrosion, sulfate attack, material breakdown, or other reasons in a manner that would affect the integrity or strength of the structure. (Tier 2: Sec. 4.7.2.2)

Capacity of Foundations

The following statement shall be completed for all Tier 1 building evaluations.

C NC N/A POLE FOUNDATIONS: Pole foundations shall have a minimum embedment depth of 4 feet for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.7.3.1)

The following statements shall be completed for buildings in levels of moderate seismicity being evaluated to the Immediate Occupancy Performance Level and for buildings in levels of high seismicity.

C NC N/A OVERTURNING: The ratio of the horizontal dimension of the lateral-force-resisting system at the foundation level to the building height (base/height) shall be greater than $0.6S_a$. (Tier 2: Sec. 4.7.3.2)

Screening Phase (Tier 1)

C	NC	N/A	TIES BETWEEN FOUNDATION ELEMENTS: The foundation shall have ties adequate to resist seismic forces where footings, piles, and piers are not restrained by beams, slabs, or soils classified as Class A, B, or C. (Section 3.5.2.3.1, Tier 2: Sec. 4.7.3.3)
C	NC	N/A	DEEP FOUNDATIONS: Piles and piers shall be capable of transferring the lateral forces between the structure and the soil. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.7.3.4)
C	NC	N/A	SLOPING SITES: The difference in foundation embedment depth from one side of the building to another shall not exceed one story in height. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.7.3.5)

3.9.1 Basic Nonstructural Component Checklist

This Basic Nonstructural Component Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

Partitions

C NC N/A — UNREINFORCED MASONRY: Unreinforced masonry or hollow clay tile partitions shall be braced at a spacing equal to or less than 10 feet in levels of low or moderate seismicity and 6 feet in levels of high seismicity. (Tier 2: Sec. 4.8.1.1)

Ceiling Systems

C NC N/A — SUPPORT: The integrated suspended ceiling system shall not be used to laterally support the tops of gypsum board, masonry, or hollow clay tile partitions. Gypsum board partitions need not be evaluated where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.2.1)

Light Fixtures

C NC N/A — EMERGENCY LIGHTING: Emergency lighting shall be anchored or braced to prevent falling during an earthquake. (Tier 2: Sec. 4.8.3.1)

Cladding and Glazing

C NC N/A — CLADDING ANCHORS: Cladding components weighing more than 10 psf shall be mechanically anchored to the exterior wall framing at a spacing equal to or less than 4 feet. A spacing of up to 6 feet is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.1)

C NC N/A — DETERIORATION: There shall be no evidence of deterioration, damage or corrosion in any of the connection elements. (Tier 2: Sec. 4.8.4.2)

C NC N/A — CLADDING ISOLATION: For moment frame buildings of steel or concrete, panel connections shall be detailed to accommodate a story drift ratio of 0.02. Panel connection detailing for a story drift ratio of 0.01 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.3)

C NC N/A — MULTI-STORY PANELS: For multi-story panels attached at each floor level, panel connections shall be detailed to accommodate a story drift ratio of 0.02. Panel connection detailing for a story drift ratio of 0.01 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.4)

C NC N/A — BEARING CONNECTIONS: Where bearing connections are required, there shall be a minimum of two bearing connections for each wall panel. (Tier 2: Sec. 4.8.4.5)

Crosby group

C NC N/A INSERTS: Where inserts are used in concrete connections, the inserts shall be anchored to reinforcing steel or other positive anchorage. (Tier 2: Sec. 4.8.4.6)

C NC N/A PANEL CONNECTIONS: Exterior cladding panels shall be anchored out-of-plane with a minimum of 4 connections for each wall panel. Two connections per wall panel are permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.7)

Masonry Veneer

C NC N/A SHELF ANGLES: Masonry veneer shall be supported by shelf angles or other elements at each floor 30 feet or more above ground for Life Safety and at each floor above the first floor for Immediate Occupancy. (Tier 2: Sec. 4.8.5.1)

C NC N/A TIES: Masonry veneer shall be connected to the back-up with corrosion-resistant ties. The ties shall have a spacing equal to or less than 24 inches with a minimum of one tie for every 2-2/3 square feet. A spacing of up to 36 inches is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.5.2)

C NC N/A WEAKENED PLANES: Masonry veneer shall be anchored to the back-up adjacent to weakened planes, such as at the locations of flashing. (Tier 2: Sec. 4.8.5.3)

C NC N/A DETERIORATION: There shall be no evidence of deterioration, damage, or corrosion in any of the connection elements. (Tier 2: Sec. 4.8.5.4)

Parapets, Cornices, Ornamentation, and Appendages

C NC N/A URM PARAPETS: There shall be no laterally unsupported unreinforced masonry parapets or cornices with height-to-thickness ratios greater than 1.5. A height-to-thickness ratio of up to 2.5 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.8.1)

C NC N/A CANOPIES: Canopies located at building exits shall be anchored to the structural framing at a spacing of 6 feet or less. An anchorage spacing of up to 10 feet is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.8.2)

Masonry Chimneys

C NC N/A URM CHIMNEYS: No unreinforced masonry chimney shall extend above the roof surface more than twice the least dimension of the chimney. A height above the roof surface of up to three times the least dimension of the chimney is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.9.1)

Stairs

C NC N/A URM WALLS: Walls around stair enclosures shall not consist of unbraced hollow clay tile or unreinforced masonry with a height-to-thickness ratio greater than 12-to-1. A height-to-thickness ratio of up to 15-to-1 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.10.1)

C NC N/A STAIR DETAILS: In moment frame structures, the connection between the stairs and the structure shall not rely on shallow anchors in concrete. Alternatively, the stair details shall be capable of accommodating the drift calculated using the Quick Check procedure of Section 3.5.3.1 without including tension in the anchors. (Tier 2: Sec. 4.8.10.2)

Screening Phase (Tier 1)

Building Contents and Furnishing

C NC N/A — TALL NARROW CONTENTS: Contents over 4 feet in height with a height-to-depth or height-to-width ratio greater than 3-to-1 shall be anchored to the floor slab or adjacent structural walls. A height-to-depth or height-to-width ratio of up to 4-to-1 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.11.1)

Mechanical and Electrical Equipment

C NC N/A — EMERGENCY POWER: Equipment used as part of an emergency power system shall be mounted to maintain continued operation after an earthquake. (Tier 2: Sec. 4.8.12.1)

C NC N/A — HAZARDOUS MATERIAL EQUIPMENT: HVAC or other equipment containing hazardous material shall not have damaged supply lines or unbraced isolation supports. (Tier 2: Sec. 4.8.12.2)

C NC N/A — DETERIORATION: There shall be no evidence of deterioration, damage, or corrosion in any of the anchorage or suppprts of mechanical or electrical equipment. (Tier 2: Sec. 4.8.12.3)

C NC N/A — ATTACHED EQUIPMENT: Equipment weighing over 20 lb that is attached to ceilings, walls, or other supports 4 feet above the floor level shall be braced. (Tier 2: Sec. 4.8.12.4)

Piping

C NC N/A — FIRE SUPPRESSION PIPING: Fire suppression piping shall be anchored and braced in accordance with NFPA-13 (NFPA, 1996). (Tier 2: Sec. 4.8.13.1)

C NC N/A — FLEXIBLE COUPLINGS: Fluid, gas, and fire suppression piping shall have flexible couplings. (Tier 2: Sec. 4.8.13.2)

Hazardous Materials Storage and Distribution

C NC N/A — TOXIC SUBSTANCES: Toxic and hazardous substances stored in breakable containers shall be restrained from falling by latched doors, shelf lips, wires, or other methods. (Tier 2: Sec. 4.8.15.1)

3.9.2 Intermediate Nonstructural Component Checklist

This Intermediate Nonstructural Component Checklist shall be completed where required by Table 3-2. The Basic Nonstructural Component Checklist shall be completed prior to completing this Intermediate Nonstructural Component Checklist.

Ceiling Systems

C NC N/A — LAY-IN TILES: Lay-in tiles used in ceiling panels located at exits and corridors shall be secured with clips. (Tier 2: Sec. 4.8.2.2)

C NC N/A — INTEGRATED CEILINGS: Integrated suspended ceilings at exits and corridors or weighing more than 2 pounds per square foot shall be laterally restrained with a minimum of four diagonal wires or rigid members attached to the structure above at a spacing equal to or less than 12 feet. (Tier 2: Sec. 4.8.2.3)

C NC N/A — SUSPENDED LATH AND PLASTER: Ceilings consisting of suspended lath and plaster or gypsum board shall be attached to resist seismic forces for every 12 square feet of area. (Tier 2: Sec. 4.8.2.4)

Light Fixtures

C NC N/A — INDEPENDENT SUPPORT: Light fixtures in suspended grid ceilings shall be supported independently of the ceiling suspension system by a minimum of two wires at diagonally opposite corners of the fixtures. (Tier 2: Sec. 4.8.3.2)

Cladding and Glazing

C NC N/A — GLAZING: Glazing in curtain walls and individual panes over 16 square feet in area, located up to a height of 10 feet above an exterior walking surface, shall have safety glazing. Such glazing located over 10 feet above an exterior walking surface shall be laminated annealed or laminated heat-strengthened safety glass or other glazing system that will remain in the frame when glass is cracked. (Tier 2: Sec. 4.8.4.8)

Parapets, Cornices, Ornamentation, and Appendages

C NC N/A — CONCRETE PARAPETS: Concrete parapets with height-to-thickness ratios greater than 2.5 shall have vertical reinforcement. (Tier 2: Sec. 4.8.8.3)

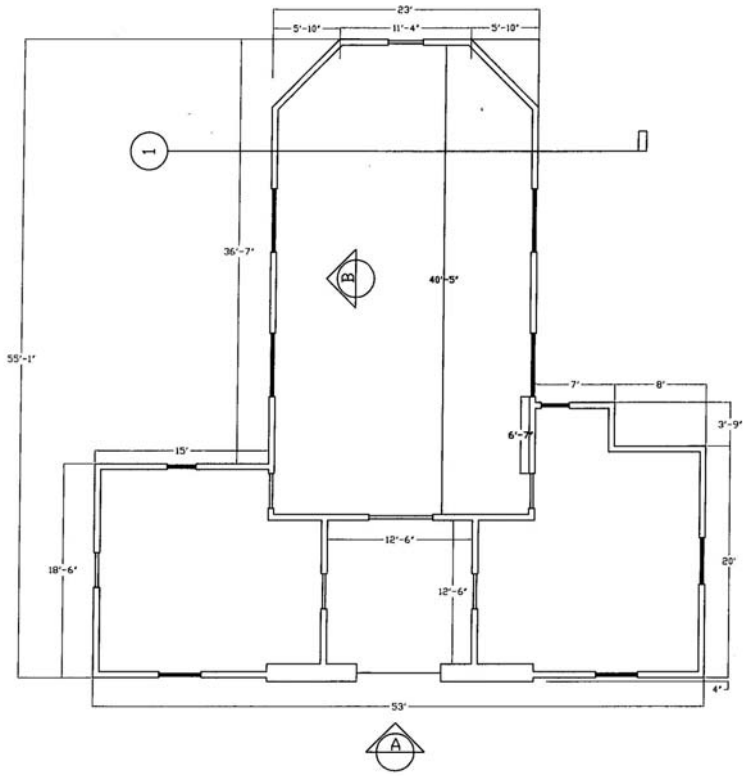
C NC N/A — APPENDAGES: Cornices, parapets, signs, and other appendages that extend above the highest point of anchorage to the structure or cantilever from exterior wall faces and other exterior wall ornamentation shall be reinforced and anchored to the structural system at a spacing equal to or less than 10 feet for Life Safety and 6 feet for Immediate Occupancy. This requirement need not apply to parapets or cornices compliant with Section 4.8.8.1 or 4.8.8.3. (Tier 2: Sec. 4.8.8.4)

Masonry Chimneys

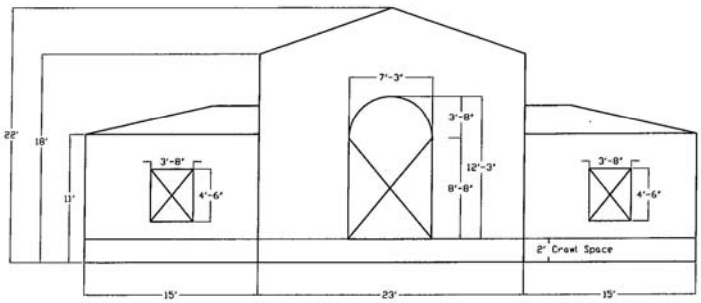
C NC N/A — ANCHORAGE: Masonry chimneys shall be anchored at each floor level and the roof. (Tier 2: Sec. 4.8.9.2)

APPENDIX D

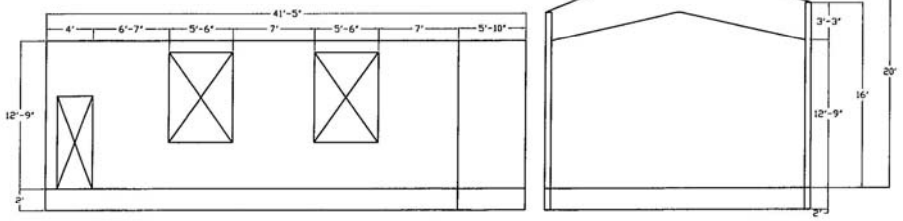
Structural Calculations



PLAN VIEW



ELEVATION A



ELEVATION B

SECTION 1

Project:	Job No.:	
Description: CALCULATIONS:	Date:	Sht:
	By: J.R. Ck:	

TIER 1 - GEOLOGIC SITE HAZARDS & FNDTNS

OVER TURNING CHECK:

$$\frac{\text{BASE}}{\text{HEIGHT}} = \frac{23'-0"}{22'-0"} = 1.045$$

← CONSERVATIVE

$$S_a = \frac{S_{D1}}{T}$$

$S_{D1} = 0.789$

$T = C_t h_n^{\ B}$

$C_t = 0.06$ (W1)

$h_n = (22' + 18') \div 2 = 20'$

$B = 0.75$

$T = 0.06(20)^{0.75} = 0.567$ sec

$$S_a = \frac{0.789}{0.567} = 1.39$$

$S_{a\,MAX} = S_{DS} = 1.159$ *

CHECK → $\frac{B}{H} > 0.6\,S_a$

$0.6\,S_a = 0.6\,(1.159) = 0.695$

$1.045 > 0.695$ ✓ ∴ NO OVERTURNING

Project:	Job No.:	
Description: CALCULATIONS	Date:	Sht:
	By: J.R. Ck:	

TIER 1 -

PSEUDO LATERAL FORCE

$V = C S_a W$

$C = 1.3$

$S_a = \frac{S_{D1}}{T}$

$T = C_t h_n^{\beta}$

$C_t = 0.06$ (W1)

$h_n = (22' + 18') \div 2 = 20'$

$\beta = 0.75$

$T = 0.06(20)^{.75} = 0.567$

$S_a = \frac{0.789}{0.567} = 1.39$

$S_{a\,MAX} = S_{DS} = 1.159$ ← GOVERNS

$V = C S_a W = 1.3(1.159)W = 1.51W \quad (\div M)$

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

BUILDING WEIGHTS

ROOF LOADS

SPANISH CERAMIC TILES	19 PSF
WOOD PLANKS	2.5 PSF
FRAMING	4 PSF
INSULATION	1 PSF
1/2" PLASTER	4 PSF
MEP	3 PSF
MISC.	2.5 PSF
	36 PSF

EXT. WALL LOADS

1/2" PLASTER (2 SIDES)	8 PSF
FRAMING (ASSUME 2x6 @ 16")	1.7 PSF
WOOD PLANKS	2.5 PSF
INSULATION	1 PSF
MISC.	0.8 PSF
	14 PSF

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

WEIGHTS FOR SEISMIC LOADING

TOTAL ROOF WT = $1820\ FT^2\ (36\ PSF) = 65.52^K$

TOTAL E/W WALL WT FOR N/S SEISMIC

18' WALL LENGTH : 69'
11' WALL LENGTH : 60'

TOTAL WALL WT = $14PSF\left[(69 * \frac{18}{2}) + (60 * \frac{11}{2})\right] = 13.31^K$

TOTAL N/S WALL WT FOR E/W SEISMIC

18' WALL LENGTH : 110'
11' WALL LENGTH : 42.25'

TOTAL WALL WT = $14PSF\left[(110' * \frac{18'}{2}) + (42.25' * \frac{11'}{2})\right] = 17.11^K$

$V_{N/S} = 1.51\ (65.52^K + 13.31^K) = 119.0\ ^K/_m \leftarrow$

$V_{E/W} = 1.51\ (65.52^K + 17.11^K) = 124.8\ ^K/_m \leftarrow$

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

STRESS IN SHEAR WALLS (TIER 1 CHECK) (APPROXIMATION)

$$V_j^{AVG} = \frac{1}{m}\left(\frac{V_i}{A_w}\right)$$

$A_{w\ E/W} = L_{E/W} = 87'$ $\quad m = 4.0$

$$V_{j\ E/W}^{AVG} = \frac{1}{4.0}\left(\frac{125^K}{87'}\right) = 0.359^{KLF} > 0.100^{KLF}$$

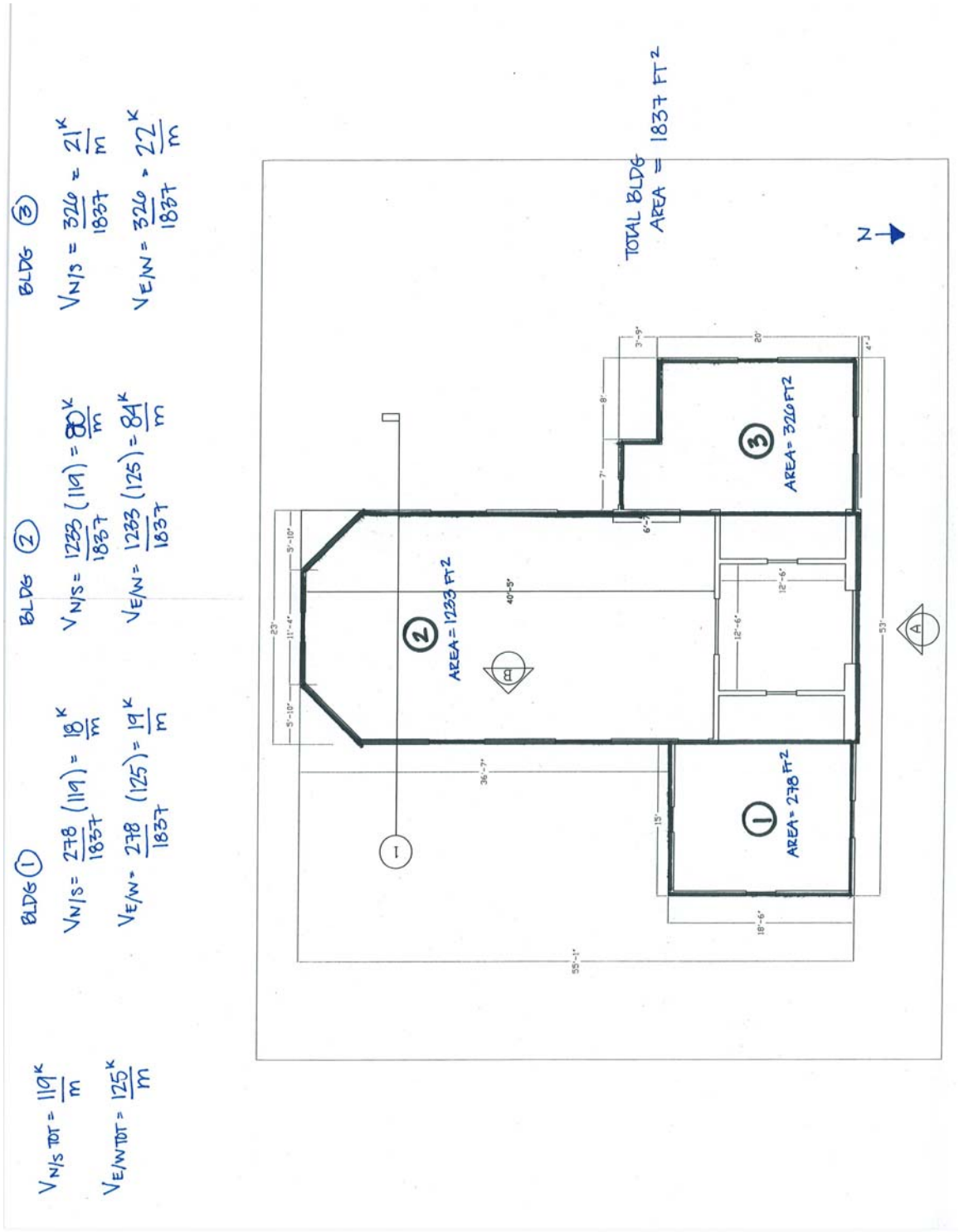
CAPACITY FOR STRAIGHT SHEATHING NG!

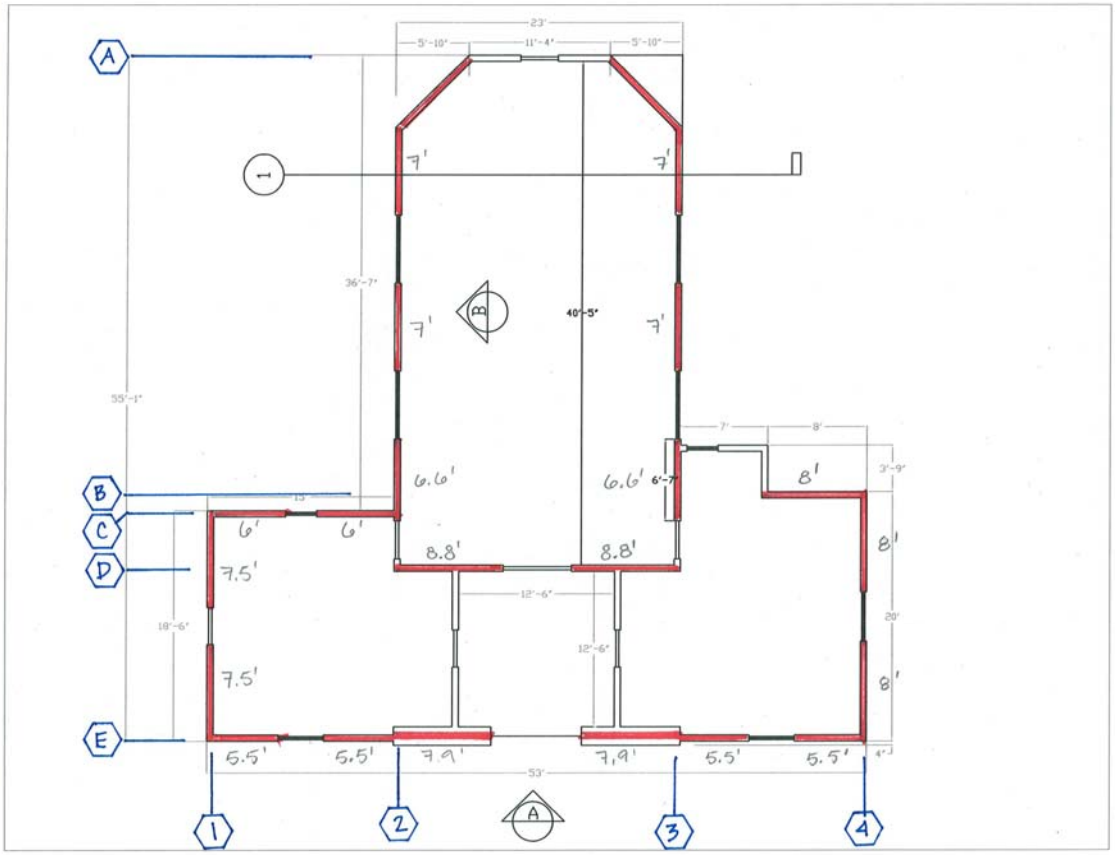
$A_{w\ N/S} = L_{N/S} = 83.87'$ $\quad m = 4.0$

$$V_{j\ N/S}^{AVG} = \frac{1}{4.0}\left(\frac{119^K}{83.87'}\right) = 0.355^{KLF} > 0.110^{KLF}$$

CAPACITY FOR STRAIGHT SHEATHING NG!

STRAIGHT SHEATHED SHEAR WALLS ARE NOT ADEQUATE PER TIER 1 ANALYSIS

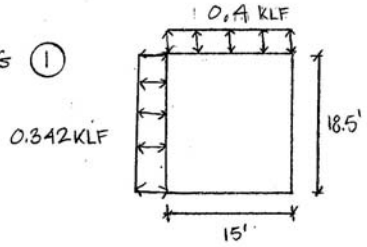

TOTAL BLDG AREA = 1837 FT²
N
BLDG ①
$V_{N/S} = \frac{278}{1837}(119) = \frac{18^k}{m}$
$V_{E/W} = \frac{278}{1837}(125) = \frac{19^k}{m}$
BLDG ②
$V_{N/S} = \frac{1233}{1837}(119) = \frac{80^k}{m}$
$V_{E/W} = \frac{1233}{1837}(125) = \frac{84^k}{m}$
BLDG ③
$V_{N/S} = \frac{320}{1837} = \frac{21^k}{m}$
$V_{E/W} = \frac{320}{1837} = \frac{22^k}{m}$
$V_{N/S\ TOT} = \frac{119^k}{m}$
$V_{E/W\ TOT} = \frac{125^k}{m}$
① AREA = 278 FT²
② AREA = 1233 FT²
③ AREA = 320 FT²


A
B
C
D
E
1
2
3
4
7'
7'
7'
7'
6.6'
6.6'
8'
6'
6'
8.8'
8.8'
7.5'
7.5'
8'
8'
5.5'
5.5'
7.9'
7.9'
5.5'
5.5'

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

TIER 2 : SHEARWALL FORCE DISTRIBUTION

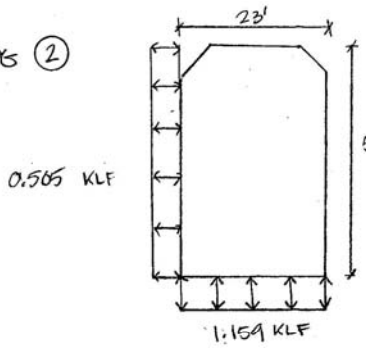
BLDG (1)



$W_{N/S} = \frac{18^K}{3} \div 15' = 0.4\ KLF$

$W_{E/W} = \frac{19^K}{3} \div 18.5' = 0.342\ KLF$

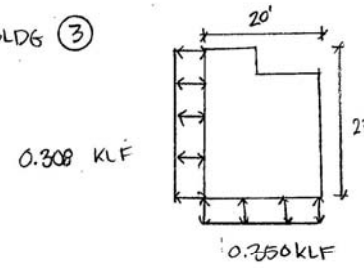
BLDG (2)



$W_{N/S} = \frac{80^K}{3} \div 23' = 1.159\ KLF$

$W_{E/W} = \frac{84^K}{3} \div 55.4' = .505\ KLF$

BLDG (3)



$W_{N/S} = \frac{21^K}{3} \div 20' = 0.35\ KLF$

$W_{E/W} = \frac{22^K}{3} \div 23.75' =$ KLF

* m = 3.0 PER TABLE 4-8 IN ASCE 31-03

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

TIER 2: SHEAR WALL FORCE DISTRIBUTION CONT'D

N/S DIRECTION

LINE 1

$V = 0.4\,KLF\,(15'/2) = 3.0\,K$

LINE 2

$V = (0.4\,KLF * [15'/2]) + (1.159\,KLF * [23'/2]) = 16.3^K$

LINE 3

$V = (1.159\,KLF * [23'/2]) + (0.35\,KLF * [20'/2]) = 16.8^K$

LINE 4

$V = (0.35\,KLF)(20'/2) = 3.5^K$

E/W DIRECTION

LINE A

$V = 0.505\,KLF\,(40.4'/2) = 10.2^K$

LINE B

$V = 0.308\,KLF\,(3.75' + 20'/2) = 4.2^K$

LINE C

$V = 0.342\,KLF\,(18.5'/2) = 3.2^K$

LINE D

$V = 0.505\,KLF\,(40.4'/2 + 15'/2) = 14.0^K$

LINE E

$V = 0.505\,KLF\,(15'/2) + 0.308\,KLF\,(20'/2) + 0.342\,(18.5'/2) = 10.0^K$

Tier 2 Shear Wall Stress Check

Line	Length of Wall (ft)	Height of Wall (ft)	Wall L / Total Line Wall L	Shear Per Line of Wall*	Shear (kips)	h/L	Q_{UD} (klf)	Q_{CE} (klf)	Design OK? ($Q_{CE} > Q_{UD}$/m)	
1	7.5	11	0.5	3	1.50	1.47	0.200	0.2	NO	
1	7.5	11	0.5	3	1.50	1.47	0.200	0.2	NO	
2	6.6	18	0.25	16.3	4.08	2.73	0.617	0.2	NO	
2	7	18	0.265	16.3	4.32	2.57	0.617	0.2	NO	
2	7	18	0.265	16.3	4.32	2.57	0.617	0.2	NO	
2	5.8	18	0.22	16.3	3.59	[redacted]	0.618	0.2	NO	*****
3	6.6	18	0.25	16.8	4.20	2.73	0.636	0.2	NO	
3	7	18	0.265	16.8	4.45	2.57	0.636	0.2	NO	
3	7	18	0.265	16.8	4.45	2.57	0.636	0.2	NO	
3	5.8	18	0.22	16.8	3.70	[redacted]	0.637	0.2	NO	*****
4	8	11	0.5	3.5	1.75	1.38	0.219	0.2	NO	
4	8	11	0.5	3.5	1.75	1.38	0.219	0.2	NO	
A	5.8	18	0.5	10.2	5.10	[redacted]	0.879	0.2	NO	*****
A	5.8	18	0.5	10.2	5.10	[redacted]	0.879	0.2	NO	*****
B	8	11	1	4.2	4.20	1.38	0.525	0.2	NO	
C	6	11	0.5	3.2	1.60	1.83	0.267	0.2	NO	
C	6	11	0.5	3.2	1.60	1.83	0.267	0.2	NO	
D	8.8	18	0.5	14	7.00	2.05	0.795	0.2	NO	
D	8.8	18	0.5	14	7.00	2.05	0.795	0.2	NO	
E	5.5	11	0.146	10	1.46	2.00	0.265	0.2	NO	
E	5.5	11	0.146	10	1.46	2.00	0.265	0.2	NO	
E	7.9	18	0.209	10	2.09	2.28	0.265	0.2	NO	
E	7.9	18	0.209	10	2.09	2.28	0.265	0.2	NO	
E	5.5	11	0.146	10	1.46	2.00	0.265	0.2	NO	
E	5.5	11	0.146	10	1.46	2.00	0.265	0.2	NO	

* Shear Forces have been divided by m = 3.0 for straight sheathing

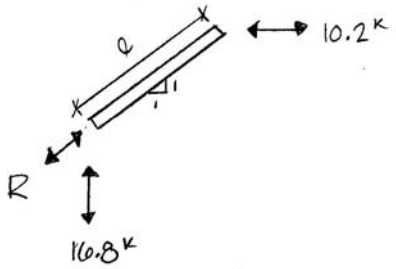
** Straight Sheathing - use 100plf allowable shear

***** See hand calcs for actual loads to these walls

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

*****

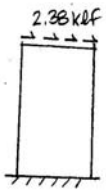
LOADING TO SHEAR WALLS @ LINE A/2 & A/3



$\ell = \sqrt{(5.833)^2 + (5.833)^2} = 8.25'$

$R_{AXIAL} = \sqrt{(16.8^K)^2 + (10.2^K)^2} = 19.65^K$

$\frac{Q_{UD}}{m} = \frac{19.65^K}{8.25'} = 2.38\ klf$



$Q_{CE} = 2(0.100\ KLF) = 0.200\ klf$

$Q_{CE} < \frac{Q_{UD}}{m}$ ∴ SHEAR DEMAND EXCEEDS CAPACITY

* TRUE $\frac{h}{\ell} = \frac{18'}{8.25'} = 2.18 < 3.0$ ✓OK

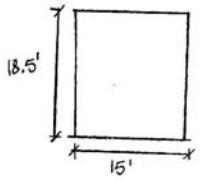
Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. / Ck:	

DIAPHRAGM ASSESMENT

$$F_{PX} = \frac{1}{C} \frac{\sum F_i}{\sum W_i} W_x \qquad (4\text{-}4)$$

$C = 1.3$ [TABLE 3-4]

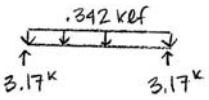
DIAPHRAGM (1)



FORCES:

$$\frac{F_{PX}}{m}\ N/S = \frac{18^K}{3.0} = 6^K$$

$$\frac{F_{PX}}{m}\ E/W = \frac{19^K}{3.0} = 6.33^K$$



MAX V:

$$\frac{E/W}{m} W_{PX} = \frac{6.33^K}{18.5'} = 0.342\ KLF$$

$$\frac{R_{MAX}}{m} = \frac{6.33^K}{2} = 3.17^K$$

$$\frac{V}{m}\ MAX = \frac{3.17^K}{15'} = 211\ plf = \frac{Q_{UD}}{M}$$

$$Q_{CE} * 2 = 300\ plf * 2 = 600\ plf > \frac{Q_{UD}}{M}$$

↑ ALLOWABLE LOAD FACTOR [4.2.4.4]

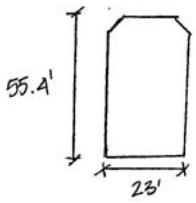
DIAPHRAGM (1) OK ✓

∴ DIAPHRAGM #3 SIM.

$$\rightarrow \frac{V_{MAX}}{m}\ N/S = \frac{6^K}{2 * 18.5'} = 162\ plf$$

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

DIAPHRAGM ②



FORCES:

$\frac{F_{px}}{m}$ N/S = $\frac{80^k}{3.0}$ = 26.67 ^{k}

$\frac{F_{px}}{m}$ E/W = $\frac{84^k}{3.0}$ = 28 ^{k}

N/S → $\frac{V_{MAX}}{m}$ = $\frac{26.67^k}{(2)(55.4')}$ = 241 PLF = $\frac{Q_{UD}}{M}$

N/S $\frac{Q_{UD}}{M}$ TOT (FROM DIAPH. ① & ② COMBINED) = 241 PLF + 162 PLF
= 403 PLF

Q_{CE} = 600 PLF > 403 PLF ✓

E/W → $\frac{V_{MAX}}{M}$ = $\frac{28^k}{(2)(23')}$ = 609 PLF = $\frac{Q_{UD}}{M}$

Q_{CE} = 600 PLF < $\frac{Q_{UD}}{M}$

∴ DIAPHRAGM NG!

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. / Ck:	

CHORD FORCES

BLDG (2) →

$$\frac{W_{DIAPH\ E/W}}{m} = \frac{28^{K}}{55.4'} = 505\ PLF$$

$$\frac{M_{DIAPH}}{m} = \frac{WL^2}{8} = \frac{505\ PLF\,(55.4')^2}{8} = 193.7\ K\text{-}FT$$

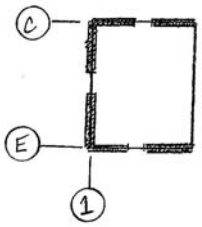
$$\frac{CHORD\ FORCE}{m}\quad T = C = \frac{193.7\ K\text{-}FT}{23'} = 8.42^{K}$$

CHORD MEMBERS & SPLICES SHOULD BE DESIGNED FOR THIS TENSION FORCE

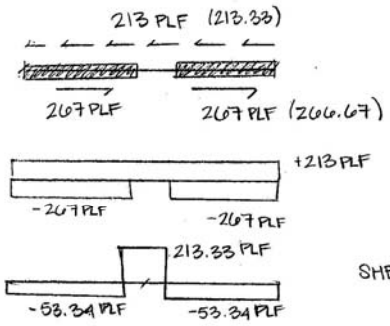
Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

COLLECTOR FORCES

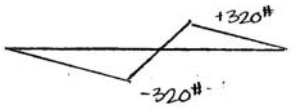
BLDG ① (BLDG ③ SIMILAR)



LINE Ⓒ



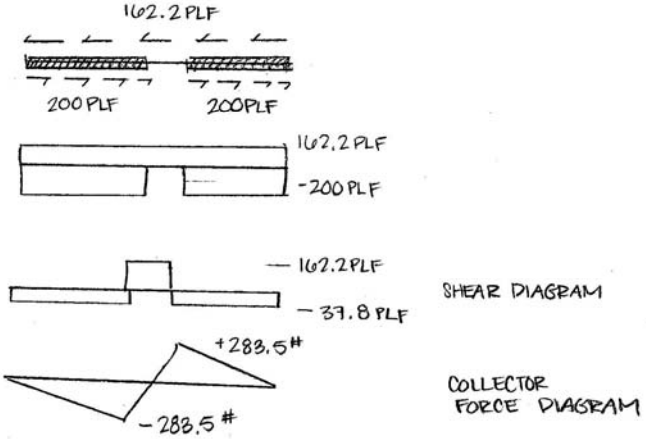
SHEAR DIAGRAM



COLLECTOR FORCE DIAGRAM

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

LINE ①

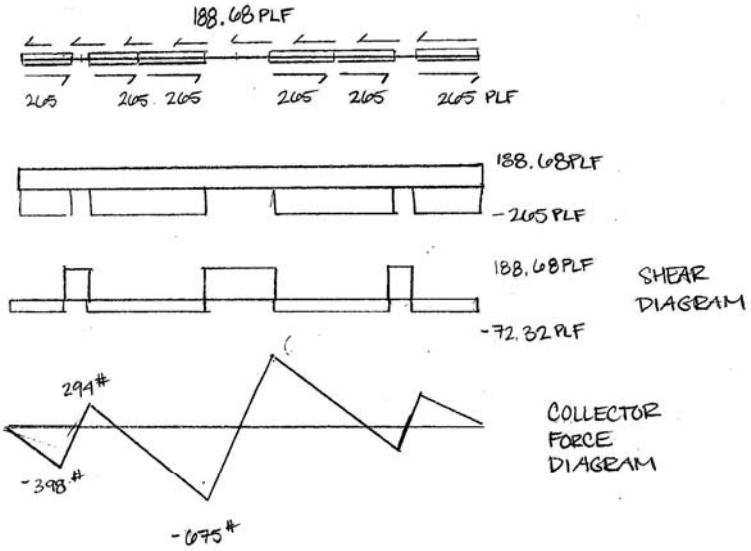


MAX COLLECTOR FORCE → 320# BLDG ① & ③

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

COLLECTOR FORCES CONT'D

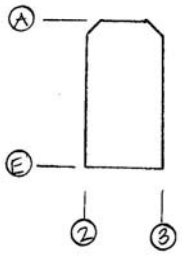
LINE (E)



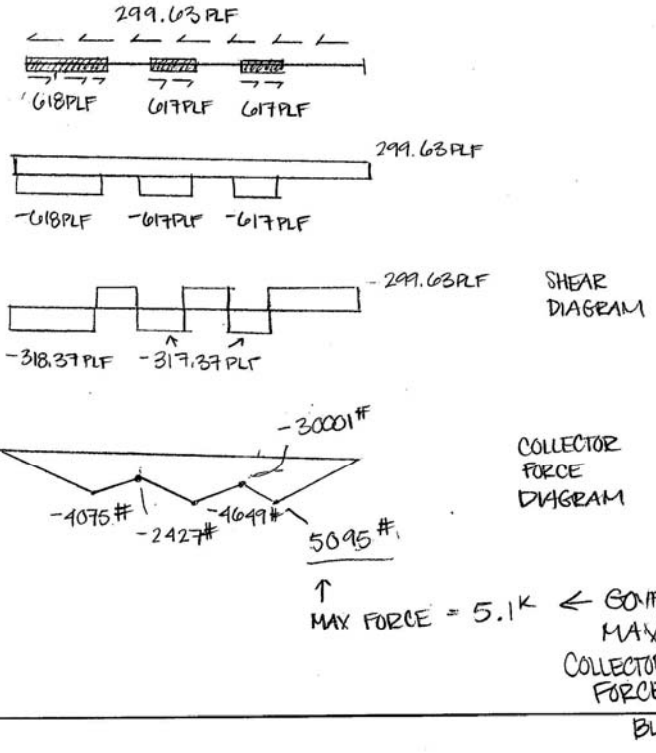
Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

COLLECTOR FORCES CONT'D

BLDG (2)



LINE (2)/(3)



↑ MAX FORCE = 5.1K ← GOVERNS MAX COLLECTOR FORCE IN BLDG

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

WALL ANCHORAGE TO ROOF DIAPHRAGM

OUT OF PLANE ANCHORAGE

$F_p = ? S_{DS} W$ [4.2.5.1]

$? = 0.3$ (LS)

$S_{DS} = 1.159$

$W = 14 PSF * 18'/2 = 126 PLF$

$F_p = 0.3(1.159)(126 PLF) = 43.8 PLF$

DESIGN CONNECTIONS FOR THIS OUT OF PLANE FORCE

IN-PLANE ANCHORAGE

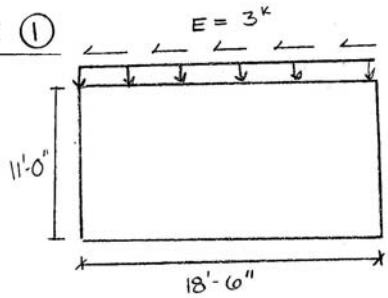
$F = 609$ PLF (MAX- SEE DIAPHRAGM SHEAR CALCS)

DESIGN CONNECTIONS FOR THIS IN-PLANE FORCE

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

CHECK OVERTURNING ON WALLS @ LINE ①, ④, Ⓐ, ③

LINE ①



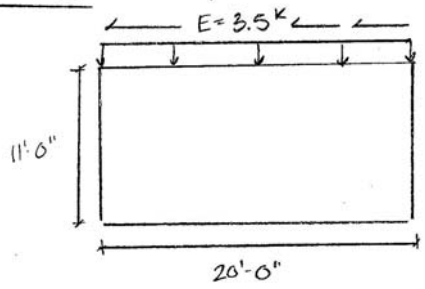
DL = 36 PSF * 15'/2
+ 14 PSF * 11'
= 424 PLF

M_{OT} = 3^K * 11' = 33 K-FT

M_R = (424 PLF * 18.5' * 18.5'/2)(0.9) = 65.3 K-FT

NO UPLIFT

LINE ④



DL = 36 PSF * 15'/2
+ 14 PSF * 11'
= 424 PLF

M_{OT} = 3.5^K * 11' = 38.5 K-FT

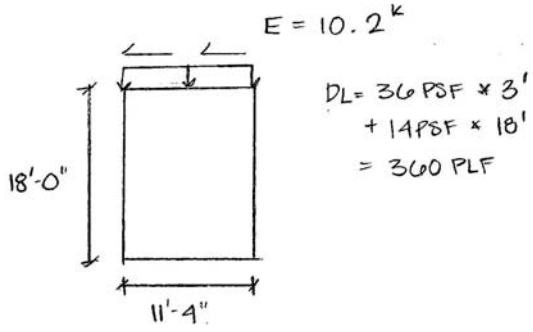
M_R = (424 PLF * 20' * 20'/2)(0.9) = 76.3 K-FT

NO UPLIFT

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

OVERTURNING CONT'D

LINE (A)



$M_{OT} = 10.2^{K} \times 18' = 183.6\ K\text{-FT}$

$M_R = (360\ PLF \times 11.33' \times 11.33'/2)0.9 = 20.8\ K\text{-FT}$

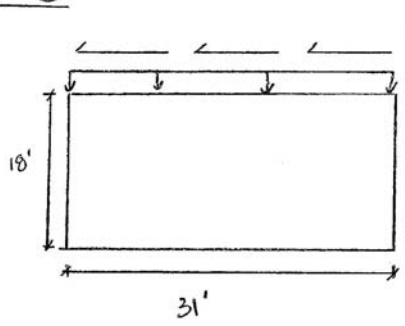
$UPLIFT = 183.6\ K\text{-FT} - 20.8\ K\text{-FT} = 162\ K\text{-FT}$

$= \frac{162\ K\text{-FT}}{11.33'} = 14.3^{K}$ @ EACH END

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

OVERTURNING CONT'D...

LINE (3)



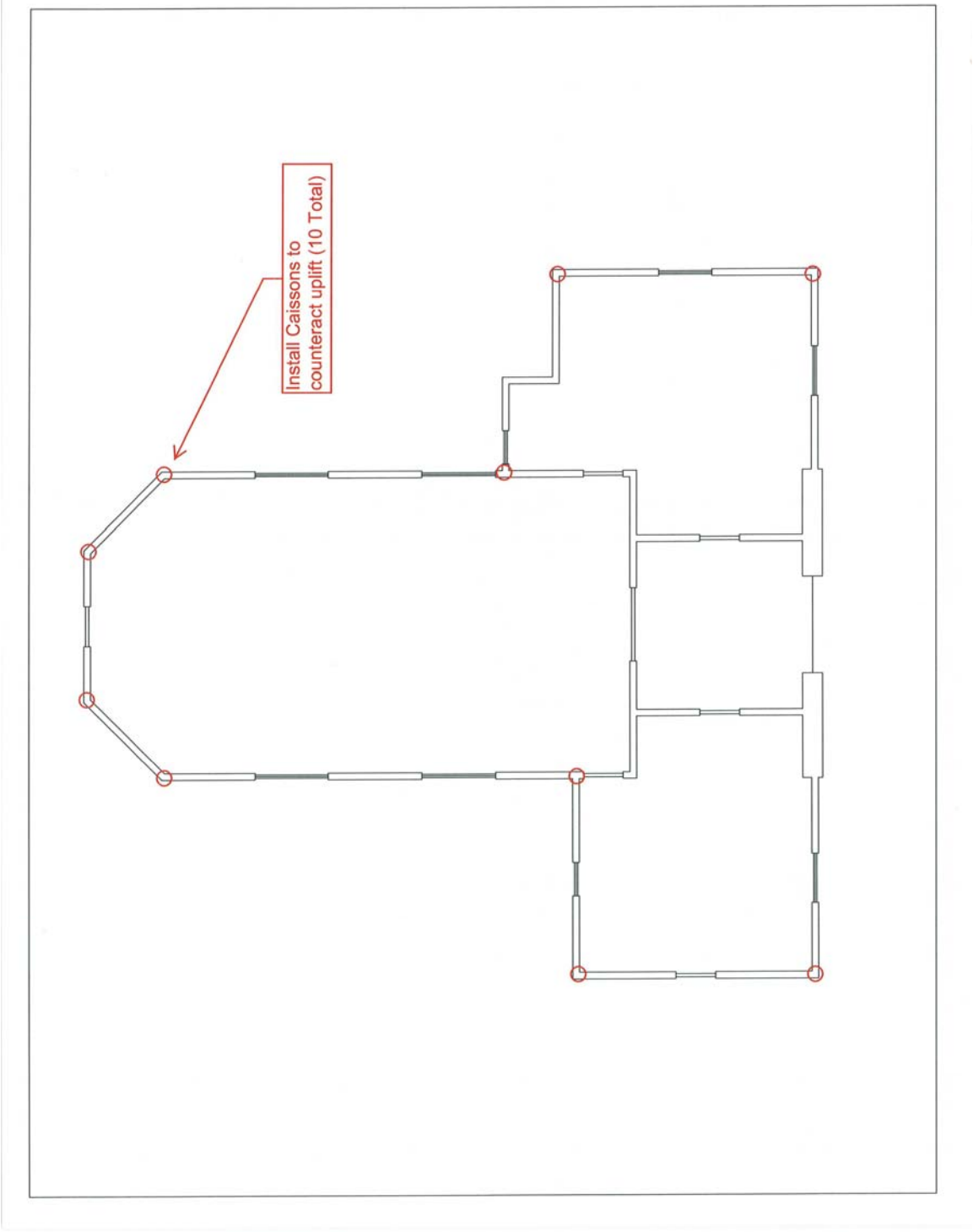
DL = 36 PSF × 23'/2
+ 14 PSF × 18'
= 6666 PLF

M_{OT} = 16.8 K × 18' = 302.4 K-FT

M_R = (6666 PLF × 31' × 31'/2)0.9 = 288.0 K-FT

$$\text{UPLIFT} = \frac{302.4 \text{ K-FT} - 288 \text{ K-FT}}{31'} = 0.465\#$$

→ INSTALL CAISSONS @ CORNERS TO COUNTER ACT UPLIFT EFFECTS SEE NEXT PAGE FOR PLAN LOCATIONS


Install Caissons to counteract uplift (10 Total)

APPENDIX E

Site Mapped Spectral Accelerations

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations Ss and S1
Ss and S1 = Mapped Spectral Acceleration Values
Site Class B - Fa = 1.0 ,Fv = 1.0
Data are based on a 0.01 deg grid spacing

Period (sec)	Sa (g)
0.2	1.738 (Ss, Site Class B)
1.0	0.789 (S1, Site Class B)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations SMs and SM1
SMs = Fa x Ss and SM1 = Fv x S1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	1.738 (SMs, Site Class D)
1.0	1.183 (SM1, Site Class D)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Design Spectral Response Accelerations SDs and SD1
SDs = 2/3 x SMs and SD1 = 2/3 x SM1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	1.159 (SDs, Site Class D)
1.0	0.789 (SD1, Site Class D)

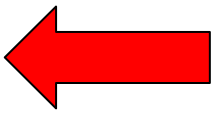


Figure E1- Mapped Spectral Accelerations (Site Adjusted)

APPENDIX F

Cost Estimates

The Crosby Group

Projec Atherton Council Chambers	Date: 4/09		Sht:
Description: Seismic Upgrade	By: DPN	Ck: DPN	

Cost Estimate

Item	Description	Quantity	Units	Unit price	Total price	Remarks
1	New Shear Walls	164	LF	$100.00	$16,400.00	
2	Chord & Collector Upgrade	260	LF	$30.00	$7,800.00	
3	Wood Sill Connections	260	LF	$20.00	$5,200.00	
4	Diaphragm upgrade	1820	SQFT	$28.00	$50,960.00	
5	Roof Tile Anchorage	1820	SQFT	$10.00	$18,200.00	
6	Grout Injections at Foundation	7	EA	$5,000.00	$35,000.00	
7	Hard Ceiling Anchorage	1820	LF	$12.00	$21,840.00	
8	Masonry Veneer Anchorage	1	EA	$1,200.00	$1,200.00	
9	Euipment Bracing	1	EA	$500.00	$500.00	
10	Add Expansion Joint	1	EA	$6,000.00	$6,000.00	
11	Wall-to-diaphragm anchorage upgrade	260	LF	$60.00	$15,600.00	
12	Structural Detailing at Vertical Offsets In Diaphragm	43	LF	$150.00	$6,450.00	
13	Add Caissons	10	EA	$2,500.00	$25,000.00	
			Sub Total:		**$193,750**	
14	Profit			10%	$19,375.00	
			Sub Total:		**$213,125**	
15	Engineering				$22,000.00	
			Sub Total:		**$235,125**	
16	Contingency			10%	$19,375.00	
			Total Estimate:		**$254,500**	

ASCE 31-03
Structural Evaluation Report

For

Atherton Library
2 Dinkelspiel Station Lane
Atherton, California

February 11, 2009

Prepared for:
Town of Atherton
Office of the City Clerk
91 Ashfield Road
Atherton, CA 94027

Prepared by:
Crosby Group
726 Main St.
Redwood City, CA 94063

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A Purpose and Scope 4
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A.2 Method and Scope of Evaluation 4
A.3 Limitations 5

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B.1 General 7
B.2 Site Accelerations 8
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C.3 Addition Building (1981) 9

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Appendix A: Site Photos

Appendix B: Evaluation Procedures

Appendix C: Evaluation Checklists

Appendix D: Structural Calculations

Appendix E: Site Mapped Spectral Accelerations

Appendix F: Cost Estimates

SUMMARY OF FINDINGS

The following report summarizes the results of an ASCE 31-03 evaluation for the facility located at 2 Dinkelspiel Station Ln. This report has been prepared at the request of the Town of Atherton to determine whether or not the facility's two buildings meet the Life-Safety Performance Level. The following is a list of findings contained within this report and any subsequent recommended mitigations.

1. Both the original 1929 building and the 1981 addition will need several modifications to meet the Life-Safety Performance Level outlined in ASCE 31-03. Please note that ASCE 31 has replaced FEMA 178 and FEMA 310 as the current recognized standard for the seismic evaluation of existing buildings.

2. The original building constructed in 1929, having little to no available structural drawings, is assumed to have a single sheathed plank shear wall system. This system will need to be reinforced to accommodate the large seismic forces and create an adequate load path to transfer forces to the foundation. Additionally, it should any stucco walls be used as lateral shear walls, they must be replaced with plank or plywood sheathing walls as stucco walls are not an acceptable form of lateral-force resisting system per the current governing building codes.

3. The original structure has insufficient connections. Continuous chord elements should be installed to complete a load path along the entire perimeter of the diaphragm. Also, wood sill connections will need adequate anchorage conditions, with spacing no more than 6 feet on center.

4. For both buildings (1929 and 1981 addition) the Spanish ceramic roof tiles will need to be anchored to the roof overhang to avoid dislodging during future seismic events, a common Life Safety concern.

5. The canopy at the East entrance of the 1929 structure will need adequate anchorage back to the structural framing, with no more than 6 feet between anchors.

6. The multi-level panels at the 1929 building will need to have connections back to the structure which allow for a .02 drift ratio. Additionally, each wall panel will need a minimum of two bearing connections.

7. The hard ceiling of suspended lath and plaster in the 1929 building will additionally need to be seismically braced at every 12 square feet of area.

8. The 1981 Addition has a weak shear wall along its north wall, adjacent to where the two buildings meet. This 15 foot of wall needs to be strengthened per the Tier 2 analysis by adding plywood sheathing, appropriate blocking and proper nailing, to resist 980 pounds per linear foot of shear (ASD). If this wall cannot be strengthened, additional shear walls in the East/West direction will need to be provided to resist the remaining lateral forces.

9. The anchorage for the wall mentioned in item #8 will also need to be strengthened or added because the existing 5/8" x 10" anchor bolts at 4'-0" on center do not provide sufficient shear resistance from the wall down to the foundations.

10. For the 1981 building's exterior wall-to-diaphragm connections, further in-plane anchorage will need to be added to transfer the shear forces from the diaphragm into the rim boards, into the plywood sheathed shear walls. Also, rim board straps are recommended for in-plane shear anchorage.

11. The re-entrant corner at the North/East of the 1981 structure may potentially see torsional effects as the seismic shear is transferred in the diaphragm. This can be avoided by adding reinforcement with drag struts, which will drag the shear force in the walls back into the diaphragm and vice versa.

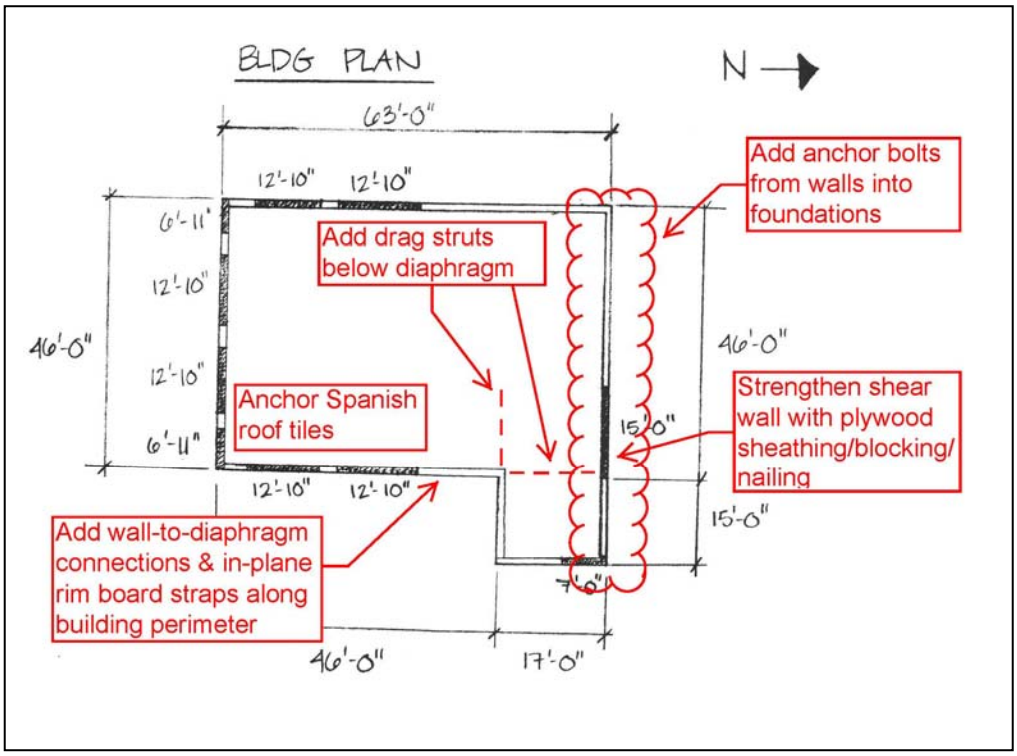


FIGURE 1- 1981 Building Addition Plan Summary of Recommendations

A. PURPOSE AND SCOPE

A1. PURPOSE OF REPORT

The purpose of this evaluation is to determine whether the buildings' structural systems meet the *Life-Safety* seismic performance level required by the State of California's Real Estate Services Division (RESD). This requirement States that, "The Building has been evaluated and meets the Life Safety Performance Level as set forth in FEMA 178 or its equivalent".. Since its initial publication in 1992, FEMA 178, NEHRP Handbook for the Seismic Evaluation of Existing Buildings (BSSC 1992a), has been superseded by ASCE 31-03. As such, this guideline has been used for the evaluation of the said buildings.

It should be noted that the facility in question is actually composed of two unique structures. These include one structure competed in approximately 1929, and one newer addition completed in 1981. The newer structure was added on to the original building, without use of any visible expansion joint.

A2. METHOD AND SCOPE OF EVALUATION

As noted above, the appropriate standard to assess whether or not the building meets a level of "Life Safety" in regards to future seismic events is ASCE-31-03. This document identifies buildings of certain age and construction type as "Benchmark Building" or buildings that are generally perceived as compliant. Where a particular building falls within the parameters of this classification, only limited evaluation is normally required. Where a building falls outside of these parameters, a full assessment is required to determine whether the said building does or does not meet the stated performance level. For the purposes of this evaluation, this Performance Level is "Life-Safety."

Since the buildings in question do fall outside of these parameters, a full ASCE 31 has been performed. This evaluation starts with a "Tier 1 – Screening Phase" that attempts to assess main components of the buildings' seismic force resisting system by the use of standard checklists and simplified structural calculations. These procedures also include assessment of the buildings' major non-structural components that could pose a risk to Life-Safety during a significant seismic event, and assessment of the building foundation system and site.

Where any potential deficiencies are found during the initial Tier 1 analysis, ASCE-31 methodology requires that these potential deficiencies be corrected or that a refined evaluation be completed which could better assess the potential risk of these items. This second order evaluation phases are termed Tier 2 and Tier 3 and generally require substantially greater levels of effort. These subsequent assessments can either consist of a complete evaluation, or in some instances, may consist of a limited tier 2 evaluation focused on a certain "perceived" deficiency. This procedure is outlined in Figure 2 on page 6.

For the purposes of this assessment, a complete Tier 1 and "deficiency only" Tier 2 evaluation was required to completely assess these buildings and included the following items:

1. Site visit to establish general conditions of building and to verify generally information shown on the drawings.
2. Preparation of rapid screening evaluation techniques and calculations for the structural system using ASCE 31-03 design guidelines for Life-Safety Performance Level Tier 1.
3. Additional limited analysis using ASCE 31-03 design guidelines for Life-Safety Performance Level Tier 2.

A3. LIMITATIONS

The services performed for this project have been provided at a level that is consistent with the general level of skill and care ordinarily provided by engineers practicing Structural Engineering. Work provided is done under the constraints of time and budget. Conclusions and information presented in this report are dependent on information provided by others. No warranty is expressed or implied.

It should also be noted that a number of factors make it difficult to fully and easily assess the current condition of the existing structural elements. These include both the limited documentation available and the presence of hard finishes in many areas. Where possible, the existing acoustical ceiling tiles were temporarily removed so that these areas could be evaluated.

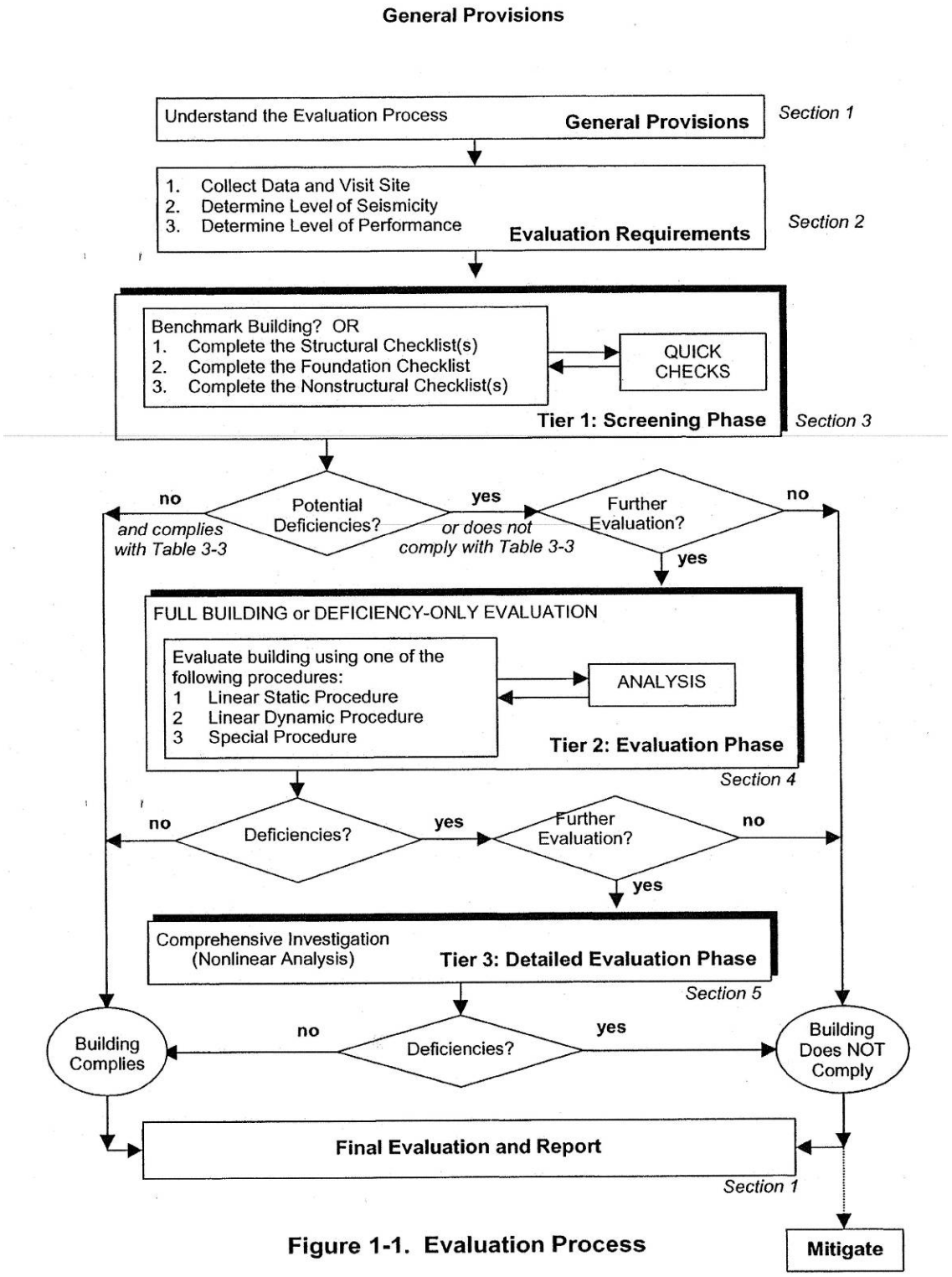


Figure 1-1. Evaluation Process

FIGURE 2- ASCE 31-03 Evaluation Procedure

B. SITE SEISMICITY AND SOILS

B1. GENERAL

The successful performance of building in areas of high seismicity depends up the combination of strength, structural component ductility, and the presence of a fully interconnected, balanced, and complete lateral force resisting system. As the level of seismicity is decreased, the demands on the structural system are decreased.

The peninsula is in a region of historically high seismic activity and seismic potential. The San Andreas fault line is located approximately 5 miles away from the structure, proving the site to be highly susceptible to an earthquake of sizeable magnitude. See Figure 3 below for a map of this.

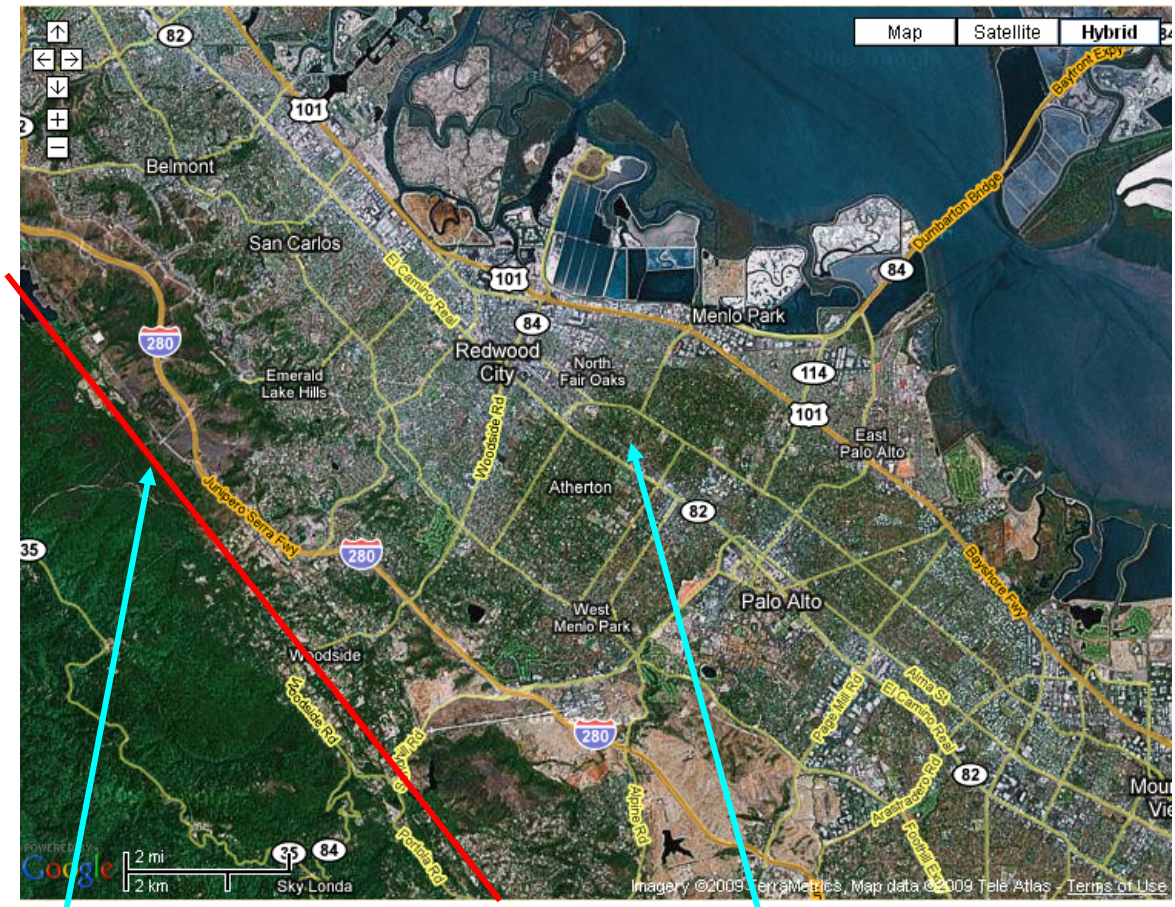


FIGURE 3- Site Map of Distance to Nearest Fault Line

B2. SITE ACCELERATIONS

In general site "Seismicity" or the potential for strong ground motion is classified into regions of Low, Medium, and High. These regions are based upon mapped site accelerations S_S and S_1 which are then modified by site coefficients F_a and F_v to produce Design Spectral Accelerations S_{DS} (short period) and S_{D1} (1 second).

Design Spectral accelerations computed for this site are as follows:

S_{DS}= 1.159g
S_{D1}= .759g

As indicated below by the site accelerations, this standard places the subject property in a region of HIGH Seismicity.

Region of Seismicity	S_{DS}	S_{D1}
Low	<.167g	<.067g
Moderate	<.500g >.167g	<.200g >.067g
High	**>.500g**	**>.200g**

FIGURE 4- Site Seismicity Based on Design Accelerations

B3. SITE SOILS

The foundations are made up of continuous grade beams along the perimeter of the building, which are visible from the exterior of the structure, along with spread footing over the interior of the building. No soils report is available, but the following site soils assumptions were made based on the building site location.

Site Characteristics	
Fault Rupture Potential	Assumed Moderate
Liquefaction Potential	Moderate
Land Slide Potential	Site is Flat -Assumed Low

FIGURE 5- Site Characteristics

C. BUILDING DESCRIPTIONS

C1. GENERAL

The subject properties for this evaluation consist of two structures, one built in 1929 and the other built in 1981. Each structure is approximately rectangular in plan area and was constructed from light framed wood panels or sheathing. Limited structural drawings were available, but a set of drawings from the 1981 addition was available for some of the evaluation. Each building has been evaluated independently and their respective evaluations are presented in Appendices C-E. Descriptions of each building as well as FEMA building designations are given below.

C2. ORIGINAL BUILDINGS (1929)

The original building is two stories tall and is approximately 1600 square feet. The building appears to have been constructed in 1929 and is comprised of light framed timber. Due to a lack of available structural drawings and hard ceilings, it is assumed that the structure is made up of straight sheathed wood planks, studs and joists, with no structural plywood as plywood wasn't an available construction material in 1929.

Building Characteristics- Structural Original 1929 Construction	
Building Code	1927 UBC (assumed)
Exterior Wall System/Cladding	Planks (assumed)
ASCE 31 Building Type	Type W1- Wood Light Frame
Lateral Force System	Planks (assumed)
Roof System	Planks over wood joists
Second Floor System	Planks (assumed)
Interior Columns	n/a
First Floor system	Planks (assumed)
Foundation System	Continuous footings

Figure 6- Structural Characteristics for Original 1929 Building

C3. LIBRARY ADDITION (1981)

In 1981, one building was added adjoining the east end of the original 1929 structure. The one story building is approximately 63'x46' and is approximately 3100 square feet. The building appears to have been constructed in 1981 and is comprised of plywood sheathed walls around the with four columns at the interior at an approximate grid spacing of 12' on center each way. The building has a plywood sheathed roof system with 15" x 5" glu-lam beams and 15" x 1 ½" ceiling joists.

Building Characteristics- Structural 1981 Addition	
Building Code	1979 UBC (assumed)
Exterior Wall System/Cladding	Plywood Sheathing
ASCE 31 Building Type	Type W1 – Wood Light Frame
Lateral Force System	½" Plywood Sheathed Wood Studs (assumed)
Roof System	Panelized plywood roof system with wood joists and girders and glu-lam beams/collectors
Interior Columns	TS 4x4x1/4
First Floor system	Panelized plywood with wood joists and girders and glu-lam beams
Foundation System	Continuous/spread footings

Figure 7- Structural Characteristics for 1981 Addition

D. TIER 1 EVALUATION PHASE- FINDINGS

D1. GENERAL

The original building and the one story addition have been evaluated independently. The original building is attached to the 1981 addition by an adjoining wall. The new building is directly attached to the original building with no visible seismic joint. The newer 1981 addition was found to have minor deficiencies which will require some additional work to reach the Life-Safety performance level as stated in ASCE 31-03. However, the original 1929 structure was found to have potentially major structural deficiencies, which will need further investigation and renovations to bring up to an appropriate Life-Safety performance level. These items are noted below.

D2. ORIGINAL 1929 BUILDING

There are a few major deficiencies which should be corrected to bring the building up to an adequate Life-Safety Performance Level per ASCE 31-03. These items include an insufficient lateral-force-resisting system, weak connection details and unanchored cladding and canopy. These are expanded as follows:

1. The original building is assumed to rely only on single plank sheathed walls as the primary lateral-force-resisting system, which has a very low shear capacity to resist lateral forces. Given this information as well as a lack of structural drawings to see the specific design of the lateral system, it is assumed that an insufficient load path exists for seismic effects to transfer the inertial forces to the foundation.

2. The original structure has deficient connections as well. It is safe to assume that the interconnection between the first and second floor isn't capable of transferring overturning and shear forces, especially on account of the insufficient lateral-force-resisting system. Also, wood sills are assumed to require additional proper anchorage to the foundation.

3. During the site visit it was noticed that the Spanish tiles laid along the roof overhangs are not anchored to the structure, creating a potential hazard to life safety in the event of an earthquake, where the heavy tiles will be free to fall. Multi-story panels will need revised detailing to accommodate the story drift. Walls will also require a minimum of two bearing connections for each wall panel. Finally, the canopy system at the main entrance of the original structure lacks adequate anchorage back to the structural framing.

D3. ADDITION (1981)

Constructed in 1981, the one story addition appears to be in relatively good shape, though it has several apparent deficiencies. These are explained as the following:

1. There is an inadequacy in the lateral force resisting system in the east/west direction. From the Tier 1 calculations in Appendix D, average shear demand in this direction is 375 pounds per linear foot, however the wall adjoining the original 1929 building to the 1981 addition is assumed to have wood plank sheathing, which only allows a max of 100 pounds per linear foot of shear. As this is the east/west shear wall on the north face of the 1981 addition, the weakness represents a potential Life Safety concern.

2. The Spanish tiles along the roof overhangs are not properly anchored to the structure, which poses a threat as a seismic event could easily knock one of the tiles loose and down to the walkway below. Currently, the tiles sit one on top of the other, free to be shift under lateral force.

3. Finally, the lay-in tiles that occur at the ceiling of the library in the 1981 addition are not secured with clips, though they are laterally restrained by the grid system that they lay in, posing very little threat to falling down.

E. LIMITED TIER-2 EVALUATION- SUPPLMENTAL FINDINGS

E1. GENERAL

Where items are initially noted as NC or “Non-Compliant” during the Tier 1 evaluation, the screening process may end and a rehabilitation procedure implemented. As an alternative, the designer may choose to conduct a more detailed evaluation which may eventually reveal that the condition in question, while existing, does not represent a “Life-Safety” condition. This subsequent step is called a Tier 2 evaluation and is shown diagrammatically in Figure 2.

As indicated below, several conditions were determined to be “non-compliant” during the initial screening. Some of these items, however, were not Life-Safety concerns. See below for further evaluation.

E2. ORIGINAL 1929 BUILDING

From this building's initial Tier 1 analysis, several non-compliant items were re-evaluated per the Tier 2 process, where enough information was available to assess. The non-compliant load path required no Tier 2 analysis.

Due to the dated construction of this building, it is safe to assume that the chord elements are discontinuous. This discontinuity can make the diaphragm more flexible, thereby causing more damage around the perimeter. To provide continuity, continuous chord elements should be installed to complete a load path, which is necessary in achieving a Life-Safety performance level.

Also, it is safe to assume that wood sill bolts are insufficient as well. Adequate bolts should be placed no more than 6 feet apart, capable of resisting lateral forces from the lateral system above.

As previously stated, the shear walls of the structure are assumed to be single plank sheathed walls, which have relatively small shear capacities. Therefore, as one of the main deficiencies in this building, causing a life-safety hazard, more sufficient shear walls will need to be added to strengthen the lateral system's resistance to earthquakes.

As there is no evidence otherwise, it cannot be denied that stucco might be used as shear walls in some locations of the original 1929 structure, which is in direct violation of current code regulations. Therefore an alternate, lateral system must be used in place of any stucco walls.

Because there was no existing anchorage for the Spanish ceramic tiles above the roof overhangs, no calculations were necessary to check adequacy. Anchorage must be provided for these items so as to avoid life-safety hazards of falling tiles off of the overhangs in the event of an earthquake.

Multi-story panel detailing will need to accommodate a drift ratio of 0.02. If the connectors are expected to deform, they should be capable of doing so without loss of structural support for the panel. Panel bearing connections will also need to be upgraded, so as to provide a minimum of two bearing connections per panel. Only one bearing connection can result in a dangerous lack of redundancy. If connections are non-existent, they will need to be installed to this minimum design.

The canopy located over the East entrance over the original 1929 structure will need to be properly anchored to the structural framing at no more than 6 feet on center. Improper anchorage can present a life-safety hazard. Should existing anchorage be found, it should be checked for required spacing as well as strength especially for shallow anchors which commonly fail in pull-out.

Finally, the last non-compliant item being analyzed in the Tier 2 assessment for the 1929 structure is the suspended lath and plaster. The hard ceilings in this building will need seismic bracing for every 12 square feet of area, as this element may be acting as a structural diaphragm to resist in-plane seismic forces.

E3. ADDITION (1981)

From the findings in the Tier 1 evaluation, the lateral-force-resisting system in the east/west direction was in question. The Tier 2 requirements call for a more exact approach to the lateral force calculations, showing a more precise distribution of lateral forces to each shear wall. From the calculations shown in Appendix D, the single sheathed wall in question only has an expected strength of just 266 pounds per linear foot, where as the demand is 980 pounds per linear foot. Upon this more precise analysis approach, it is apparent that the shear wall is highly under designed and the lateral system along this line of wall will need to be reinforced to resist higher loads.

Because there was no existing anchorage for the Spanish ceramic tiles above the roof overhangs, no calculations were necessary to check adequacy. Anchorage must be provided for these items so as to avoid life-safety hazards of tiles falling off of the overhangs in the event of an earthquake.

Per the Tier 2 procedure, the ceiling lay-in tiles are best evaluated based upon engineering judgment. Because the tiles are laterally secured between grids and they are constructed of light weight material, it is our opinion that the tiles need no additional clips for anchorage.

In the general analysis of the Tier 2 procedure, several items were deficient as well. In-plane anchorage from the diaphragm to the shear walls was found to be insufficient. Additional connections should be provided, including rim board straps to resist in-plane forces. Also, at the foundation level, extra anchor bolts should be installed along the wall that joins the 1981 building to the original 1929 structure. Finally, the re-entrant corner of the 1981 structure should be reinforced with drag struts to resist any torsional effects in the diaphragm.

APPENDIX A

Site Photos

Original 1929 Two Story Structure

Connection where 1929 Two Story Structure Meets 1981 Addition

Continuous Footing Along Exterior of 1981 Addition

Floor Joists Below 1981 Addition

Floor Joists Below 1929 Structure

Canopy Adjacent to 1929 Structure

APPENDIX B

Evaluation Procedure

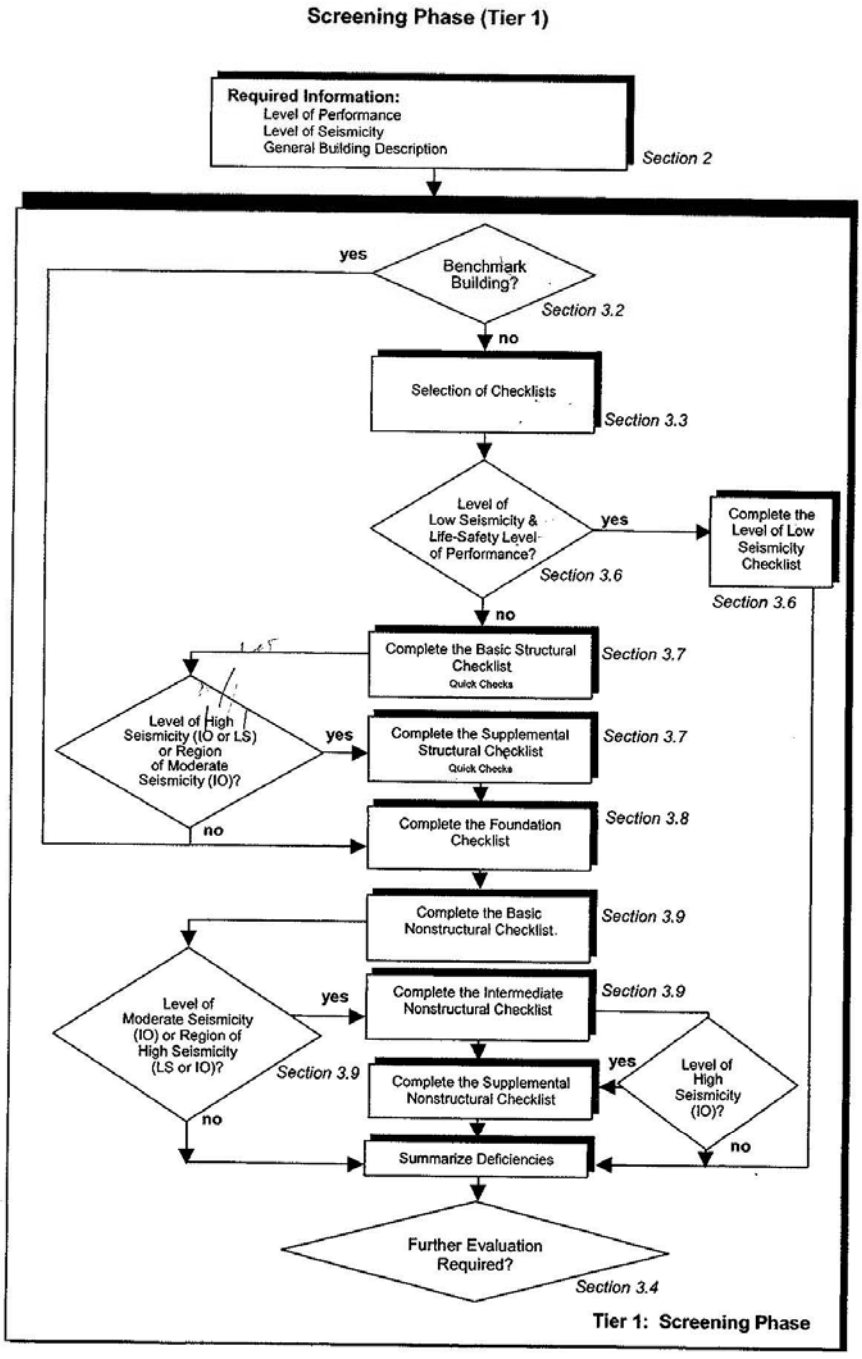


Figure 3-1. Tier 1 Evaluation Process

APPENDIX C

Evaluation Checklists

1929 STRUCTURE

3.7.1 Basic Structural Checklist for Building Type W1: Wood Light Frames

This Basic Structural Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

C3.7.1 Basic Structural Checklist for Building Type W1

These buildings are single- or multiple-family dwellings of one or more stories in height. uilding loads are light and the framing spans are short. Floor and roof framing consists of wood j ts or rafters on wood studs spaced no more than 24 inches apart. The first floor framing is sup ted directly on the foundation, or is raised up on cripple studs and post-and-beam supports. T foundation consists of spread footings constructed on concrete, concrete masonry block, ick masonry or even wood in older construction. Chimneys, where present, consist of solid h masonry, masonry veneer, or wood frame with internal metal flues. Lateral forces are res d by wood frame diaphragms and shear walls. Floor and roof diaphragms consist of straight or agonal lumber sheathing, tongue-and-groove planks, oriented strand board, or plywood. Shear w s consist of straight or diagonal lumber sheathing, plank siding, plywood, oriented strand board, stu o, gypsum board, particle board, or fiberboard. Interior partitions are sheathed with plaster or gypsum board.

Building System

C (NC) N/A — LOAD PATH: The structure shall contain a minimum of one complete load path for Life Safety and Immediate Occupancy for seismic force effects from any horizontal direction that serves to transfer the inertial forces from the mass to the foundation. (Tier 2: Sec. 4.3.1.1)

(C) NC N/A — VERTICAL DISCONTINUITIES: All vertical elements in the lateral-force-resisting system shall be continuous to the foundation. (Tier 2: Sec. 4.3.2.4)

(C) NC N/A — DETERIORATION OF WOOD: There shall be no signs of decay, shrinkage, splitting, fire damage, or sagging in any of the wood members, and none of the metal connection hardware shall be deteriorated, broken, or loose. (Tier 2: Sec. 4.3.3.1)

(C) NC N/A — WOOD STRUCTURAL PANEL SHEAR WALL FASTENERS: There shall be no more than 15 percent of inadequate fastening such as overdriven fasteners, omitted blocking, excessive fastening spacing, or inadequate edge distance. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.3.3.2)

Lateral-Force-Resisting System

(C) NC N/A — REDUNDANCY: The number of lines of shear walls in each principal direction shall be greater than or equal to 2 for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.4.2.1.1)

1929 STRUCTURE

Screening Phase (Tier 1)

C NC N/A SHEAR STRESS CHECK: The shear stress in the shear walls, calculated using the Quick Check procedure of Section 3.5.3.3, shall be less than the following values for Life Safety and Immediate Occupancy (Tier 2: Sec. 4.4.2.7.1):

Structural panel sheathing	1,000 plf
Diagonal sheathing	700 plf
Straight sheathing	100 plf
All other conditions	100 plf

C NC N/A STUCCO (EXTERIOR PLASTER) SHEAR WALLS: Multi-story buildings shall not rely on exterior stucco walls as the primary lateral-force-resisting system. (Tier 2: Sec. 4.4.2.7.2)

C NC N/A GYPSUM WALLBOARD OR PLASTER SHEAR WALLS: Interior plaster or gypsum wallboard shall not be used as shear walls on buildings over one story in height with the exception of the uppermost level of a multi-story building. (Tier 2: Sec. 4.4.2.7.3)

C NC N/A NARROW WOOD SHEAR WALLS: Narrow wood shear walls with an aspect ratio greater than 2-to-1 for Life Safety and 1.5-to-1 for Immediate Occupancy shall not be used to resist lateral forces developed in the building in levels of moderate and high seismicity. Narrow wood shear walls with an aspect ratio greater than 2-to-1 for Immediate Occupancy shall not be used to resist lateral forces developed in the building in levels of low seismicity. (Tier 2: Sec. 4.4.2.7.4)

C NC N/A WALLS CONNECTED THROUGH FLOORS: Shear walls shall have interconnection between stories to transfer overturning and shear forces through the floor. (Tier 2: Sec. 4.4.2.7.5)

C NC N/A HILLSIDE SITE: For structures that are taller on at least one side by more than one-half story due to a sloping site, all shear walls on the downhill slope shall have an aspect ratio less than 1-to-1 for Life Safety and 1 to 2 for Immediate Occupancy. (Tier 2: Sec. 4.4.2.7.6)

C NC N/A CRIPPLE WALLS: Cripple walls below first-floor-level shear walls shall be braced to the foundation with wood structural panels. (Tier 2: Sec. 4.4.2.7.7)

C NC N/A OPENINGS: Walls with openings greater than 80 percent of the length shall be braced with wood structural panel shear walls with aspect ratios of not more than 1.5-to-1 or shall be supported by adjacent construction through positive ties capable of transferring the lateral forces. (Tier 2: Sec. 4.4.2.7.8)

Connections

C NC N/A WOOD POSTS: There shall be a positive connection of wood posts to the foundation. (Tier 2: Sec. 4.6.3.3)

C NC N/A WOOD SILLS: All wood sills shall be bolted to the foundation. (Tier 2: Sec. 4.6.3.4)

C NC N/A GIRDER/COLUMN CONNECTION: There shall be a positive connection utilizing plates, connection hardware, or straps between the girder and the column support. (Tier 2: Sec. 4.6.4.1)

1929 STRUCTURE

Screening Phase (Tier 1)

3.7.1S Supplemental Structural Checklist for Building Type W1: Wood Light Frames

This Supplemental Structural Checklist shall be completed where required by Table 3-2. The Basic Structural Checklist shall be completed prior to completing this Supplemental Structural Checklist.

Lateral-Force-Resisting System

C NC (N/A) HOLD-DOWN ANCHORS: All shear walls shall have hold-down anchors constructed per acceptable construction practices, attached to the end studs. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.4.2.7.9)

Diaphragms

(C) NC N/A DIAPHRAGM CONTINUITY: The diaphragms shall not be composed of split-level floors and shall not have expansion joints. (Tier 2: Sec. 4.5.1.1)

C (NC) N/A ROOF CHORD CONTINUITY: All chord elements shall be continuous, regardless of changes in roof elevation. (Tier 2: Sec. 5.1.3)

C NC (N/A) PLAN IRREGULARITIES: There shall be tensile capacity to develop the strength of the diaphragm at re-entrant corners or other locations of plan irregularities. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.5.1.7)

C NC (N/A) DIAPHRAGM REINFORCEMENT AT OPENINGS: There shall be reinforcing around all diaphragm openings larger than 50 percent of the building width in either major plan dimension. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.5.1.8)

(C) NC N/A STRAIGHT SHEATHING: All straight sheathed diaphragms shall have aspect ratios less than 2-to-1 for Life Safety and 1-to-1 for Immediate Occupancy in the direction being considered. (Tier 2: Sec. 4.5.2.1)

(C) NC N/A SPANS: All wood diaphragms with spans greater than 24 feet for Life Safety and 12 feet for Immediate Occupancy shall consist of wood structural panels or diagonal sheathing. (Tier 2: Sec. 4.5.2.2)

(C) NC N/A UNBLOCKED DIAPHRAGMS: All diagonally sheathed or unblocked wood structural panel diaphragms shall have horizontal spans less than 40 feet for Life Safety and 30 feet for Immediate Occupancy and shall have aspect ratios less than or equal to 4-to-1 for Life Safety and 3-to-1 for Immediate Occupancy. (Tier 2: Sec. 4.5.2.3)

(C) NC N/A OTHER DIAPHRAGMS: The diaphragm shall not consist of a system other than wood, metal deck, concrete, or horizontal bracing. (Tier 2: Sec. 4.5.7.1)

Connections

C (NC) N/A WOOD SILL BOLTS: Sill bolts shall be spaced at 6 feet or less for Life Safety and 4 feet or less for Immediate Occupancy, with proper edge and end distance provided for wood and concrete. (Tier 2: Sec. 4.6.3.9)

1929 STRUCTURE

Screening Phase (Tier 1)

3.8 Geologic Site Hazards and Foundations Checklist

This Geologic Site Hazards and Foundations Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

Geologic Site Hazards

The following statements shall be completed for buildings in levels of high or moderate seismicity.

(C) NC N/A LIQUEFACTION: Liquefaction-susceptible, saturated, loose granular soils that could jeopardize the building's seismic performance shall not exist in the foundation soils at depths within 50 feet under the building for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.7.1.1)

(C) NC N/A SLOPE FAILURE: The building site shall be sufficiently remote from potential earthquake-induced slope failures or rockfalls to be unaffected by such failures or shall be capable of accommodating any predicted movements without failure. (Tier 2: Sec. 4.7.1.2)

(C) NC N/A SURFACE FAULT RUPTURE: Surface fault rupture and surface displacement at the building site is not anticipated. (Tier 2: Sec. 4.7.1.3)

Condition of Foundations

The following statement shall be completed for all Tier 1 building evaluations.

(C) NC N/A FOUNDATION PERFORMANCE: There shall be no evidence of excessive foundation movement such as settlement or heave that would affect the integrity or strength of the structure. (Tier 2: Sec. 4.7.2.1)

The following statement shall be completed for buildings in levels of high or moderate seismicity being evaluated to the Immediate Occupancy Performance Level.

(C) NC N/A DETERIORATION: There shall not be evidence that foundation elements have deteriorated due to corrosion, sulfate attack, material breakdown, or other reasons in a manner that would affect the integrity or strength of the structure. (Tier 2: Sec. 4.7.2.2)

Capacity of Foundations

The following statement shall be completed for all Tier 1 building evaluations.

C NC (N/A) POLE FOUNDATIONS: Pole foundations shall have a minimum embedment depth of 4 feet for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.7.3.1)

The following statements shall be completed for buildings in levels of moderate seismicity being evaluated to the Immediate Occupancy Performance Level and for buildings in levels of high seismicity.

(C) NC N/A OVERTURNING: The ratio of the horizontal dimension of the lateral-force-resisting system at the foundation level to the building height (base/height) shall be greater than $0.6S_a$. (Tier 2: Sec. 4.7.3.2)

1929 STRUCTURE

Screening Phase (Tier 1)

C	NC	(N/A)	TIES BETWEEN FOUNDATION ELEMENTS: The foundation shall have ties adequate to resist seismic forces where footings, piles, and piers are not restrained by beams, slabs, or soils classified as Class A, B, or C. (Section 3.5.2.3.1, Tier 2: Sec. 4.7.3.3)
C	NC	(N/A)	DEEP FOUNDATIONS: Piles and piers shall be capable of transferring the lateral forces between the structure and the soil. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.7.3.4)
(C)	NC	N/A	SLOPING SITES: The difference in foundation embedment depth from one side of the building to another shall not exceed one story in height. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.7.3.5)

1929 STRUCTURE

3.9.1 Basic Nonstructural Component Checklist

This Basic Nonstructural Component Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

Partitions

C NC N/A — UNREINFORCED MASONRY: Unreinforced masonry or hollow clay tile partitions shall be braced at a spacing equal to or less than 10 feet in levels of low or moderate seismicity and 6 feet in levels of high seismicity. (Tier 2: Sec. 4.8.1.1)

Ceiling Systems

C NC N/A — SUPPORT: The integrated suspended ceiling system shall not be used to laterally support the tops of gypsum board, masonry, or hollow clay tile partitions. Gypsum board partitions need not be evaluated where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.2.1)

Light Fixtures

C NC N/A — EMERGENCY LIGHTING: Emergency lighting shall be anchored or braced to prevent falling during an earthquake. (Tier 2: Sec. 4.8.3.1)

Cladding and Glazing

C NC N/A — CLADDING ANCHORS: Cladding components weighing more than 10 psf shall be mechanically anchored to the exterior wall framing at a spacing equal to or less than 4 feet. A spacing of up to 6 feet is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.1)

C NC N/A — DETERIORATION: There shall be no evidence of deterioration, damage or corrosion in any of the connection elements. (Tier 2: Sec. 4.8.4.2)

C NC N/A — CLADDING ISOLATION: For moment frame buildings of steel or concrete, panel connections shall be detailed to accommodate a story drift ratio of 0.02. Panel connection detailing for a story drift ratio of 0.01 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.3)

C NC N/A — MULTI-STORY PANELS: For multi-story panels attached at each floor level, panel connections shall be detailed to accommodate a story drift ratio of 0.02. Panel connection detailing for a story drift ratio of 0.01 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.4)

C NC N/A — BEARING CONNECTIONS: Where bearing connections are required, there shall be a minimum of two bearing connections for each wall panel. (Tier 2: Sec. 4.8.4.5)

1929 STRUCTURE

C NC N/A INSERTS: Where inserts are used in concrete connections, the inserts shall be anchored to reinforcing steel or other positive anchorage. (Tier 2: Sec. 4.8.4.6)

C NC N/A PANEL CONNECTIONS: Exterior cladding panels shall be anchored out-of-plane with a minimum of 4 connections for each wall panel. Two connections per wall panel are permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.7)

Masonry Veneer

C NC N/A SHELF ANGLES: Masonry veneer shall be supported by shelf angles or other elements at each floor 30 feet or more above ground for Life Safety and at each floor above the first floor for Immediate Occupancy. (Tier 2: Sec. 4.8.5.1)

C NC N/A TIES: Masonry veneer shall be connected to the back-up with corrosion-resistant ties. The ties shall have a spacing equal to or less than 24 inches with a minimum of one tie for every 2-2/3 square feet. A spacing of up to 36 inches is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.5.2)

C NC N/A WEAKENED PLANES: Masonry veneer shall be anchored to the back-up adjacent to weakened planes, such as at the locations of flashing. (Tier 2: Sec. 4.8.5.3)

C NC N/A DETERIORATION: There shall be no evidence of deterioration, damage, or corrosion in any of the connection elements. (Tier 2: Sec. 4.8.5.4)

Parapets, Cornices, Ornamentation, and Appendages

C NC N/A URM PARAPETS: There shall be no laterally unsupported unreinforced masonry parapets or cornices with height-to-thickness ratios greater than 1.5. A height-to-thickness ratio of up to 2.5 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.8.1)

C NC N/A CANOPIES: Canopies located at building exits shall be anchored to the structural framing at a spacing of 6 feet or less. An anchorage spacing of up to 10 feet is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.8.2)

Masonry Chimneys

C NC N/A URM CHIMNEYS: No unreinforced masonry chimney shall extend above the roof surface more than twice the least dimension of the chimney. A height above the roof surface of up to three times the least dimension of the chimney is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.9.1)

Stairs

C NC N/A URM WALLS: Walls around stair enclosures shall not consist of unbraced hollow clay tile or unreinforced masonry with a height-to-thickness ratio greater than 12-to-1. A height-to-thickness ratio of up to 15-to-1 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.10.1)

C NC N/A STAIR DETAILS: In moment frame structures, the connection between the stairs and the structure shall not rely on shallow anchors in concrete. Alternatively, the stair details shall be capable of accommodating the drift calculated using the Quick Check procedure of Section 3.5.3.1 without including tension in the anchors. (Tier 2: Sec. 4.8.10.2)

1929 STRUCTURE

Screening Phase (Tier 1)

Building Contents and Furnishing

C NC N/A — TALL NARROW CONTENTS: Contents over 4 feet in height with a height-to-depth or height-to-width ratio greater than 3-to-1 shall be anchored to the floor slab or adjacent structural walls. A height-to-depth or height-to-width ratio of up to 4-to-1 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.11.1)

Mechanical and Electrical Equipment

C NC N/A — EMERGENCY POWER: Equipment used as part of an emergency power system shall be mounted to maintain continued operation after an earthquake. (Tier 2: Sec. 4.8.12.1)

C NC N/A — HAZARDOUS MATERIAL EQUIPMENT: HVAC or other equipment containing hazardous material shall not have damaged supply lines or unbraced isolation supports. (Tier 2: Sec. 4.8.12.2)

C NC N/A — DETERIORATION: There shall be no evidence of deterioration, damage, or corrosion in any of the anchorage or supports of mechanical or electrical equipment. (Tier 2: Sec. 4.8.12.3)

C NC N/A — ATTACHED EQUIPMENT: Equipment weighing over 20 lb that is attached to ceilings, walls, or other supports 4 feet above the floor level shall be braced. (Tier 2: Sec. 4.8.12.4)

Piping

C NC N/A — FIRE SUPPRESSION PIPING: Fire suppression piping shall be anchored and braced in accordance with NFPA-13 (NFPA, 1996). (Tier 2: Sec. 4.8.13.1)

C NC N/A — FLEXIBLE COUPLINGS: Fluid, gas, and fire suppression piping shall have flexible couplings. (Tier 2: Sec. 4.8.13.2)

Hazardous Materials Storage and Distribution

C NC N/A — TOXIC SUBSTANCES: Toxic and hazardous substances stored in breakable containers shall be restrained from falling by latched doors, shelf lips, wires, or other methods. (Tier 2: Sec. 4.8.15.1)

1929 STRUCTURE

Screening Phase (Tier 1)

3.9.2 Intermediate Nonstructural Component Checklist

This Intermediate Nonstructural Component Checklist shall be completed where required by Table 3-2. The Basic Nonstructural Component Checklist shall be completed prior to completing this Intermediate Nonstructural Component Checklist.

Ceiling Systems

C NC (N/A) LAY-IN TILES: Lay-in tiles used in ceiling panels located at exits and corridors shall be secured with clips. (Tier 2: Sec. 4.8.2.2)

C NC (N/A) INTEGRATED CEILINGS: Integrated suspended ceilings at exits and corridors or weighing more than 2 pounds per square foot shall be laterally restrained with a minimum of four diagonal wires or rigid members attached to the structure above at a spacing equal to or less than 12 feet. (Tier 2: Sec. 4.8.2.3)

C (NC) N/A SUSPENDED LATH AND PLASTER: Ceilings consisting of suspended lath and plaster or gypsum board shall be attached to resist seismic forces for every 12 square feet of area. (Tier 2: Sec. 4.8.2.4)

Light Fixtures

C NC (N/A) INDEPENDENT SUPPORT: Light fixtures in suspended grid ceilings shall be supported independently of the ceiling suspension system by a minimum of two wires at diagonally opposite corners of the fixtures. (Tier 2: Sec. 4.8.3.2)

Cladding and Glazing

C NC (N/A) GLAZING: Glazing in curtain walls and individual panes over 16 square feet in area, located up to a height of 10 feet above an exterior walking surface, shall have safety glazing. Such glazing located over 10 feet above an exterior walking surface shall be laminated annealed or laminated heat-strengthened safety glass or other glazing system that will remain in the frame when glass is cracked. (Tier 2: Sec. 4.8.4.8)

Parapets, Cornices, Ornamentation, and Appendages

C NC (N/A) CONCRETE PARAPETS: Concrete parapets with height-to-thickness ratios greater than 2.5 shall have vertical reinforcement. (Tier 2: Sec. 4.8.8.3)

(C) NC N/A APPENDAGES: Cornices, parapets, signs, and other appendages that extend above the highest point of anchorage to the structure or cantilever from exterior wall faces and other exterior wall ornamentation shall be reinforced and anchored to the structural system at a spacing equal to or less than 10 feet for Life Safety and 6 feet for Immediate Occupancy. This requirement need not apply to parapets or cornices compliant with Section 4.8.8.1 or 4.8.8.3. (Tier 2: Sec. 4.8.8.4)

Masonry Chimneys

C NC (N/A) ANCHORAGE: Masonry chimneys shall be anchored at each floor level and the roof. (Tier 2: Sec. 4.8.9.2)

1929 STRUCTURE

Mechanical and Electrical Equipment

C NC (N/A) VIBRATION ISOLATORS: Equipment mounted on vibration isolators shall be equipped with restraints or snubbers. (Tier 2: Sec. 4.8.12.5)

Ducts

C NC (N/A) STAIR AND SMOKE DUCTS: Stair pressurization and smoke control ducts shall be braced and shall have flexible connections at seismic joints. (Tier 2: Sec. 4.8.14.1)

1991 ADDITION

3.7.1 Basic Structural Checklist for Building Type W1: Wood Light Frames

This Basic Structural Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

C3.7.1 Basic Structural Checklist for Building Type W1

These buildings are single- or multiple-family dwellings of one or more stories in height. Building loads are light and the framing spans are short. Floor and roof framing consists of wood joists or rafters on wood studs spaced no more than 24 inches apart. The first floor framing is supported directly on the foundation, or is raised up on cripple studs and post-and-beam supports. The foundation consists of spread footings constructed on concrete, concrete masonry block, brick masonry or even wood in older construction. Chimneys, where present, consist of solid brick masonry, masonry veneer, or wood frame with internal metal flues. Lateral forces are resisted by wood frame diaphragms and shear walls. Floor and roof diaphragms consist of straight or diagonal lumber sheathing, tongue-and-groove planks, oriented strand board, or plywood. Shear walls consist of straight or diagonal lumber sheathing, plank siding, plywood, oriented strand board, stucco, gypsum board, particle board, or fiberboard. Interior partitions are sheathed with plaster or gypsum board.

Building System

(C)	NC	N/A	LOAD PATH: The structure shall contain a minimum of one complete load path for Life Safety and Immediate Occupancy for seismic force effects from any horizontal direction that serves to transfer the inertial forces from the mass to the foundation. (Tier 2: Sec. 4.3.1.1)
(C)	NC	N/A	VERTICAL DISCONTINUITIES: All vertical elements in the lateral-force-resisting system shall be continuous to the foundation. (Tier 2: Sec. 4.3.2.4)
(C)	NC	N/A	DETERIORATION OF WOOD: There shall be no signs of decay, shrinkage, splitting, fire damage, or sagging in any of the wood members, and none of the metal connection hardware shall be deteriorated, broken, or loose. (Tier 2: Sec. 4.3.3.1)
C	NC	(N/A)	WOOD STRUCTURAL PANEL SHEAR WALL FASTENERS: There shall be no more than 15 percent of inadequate fastening such as overdriven fasteners, omitted blocking, excessive fastening spacing, or inadequate edge distance. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.3.3.2)

Lateral-Force-Resisting System

(C)	NC	N/A	REDUNDANCY: The number of lines of shear walls in each principal direction shall be greater than or equal to 2 for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.4.2.1.1)

1981 ADDITION

Screening Phase (Tier 1)

C NC N/A SHEAR STRESS CHECK: The shear stress in the shear walls, calculated using the Quick Check procedure of Section 3.5.3.3, shall be less than the following values for Life Safety and Immediate Occupancy (Tier 2: Sec. 4.4.2.7.1):

Structural panel sheathing	1,000 plf
Diagonal sheathing	700 plf
Straight sheathing	100 plf
All other conditions	100 plf

C NC N/A STUCCO (EXTERIOR PLASTER) SHEAR WALLS: Multi-story buildings shall not rely on exterior stucco walls as the primary lateral-force-resisting system. (Tier 2: Sec. 4.4.2.7.2)

C NC N/A GYPSUM WALLBOARD OR PLASTER SHEAR WALLS: Interior plaster or gypsum wallboard shall not be used as shear walls on buildings over one story in height with the exception of the uppermost level of a multi-story building. (Tier 2: Sec. 4.4.2.7.3)

C NC N/A NARROW WOOD SHEAR WALLS: Narrow wood shear walls with an aspect ratio greater than 2-to-1 for Life Safety and 1.5-to-1 for Immediate Occupancy shall not be used to resist lateral forces developed in the building in levels of moderate and high seismicity. Narrow wood shear walls with an aspect ratio greater than 2-to-1 for Immediate Occupancy shall not be used to resist lateral forces developed in the building in levels of low seismicity. (Tier 2: Sec. 4.4.2.7.4)

C NC N/A WALLS CONNECTED THROUGH FLOORS: Shear walls shall have interconnection between stories to transfer overturning and shear forces through the floor. (Tier 2: Sec. 4.4.2.7.5)

C NC N/A HILLSIDE SITE: For structures that are taller on at least one side by more than one-half story due to a sloping site, all shear walls on the downhill slope shall have an aspect ratio less than 1-to-1 for Life Safety and 1 to 2 for Immediate Occupancy. (Tier 2: Sec. 4.4.2.7.6)

C NC N/A CRIPPLE WALLS: Cripple walls below first-floor-level shear walls shall be braced to the foundation with wood structural panels. (Tier 2: Sec. 4.4.2.7.7)

C NC N/A OPENINGS: Walls with openings greater than 80 percent of the length shall be braced with wood structural panel shear walls with aspect ratios of not more than 1.5-to-1 or shall be supported by adjacent construction through positive ties capable of transferring the lateral forces. (Tier 2: Sec. 4.4.2.7.8)

Connections

C NC N/A WOOD POSTS: There shall be a positive connection of wood posts to the foundation. (Tier 2: Sec. 4.6.3.3)

C NC N/A WOOD SILLS: All wood sills shall be bolted to the foundation. (Tier 2: Sec. 4.6.3.4)

C NC N/A GIRDER/COLUMN CONNECTION: There shall be a positive connection utilizing plates, connection hardware, or straps between the girder and the column support. (Tier 2: Sec. 4.6.4.1)

1981 ADDITION

3.7.1S Supplemental Structural Checklist for Building Type W1: Wood Light Frames

This Supplemental Structural Checklist shall be completed where required by Table 3-2. The Basic Structural Checklist shall be completed prior to completing this Supplemental Structural Checklist.

Lateral-Force-Resisting System

C NC (N/A) HOLD-DOWN ANCHORS: All shear walls shall have hold-down anchors constructed per acceptable construction practices, attached to the end studs. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.4.2.7.9)

Diaphragms

(C) NC N/A DIAPHRAGM CONTINUITY: The diaphragms shall not be composed of split-level floors and shall not have expansion joints. (Tier 2: Sec. 4.5.1.1)

(C) NC N/A ROOF CHORD CONTINUITY: All chord elements shall be continuous, regardless of changes in roof elevation. (Tier 2: Sec. 4.5.1.3)

C NC (N/A) PLAN IRREGULARITIES: There shall be tensile capacity to develop the strength of the diaphragm at re-entrant corners or other locations of plan irregularities. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.5.1.7)

C NC (N/A) DIAPHRAGM REINFORCEMENT AT OPENINGS: There shall be reinforcing around all diaphragm openings larger than 50 percent of the building width in either major plan dimension. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.5.1.8)

(C) NC N/A STRAIGHT SHEATHING: All straight sheathed diaphragms shall have aspect ratios less than 2-to-1 for Life Safety and 1-to-1 for Immediate Occupancy in the direction being considered. (Tier 2: Sec. 4.5.2.1)

(C) NC N/A SPANS: All wood diaphragms with spans greater than 24 feet for Life Safety and 12 feet for Immediate Occupancy shall consist of wood structural panels or diagonal sheathing. (Tier 2: Sec. 4.5.2.2)

C NC (N/A) UNBLOCKED DIAPHRAGMS: All diagonally sheathed or unblocked wood structural panel diaphragms shall have horizontal spans less than 40 feet for Life Safety and 30 feet for Immediate Occupancy and shall have aspect ratios less than or equal to 4-to-1 for Life Safety and 3-to-1 for Immediate Occupancy. (Tier 2: Sec. 4.5.2.3)

(C) NC N/A OTHER DIAPHRAGMS: The diaphragm shall not consist of a system other than wood, metal deck, concrete, or horizontal bracing. (Tier 2: Sec. 4.5.7.1)

Connections

(C) NC N/A WOOD SILL BOLTS: Sill bolts shall be spaced at 6 feet or less for Life Safety and 4 feet or less for Immediate Occupancy, with proper edge and end distance provided for wood and concrete. (Tier 2: Sec. 4.6.3.9)

1981 ADDITION

Screening Phase (Tier 1)

3.8 Geologic Site Hazards and Foundations Checklist

This Geologic Site Hazards and Foundations Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

Geologic Site Hazards

The following statements shall be completed for buildings in levels of high or moderate seismicity.

(C) NC N/A LIQUEFACTION: Liquefaction-susceptible, saturated, loose granular soils that could jeopardize the building's seismic performance shall not exist in the foundation soils at depths within 50 feet under the building for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.7.1.1)

(C) NC N/A SLOPE FAILURE: The building site shall be sufficiently remote from potential earthquake-induced slope failures or rockfalls to be unaffected by such failures or shall be capable of accommodating any predicted movements without failure. (Tier 2: Sec. 4.7.1.2)

(C) NC N/A SURFACE FAULT RUPTURE: Surface fault rupture and surface displacement at the building site is not anticipated. (Tier 2: Sec. 4.7.1.3)

Condition of Foundations

The following statement shall be completed for all Tier 1 building evaluations.

(C) NC N/A FOUNDATION PERFORMANCE: There shall be no evidence of excessive foundation movement such as settlement or heave that would affect the integrity or strength of the structure. (Tier 2: Sec. 4.7.2.1)

The following statement shall be completed for buildings in levels of high or moderate seismicity being evaluated to the Immediate Occupancy Performance Level.

(C) NC N/A DETERIORATION: There shall not be evidence that foundation elements have deteriorated due to corrosion, sulfate attack, material breakdown, or other reasons in a manner that would affect the integrity or strength of the structure. (Tier 2: Sec. 4.7.2.2)

Capacity of Foundations

The following statement shall be completed for all Tier 1 building evaluations.

C NC (N/A) POLE FOUNDATIONS: Pole foundations shall have a minimum embedment depth of 4 feet for Life Safety and Immediate Occupancy. (Tier 2: Sec. 4.7.3.1)

The following statements shall be completed for buildings in levels of moderate seismicity being evaluated to the Immediate Occupancy Performance Level and for buildings in levels of high seismicity.

(C) NC N/A OVERTURNING: The ratio of the horizontal dimension of the lateral-force-resisting system at the foundation level to the building height (base/height) shall be greater than $0.6S_a$. (Tier 2: Sec. 4.7.3.2)

1981 ADDITION

Screening Phase (Tier 1)

(C)	NC	N/A	TIES BETWEEN FOUNDATION ELEMENTS: The foundation shall have ties adequate to resist seismic forces where footings, piles, and piers are not restrained by beams, slabs, or soils classified as Class A, B, or C. (Section 3.5.2.3.1, Tier 2: Sec. 4.7.3.3)
C	NC	(N/A)	DEEP FOUNDATIONS: Piles and piers shall be capable of transferring the lateral forces between the structure and the soil. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.7.3.4)
C	NC	(N/A)	SLOPING SITES: The difference in foundation embedment depth from one side of the building to another shall not exceed one story in height. This statement shall apply to the Immediate Occupancy Performance Level only. (Tier 2: Sec. 4.7.3.5)

1981 ADDITION

Screening Phase (Tier 1)

3.9.1 Basic Nonstructural Component Checklist

This Basic Nonstructural Component Checklist shall be completed where required by Table 3-2.

Each of the evaluation statements on this checklist shall be marked Compliant (C), Non-compliant (NC), or Not Applicable (N/A) for a Tier 1 Evaluation. Compliant statements identify issues that are acceptable according to the criteria of this standard, while non-compliant statements identify issues that require further investigation. Certain statements may not apply to the buildings being evaluated. For non-compliant evaluation statements, the design professional may choose to conduct further investigation using the corresponding Tier 2 Evaluation procedure; corresponding section numbers are in parentheses following each evaluation statement.

Partitions

C NC N/A — UNREINFORCED MASONRY: Unreinforced masonry or hollow clay tile partitions shall be braced at a spacing equal to or less than 10 feet in levels of low or moderate seismicity and 6 feet in levels of high seismicity. (Tier 2: Sec. 4.8.1.1)

Ceiling Systems

C NC N/A — SUPPORT: The integrated suspended ceiling system shall not be used to laterally support the tops of gypsum board, masonry, or hollow clay tile partitions. Gypsum board partitions need not be evaluated where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.2.1)

Light Fixtures

C NC N/A — EMERGENCY LIGHTING: Emergency lighting shall be anchored or braced to prevent falling during an earthquake. (Tier 2: Sec. 4.8.3.1)

Cladding and Glazing

C NC N/A — CLADDING ANCHORS: Cladding components weighing more than 10 psf shall be mechanically anchored to the exterior wall framing at a spacing equal to or less than 4 feet. A spacing of up to 6 feet is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.1)

C NC N/A — DETERIORATION: There shall be no evidence of deterioration, damage or corrosion in any of the connection elements. (Tier 2: Sec. 4.8.4.2)

C NC N/A — CLADDING ISOLATION: For moment frame buildings of steel or concrete, panel connections shall be detailed to accommodate a story drift ratio of 0.02. Panel connection detailing for a story drift ratio of 0.01 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.3)

C NC N/A — MULTI-STORY PANELS: For multi-story panels attached at each floor level, panel connections shall be detailed to accommodate a story drift ratio of 0.02. Panel connection detailing for a story drift ratio of 0.01 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.4)

C NC N/A — BEARING CONNECTIONS: Where bearing connections are required, there shall be a minimum of two bearing connections for each wall panel. (Tier 2: Sec. 4.8.4.5)

1981 ADDITION

Screening Phase (Tier 1)

C NC N/A INSERTS: Where inserts are used in concrete connections, the inserts shall be anchored to reinforcing steel or other positive anchorage. (Tier 2: Sec. 4.8.4.6)

C NC N/A PANEL CONNECTIONS: Exterior cladding panels shall be anchored out-of-plane with a minimum of 4 connections for each wall panel. Two connections per wall panel are permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.4.7)

Masonry Veneer

C NC N/A SHELF ANGLES: Masonry veneer shall be supported by shelf angles or other elements at each floor 30 feet or more above ground for Life Safety and at each floor above the first floor for Immediate Occupancy. (Tier 2: Sec. 4.8.5.1)

C NC N/A TIES: Masonry veneer shall be connected to the back-up with corrosion-resistant ties. The ties shall have a spacing equal to or less than 24 inches with a minimum of one tie for every 2-2/3 square feet. A spacing of up to 36 inches is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.5.2)

C NC N/A WEAKENED PLANES: Masonry veneer shall be anchored to the back-up adjacent to weakened planes, such as at the locations of flashing. (Tier 2: Sec. 4.8.5.3)

C NC N/A DETERIORATION: There shall be no evidence of deterioration, damage, or corrosion in any of the connection elements. (Tier 2: Sec. 4.8.5.4)

Parapets, Cornices, Ornamentation, and Appendages

C NC N/A URM PARAPETS: There shall be no laterally unsupported unreinforced masonry parapets or cornices with height-to-thickness ratios greater than 1.5. A height-to-thickness ratio of up to 2.5 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.8.1)

C NC N/A CANOPIES: Canopies located at building exits shall be anchored to the structural framing at a spacing of 6 feet or less. An anchorage spacing of up to 10 feet is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.8.2)

Masonry Chimneys

C NC N/A URM CHIMNEYS: No unreinforced masonry chimney shall extend above the roof surface more than twice the least dimension of the chimney. A height above the roof surface of up to three times the least dimension of the chimney is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.9.1)

Stairs

C NC N/A URM WALLS: Walls around stair enclosures shall not consist of unbraced hollow clay tile or unreinforced masonry with a height-to-thickness ratio greater than 12-to-1. A height-to-thickness ratio of up to 15-to-1 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.10.1)

C NC N/A STAIR DETAILS: In moment frame structures, the connection between the stairs and the structure shall not rely on shallow anchors in concrete. Alternatively, the stair details shall be capable of accommodating the drift calculated using the Quick Check procedure of Section 3.5.3.1 without including tension in the anchors. (Tier 2: Sec. 4.8.10.2)

1981 ADDITION

Screening Phase (Tier 1)

Building Contents and Furnishing

C NC N/A — TALL NARROW CONTENTS: Contents over 4 feet in height with a height-to-depth or height-to-width ratio greater than 3-to-1 shall be anchored to the floor slab or adjacent structural walls. A height-to-depth or height-to-width ratio of up to 4-to-1 is permitted where only the Basic Nonstructural Component Checklist is required by Table 3-2. (Tier 2: Sec. 4.8.11.1)

Mechanical and Electrical Equipment

C NC N/A — EMERGENCY POWER: Equipment used as part of an emergency power system shall be mounted to maintain continued operation after an earthquake. (Tier 2: Sec. 4.8.12.1)

C NC N/A — HAZARDOUS MATERIAL EQUIPMENT: HVAC or other equipment containing hazardous material shall not have damaged supply lines or unbraced isolation supports. (Tier 2: Sec. 4.8.12.2)

C NC N/A — DETERIORATION: There shall be no evidence of deterioration, damage, or corrosion in any of the anchorage or supports of mechanical or electrical equipment. (Tier 2: Sec. 4.8.12.3)

C NC N/A — ATTACHED EQUIPMENT: Equipment weighing over 20 lb that is attached to ceilings, walls, or other supports 4 feet above the floor level shall be braced. (Tier 2: Sec. 4.8.12.4)

Piping

C NC N/A — FIRE SUPPRESSION PIPING: Fire suppression piping shall be anchored and braced in accordance with NFPA-13 (NFPA, 1996). (Tier 2: Sec. 4.8.13.1)

C NC N/A — FLEXIBLE COUPLINGS: Fluid, gas, and fire suppression piping shall have flexible couplings. (Tier 2: Sec. 4.8.13.2)

Hazardous Materials Storage and Distribution

C NC N/A — TOXIC SUBSTANCES: Toxic and hazardous substances stored in breakable containers shall be restrained from falling by latched doors, shelf lips, wires, or other methods. (Tier 2: Sec. 4.8.15.1)

1981 ADDITION

3.9.2 Intermediate Nonstructural Component Checklist

This Intermediate Nonstructural Component Checklist shall be completed where required by Table 3-2. The Basic Nonstructural Component Checklist shall be completed prior to completing this Intermediate Nonstructural Component Checklist.

Ceiling Systems

C NC N/A — LAY-IN TILES: Lay-in tiles used in ceiling panels located at exits and corridors shall be secured with clips. (Tier 2: Sec. 4.8.2.2)

C NC N/A — INTEGRATED CEILINGS: Integrated suspended ceilings at exits and corridors or weighing more than 2 pounds per square foot shall be laterally restrained with a minimum of four diagonal wires or rigid members attached to the structure above at a spacing equal to or less than 12 feet. (Tier 2: Sec. 4.8.2.3)

C NC N/A — SUSPENDED LATH AND PLASTER: Ceilings consisting of suspended lath and plaster or gypsum board shall be attached to resist seismic forces for every 12 square feet of area. (Tier 2: Sec. 4.8.2.4)

Light Fixtures

C NC N/A — INDEPENDENT SUPPORT: Light fixtures in suspended grid ceilings shall be supported independently of the ceiling suspension system by a minimum of two wires at diagonally opposite corners of the fixtures. (Tier 2: Sec. 4.8.3.2)

Cladding and Glazing

C NC N/A — GLAZING: Glazing in curtain walls and individual panes over 16 square feet in area, located up to a height of 10 feet above an exterior walking surface, shall have safety glazing. Such glazing located over 10 feet above an exterior walking surface shall be laminated annealed or laminated heat-strengthened safety glass or other glazing system that will remain in the frame when glass is cracked. (Tier 2: Sec. 4.8.4.8)

Parapets, Cornices, Ornamentation, and Appendages

C NC N/A — CONCRETE PARAPETS: Concrete parapets with height-to-thickness ratios greater than 2.5 shall have vertical reinforcement. (Tier 2: Sec. 4.8.8.3)

C NC N/A — APPENDAGES: Cornices, parapets, signs, and other appendages that extend above the highest point of anchorage to the structure or cantilever from exterior wall faces and other exterior wall ornamentation shall be reinforced and anchored to the structural system at a spacing equal to or less than 10 feet for Life Safety and 6 feet for Immediate Occupancy. This requirement need not apply to parapets or cornices compliant with Section 4.8.8.1 or 4.8.8.3. (Tier 2: Sec. 4.8.8.4)

Masonry Chimneys

C NC N/A — ANCHORAGE: Masonry chimneys shall be anchored at each floor level and the roof. (Tier 2: Sec. 4.8.9.2)

1981 ADDITION

Screening Phase (Tier 1)

Mechanical and Electrical Equipment

C NC N/A VIBRATION ISOLATORS: Equipment mounted on vibration isolators shall be equipped with restraints or snubbers. (Tier 2: Sec. 4.8.12.5)

Ducts

C NC N/A STAIR AND SMOKE DUCTS: Stair pressurization and smoke control ducts shall be braced and shall have flexible connections at seismic joints. (Tier 2: Sec. 4.8.14.1)

APPENDIX D

Structural Calculations

Project:	Job No.:	
Description: 1929 ORIGINAL BLDG	Date:	Sht:
	By: J.R. Ck:	

VERY LIMITED STRUCTURAL INFORMATION OR DRAWINGS WERE AVAILABLE THEREFORE MINIMAL CALCULATIONS WERE DONE BECAUSE OF UNKNOWN BLDG MATERIALS & DIMENSIONS.

THE FOLLOWING CALCS INCLUDE...

- PSEUDO LATERAL FORCE MAGNITUDE
- TIER 1 OVERTURNING CHECK

Project:	Job No.:	
Description: 1929 ORIGINAL BLDG	Date:	Sht:
	By: J.R. Ck:	

PSEUDO LATERAL FORCE

$V = C S_a W$

$C = 1.1$ (TBL 3-4)

$S_a = \frac{S_{D1}}{T}$

$S_{D1} = 0.759\ g$ (USGS)

$T = C_t h_n^{\beta}$

$\beta = 0.75$

$h_n = 21'$

$C_t = 0.060$

$T = 0.060\ (21')^{0.75} = 0.59$ SEC

$S_a = \frac{0.759}{0.59} = 1.29$

$V = 1.1(1.29)W$

$= 1.42\ W$

Project:	Job No.:	
Description: 1929 ORIGINAL BLDG	Date:	Sht:
	By: J.R. Ck:	

OVERTURNING – TIER 1 CALC

$\frac{\text{BASE}}{\text{HEIGHT}} = \frac{31'}{21'} = 1.48 > 0.6\,S_a$ ✓ OK

$0.6\,S_a = 0.6(1.29) = 0.774$

Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. Ck:	

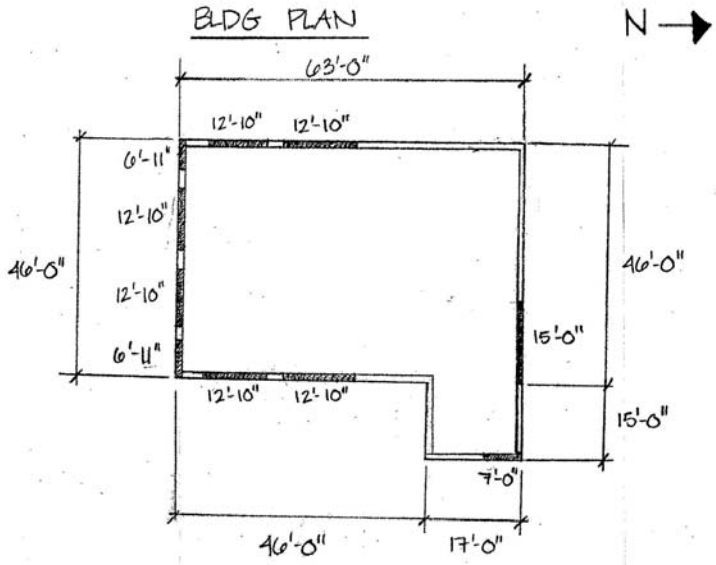
IN ADDITION TO THE GENERAL TIER 1 CHECKLIST, CALCULATIONS WERE DONE FOR SEVERAL TIER 1 ITEMS, NON-COMPLIANT TIER 2 ITEMS, AS WELL AS A GENERAL TIER 2 ANALYSIS OF THE STRUCTURE.

THE FOLLOWING CALCS INCLUDE...

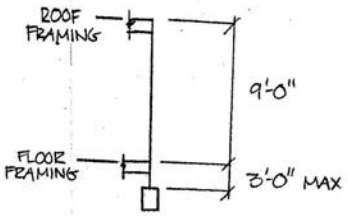
- BLDG PLAN/SECTION
- PSEUDO LATERAL FORCE
- BLDG WEIGHS
- SEISMIC LOADING
- SHEAR STRESS IN WALLS (TIER 1 CALC)
- SHEAR STRESS IN WALLS (TIER 2 CALC) ↑ MORE ACCURATE
- WALL SHEAR SHOWN ON PLAN
- DIAPHRAGM ASSESSMENT
- CHORD FORCES
- COLLECTOR FORCES
- WALL ANCHORAGE TO ROOF DIAPHRAGM
- TIER 1 OVERTURNING CALCS
- FOUNDATIONS

Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. / Ck:	

BLDG PLAN



ELEVATION



Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. Ck:	

PSEUDO LATERAL FORCE:

$V = CS_aW$

$C = 1.3$ (TBL 3-A)

$S_a = \frac{S_{D1}}{T}$

$S_{D1} = 0.759g$ (USGS)

$T = C_t h_n^{\beta}$

$\beta = 0.75$

$h_n = 13'$

$C_t = 0.060$

$T = 0.060(13')^{0.75} = 0.41$ SEC

$S_a = \frac{0.759}{0.41} = 1.85$

$V = 1.3(1.85)W$

$= \boxed{2.41W}$

Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. Ck:	

BLDG WEIGHTS

ROOF LOADS

COMP ROOFING	6.0
5/8" PLYWOOD	1.8
FRAMING	4.0
INSULATION	1.0
CEILING 5/8" GYP	2.8
MECH/ELEC.	2.4
MISC.	2.0
	20 PSF

SPANISH TILES
ABOVE EXT. WALLS
4' DEPTH
↳ 19 PSF

WALLS (EXTERIOR)

1/2" PLYWOOD	1.5
FRAMING (2x6 @16"o/c)	1.4
PLASTER 1"	10.0
5/8" GYP	2.8
MISC.	0.3
	16 PSF

WALLS (INTERIOR)

1/2" PLYWOOD	1.5
FRAMING (2x6 @16"o/c)	1.4
5/8" GYP (2 SIDES)	5.6
MISC.	0.5
	9 PSF

Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. Ck:	

WEIGHTS FOR SEISMIC LOADING

TOTAL ROOF WT = 20PSF * 3153 FT^2 = 63.06^K

TOTAL SPANISH TILE WT = 19PSF * 217 FT = 4.123^K

TOTAL E/W WALL WT FOR N/S SEISMIC

L EXT. WALL = 46' + 15' + 15' + 15' = 91'

L INT. WALL = 31' + 15' = 46'

EXT WALL WT = 16 PSF (91')(13'/2) = 9.464^K

INT WALL WT = 9PSF (46')(13'/2) = 2.691^K

12.155^K

TOTAL N/S WALL WT FOR E/W SEISMIC

L EXT. WALL = 63' + 46' + 17' = 126'

L INT. WALL = 17' + 7' = 24'

EXT. WALL WT = 16 PSF (126')(13'/2) = 13.104^K

INT. WALL WT = 9 PSF (24')(13'/2) = 1.404^K

14.508^K

$V_{N/S}$ = 2.41 (63.06^K + 4.123^K + 12.155^K) = **79.3^K**

$V_{E/W}$ = 2.41 (63.06^K + 4.123^K + 14.508^K) = **81.7^K**

Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. Ck:	

SHEAR STRESS CHECK (TIER 1 CALCULATION)

$V_j^{AVG} = \frac{1}{m}\left(\frac{V_j}{A_w}\right)$ $\quad m = 4.0$ (TABLE 3-7)

$A_{w\ E/W} = L_{E/W} = 6.92' \times 2 + 12.83' \times 2 + 15' = 54.5'$

$V_{j\ E/W}^{AVG} = \frac{1}{4.0}\left(\frac{81.7^K}{54.5'}\right) = 0.375^{KLF}$

* NG FOR SHEARWALL @ GL1
(STRAIGHT SHEATHING $V_{ALLOW} = 100$ plf $< V_u = 355$ plf)

$A_{w\ N/S} = L_{N/S} = 12.83' \times 4 + 7' = 58.32'$

$V_{j\ N/S}^{AVG} = \frac{1}{4.0}\left(\frac{79.3^K}{58.32'}\right) = 0.340^{KLF}$ ✓

OK, ALL SHEAR WALLS IN N/S DIRECTION ARE SHEATHED W/ PLYWOOD ($V_{ALLOW} = 1.0$ klf ✓)

1981 ADDITION

Tier 2 Shear Stress Check ← TIER 2 CALCULATION

Direction	Length of Wall	Trib Area / Total Area	Shear (kips)	h/L	m (Table 4-8)	Q_{up}/m (klf)	Q_{CE}	$Q_{CE} > Q_{up}$/m ?
N/S *	12.83	0.23	18.239	1.013	4.5	0.316	1.02	YES
N/S *	12.83	0.23	18.239	1.013	4.5	0.316	1.02	YES
N/S *	12.83	0.25	19.825	1.013	4.5	0.343	1.02	YES
N/S *	12.83	0.25	19.825	1.013	4.5	0.343	1.02	YES
N/S *	7	0.04	3.172	1.857	3.65	0.124	1.02	YES
E/W *	6.92	0.08	6.536	1.87	3.65	0.259	1.02	YES
E/W *	12.83	0.15	12.26	1.01	4.5	0.212	1.02	YES
E/W *	12.83	0.15	12.26	1.01	4.5	0.212	1.02	YES
E/W *	6.92	0.08	6.536	1.87	3.65	0.259	1.02	YES
E/W **	15	0.54	44.12	0.87	3	0.980	0.266	NO

* Plywood Sheathing - use 10d nailing @ 4"oc at panel edges per UBC1976

** Straight Sheething - use 100plf allowable shear

Project:

Job No.:

Description: 1981 ADDITION

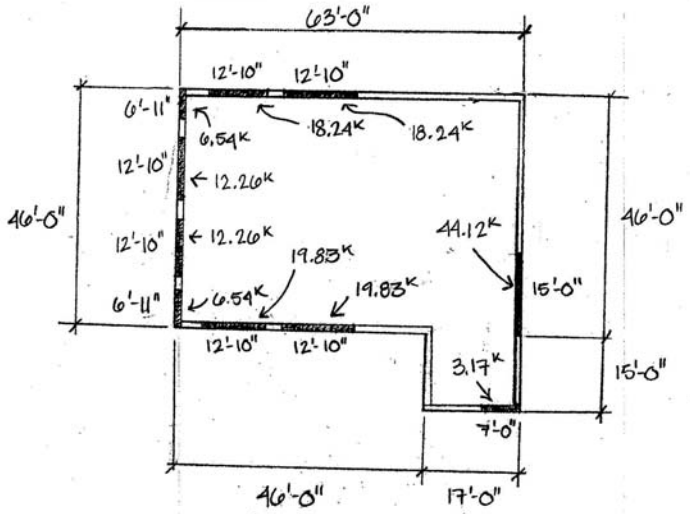
Date:

Sht:

By: J.R.

Ck:

BLDG PLAN - SHEAR WALL FORCES → PER TIER 2 CALC

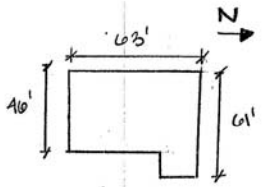


Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. / Ck:	

DIAPHRAGM ASSESSMENT

$$F_{Px} = \frac{1}{C}\,\frac{\Sigma F_i}{\Sigma W_i}\,W_x$$

$C = 1.3$ (TABLE 3-1)



DIAPHRAGM FORCES

rimboards strapped

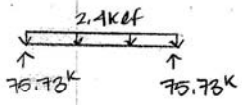
$$F_{Px\ N/S} = \frac{2.41\,(79.3^{K})}{1.3} = 147.01^{K}$$

$$F_{Px\ E/W} = \frac{2.41\,(81.7^{K})}{1.3} = 151.46^{K}$$

MAX V IN DIAPHRAGM:

E/W

$$W_{Px} = \frac{151.46^{K}}{63'} = 2.4^{Klf}$$



$$R_{MAX} = \frac{2.4^{Klf} * 63'}{2} = 75.73^{K}$$

$$V_{MAX} = \frac{75.73^{K}}{46'} = 1.65^{Klf} = Q_{UD}$$

$$\frac{Q_{UD}}{M} = \frac{1.65^{Klf}}{3.5} = 471\ plf$$

$Q_{CE} * 2$ (↑ ALLOWABLE LOAD FACTOR [4.2.4.4]) $= 675\ plf * 2 = 1350\ plf > 471\ plf$ ✓

DIAPHRAGM OK

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

CHORD FORCES

$W_{DIAPHR.\ E/W} = \frac{151.46^K}{63'} = 2.4^{KLF}$

$M_{DIAPHR} = \frac{WL^2}{8} = \frac{2.4^{KLF}(63')^2}{8} = 1190.7^{K\text{-}FT}$

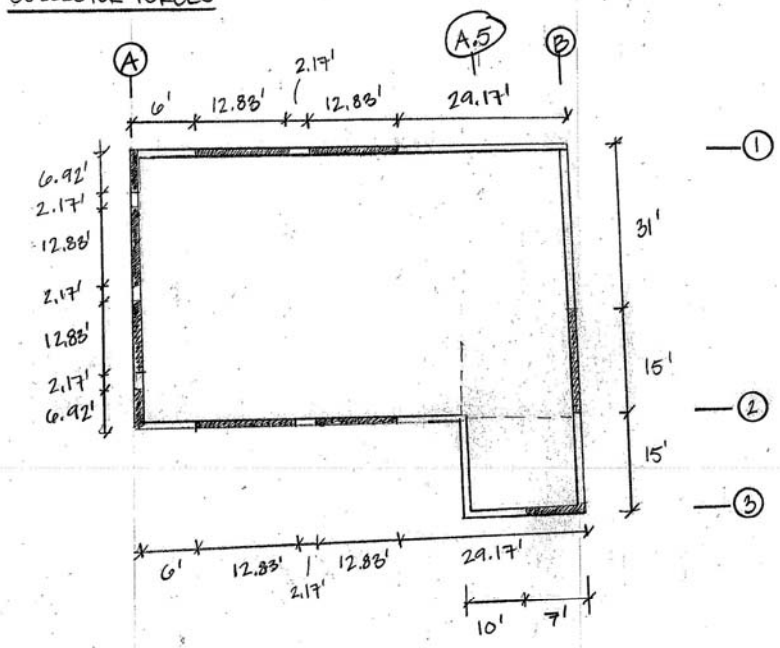
CHORD FORCE $T=C = \frac{1190.7^{K\text{-}FT}}{46'} = \frac{25.93^{KIPS}}{3.5} = 7.41^K$

↑ DIAPHRAGM "M" FACTOR PER TABLE 4-8

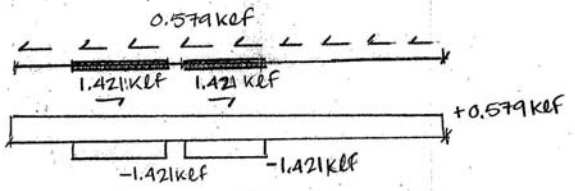
CHORD MEMBERS & SPLICES SHOULD BE DESIGNED FOR THIS TENSION FORCE.

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

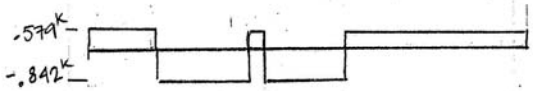
COLLECTOR FORCES



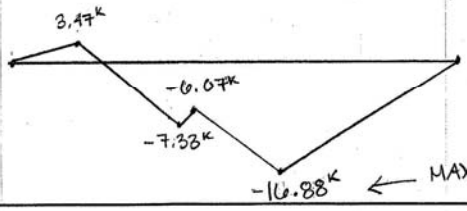
LINE (1)



SHEAR DIAG.



COLLECTOR FORCE DIAG.

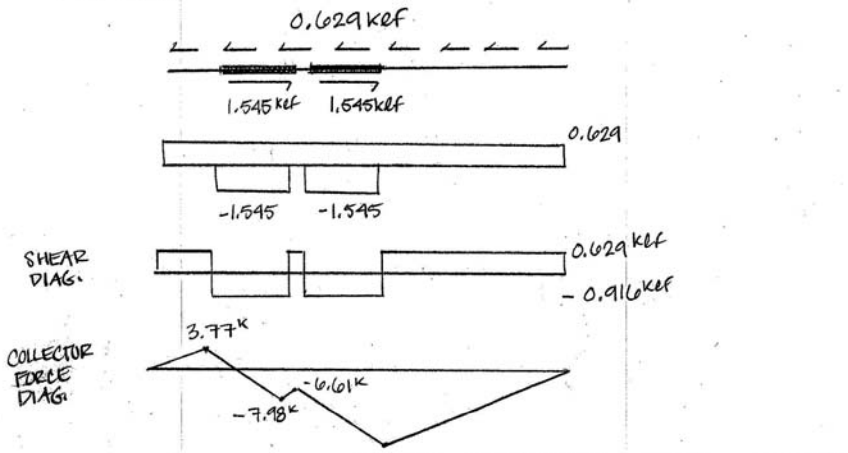


RIMBOARDS ALONG LINE (1) ARE CONTINUOUS ∴ COLLECTORS OK

MAX = $\frac{16.88^K}{3.5}$ = 4.8K ← M FACTOR

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

LINE ②



← MAX FORCE = $\frac{18.37^K}{3.5} = 5.25^K$

↑ M FACTOR FOR DIAPHRAGM

→ RIMBOARDS ALONG LINE ② ARE CONTINUOUS, ∴ COLLECTORS OK.

[NOTE: RE-ENTRANT CORNERS ALONG LINES 2 & A.5 SHOULD BE CHECKED FOR STRAPPING/TIES]

LINE ③

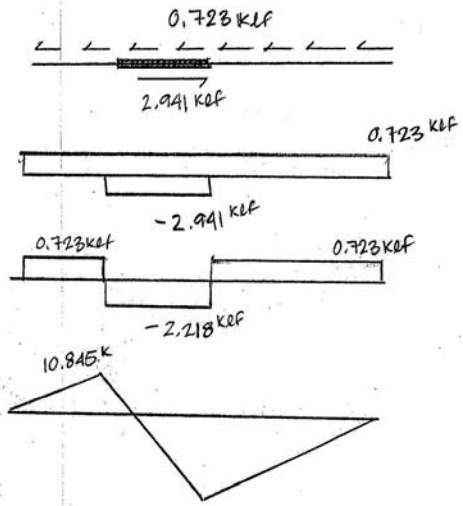
CONTINUOUS RIMBOARDS ∴ COLLECTORS OK

LINE Ⓐ

VERY FEW OPENINGS, COLLECTORS OK

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

LINE (B)



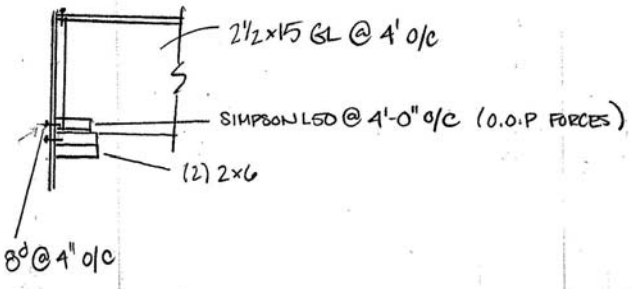
$-22.13^K \Rightarrow MAX = \frac{22.13^K}{3.5} = 6.41^K$

↖ M FACTOR FOR DIAPHRAGM

COLLECTOR DETAILING IS UNKNOWN AT LINE B. IT IS ASSUMED THAT ADEQUATE COLLECTORS WILL NEED TO BE INSTALLED IN ADDITION TO SHEAR WALL REINFORCEMENT

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

WALL ANCHORAGE TO ROOF DIAPHRAGM



OUT OF PLANE ANCHORAGE

F_p = ? SDSW [4.2.5.1]

? = 0.3 (LS)

S_{DS} = 1.159

W = (19PSF x 4') + (16PSF * 13'/2) = 180 PLF

F_p = 0.3 (1.159)(180 PLF) = 62.6 PLF

F = 62.6 PLF * 4' = 250.4#

LSD CAPACITY (ASD) = 420# O.O.P. ANCHORAGE OK ✓

IN PLANE ANCHORAGE

F = 471 PLF (SEE DIAPHRAGM SHEAR CALCS)

F = 471 PLF x 4"/12"/1 = 157#

NAIL SHEAR CAPACITY = 65# * 1.6 = 104# < 157# NG.

NEEDS ADDITIONAL IN PLANE ANCHORAGE AND SUGGESTED RIMBOARD CLIPS TO RESIST IN PLANE LOADING

Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. Ck:	

OVERTURNING - TIER 1 CALC

$\frac{\text{BASE}}{\text{HEIGHT}} = \frac{46'}{13'} = 3.54 > 0.6S_a$ ✓ OK

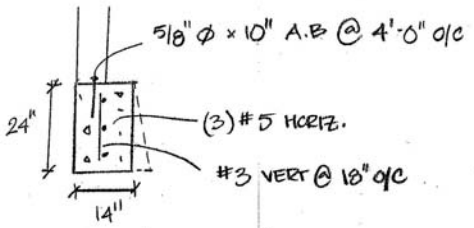
$0.6S_a = 0.6(1.85) = 1.11$

Project:	Job No.:	
Description: 1981 ADDITION	Date:	Sht:
	By: J.R. Ck:	

FOUNDATION

TYP. ALONG EXTERIOR

$f_c' = 2500$ psi



$DL = (160PSF * 12') + (20PSF * 46'/2) + (19PSF * 4') = 728$ PLF
(WALLS) (ROOF) (OVERHANG)

ROOF LL = $20PSF * 46'/2 = 460$ PLF

A.B. SHEAR CHECK

LARGEST SHEAR FROM SHEAR WALL = $\frac{44.12^K}{15'} = 2.94$ klf

5/8" ϕ @ 4'-0" o/c

$V_u = 2.94^{klf} * 4' = 11.76^K \rightarrow Q_{UF} = \frac{11.76^K}{1.3} = 9.05^K$

↖ C FACTOR TABLE 3-# (FORCE CONTROLLED)

PER ACI 318-05

NOMINAL SHEAR STRENGTH OF ANCHOR IN SHEAR = V_{SA}

$V_{SA} = n 0.6 A_{se} f_{uta}$

n = 1 A.B.

$A_{se} = \frac{\pi}{4}\left(d_o - \frac{.9743}{n_t}\right)^2 = \frac{\pi}{4}\left(5/8 - \frac{.9743}{11}\right)^2 = 0.23in^2$

$f_{uta} = 60$ ksi

$\phi V_{SA} = 0.65(1)(0.6)(.23in^2)(60ksi) = 5.38^K < V_u$ NG

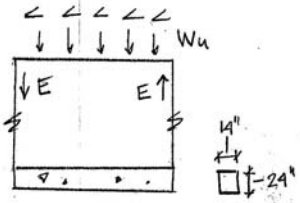
→ ADDITIONAL A.B. REINF. REQ'D AT NORTH FACE OF BLDG

SURROUNDING WALLS $V_{u\,MAX} = 19.825^K / 12.83' = 1.55$ klf $* 4'$
$= 6.2^K / 1.3 = 4.77^K < \phi V_{SA}$ ✓ OK

Project:	Job No.:	
Description:	Date:	Sht:
	By: J.R. Ck:	

FOUNDATION CONT'D

- CHECK BEARING FROM GRAVITY LOADS



$W_u = 1.2D + 0.5L_r$
$= 1.2(728\ PLF) + 0.5(460\ PLF)$
$= 1104\ PLF$ (CONC. STRENGTH DESIGN)

$E_{MAX} = \frac{44.12^K \times 12'}{15'}$
$= 35.3^K$

GRADE BEAM
BEARING AREA (PER FOOT) $= 14" \times 12" = 168\ in^2$

$q_a' = 2000\ psi$ (ASSUMED, NO SOILS REPORT INFO AVAIL)

$A_{req'd}\ (PER\ FT) = \frac{D+E}{1.33 q_a} = \frac{.728^K + 35.3^K}{1.33 \times 2.0 ksi} = 13.541\ in^2 < 168\ in^2$

✓ SOIL BEARING OK

OVERTURNING CHECKED IN TIER 1 CALCULATION ATTACHED & WAS FOUND TO BE COMPLIANT. THEREFORE NO CONCERN ABOUT UPLIFT OR NEGATIVE SOIL BEARING PRESSURE

APPENDIX E

Site Mapped Spectral Accelerations

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations Ss and S1
Ss and S1 = Mapped Spectral Acceleration Values
Site Class B - Fa = 1.0 ,Fv = 1.0
Data are based on a 0.01 deg grid spacing

Period (sec)	Sa (g)
0.2	1.738 (Ss, Site Class B)
1.0	0.789 (S1, Site Class B)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Spectral Response Accelerations SMs and SM1
SMs = Fa x Ss and SM1 = Fv x S1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	1.738 (SMs, Site Class D)
1.0	1.183 (SM1, Site Class D)

Conterminous 48 States
2003 NEHRP Seismic Design Provisions
Latitude = 37.4629
Longitude = -122.1957
Design Spectral Response Accelerations SDs and SD1
SDs = 2/3 x SMs and SD1 = 2/3 x SM1
Site Class D - Fa = 1.0 ,Fv = 1.5

Period (sec)	Sa (g)
0.2	1.159 (SDs, Site Class D)
1.0	0.789 (SD1, Site Class D)

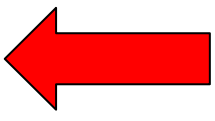


Figure E1- Mapped Spectral Accelerations (Site Adjusted)

APPENDIX F

Cost Estimates

The Crosby Group

Projec Atherton Library	Date: 2/09		Sht:
Description: Seismic Upgrade	By: DPN	Ck: DPN	

Cost Estimate

Item	*Description*	*Quantity*	*Units*	*Unit price*	*Total price*	*Remarks*
1	New Shear Walls	110	LF	$100.00	$11,000.00	
2	Chord & Collector Upgrade	360	LF	$30.00	$10,800.00	
3	Wood Sill Connections	360	LF	$20.00	$7,200.00	
4	Diaphragm upgrade incl part. Reroof.	4100	SQFT	$28.00	$114,800.00	
5	Roof Tile Anchorage	1440	SQFT	$10.00	$14,400.00	
6	Entrance Canopy Anchorage	1	EA	$6,000.00	$6,000.00	
7	Foundation work	360	LF	$60.00	$21,600.00	
8	Hard Ceiling Anchorage	1800	SQFT	$12.00	$21,600.00	
			Sub Total:		**$207,400**	
9	Overhead & General Condition			15%	$31,110.00	
			Sub Total:		**$238,510**	
10	Profit			10%	$23,851.00	
			Sub Total:		**$262,361**	
11	Engineering				$24,000.00	
12	Contingency			10%	$20,740.00	

Total Estimate: $307,101

Item No. 23

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **APPROVE ISSUANCE OF A REQUEST FOR PROPOSALS FOR SEISMIC DESIGN OF THE COUNCIL CHAMBERS AND LIBRARY BUILDINGS ACCORDING TO THE REQUIREMENTS OF THE STRUCTURAL EVALUATION REPORTS**

RECOMMENDATION:

Approve issuance of a Request for Proposals (RFP) for Seismic Design of the Council Chambers and Library Buildings according to the requirements of the Structural Evaluation Reports.

INTRODUCTION:

Last year the Town hired the Crosby Group to evaluate the Council Chambers and Library buildings for seismic performance. That report recommends significant seismic design as needed in both buildings. The Crosby Group was not selected by an appropriate qualifications based selection process as is required for the design of building retrofits.

ANALYSIS:

The ASCE 31-03 Structural Evaluation Report concludes that the structures will require modification, and present a cost estimate for each. Staff recommends that a Request for Proposals (RFP) be issued to allow qualified forms to submit proposals, including their qualifications, a proposed scope of work and a project schedule. A selection committee

will review the proposals and select the best firm for the job. This process complies with state law for the selection of engineers, architects and surveyors.

The final scope and fee for the Council Chambers retrofit will be negotiated with the selected firm. The Library will determine in their needs assessment process if the Library will be retrofitted. If so, the final scope and fee will be negotiated with the selected firm for this work also.

FISCAL IMPACT:

The Town has budgeted $254,500 for the seismic retrofit of the Council Chambers in FY 2009-10. The Structural Evaluation Report estimated the engineering costs at $22,000 for the Council Chambers, which will be paid from Parcel Tax (201) funds, and $24,000 for the Library, which will be paid if needed from Library (213) funds.

Prepared By:

Duncan L. Jones, P.E.
Public Works Director

Approved:

Jerome D. Gruber

Jerome D. Gruber
City Manager

Item No. 24

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CHIEF GLENN NIELSEN

DATE: FOR THE MEETING OF OCTOBER 21, 2009

SUBJECT: EMERGENCY PREPARDNESS (DISASTER PROGRAM) PROGRESS REPORT

INTRODUCTION:

A volunteer community group was formed at the direction of Council to partner with staff and the Menlo Fire Protection District to strengthen the Town's ability to mitigate and respond to natural disasters, man-made disasters and emergency incidents. This informational report is intended to inform Council of the status of the projects.

ANALYSIS:

The Council approved and together with the Menlo Fire District funded these projects:

1. Installation of an emergency warning siren on Cal Water property at the end of Walsh Road. The system can be activated remotely from County fire dispatch or Menlo Fire. It can also be manually activated at the site. It serves as both a fire warning and dam breach warning for the residents of the Walsh Road area.

   Status: Project completed in July 2009 and the siren was placed into service. Informational magnets and flyers have been mailed to all residents in the affected area.

2. Installation of informational and directional signs on Walsh Road to assist residents with emergency egress.

   Status: Menlo Fire is in the process of procuring the signage and designing an information plan to assist residents of the Walsh Road area.

3. Deployment of two disaster caches in the Walsh Road area.

   Status: Not completed. Disaster preparedness funding exhausted.

4. The procurement and outfitting of a new Police Command Vehicle for emergency response and capable of communication with all surrounding agencies that may respond to an Atherton or nearby disaster or major emergency.

   Status: The Atherton P.D. purchased a special Police Edition Ford Expedition. Volunteers devised a removable multiple radio communications system that was integrated by a local firm. The radio system is unique as it is mounted in its own environmentally sealable container within the vehicle and contain an architecture of multiple analog and digital-capable radios covering the full range of VHF and UHF emergency frequencies including both law enforcement agencies as well as public service agencies such as Cal Water and PG&E; County Health and all the fire districts. The vehicle is also fitted with standard police systems and a command rear console for maps and equipment. It will be equipped with an A.E.D. and trauma supplies as well. The vehicle is complete except for final wiring and testing.

5. Lindenwood area emergency supplies and training.

   Status: Project complete. Emergency cache consists of chain saws, generators, a fire pump, emergency tools and construction lights.

6. The outfitting of three trailers equipped with medical supplies.

   Status: Three medical trailers were outfitted with contents specified by volunteers, which included a critical care physician. Menlo Fire procured the medical supplies and with volunteer help packed and placed the trailers into service. The contents of the Atherton P.D. trailer are monitored by the volunteer medical doctor who is a lifelong Atherton resident.

7. Aerial surveys of the Walsh Road area.

   Status: Project complete.

8. Ham Radio upgrades at PD and system upgrades at all Atherton public middle and elementary schools.

Status: Volunteers assisted Atherton schools with getting their wireless communications system licensed and properly configured using a repeater to link with wireless handheld transmitters.

Future projects under consideration by the Disaster Committee include:

- obtaining an agreement with Cal Water to acquire water during a prolonged emergency
- the formation of a triage-ready medical response team staffed by Atherton volunteers
- deployment of two disaster caches in the Walsh Road area

FISCAL IMPACT:

Approved in the FY 2008-09 was $40,000 for the Disaster Preparedness Program. An additional $10,000 was allocated for the Disaster Preparedness Program from the City Manager's budget. Expenses over and above were charged to PD's FY 08/09 and FY 09/10 budgets.

1. Cost of omni-directional emergency warning siren: $6000 (Atherton's share)

2. Walsh Rd. evacuation signage: $750 ($1,500 shared cost with MPFPD)

3. The production costs of PD's Police Command Vehicle totals $61,622.94. This includes $20,000 from the vehicle replacement fund and $9,274.95 from the FY 08-09 PD budget. It also includes $16,860.91 for the purchase of emergency and disaster recovery equipment through the City of Redwood City Public Works Department (RCPW) at their reduced cost. The multiple radio communications system by designed by volunteers cost of $15,487.08.

Prepared By:

Glenn Nielsen
Chief of Police

Approved:

Jerome D. Gruber

Jerome D. Gruber
City Manager

Item No. 25

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **WYNNE S. FURTH, CITY ATTORNEY**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **STATUS REPORT ON *TOWN OF ATHERTON et al. v. California High-Speed Rail Authority***

RECOMMENDATION

Receive report on status of litigation, receive any public comment, and provide further direction if needed.

BACKGROUND

The Town of Atherton, the City of Menlo Park, and several non-profit environmental and rail advocacy groups filed a lawsuit challenging the legal adequacy of the Program Environmental Impact Report ("Program EIR") approved by the California High-Speed Rail Authority ("Authority") before it selected the Pacheco Pass alignment for the Northern California route and bond funding was placed on the state-wide ballot. In late August of this year, Sacramento Superior Court Judge Michael P. Kenney ruled that the Program EIR was inadequate on the grounds that: (1) failure to consider the refusal of the Union Pacific Railroad to allow use of its right of way led to inadequate analysis of the project impacts in that area; and (2) a determination that vibration impacts can be fully mitigated on the Peninsula was not supported by evidence.

The court found for the Authority on a number of issues relating to the analysis of the Altamont and Pacheco Pass alternative alignments. It held that the analysis of alternatives was legally adequate, including the comparative cost analysis and the rejection of "train-splitting" as a feasible alternative. It also found the analysis of "growth inducing" impacts of the program was legally adequate.

DISCUSSION

When a court finds an EIR inadequate, it can order that further work be halted until a revised EIR is prepared, circulated, and certified. Atherton and its co-plaintiffs asked that no work be done on the project, in particular the more detailed, regional "project EIRs" currently underway, until a new Program EIR is completed. The court ruled in favor of the Authority on this issue. Draft orders are on file with the court and may be issued by the time of the Council's October meeting. Once the writ has issued, the plaintiffs will need to decide whether to file an appeal of the decision.

FISCAL IMPACT

The costs of litigation are being paid by co-plaintiffs, not the Town of Atherton.

Wynne Furth

_____

Wynne Furth, City Attorney

Item No. 26

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**
JERRY GRUBER, CITY MANAGER

FROM: **DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

DATE: **FOR THE MEETING OF OCTOBER 21, 2009**

SUBJECT: **APPROVE A COMMENT LETTER ON THE ALIGNMENT ALTERNATIVES ANALYSIS FOR THE CALIFORNIA HIGH SPEED TRAIN PROJECT LEVEL EIR/EIS FROM SAN FRANCISCO TO SAN JOSE**

RECOMMENDATION:

Approve the comment letter on the Alignment Alternatives Analysis for the California High Speed Train (HST) Project Level EIR/EIS from San Francisco to San Jose and authorize the Mayor to sign the letter

INTRODUCTION:

The California High Speed Rail Authority (CHSRA) is beginning the project level environmental process and is seeking comments from cities on the alignment alternatives portion of the environmental studies. A public alignment alternatives meeting was held by the CHSRA on Wednesday September 30, 2009 from 6-8 PM at the Samtrans Auditorium in San Carlos. The final comments on the alignment alternatives are due on October 30, 2009.

The Town of Atherton previously submitted comments on the Program Level ERI/EIS and on the Project Level EIR/EIS Scope of Work. These comments were not repeated in this letter, although they have not yet been addressed.

ANALYSIS:

The letter in your packet was drafted by members of the Rail Committee and edited by staff. The letter remains consistent with Resolution 07-26 passed by Council in 2007 (attached). The Rail Committee discussed the content of the letter at their regular meeting of October 6, 2009 and recommended it for approval by Council. Due to the short due date, the Rail Committee has not met again to review the letter.

FISCAL IMPACT:

At this time there is no fiscal impact other than considerable staff time that will need to be spent in the coming years to coordinate with the CHSRA and consultants.

Prepared By:

Duncan L. Jones, P.E.
Public Works Director

Approved:

Jerome D. Gruber

Jerome D. Gruber
City Manager

Attachments: Project Level EIR/EIS Alignment Alternatives Analysis Comment Letter
Resolution 07-26

Town of Atherton

91 Ashfield Road
Atherton, California 94027
650-752-0500
Fax 650-688-6528

October 22, 2009

DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT

Mr. Dominic Spaethling
Regional Manager
California High-Speed Rail Authority
925 L Street, Suite 1425
Sacramento, CA 95814

REGISTERED MAIL, RETURN RECEIPT REQUESTED

SUBJECT: Peninsula Corridor Alternatives Analysis Comments

Dear Dominic,

This letter is intended to augment, but not replace, Atherton's Project Level EIR/EIS Scoping Comments dated March 3, 2009 to reflect our latest consideration of important issues.

VERTICAL ALIGNMENT

Atherton's overriding objective continues to be that, if there is a Caltrain Corridor alignment, all trains, tracks, electrical wires and supporting structures should be below grade in a trench or tunnel with street crossings remaining at grade. There should be no permanent taking of city, park or private property or removal/damaging of trees. Every effort should be made to conduct construction so that temporary taking of property is preferably avoided or at least minimized.

To achieve this objective our preferred vertical alignment is underground in a two level tunnel and trench combination based on 4 tracks. Two tracks dedicated to High-Speed Rail trains would be tunneled at the lower level. Tunnel depth and configuration would depend on engineering, construction and cost considerations. The upper level trench would be above the tunnel(s) and dedicated to Caltrain commuter and Union Pacific freight operations. The trench would be partially covered over, providing for green cover, walking or bike paths, with a center opening to vent diesel exhaust. Street crossings would be at grade level over the top of the trench.

Although our preference is for Atherton, this vertical alignment could apply to other sections of the Caltrain corridor.

Major advantages of this below-grade alignment include:

- Fits well within the Atherton 80 to 85 foot Caltrain right-of-way
- No permanent property taking required
- Unlikely permanent decrease in property values
- No visual impacts of berm, wall, electric wires or support structures
- No loss or damage of trees; no ongoing tree pruning costs
- Safety benefits:
  - Separation of HSR and Caltrain/UPRR reduces collision risk
  - Minimum collateral damage from derailment
- No permanent barrier dividing the town
- Minimizes noise
- No permanent impacts on parks and public facilities near tracks
- Street crossings remain at grade
- Provides venting for diesel trains
- Less costly than tunneling for all trains

There are many issues to be addressed in the Project Level EIR/EIS including construction impacts as well as connectivity and transitioning between possibly different alignments on adjacent sections of the right-of-way. We look forward to cooperating with CHSRA and neighboring cities in a thorough analysis to reconcile any differences.

There may be other underground alternatives that could be acceptable to Atherton and still meet our overall objective of total undergrounding. Any at-grade or elevated alternatives would not be acceptable since their adverse land use and community impacts could not be fully mitigated at any cost. Analysis of at-grade or elevated alternatives on the Caltrain corridor through Atherton would be a wasted exercise. The limited funding of the CHSRA would be better spent studying various underground alternatives to determine the least impact and least cost alternative.

NORTH FAIR OAKS SECTION

The September 25, 2009 "DRAFT Preliminary Alternatives Discussion" alignments for Subsections 4 and 5 presented only one alternative, an at-grade alignment, through the unincorporated North Fair Oaks section of San Mateo County. This community of over 15,000 residents lacks representation as a city and appears to have had little participation in CHSRA outreach efforts. There are many homes and apartments very close to the tracks that could be adversely impacted by HSR trains. Further study considering only an at-grade alignment through this section not only limits options for this community, but because of transitioning considerations, could constrain connectivity with preferred alignments in the adjacent cities of Atherton and Redwood City.

We urge that other vertical alignment alternatives be included for the North Fair Oaks section and that significant outreach efforts be extended to this community to bring them up-to-date.

HIGHWAY 101 AND 280 ALTERNATIVES

Atherton continues to advocate analysis of horizontal alternatives such as highways 101 or 280 with above or below grade track elevations. We believe that the Program Level EIR/EIS elimination of 101 and 280 routes was based on the erroneous presumption that High-Speed Rail trains should share tracks with Caltrain. The 280 alignment was withdrawn from consideration with only a brief explanation. The 101 and Caltrain alternatives were compared, using point

ratings, against 15 different criteria. Caltrain alignment point totals were only marginally more favorable than those for a 101alignment which is probably not statistically significant.

This biased, analysis was not comprehensive and reached conclusions which were far from decisive. It precluded Project Level EIR/EIS analysis of non- Caltrain corridor alignments in the same level of detail as Caltrain alignments. If HSR did not use the highly residential Caltrain corridor, this would eliminate all adverse permanent impacts as well as temporary construction impacts to these communities. A Project Level analysis could possibly identify 101 or 280 alternatives with fewer adverse impacts and lower costs if full mitigation costs are included for all alternatives. Therefore 101 and 280 alternatives should be included with sufficient objective and detailed analysis to reach conclusions that have credibility.

MID PENSULA STATION

A mid peninsula High-Speed Rail station would probably be a stop only for non-express trains to or from Southern California. Peninsula passengers wanting faster service would probably transfer to or from express HSR trains at San Jose. Caltrain could provide a link to HSR trains at San Jose from any of its stations. Therefore a mid peninsula HSR station appears to offer marginal value, but with significant construction costs and other impacts.

A mid peninsula station would probably require one additional track in each direction, switched off the main line, and of significant length to provide for deceleration and acceleration of stopping trains. If either Redwood City or Palo Alto is selected for an HSR stop, these additional tracks could extend into Atherton or Menlo Park. This potential impact on right-of-way and vertical alignment alternatives must be considered.

DUMBARTON RAIL

In our March 3, 2009 Scoping Comments we recommended that a decision be made regarding whether and how Dumbarton Rail would be considered and how “merge tracking” would impact Atherton and other cities. To date we have no evidence that this critical issue is being addressed. Dumbarton Rail plans could possibly require an additional track through all or part of Atherton. Therefore it is essential that this issue be resolved before a decision is made regarding track alignment alternatives through Atherton which would be carried forward for further study. We strongly urge CHSRA to work with Caltrain and MTC to resolve this issue in time to reflect its impacts in the Draft Alternatives Analysis Report, now scheduled for December 2009.

Absent a decision by Caltrain and MTC to abandon the Dumbarton Rail project, the CHSRA alignment alternatives study must assume the project will be constructed, and provide for it in the alignment alternatives.

CONCLUSION

In conclusion we repeat from our scoping comments:

> *As the preferred vertical alignment Atherton strongly favors undergrounding of tracks and electric power conduits in a tunnel or trench with cross streets at grade level. Other vertical alternatives have far greater adverse impacts which cannot be adequately mitigated including:*

- *Visual blight of elevated track retaining walls, 40 foot poles, catenary wires and high sound walls.*
- *Loss of far more heritage and other trees than would be lost with a tunnel or trench. There is no practical way to mitigate loss of trees as old as a century or more.*
- *Noise, which might be partially mitigated by sound walls. However, sound walls add to the visual blight mentioned above.*
- *Properties facing depressed cross streets passing under tracks would be adversely impacted. So would properties along streets intersecting these cross streets close to the tracks. Some parallel streets adjacent to the right-of-way could lose access at one or both ends. (Station Lane, Lloyden Drive)*
- *Impacts to parks and public facilities adjacent to the tracks.*
- *Risks of death and property devastation from derailment of a 120 mph elevated train. A tunnel or trench should restrict losses.*
- *Lower property values proportional to proximity of the tracks.*

There may be a perception that undergrounding is too costly. All relevant costs and impacts of each vertical alternative must be considered, particularly on cross streets. When this is done, the cost differential for undergrounding may not be very significant. It should also be recognized that the alternative which most effectively mitigates adverse impacts must be selected even if it involves a higher cost.

And finally, once all the impacts and costs are known, another less impacted corridor should be chosen.

We appreciate CHSRA's increasing efforts to work cooperatively with cities and thank you for your consideration.

Sincerely,
Town of Atherton

Jerry Carlson
Mayor

Attached: Atherton City Council Resolution 07- 26

S:\Caltrain\High Speed Rail\ATHERTON - Letter on Alignment Alternatives.DOC

RESOLUTION 07-26

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON REGARDING THE DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT FOR BAY AREA TO CENTRAL VALLEY HIGH SPEED TRAIN

The City Council of the Town of Atherton hereby resolves as follows:

RESOLVED, that the town of Atherton provide comments to the California High-Speed Rail Authority regarding the Draft Bay Area to Central Valley High-Speed Train (HST) Program EIR/EIS, with the following points:

1. The Town of Atherton opposes high-speed rail on the Peninsula and within the Caltrain Railway Corridor.

    a. High-speed rail would not directly benefit the Peninsula because express high-speed trains would not stop on the Peninsula, requiring Peninsula travelers to Southern California to transfer, either in San Francisco or San Jose, to the express train in order to benefit from express service.

    b. Construction of high-speed rail along the Caltrain Corridor would be devastating to the long-established and heavily developed communities through which the corridor passes. Construction and operation of high-speed trains along this corridor would have a significant adverse environmental affect on the communities.

2. For the reasons stated above, we support the Altamont alignment for high-speed rail, with access to San Jose along the Capital Corridor (East Bay) route, and with access directly to Oakland via Altamont, with a new TransBay Tunnel connecting Oakland with San Francisco.

3. If the Pacheco alignment is ultimately chosen with a Peninsula route for high-speed rail, the preferred routing should be along Highway 280 or 101, in order to avoid the disastrous consequences of construction within established communities. As stated above, high-speed rail on the Peninsula will not provide easier access to express trains to Southern California. Accordingly, the Peninsula should rely upon existing Caltrain service to access either San Francisco or San Jose as starting off points, from which express trains to Southern California would depart.

4. In all events, if a Caltrain Corridor route is ultimately chosen for high-speed rail alignment, the HST should run in a tunnel or a trench in order to minimize environmental impacts and to maximize the availability of surface land for positive redevelopment.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the Town of Atherton that this Resolution shall be effective immediately upon adoption.

* * * * * * * * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 19th day of September 2007, by the following vote.

AYES:	*5*	*Council Members: Janz, J.Carlson, Marsala, A.Carlson, McKeithen*
NOES:	*0*	*Counci Members:*
ABSENT:	*0*	*Council Members:*
ABSTAIN:	*0*	*Council Members:*

_____
Alan B. Carlson, MAYOR
Town of Atherton

ATTEST:

_____
Kathi Hamilton, Acting City Clerk

APPROVED AS TO FORM:

_____
Marc Hynes, City Attorney

Item No. 27

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JEROME D. GRUBER, CITY MANAGER.

DATE: FOR THE MEETING OF OCTOBER 21, 2009

SUBJECT: DESIGNATE ONE CITY COUNCIL REPRESENTATIVE AND ONE ALTERNATE COUNCIL MEMBER TO POLICYMAKER WORKING GROUP FOR HIGH SPEED RAIL

RECOMMENDATION:

It is recommended that Council designate one Council Member and one alternate Council Member to the Policymaker working group for High Speed Rail.

BACKGROUND:

Reason for the Formation of the Policymaker Working Group:

The California High-Speed Rail Authority's (Authority) San Francisco to San Jose section public outreach team had recent meetings with each city staff along the alignment (San Francisco to San Jose) and they supported the creation of a Policymaker Working Group as an important forum for elected officials to provide input to the environmental and engineering studies currently underway.

Role of Policymaker Working Group:

The Authority requested that each project corridor city/county designate an elected official (e.g., Mayor, member of the City Council or Board of Supervisors) to the Policymaker Working Group. It is envisioned that the group would meet several times over the next six to eight months to gather information and provide feedback to the technical teams that are preparing the Draft EIR/EIS document. The Draft EIR/EIS is scheduled to be released by early 2011 and will initiate another phase of public engagement and input that ultimately leads to a final document.

A number of Peninsula Cities have designated representatives to the Policymaker working group for High Speed Rail. Since Mayor Carlson and Vice Mayor McKeithen are members of the Atherton Rail Committee staff recommends they represent Atherton on the Policymaker working group.

FISCAL IMPACT:

There is no fiscal impact.

ATTACHMENT:

Policymaker Working Group Contact List

AFFLIATION	Name	Title
CITY AND COUNTY OF SAN FRANCISCO	David Noyola	Legislative Aide/District 3 – SF Board of Supervisors
CITY AND COUNTY OF SAN FRANCISCO	Nancy Kirshner-Rodriguez	Director of Government Affairs
CITY OF BELMONT	Representative Still to Be Designated	
CITY OF BRISBANE	W. Clarke Conway	Mayor Pro Tem
CITY OF BURLINGAME	Jerry Deal	Councilmember
CITY OF MENLO PARK	Rich Cline	Mayor Pro Tem
	Kelly Fergusson	Councilmember
CITY OF Millbrae	Gina Papan	Mayor
City of Mountain View	Margaret Abe-Koga	Mayor
City of Palo Alto	Larry Klein	Councilmember
City of Redwood City	Rosanne Foust	Mayor
	Barbara Pierce	Councilmember
CITY OF SAN BRUNO	Representative Still to Be Designated	
CITY OF SAN CARLOS	Omar Ahmad	Councilmember
CITY OF SAN JOSE	Representative Still to Be Designated	
CITY OF SAN MATEO	Brandt Grotte	Mayor
CITY OF SANTA CLARA	Representative Still to Be Designated	
CITY OF SOUTH SAN FRANCISCO	Kevin Mullin	Councilman
CITY OF SUNNYVALE	Anthony Spitaleri	Mayor
COUNTY OF SAN MATEO	Carolyn Groom	Supervisor
COUNTY OF SANTA CLARA	Ken Yeager	Supervisor
	Don Gage	Supervisor
Town of Atherton	Representative Still to Be Designated	

ITEM 28

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **THE CITY COUNCIL**

FROM: **LISA COSTA SANDERS, DEPUTY TOWN PLANNER**
WYNNE FURTH, CITY ATTORNEY

SUBJECT: **ORDINANCE ADOPTING A COMPREHENSIVE ZONING ORDINANCE UPDATE**

RECOMMENDATION

Staff recommends that the City Council conduct the public hearing and adopt the attached Zoning Code Update Ordinance based on the following finding for the reasons outlined in this staff report:

1. The proposed amendment is required to achieve the objectives of the Zoning Plan and the General Plan.
   Basis for finding: The Zoning Code update is compliant with state law, is internally consistent and is consistent with the General Plan. The Zoning code update implements the land use policies of the General Plan with regulations protecting the Town's predominate single family land use pattern.

BACKGROUND

The City Council authorized PMC to complete a comprehensive zoning code update. Through this process, several public workshops were held and the draft code was reviewed by the General Plan Committee at several meetings. The Planning Commission started its review of the draft zoning code at its October 22, 2008 meeting and at it July 24, 2009 meeting, recommended the City Council adopt the comprehensive zoning code update. The City Council, at its August 19, 2009 conducted the public hearing and introduced the Zoning Code. The Council continued the public hearing to the October 21, 2009 meeting. All meetings were duly noticed in accordance with state law.

ANALYSIS

The draft zoning code provides a comprehensive update to the Town's zoning regulations, addressing changes to state and federal law, reorganization for easier reading and revisions for internal consistency. The draft zoning code does not change the zoning designation of any property, does not increase the height limits and does not change the setbacks. The zoning code update also clarifies provisions for height determination, provides regulations for dormers, and allows certain small structures to be located in the front yard. Substantive changes to the code as recommended by the Planning Commission include the following;

- Changes to the floor area requirements to exempt trellis structures and allow additional outdoor

patio covered space to be exempt from the floor area calculations.

- Remove the limitation on the number of kitchens in the main building and number of bathrooms in accessory structures.
- Allow increased sidewall height for tower elements on the main building (does not change the overall main building height).
- Allow fountains, sculptures and small accessory structures to be located in the front yard.
- Allows bay windows on the main building in the R1-B zoning district to encroach two feet into the required side yard.
- Allows basement light wells to encroach into required side and rear yards for main buildings located in the R1-B zoning district. The maximum size of the encroachment is limited to 25% of the required setback; with an area no larger than 100 square feet and the length a maximum 25% of the length of the building.
- Requires 20' setback for entry gates
- Eliminates the Exception Review Process
- Require all exterior lighting over 10' from grade on main buildings to be shielded or down lit.
- Allow interior fences up to a height of 8'

The City Council at its August 19, 2009 meeting removed the lighting restriction (shielded and downlit) for lighting located over 10' on main dwellings and removed the lighting restriction for entry gates and columns from the code. The City Council also removed the provision that would allow 8' tall interior fences. The City Council referred the 20' setback requirement for entry gates to the Planning Commission, specifically as it relates to smaller properties. The City Council added provisions for lots less than 10,000 in the R1-A zoning district to allow setback encroachment for bay windows and basement light wells.

The Planning Commission, at its September 23, 2009 meeting reviewed the City Council directed changes as noted above. The Planning Commission was not able to reach consensus on the setback requirement for entry gates and requests this item be deferred for further discussion by the Planning Commission. The Planning Commission requests the City Council consider the zoning code update without this provision. The Commission will report back to the City Council when it has resolution on this topic.

The Commission is in agreement with the new provisions added by the City Council to allow setback encroachments for lots smaller than 10,000 square feet in the R1-A zoning district for bay windows and basement light wells.

The Planning Commission requests the City Council reconsider its decision to remove the provision that allows 8' tall interior fences and requests the City Council reconsider its decision to remove the lighting restriction that requires all exterior lighting located above 10' on the main building be shielded and downlit and requires all exterior lighting on entry gates and columns be shielded and downlit. At the September 23, 2009 meeting, Commissioners indicated that the Town should allow the construction of 8' tall fences with neighbor agreement. It was indicated that the taller fence is needed for privacy as landscaping takes time to establish. Commissioners indicated that the lighting requirement would further the "rural" aspect of the Town and that there are lighting fixtures available that comply with the provision. It was also noted that the Town of Woodside has much more restrictive lighting requirements. Planning Commissioners will be present at the City Council meeting to further expand

on its request.

As indicated at the Planning Commission meetings and the August 19, 2009 City Council meeting, Staff does not agree with the Planning Commission's recommendations relating to lighting and fence heights. Staff is concerned that the new lighting requirement is over-restrictive and would create a large number of non-conforming situations as most of the existing exterior lighting on main buildings is not shielded or down lit. Staff is also not supportive of the change to allow eight foot tall fences. The building code exempts fences 6' in height or less from requiring a building permit. By increasing the allowed height of interior fences to up to 8', the Town would now require a building permit, property boundary survey and consent from neighboring property owners (which may involve multiple properties). This new process will increase staff time to review. The current building and zoning code exemption for 6' tall fences was intended to keep the Town out of neighbor to neighbor fence and property line disputes.

The draft zoning code has been updated to coordinate with State and Federal laws. The document also incorporates comments from City Attorney Wynne Furth.

CONCLUSION:
It is Planning Staff's professional opinion that the proposed comprehensive zoning code update is consistent with the General Plan and will represent the Town's development regulations.

ALTERNATIVES:
The City Council could adopt the Zoning Code Update in its entirety as recommended by the Planning Commission or could request Staff incorporate revisions to the document.

FISCAL IMPACT:
The City Council authorized PMC consultant expenses for the preparation of the draft zoning code update. Costs associated with the implementation of the zoning code will be borne by applicants.

ENVIRONMENTAL IMPACT:
The proposal has been determined to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Sections 15061(B)(3); the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. When it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Staff determined through the preparation of an initial study that the proposed zoning code update would not have any adverse impact on the environment.

FORMAL MOTION:
I move that the City Council adopt the Ordinance adopting the Comprehensive Zoning Code Update based on the finding listed in the staff report for the reasons listed in the staff report.
Lisa Costa Sanders

_____
Lisa Costa Sanders, Deputy Town Planner

Attachments:
1. Ordinance adopting a Comprehensive Zoning Code Update

2. Planning Commission draft minutes from the September 23, 2009 meeting

ORDINANCE NO. 582

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON ADOPTING A COMPREHENSIVE ZONING ORDINANCE UPDATE TO RECIND AND REPLACE TITLE 17 OF THE ATHERTON MUNICIPAL CODE

WHEREAS, the last comprehensive update to the zoning code was completed in 1985. The City Council authorized PMC, planning consultants, to complete a comprehensive update to the Zoning Code for internal consistency and compliance with any changes to State Law,

WHEREAS, PMC and Town staff conducted three duly noticed town-wide public workshops on the zoning code update;

WHEREAS, the General Plan Committee reviewed the draft zoning code update at a duly noticed meeting and forwarded the document to the Planning Commission with a favorable recommendation;

WHEREAS, the Planning Commission conducted a duly noticed public hearing on the comprehensive zoning code update on June 24, 2009 at which time all individuals desiring to comment on the document were heard and the Planning Commission recommended that the City Council adopt the Comprehensive Zoning Code update replacing Title 17 in its entirety;

WHEREAS, the City Council conducted a duly noticed public hearing on the comprehensive zoning code update on August 19, 2009 at which time all individuals desiring to comment on the document were heard.

NOW THEREFORE BE IT RESOLVED that the City Council of the Town of Atherton does ordain as follows:

SECTION 1: Title 17 of the Atherton Municipal Code shall hereby be rescinded and replaced in it's entirety with the Comprehensive Zoning Code Update entitled "Town of Atherton Zoning Code Title 17 of the Atherton Municipal Code", attached hereto and incorporated herein as EXHIBIT A.

SECTION 2: CEQA Exemption. This ordinance is determined to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15061(b)(3), as the proposed zoning code update will not have any adverse impact on the environment.

SECTION 3: Severability. The City Council hereby declares every section, paragraph, sentence, cause and phrase is severable. If any section, paragraph, sentence, clause or phrase of this ordinance is for any reason found to be invalid or unconstitutional, such invalidity, or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, sentences, clauses or phrases.

SECTION 4: Effective Date. This Ordinance shall be in full force and effective 30 days after its adoption, and shall be published and posted as required by law.

Introduced this 19th day of August, 2009

Passed and adopted as an Ordinance of the Town of Atherton at a regular meeting thereof held on the ___ day of _____, 2009, by the following vote

AYES:	COUNCILMEMBERS	_____
NOES:	COUNCILMEMBERS	_____
ABSTAIN:	COUNCILMEMBERS	_____
ABSENT:	COUNCILMEMBERS	_____

_____
Jerry Carlson
MAYOR, Town of Atherton

ATTEST

_____
Theresa DellaSanta
Deputy City Clerk

APPROVED AS TO FORM:

_____
Wynne Furth
City Attorney

Town of Atherton
Zoning Code

Title 17 of the Atherton Municipal Code

Town of Atherton
Zoning Code

Title 17 of the Atherton Municipal Code
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Draft Dated October 2009

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Title 17 - Zoning

Article I
Administration and Permit Procedures

Chapter 17.04 Purpose and Applicability
Chapter 17.06 Zoning Code Administration and Permit Provisions *(Previously 17.12 and 17.64)*
Chapter 17.08 Zoning Clearance *(New chapter)*
Chapter 17.10 Zoning Code Interpretations *(New chapter)*
Chapter 17.12 Conditional Use Permit *(Previously 17.52)*
Chapter 17.15 Special Structure Permit *(New chapter)*
Chapter 17.16 Variances *(Previously 17.56)*
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Chapter 17.23 General Plan Amendment *(New chapter)*
Chapter 17.24 Enforcement *(Previously 17.68)*
Chapter 17.26 Nonconforming Uses, Buildings, and Structures *(Previously 17.44)*

Revisions:

The following revisions have been made to article I of title 17:

Date of Adoption	Ordinance Number	Subject	Section	Page Number

Chapter 17.04 Purpose and Applicability

Sections:

17.04.010 Purpose
17.04.020 Compliance Required
17.04.030 Applicability

17.04.010 Purpose

The purpose of this title is to establish a zoning plan and regulations implementing the general plan and regulating land use within the town and certain unincorporated areas that may be prezoned pursuant to the California Government Code. This title divides the Town of Atherton into zoning districts consistent with general plan land use designations. It further provides regulations for uses, height, bulk, setbacks, open spaces, size of buildings and structures, and population densities. These regulations are necessary for the orderly use of land, for the provision of adequate light and air, to prevent overconcentration of population, to provide adequate community facilities and utilities, and to promote the public health, safety, and general welfare. (Ord. 407 § 1-1 (part), 1985)

17.04.020 Compliance Required

No building or structure shall be erected, reconstructed, or structurally altered in any manner, nor shall any building or land be used for any purpose other than as permitted by and in conformance with this title and all other ordinances, laws, and maps referred to in this title. (Ord. 407 § 1-1 (part), 1985)

17.04.030 Applicability

The provisions of this title shall apply to all persons and the Town of Atherton. It shall apply to other governmental entities to the extent the law allows. (Ord. 407 § 1-1 (part), 1985)

Chapter 17.06 Zoning Code Administration and Permit Provisions *(Previously 17.12 and 17.64)*

Sections:

17.06.010 Zoning Code Administration *(New section)*
17.06.020 Planning Permits and Entitlements *(New section)*
17.06.030 Application Submittal *(Previously 17.52.020)*
17.06.040 Fees *(Previously 17.12.030)*
17.06.050 Complete Application *(New section)*
17.06.060 Application Review *(New section)*
17.06.070 Approval Authority *(New section)*
17.06.080 Public Notices *(Previously 17.12.030)*
17.06.090 Public Hearings *(Previously 17.52.030 and 17.52.040)*
17.06.100 Appeals *(Previously 17.64)*
17.06.110 Effective Date *(New section)*
17.06.120 Revocation, Suspension, and Transferability *(Previously 17.52.080)*
17.06.130 Administration Procedures Timeline *(New section)*

17.06.010 Zoning Code Administration *(New section)*

The purpose of this chapter is to establish the administration of this title and to set forth the basic responsibilities of the officials and bodies charged with its administration.

A. Composition of the Atherton Planning Agency. California Government Code Section 65100 requires each jurisdiction to establish a planning agency to carry out the land use and planning functions of the jurisdiction. The planning agency for the Town of Atherton shall be the following bodies:

1. City council

2. Planning commission

3. General plan committee

4. Town planner

The duties and responsibilities of these bodies are described in sections B through E below. In the absence of an assignment of a particular duty or responsibility, the city council shall have the assignment.

B. Responsibilities of the City Council. The city council has the following planning and land use responsibilities:

1. Appoint members of the planning commission.

2. Hear and decide applications for zoning and general plan amendments. If an application for a general plan amendment or zoning plan amendment is accompanied by a request for other land use approvals, the city council shall be the decision-making body for the other land use approvals.

3. Hear and decide appeals of the decisions of the planning commission and town planner.

4. Direct planning-related policy amendments and special studies as necessary or desired.

5. Exercise such other powers and duties as are prescribed by state law or local ordinance.

C. Responsibilities of the Planning Commission. The planning commission has the following planning and land use responsibilities:

1. Hear and make recommendations to the city council on applications or proposals for general plan amendments.

2. Hear and make recommendations to the city council on applications or proposals for amendments to this title.

3. Initiate studies of amendments to this title and make recommendations to the city council for amendments to this title.

4. Hear and decide applications for planning permits as described in Table 17.06.070-1 (Approval Authority).

5. Exercise such other powers and duties as are prescribed by state law, local ordinance, or as directed by the city council.

D. Responsibilities of the General Plan Committee. The general plan committee has the planning and land use responsibilities established by city council resolution and as may be amended from time to time.

E. Responsibilities of the Town Planner. The town planner has the responsibility and authority to administer and enforce this title as follows:

1. Maintain the sections of this title, the zoning plan, and all records of zoning actions and interpretations.

2. Interpret the zoning code and maintain a record of zoning code interpretations.

3. Decide staff-level permits, including zoning clearance. See section 17.60 for definition of staff-level decisions.

4. Conduct administrative functions authorized by this title, including distribution and receipt of permit applications, application review and public notice, and preparation of staff reports with recommendations, proposed findings, and proposed conditions for quasi-judicial and legislative actions by the planning commission and city council.

5. Oversee planning-related policy amendments and special studies as necessary.

6. Exercise such other powers and duties as are prescribed by state law or local ordinance or as directed by the city manager.

17.06.020 Planning Permits and Entitlements *(New section)*

A. The following are all planning and zoning-related permits and actions required and regulated by the town. Each permit is described in subsequent chapters of this article, as listed below. General application submittal, review, noticing/hearing, and appeal provisions are listed in this chapter and in the related permit chapters listed below.

1. Zoning clearance (chapter 17.08)

2. Zoning code interpretation (chapter 17.10)

3. Conditional use permits (chapter 17.12)

4. Special structures permit (chapter 17.15)

5. Variances (chapter 17.16)

6. Reasonable accommodations for accessibility (chapter 17.17)

7. Zoning code amendments (chapter 17.18)

8. Front/rear lot line redesignations (chapter 17.20)

9. Prezoning (chapter 17.22)

10. General plan amendment (chapter 17.23)

11. Home occupations (chapter 17.48)

B. Table 17.06.070-1 identifies what type of approval each permit or decision is. The three types of approvals are staff-level, quasi-judicial, and legislative as defined below:

1. Staff-level decisions require limited interpretation or exercise of policy or legal judgment in evaluating approval criteria because the decision is made according to specific criteria where no discretion is involved. Examples include zoning clearance as part of an application for a building permit.

2. Quasi-Judicial decisions typically involve some level of discretion or policy determination on the part of the approval authority and involve making a set of findings as part of the approval process. A public hearing is held, evidence is weighed, and conclusions are drawn. The approval authority uses this information as the basis for its decision.

3. Legislative decisions must be made by the city council. Legislative land use decisions apply to the general population and prescribe policy and

require the greatest amount of discretion and evaluation of subjective approval criteria. A public hearing is required.

17.06.030 Application Submittal *(Previously 17.52.020)*

An application for a permit may be applied for by the owner of record of the property for which the permit is sought or by the owner's agent as authorized in writing. The application shall be filed with the town planner on a prescribed form, together with all fees, plans, maps, and any other information required by the office of the town planner. Necessary submittal materials are listed on the form for each permit type.

If an application has been denied by the final approval authority, the application may not be presented in substantially the same form for a period of at least one (1) year from the date the application was denied.

17.06.040 Fees *(Previously 17.12.030)*

Nonrefundable fees to cover the costs of processing the application shall be required for all planning permits, appeals, amendments, and other applications in an amount as shall be established from time to time by resolution of the city council. (Ord. 407 §14-1, 1985)

17.06.050 Complete Application *(New section)*

A. Application Completeness for Quasi-Judicial Permits and Legislative Actions. Within thirty (30) days of submittal of an application for a quasi-judicial permit or legislative action, the town planner shall determine whether or not the application is complete. The town planner shall notify the applicant that either:

1. All the submittal requirements have been satisfied and the application has been accepted as complete; or

2. Specific information is still necessary to complete the application. The town planner may also identify preliminary information regarding the issues in which the submitted plans are not in compliance with town standards and requirements.

B. Application Completeness for Staff-Level Permits. In order to expedite the determination of completeness for staff-level permits and actions issued by the town planner (zoning clearance), staff-level permit applications shall be deemed complete within ten (10) working days, unless the applicant is otherwise notified in writing within that time period of additional information necessary to complete the application.

C. Incomplete Application. If additional information or submittals are required and the application is not made complete within six (6) months of the date of the completeness determination letter, the application shall be deemed by the town to have been withdrawn, and no action will be taken on the application. Unexpended fees, as determined by the town planner, will be returned to the applicant. If the applicant subsequently wishes to pursue the project, a new application, including fees, plans, exhibits, and other materials, must then be filed in compliance with this title.

D. Right to Appeal. The applicant may appeal the determination that the application is incomplete in accordance with section 17.06.100 (Appeals) and the Permit Streamlining Act (California Government Code Section 65943).

17.06.060 Application Review *(New section)*

After an application is accepted as complete, the project shall be reviewed in accordance with the California Environmental Quality Act (CEQA). The town planner will consult with other departments as appropriate regarding compliance with all provisions of the Atherton Municipal Code and other adopted policies and plans. The town planner will prepare a report to the designated approval authority (planning commission and/or city council as described in Table 17.06.070-1) describing the project, along with a recommendation to approve, conditionally approve, or deny the application.

17.06.070 Approval Authority *(New section)*

A. Table 17.06.070-1 (Approval Authority) identifies the decision making body, or "approval authority," for the various planning permits and decisions in the town. An approval authority is the decision-making body that takes action on a permit, as designated in the table with a "D". In some instances, the approval authority receives a recommendation from a "recommending body" prior to making a decision, as indicated with a "R."

B. When a proposed project requires more than one permit with more than one approval authority, all of the permits shall be heard and decided together by the highest approval authority. The recommending body(s) shall make a recommendation to the approval authority prior to approval authority action.

C. Actions of the approval authority may be appealed pursuant to the procedures set forth in section 17.06.100 (Appeals).

Table 17.06.070-1
Approval Authority

Planning Permit or Decision	Approval Type	Designated Approval Authority "R" symbolizes the "Recommending Body" "D" symbolizes the "Decision-Making Body"		
		Town Planner	Planning Commission	City Council
Zoning Clearance	Staff-Level	D		
Zoning Code Interpretation	Staff-Level	D		
Reasonable Accommodations for Accessibility	Staff-Level	D[2]		
Heritage Tree Removal[1]	Quasi-Judicial	R	D	
Conditional Use Permit	Quasi-Judicial	R	D	
Special Structures Permit	Quasi-Judicial	R	D	
Variance	Quasi-Judicial	R	D	
Front/Rear Lot Line Redesignation	Quasi-Judicial	R	D	
Tentative Parcel Map[3]	Quasi-Judicial	R	D	
Tentative Subdivision Map[3]	Quasi-Judicial	R	D	
Zoning Code Amendments	Legislative	R	R	D
Prezoning	Legislative	R	R	D
General Plan Amendment	Legislative	R	R	D

Notes:
1. See chapter 8.10 (Removal Of And Damage To Heritage Trees)
2. See section 17.17.040
3. See Title 16 (Subdivisions)

17.06.080 Public Notices *(Previously 17.12.030)*

A. **Public Hearing Required**. The following procedures shall govern the notice and public hearing, where required, for consideration of a permit. In accordance with the Planning and Zoning Law, the Subdivision Map Act, and the California Environmental Quality Act, public hearings shall be required for all quasi-judicial permits (e.g., variance, conditional use permit) and legislative actions of the town (e.g., zoning amendments and general plan amendments). The hearing(s) shall be held before the designated approval authority as identified in this title.

B. **Notice of Hearing**. Pursuant to California Government Code Section 65091, not less than ten (10) days before the scheduled date of a hearing, public notice shall be given of such hearing in the manner listed below. The notice shall state the date, time, and place of hearing; identify the hearing body; provide a general explanation

of the matter to be considered; and provide a general description of the real property (text or diagram), if any, which is the subject of the hearing.

1. Except as otherwise provided herein, notice of the public hearing shall be mailed, postage prepaid, to the owners and tenants of property within a radius of five hundred (500) feet of the exterior boundaries of the property involved in the application, using for this purpose that last known name and address of such owners as shown upon the current tax assessor's records. If the number of owners exceeds one thousand (1,000), the town may, in lieu of mailed notice, provide notice by placing notice of at least 1/8 page in one newspaper of general circulation within the town.

2. Notice of the public hearing shall be mailed, postage prepaid, to the owner of the subject real property or the owner's authorized agent.

3. Notice of the public hearing shall be provided to each local agency expected to provide water, sewage, streets, roads, schools, or other essential functions or services to the project whose ability to provide those facilities and services may be affected.

4. If the notice is mailed or delivered as identified in subsection 17.06.080(B)(1) , the notice shall also be either:

   a. Published in at least one (1) newspaper of general circulation within the town; or

   b. Posted at town hall on the official town bulletin boards and in at least two other public places within the boundaries of the town, including one place in the area directly affected by the proceeding.

C. **Requests for Notification**. Any person who requests to be on a mailing list for notice of hearings on a development project or projects shall submit such request in writing to the city clerk. The town may impose a reasonable fee for the purpose of recovering the cost of such notification.

D. **Failure to Receive Notice**. Failure of any person or entity to receive any properly issued notice required by law for any hearing required by this title shall not constitute grounds for any court to invalidate the actions of a designated approval authority for which the notice was given.

17.06.090 Public Hearings *(Previously 17.52.030 and 17.52.040)*

A. Hearing Procedure. Hearings as provided for in this chapter shall be held at the date, time, and place for which notice has been given as required in this chapter. The designated approval authority shall conduct the public hearing and hear testimony. The summary minutes shall be prepared and made part of the permanent file of the case. Any hearing may be continued. If the hearing is not continued to a specific date/time, then the hearing shall be re-noticed.

B. For projects found to be exempt from the California Environmental Quality Act (CEQA) or for which a Negative Declaration or Mitigated Negative Declaration has been adopted, the approval authority (planning commission and/or city council as described in Table 17.06.070-1) shall approve or deny the project within sixty (60) days from the date of the determination or adoption of the environmental document.

C. For projects for which an Environmental Impact Report (EIR) has been certified, the approval authority (planning commission and/or city council as described in Table 17.06.070-1) shall approve or deny the project within one hundred eighty (180) days from the date of certification of the EIR.

D. The designated approval authority (planning commission and/or city council as described in Table 17.06.070-1) shall hold a public hearing on all planning permits and render a decision within forty (40) days of the date of acceptance of the complete application, unless the town and the applicant agree to waive the requirement.

E. The designated approval authority (planning commission and/or city council as described in Table 17.06.070-1) shall make a decision on all planning permits within sixty (60) days following the closing of the public hearing.

17.06.100 Appeals *(Previously 17.64)*

A. **Purpose**. This section identifies the procedures for filing and processing an appeal consistent with California Government Code Section 65900 et. seq. The appeal provisions of this section shall govern appeals of all planning and zoning matters, and other entitlement procedures in this title.

B. **Appeal Applicability and Authority**. Any person dissatisfied with a determination or action of the town planner or planning commission made pursuant to this title may appeal such action to the city council within ten (10) days from the date of the action. Actions by the city council are final and no further administrative appeals are available.

C. **Filing an Appeal**. All appeals shall be submitted in writing, identifying the determination or action being appealed and specifically stating the basis or grounds of the appeal. Appeals shall be filed with the city clerk within ten (10) days following the date of determination or action for which an appeal is made and be accompanied by a filing fee established by city council resolution. The filing of an appeal shall stay the issuance of any necessary subsequent permit(s) associated with any right or entitlement that will be the subject of the appeal (e.g., building permits).

D. **Notice and Schedule of Appeal Hearings**. Unless otherwise agreed upon by the person filing the appeal and the applicant, appeal hearings should be conducted within forty (40) days from the date of appeal submittal. Notice of hearing for the appeal shall be provided pursuant to the noticing requirements of section 17.06.080 (Public Notices).

E. **Appeal Hearing and Action**. Each appeal shall be considered a de novo (new) hearing and the city council may reverse, modify, or affirm the decision in whole or in part. In taking its action on an appeal, the city council shall state the basis for its

action. The city council may modify, delete, or add such conditions as it deems necessary. The city council may also refer the matter back to the original approval authority (as described in Table 17.06.070-1) for further action. The action of the city council is final on the date of decision and, unless otherwise expressly provided by the title may not be further appealed. A person may seek judicial review of a final decision of the town in accordance with applicable Sections of the California Government Code or Code of Civil Procedure.

17.06.110 Effective Date *(New section)*

All permits shall take effect ten (10) days following the date of the decision unless an appeal is filed as provided pursuant to section 17.06.100 (Appeals) of this title. No building permit may be issued until the expiration of this period or determination of all appeals, whichever occurs last.

17.06.120 Revocation, Suspension, and Transferability *(Previously 17.52.080)*

A. Revocation

1. Purpose. The purpose of this section is to provide for the revocation of any permit or entitlement (e.g., variance, conditional use permit) granted under this title.

2. Grounds for Revocation. In the event a permit holder or the permit holder's successor in interest, fails to comply with any or all conditions of permit approval, a revocation proceeding may be initiated if it is determined that there is substantial likelihood that any of the following situations exist:

   a. The permit was obtained or extended by false, misleading, or incomplete information;

   b. One or more conditions of approval have not been implemented or have been violated; or

   c. The activities, or the use itself, are substantially different from what was approved.

3. Initiation of Action. The revocation of a permit may be initiated by the town planner or city council. The designated planning agency shall specify in writing to the permittee the basis upon which the action to revoke the permit is to be evaluated during the hearing to revoke.

4. Revocation Hearing.

   a. A public hearing is required for any action to revoke a permit. The hearing shall be held by the original approval authority for the subject permit. The hearing shall be noticed in the same manner required for the granting of the original permit pursuant to section 17.06.080 (Public Notices).

b. At its discretion, the designated approval authority (town planner, planning commission, and/or city council as described in Table 17.06.070-1) may modify or delete the conditions of approval or add new conditions of approval in lieu of revoking a permit in order to address the issues raised by the revocation hearing. The action on the revocation is subject to appeal in accordance with the provisions of section 17.06.100 (Appeals).

B. Time Limits

1. Time Limits Conditioned. As part of the conditions of approval, the designated approval authority (planning commission and/or city council as described in Table 17.06.070-1) may establish a time limit for exercising a permit.

2. Exercising Permits. The exercise of a permit occurs when the property owner has performed substantial work and incurred substantial liabilities in good faith reliance upon such permit(s). Such exercise of a permit constitutes the vested right to complete the work authorized by the permit. A permit may be otherwise exercised by a condition of the permit or corresponding legal agreement that specifies that other substantial efforts or expenditures constitute exercising of the permit. Unless otherwise provided, permits that have not been exercised prior to a zoning amendment, which would make the permitted use or structure nonconforming, shall automatically be deemed invalid on the effective date of the zoning amendment.

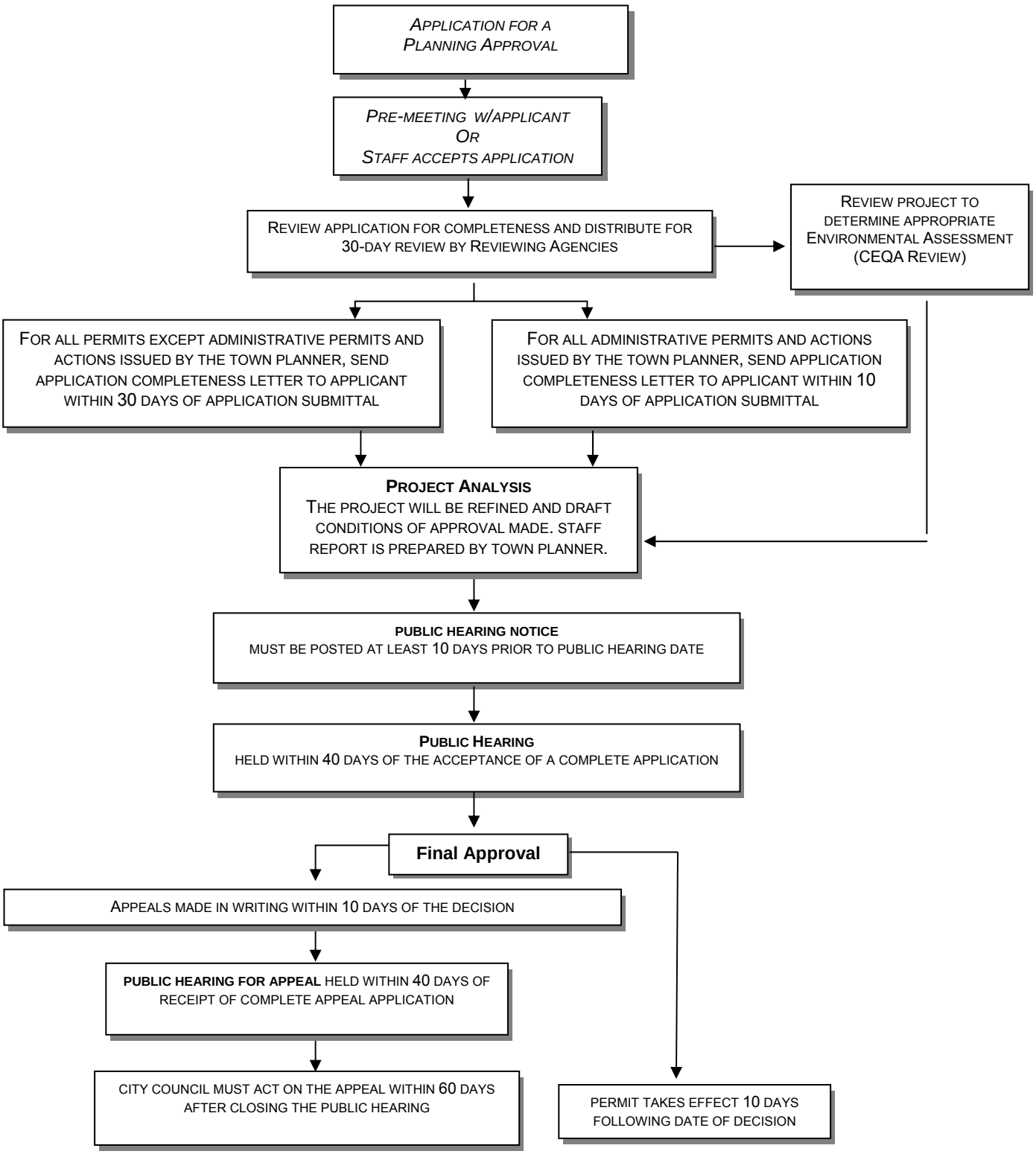
3. Permit Extensions. The same approval authority that granted the original permit (planning commission and/or city council as described in Table 17.06.070-1) may extend the period within which the exercise of a permit must occur. An application for extension shall be filed not less than thirty (30) days prior to the expiration date of the permit, along with appropriate fees and necessary submittal materials listed in this title. The approval of an extension extends the expiration date for one (1) year from the original permit date. The permit, as extended, may require compliance with any development standards that may have been enacted since the permit was initially approved. The extension may be granted only when the designated approval authority (planning commission and/or city council as described in Table 17.06.070-1) finds that the original permit findings can be made and that there are changed circumstances or that there has been diligent pursuit to exercise the permit that warrants such extension.

C. Permit to Run With Land. Unless otherwise conditioned, land use and development permits and approvals granted pursuant to the provisions of this title shall be transferable upon a change of ownership of the site, business, service, use, or buildings or structures, provided that the use and conditions of the original permit or approval are fully complied with, and the project is not modified or enlarged/expanded.

17.06.130 Administration Procedures Flowchart *(New section)*

The following figure 17.06.130-1 illustrates the steps and flowchart of the procedures discussed in the preceding sections. The intent of this figure is to help the reader understand the steps in the process and is not meant to supersede the provisions in sections 17.06.050 through 17.06.110. The figure is meant for illustrative purposes only.

Figure 17.06.130-1
Illustrative Procedures Flowchart



Chapter 17.08 Zoning Clearance *(New chapter)*

Sections:

17.08.010 Purpose and Applicability (*New section*)
17.08.020 Approval Authority (*New section*)
17.08.030 Process (*New section*)

17.08.010 Purpose and Applicability *(New section)*

The purpose of the zoning clearance is to ensure that permits for new and modified uses and structures comply with this title, using staff-level plan check procedures. Zoning clearance is required for all structures that require a building permit. It is also required for all business licenses.

17.08.020 Approval Authority *(New section)*

The designated approval authority for zoning clearance is the town planner. The town planner approves, conditionally approves, or denies the zoning clearance in accordance with the requirements of this title.

17.08.030 Process *(New section)*

A. No application form is necessary for zoning clearance. This process will be conducted by the town planner as part of the building permit application review. Building permits shall not be issued without approval of zoning clearance.

B. Zoning clearance shall be granted only when the town planner finds the proposal to be in conformance with all applicable provisions of this title. The town planner may require the applicant to modify plans in whole or in part, or may apply conditions of approval to ensure compliance with town standards.

Chapter 17.10 Zoning Code Interpretations *(New chapter)*

Sections:

17.10.010 Purpose *(New section)*
17.10.020 Applicability and Authority for Interpretations *(New section)*
17.10.030 Rules of Interpretation *(New section)*
17.10.040 Record of Interpretation *(New section)*
17.10.050 Appeals *(New section)*

17.10.010 Purpose *(New section)*

The purpose of this chapter is to specify the authority and procedures for clarification of ambiguity in the regulations of this title in order to provide consistent interpretation and application.

17.10.020 Applicability and Authority for Interpretations *(New section)*

If ambiguity arises concerning the meaning or applicability of any of the provisions of this title, it shall be the responsibility of the town planner to review pertinent facts, determine the intent of the provision, and issue an interpretation of the relevant provision(s) as specified in this title.

17.10.030 Rules of Interpretation *(New section)*

A. Terminology. When used in this title, the following rules apply to all provisions of this title.

1. Language. The words "shall," "must," "will," "is to," and "are to" are always mandatory. "Should" is not mandatory but is strongly recommended and "may" is permissive.

2. Tense and number. The present tense includes the past and future tense, and the future tense includes the present. The singular number includes the plural number and the plural the singular, unless the natural construction of the words indicates otherwise.

3. Conjunctions. "And" indicates that all connected items or provisions shall apply. "Or" indicates that the connected items or provisions may apply singly or in any combination. "Either…or" indicates that the connected items and provisions shall apply singly but not in combination. "Includes" and "including" shall mean "including but not limited to…"

B. Zoning Regulations. Any list of any items, including zones or uses, is exclusive. If a use or other item is not listed, it is not permitted.

C. Number of Days. Whenever the number of days is specified in this title, or in any permit, condition of approval, or notice issued or given as provided in this title, the number of days shall be construed as calendar days. When the last of the specified number of days falls on a weekend or town holiday, time limits shall extend to the end of the next working day.

D. Minimum Requirements. When interpreting and applying the regulations of this title, all provisions shall be considered to be minimum requirements, unless specifically stated otherwise.

17.10.040 Record of Interpretation *(New section)*

Interpretations shall be in writing and shall cite the provisions being interpreted, together with an explanation of the meaning or applicability of the provision(s) in the particular or general circumstances that caused the need for interpretation. The town planner shall maintain a complete record of all interpretations made pursuant to this chapter and make the record available for public review. Interpretations that would benefit from codification in this title should be amended into the zoning code as part of an annual review and update.

17.10.050 Appeals *(New section)*

Interpretations by the town planner may be appealed to the designated appeal authority pursuant to chapter 17.06 (Zoning Code Administration and Permit Provisions).

Chapter 17.12 Conditional Use Permit *(Previously 17.52)*

Sections:

17.12.010 Purpose and Applicability *(Previously 17.52.010)*
17.12.020 Approval Authority *(New section)*
17.12.030 Findings *(Previously 17.52.050)*
17.12.040 Conditions and Restrictions *(Previously 17.52.060)*

17.12.010 Purpose and Applicability *(Previously 17.52.010)*

The purpose of the conditional use permit is for the individual review of uses, typically having unusual site development features or operating characteristics, to assure compatibility with surrounding areas and uses. A conditional use permit is required for all uses specifically identified as requiring a conditional use permit in article II or III of this title.

17.12.020 Approval Authority *(New section)*

The designated approval authority for a conditional use permit is the planning commission. The town planner provides a recommendation and the planning commission approves, conditionally approves, or denies the conditional use permit in accordance with the requirements of this title as described in section 17.06.070 (Approval Authority) and Table 17.06.070-1 (Approval Authority).

17.12.030 Findings *(Previously 17.52.050)*

Conditional use permits shall be granted only when the approval authority determines that the proposed use or activity complies with all of the following findings:

A. The proposed use is consistent with the general plan and all applicable provisions of this title; and

B. The establishment, maintenance, or operation of the use applied for will not, under the circumstances of the particular case (location, size, design, and operating characteristics), be detrimental to the health, safety, peace, morals, comfort, or general welfare of persons residing or working in the neighborhood of such use, or the general welfare of the town.

17.12.040 Conditions and Restrictions *(Previously 17.52.060)*

In granting a conditional use permit, the designated approval authority may impose such reasonable conditions or restrictions, including, but not limited to, time limits, review of performance, and performance standards, as it deems necessary to secure the purpose of this title and to assure operation of the use or the construction of improvements in a manner compatible with existing and potential uses of adjoining properties and in the general vicinity, and may require guarantees and evidence that such conditions are being or will be complied with. (Ord. 407 § 14-3(D) (part), 1985)

Chapter 17.15 Special Structures Permit *(New chapter)*

Sections:

17.15.010 Purpose
17.15.020 Applicability
17.15.030 Approval Authority
17.15.040 Findings
17.15.050 Conditions and Restrictions

17.15.010 Purpose

The purpose of the special structures permit process is to assure special buildings and structures are compatible with surrounding areas and uses.

17.15.020 Applicability

A special structures permit shall be required for the following buildings and structures as identified throughout this title:

A. Authorization to exceed the height limit for main buildings in the R-1A zoning district as provided in section 17.32.040.A.1;

B. Accessory buildings and structures as provided in chapter 17.40;

C. Authorization for basements located under the footprint of accessory buildings outside of the main building area as provided in section 17.44.030.B;

D. Exemptions to the floor area calculations for basements on hillside lots as provided in section 17.44.040;

E. Retaining walls that are taller than six (6) feet in height or located less than twenty (20) feet from other retaining walls on the same property as provided in chapter 17.46;

F. Additions to legal nonconforming main buildings beyond the main building area in the R-1B zoning district as provided in section 17.26.040.E.1(a); and

G. As otherwise provided in this title.

17.15.030 Approval Authority

The designated approval authority for special structures permit is the planning commission. The town planner provides a recommendation and the planning commission approves, conditionally approves, or denies the special structures permit in accordance with the requirements of this title as described in section 17.06.070 (Approval Authority) and Table 17.06.070-1 (Approval Authority).

17.15.040 Findings

Special structure permits shall be granted only when the approval authority determines that the proposed building or structure complies with all of the following:

A. The proposed building or structure will not negatively impact neighboring properties with respect to privacy and view;

B. The proposed building or structure complies with other development standards, restrictions, or limitations for the proposed building or structure, such as height and landscaping screening; and

C. The granting of the special structure permit is consistent with the objectives of the general plan and this title.

17.15.050 Conditions and Restrictions

In granting a special structures permit, the approval authority may impose such reasonable conditions or restrictions as it deems appropriate or necessary to protect the public health, safety, or general welfare, and to secure the purposes of this title and may require guarantees and evidence that such conditions are being, or will be, complied with.

Chapter 17.16 Variances *(Previously 17.56)*

Sections:

17.16.010 Purpose and Applicability (*New section*)
17.16.020 Approval Authority (*Previously 17.56.010*)
17.16.030 Findings (*Previously 17.56.050*)
17.16.040 Conditions and Restrictions (*Previously 17.56.060*)

17.16.010 Purpose and Applicability *(New section)*

In accordance with California Government Code Section 65906, a variance request allows the town to grant exceptions to the development standards and provisions of this title in cases where, because of special circumstances applicable to the property, the strict application of this title deprives such property of privileges enjoyed by other property in the vicinity and under identical land use zoning districts. A variance approval is required to grant exception from any of the development standards and provisions of this title. Variance applications may not be granted for uses or activities not otherwise permitted by zoning district regulations.

17.16.020 Approval Authority *(Previously 17.56.010)*

The designated approval authority for variances is the planning commission. The town planner provides a recommendation and the planning commission approves, conditionally approves, or denies the variance in accordance with the requirements of this title as described in section 17.06.070 (Approval Authority) and Table 17.06.070-1 (Approval Authority).

17.16.030 Findings *(Previously 17.56.050)*

A variance may be granted from site development, height, floor area, setback, or other requirements of this title applicable within any district, other than allowed use provisions, only if the designated approval authority makes the following findings:

A. There are special circumstances applicable to the property, including size, shape, topography, location, or surroundings, such that the strict application of this title deprives such property of privileges enjoyed by other property owners in the vicinity and under identical land use zoning district classifications.

B. Granting the variance does not constitute a special privilege inconsistent with the limitations upon other properties in the vicinity and land use zoning district in which such property is located.

C. Granting the variance will not adversely affect the interest of the public or the interest of residents and property owners in the vicinity of the premises in question.

D. The granting of the variance is consistent with the objectives of the general plan and this title.

17.16.040 Conditions and Restrictions *(Previously 17.56.060)*

In granting a variance, the designated approval authority may impose such reasonable conditions or restrictions as it deems appropriate or necessary to protect the public health, safety, or general welfare, and to secure the purposes of this title and may require guarantees

and evidence that such conditions are being, or will be, complied with. (Ord. 407 § 14-4(D) (part), 1985)

Chapter 17.17 Accessibility *(New chapter)*

Sections:

17.17.010 Purpose and Intent
17.17.020 Requesting Reasonable Accommodations
17.17.030 Required Information
17.17.040 Approval Authority and Approval Process
17.17.050 Group Homes
17.17.060 Required Findings for Reasonable Accommodations
17.17.070 Appeals

17.17.010 Purpose and Intent

This chapter provides a process for individuals with disabilities to make requests for reasonable accommodation for relief from the various land use, zoning, or rules, policies, practices, and/or procedures of the town. It is the policy of the town, pursuant to the Federal Fair Housing Act (as amended), to provide people with disabilities reasonable accommodation in rules, policies, and procedures that may be necessary to ensure equal access to housing.

17.17.020 Requesting Reasonable Accommodations

A. In order to make specific housing available to an individual with a disability, a disabled person or representative may request reasonable accommodation relating to the various land use, zoning, or rules, policies, practices, and/or procedures of the town.

B. If an individual needs assistance in making the request for reasonable accommodation or appealing a determination regarding reasonable accommodation, the town planner will endeavor to provide the assistance necessary to ensure that the process is accessible to the applicant or representative.

C. A request for reasonable accommodation with regard to town regulations, rules, policies, practices, and/or procedures may be filed on an application form provided by the town planner at the time that the accommodation may be necessary to ensure equal access to housing.

17.17.030 Required Information.

The applicant shall provide the following information when requesting reasonable accommodation.

A. A completed town application indicating, among other things, the applicant's name, address, and telephone;

B. The address of the property for which the request is being made;

C. The current actual use of the property;

D. The zoning code provision, regulation, or policy from which reasonable accommodation is being requested;

E. The basis for the claim that the person(s) for whom the reasonable accommodation is sought is/are considered disabled under the Fair Housing Act and why the accommodation is reasonably necessary to make specific housing available to the person(s); and

F. Such other relevant information as may be requested by the town planner or his or her designee.

17.17.040 Approval Authority and Approval Process.

A. Notwithstanding any other provision of this zoning code, the town planner shall have the authority to consider and take action on requests for reasonable accommodation. When a request for reasonable accommodation is filed with the planning department, it will be referred to the town planner for review and consideration as staff-level action unless determined otherwise by the town planner. A request for reasonable accommodation shall be considered staff-level in nature when it is related to a physical improvement that cannot be constructed to conform to the town's setbacks or design standards. Typical improvements considered to be "staff-level" in nature include ramps, walls, handrails, or other physical improvements necessary to accommodate a person's disability. The town planner shall issue a written determination of his or her action within thirty (30) days of the date of receipt of a completed application and may:

1. Grant or deny the accommodation request; or

2. Grant the accommodation request subject to specified nondiscriminatory condition(s); or

3. Forward the request to the planning commission for consideration as a conditional use permit and subject to the findings stated in section 17.17.060 (Required Findings for Reasonable Accommodations).

B. In the event the town planner determines that the request for reasonable accommodation(s) is not staff-level in nature, such request shall be forwarded to the planning commission in accordance with chapter 17.12. (Conditional Use Permit) and shall be subject to the findings stated in section 17.17.060 (Required Findings for Reasonable Accommodations).

C. All written determinations of actions of the town planner shall give notice of the right to appeal and the right to request reasonable accommodation on the appeals process (e.g., requesting that town staff attempt to schedule an appeal hearing as soon as legally and practically possible), if necessary. The notice of action shall be sent to the applicant by mail.

D. If necessary to reach a determination or action on the request for reasonable accommodation, the town planner may request further information from the applicant consistent with the planning department specifying in detail what information is required. In the event a request for further information is made, the thirty (30) day period to issue a written determination shall be stayed until the applicant fully and sufficiently responds to the request.

17.17.050 Group Homes.

All requests for reasonable accommodation relating to increased occupancy of a group home shall be filed first with the town planner. At his/her discretion, the town planner may either act upon the request as described in section 17.17.040 (Approval Authority and Approval Process) or forward the request to the planning commission as described in section 17.17.040 (Approval Authority and Approval Process). If a request is forwarded to the planning commission, it shall be processed as a conditional use permit and shall be subject to the findings stated in section 17.17.060 (Required Findings for Reasonable Accommodations).

17.17.060 Required Findings for Reasonable Accommodations.

In making a determination regarding the reasonableness of a requested accommodation, the approval authority shall make the following findings:

A. The housing that is the subject of the request for reasonable accommodation will be used for an individual protected under the Fair Housing Act.

B. The request for reasonable accommodation is necessary to make specific housing available to an individual protected under the Fair Housing Act.

C. The requested reasonable accommodation does not impose an undue financial or administrative burden on the town and does not fundamentally alter town zoning, development standards, policies, or procedures.

17.17.070 Appeals.

Appeal of the town planner or planning commission action on the request for reasonable accommodation shall be made in accordance with the procedures specified in section 17.06.100 (Appeals).

Chapter 17.18 Zoning Code Amendment *(Previously 17.60)*

Sections:

17.18.010 Purpose *(New section)*
17.18.020 Initiation of Amendment *(Previously 17.60.010)*
17.18.030 Approval Authority *(New section)*
17.18.040 Findings
17.18.050 Conditions and Restrictions
17.18.060 Action/Adoption

17.18.010 Purpose *(New section)*

The purpose of a zoning amendment is to allow modifications to any provisions of this title (including the adoption of new regulations or deletion of existing regulations) or to change the zoning designation on any parcel(s).

17.18.020 Initiation of Amendment *(Previously 17.60.010)*

Amendments may be initiated by:

A. A petition to the City council by an owner or owners of record in the town that would be affected by the proposed amendment, provided that the applicant agrees to pay all costs associated with processing and deciding the request (e.g., staff time, hearing notices);

B. Resolution of intention by the planning commission; or

C. Resolution of intention by the city council directing the planning commission to consider a proposed amendment. (Ord. 407 § 14-6(A), 1985)

17.18.030 Approval Authority *(New section)*

The designated approval authority for zoning amendments is the city council. The town planner and planning commission provide recommendations and the city council approves, conditionally approves, or denies zoning amendments in accordance with the requirements of this title as described in section 17.06.070 (Approval Authority) and Table 17.06.070-1 (Approval Authority).

17.18.040 Findings *(New section)*

Zoning amendments shall be granted only when the approval authority makes the finding that the proposed zoning amendment (text or plan) is consistent with the general plan goals, policies, and implementation programs.

17.18.050 Conditions and Restrictions

When considering rezoning applications, the city council has the authority to impose restrictions on property including the restriction of use.

17.18.060 Action/Adoption

Adoption of the zoning amendment by the city council shall constitute final action and approval of the amendment. Authorization for construction or occupancy in accordance with the amendment may only be granted upon or after the effective date of the action.

Chapter 17.20 Front/Rear Lot Line Redesignation *(Previously 17.60)*

Sections:

17.20.010 Purpose *(Previously 17.60.050)*
17.20.020 Approval Authority *(New section)*
17.20.030 Findings and Conditions *(Previously 17.60.080)*
17.20.040 Recordation *(Previously 17.60.090)*

17.20.010 Purpose *(Previously 17.60.050)*

The purpose of the front/rear lot line redesignation is to provide a process for the property owner to request a different front or rear lot line. While the front lot line is generally the narrowest portion of the lot fronting a street, a property owner may apply for a front/rear lot line redesignation in order to have a different line designated as the front line.

17.20.020 Approval Authority *(New section)*

The designated approval authority for front/rear lot line redesignation is the planning commission. The town planner provides a recommendation and the planning commission approves, conditionally approves, or denies the redesignation as described in section 17.06.070 (Approval Authority) and Table 17.06.070-1 (Approval Authority).

17.20.030 Findings and Conditions *(Previously 17.60.080)*

A. The approval authority may grant a front/rear lot line redesignation pursuant to this article if, from the application or the facts presented at the time of consideration, it finds:

   1. The proposed redesignation will not be detrimental or injurious to persons, property, or improvements in the vicinity and will not be detrimental to the public health, peace, safety, comfort, or general welfare, or movement of vehicles, people, and goods in and around the subject property;

   2. The proposed redesignation will be in accord with the general plan and the purposes of that plan and this title;

B. The approval authority may impose such reasonable conditions or restrictions as it deems necessary to secure the purpose of this title. (Ord. 407 § 14-7(C), 1985)

17.20.040 Recordation (*Previously 17.60.090*)

Subsequent to any front/rear lot line redesignation approved by the planning commission, the city clerk shall record the location of the newly designated front lot line in the offices of the County Recorder of San Mateo County. Costs for such recordation shall be borne by the applicant, and the effective date of the redesignation shall be the date of recordation. (Ord. 407 § 14-7(D), 1985)

Chapter 17.22 Prezoning *(Previously 17.06.010)*

Sections:

17.22.010 Purpose (New section)
17.22.020 Process (Previously 17.06.010)

17.22.010 Purpose *(New section)*

The purpose of prezoning is to establish the designation of land use by zoning district for unincorporated property adjoining the town, within the sphere of influence.

17.22.020 Process *(Previously 17.06.010)*

The method of accomplishing prezoning shall be the same as for zoning code amendments as provided in chapter 17.18 (Zoning Code Amendments) of this title. Such zoning shall become effective at the time annexation becomes effective. (Ord. 407 § 1-5, 1985)

Chapter 17.23 General Plan Amendment *(New chapter)*

Sections:

17.23.010 Purpose
17.23.020 Approval Authority
17.23.030 Frequency of Amendment
17.23.040 Initiation of Amendment
17.23.050 Findings for General Plan Amendment (Text or Map)
17.23.060 Adoption

17.23.010 Purpose

The purpose of a general plan amendment is to allow for modifications to the general plan text (e.g., goals, policies, or implementation programs) or to change the general plan land use designation on any parcel(s).

17.23.020 Approval Authority

The designated approval authority for general plan amendments is the city council. The town planner, general plan committee, and planning commission provide recommendations and the city council approves, conditionally approves, or denies the general plan amendment in accordance with the requirements of this title as described in section 17.06.070 (Approval Authority) and Table 17.06.070-1 (Approval Authority).

17.23.030 Frequency of Amendment

Pursuant to Government Code Section 65358, no mandatory element of the general plan may be amended more frequently than four (4) times during any calendar year. Subject to that limitation, an amendment may be made at any time and may include more than one change to the general plan.

17.23.040 Initiation of Amendment

A general plan amendment may be initiated by motion of the planning commission or city council, by application by property owner(s) of parcel(s) to be affected by a general plan amendment, or by recommendation of the town planner to clarify text, address changes mandated by State law, maintain internal general plan consistency, address boundary adjustments affecting land use designation(s), or for any other reason beneficial to the town.

17.23.050 Findings for General Plan Amendment (Text or Map)

In the event that a general plan amendment is requested by a private property owner, the applicant shall demonstrate to the city council that there is a substantial public benefit to be derived from such amendment.

17.23.060 Adoption

Adoption of the general plan amendment by the city council shall constitute final action and approval of the amendment. Authorization for construction or occupancy in accordance with the amendment may only be granted upon or after the effective date of the action.

Chapter 17.24 Enforcement *(Previously 17.68)*

Sections:

17.24.010 Enforcement Authority (Previously 17.68.010)
17.24.020 Violation – Deemed Nuisance (Previously 17.68.020)

17.24.010 Enforcement Authority *(Previously 17.68.010)*

All departments, officials, and public employees of the town vested with the duty or authority to issue permits or licenses shall conform to the provisions of this title and shall issue no permit or license for uses, buildings, or purposes in conflict with the provisions of this title. Any such permits or licenses issued in conflict with the provisions of this title shall be null and void. It shall be the duty of the city manager to enforce the provisions of this title pertaining to erection, construction, reconstruction, moving, conversion, alteration, or addition to any building or structure. (Ord. 407 § 15-1, 1985)

17.24.020 Violation – Deemed Nuisance *(Previously 17.68.020)*

Each violation of this title shall constitute a public nuisance and be subject to abatement proceedings and costs pursuant to chapter 8.20 (Nuisance Abatement). (Ord. 490 § 49, 1996; Ord. 407 § 15-2, 1985)

Chapter 17.26 Nonconforming Uses, Buildings, and Structures *(Previously 17.44)*

Sections:

17.26.010 Purpose (*New section*)
17.26.020 Definitions (*Previously 17.08.240 and 17.08.250*)
17.26.030 Continuation and Abandonment of Nonconforming Land Uses (*Previously 17.44.020 and 17.44.030*)
17.26.040 Nonconforming Structures and Buildings Regulations (*Previously 17.44.050*)

17.26.010 Purpose *(New section)*

This chapter provides regulations for nonconforming land uses, buildings, and structures that were lawful before the adoption or amendment of this zoning code, but that would be prohibited, regulated, or restricted differently under the current terms of this zoning code or future amendments.

17.26.020 Definitions *(Previously 17.08.240 and 17.08.250)*

Terms that are relevant to this chapter are defined in chapter 17.60, Definitions.

17.26.030 Continuation and Abandonment of Nonconforming Land Uses *(Previously 17.44.010, 17.44.020, 17.44.030, and 17.44.040)*

A. Continuation of Legal Nonconforming Use. The lawful use of land, structures, or buildings existing at the time of adoption of the ordinance codified in this title may be continued, although such use becomes nonconforming by adoption of the ordinance codified in this title.

B. Restrictions on Nonconforming Uses. Lawful nonconforming uses shall not be:

1. Enlarged or increased.

2. Changed to any other nonconforming use.

3. Extended to occupy greater land area.

4. Moved to another portion of the lot.

C. If a nonconforming use of land or a nonconforming use of a conforming structure or building is abandoned for a continuous period of six (6) months or more, rights to legal nonconforming status shall terminate.

17.26.040 Nonconforming Structures and Buildings Regulations *(Previously 17.44.050)*

A. Continuation of Legal Nonconforming Structure and Buildings. Structures and buildings that were legal at the time of their establishment but that no longer conform to the provisions of this title shall be deemed legal nonconforming structures and buildings. As such, they may continue to be legally used.

B. Maintenance and Repair. Legal nonconforming buildings and structures may be maintained and repaired, provided the repairs and alterations will not increase the degree of nonconformity.

C. General Regulations for Modifications and Expansion of Nonconforming Buildings and Structures. Generally, legal nonconforming buildings and structures may only be moved, altered, enlarged, reconstructed, or voluntarily removed, when the work being completed is in conformance with all current zoning and building regulations. However, under certain circumstances, the town permits the reconstruction, alteration, or addition to legal nonconforming buildings and structures, provided they comply with the following provisions:

1. Any legal nonconforming main building that is damaged or destroyed by fire, explosion, earthquake, or other accidental occurrence, may be restored within the building envelope that existed immediately prior to the accidental occurrence; provided that all such reconstruction must meet current building codes. The burden of proving the extent of the building envelope existing immediately prior to the accidental occurrence shall be upon the party seeking to reconstruct the structure.

2. Alterations or additions to legal nonconforming main buildings may be permitted so long as no more than fifty (50) percent of the existing floor area and no more than fifty (50) percent of nonconforming exterior walls are rebuilt, either as a single project or cumulatively over five (5) years or less. Alterations or additions of more than fifty (50) percent are required to meet current zoning and building code requirements. This subsection does not apply to interior alterations.

3. Alterations or additions to legal nonconforming accessory buildings may be permitted so long as the alteration or addition is made to the conforming portion of the accessory building or is made to the nonconforming portion so as to bring that portion into conformity.

4. Addition of solar facilities to an existing structure or building will not be seen as increasing the nonconforming standards of a structure or building.

D. Special Provisions for Nonconforming Main Building in Residential District R-1A. An addition to a legal nonconforming main building in the R-1A zoning district may:

1. Maintain the building's existing setback lines, provided the building does not encroach by more than twenty (20) percent into the current R-1A setbacks; and

2. Maintain the existing building height, provided no portion of the building is taller than 30 feet.

E. Special Provisions for Nonconforming Main Buildings in Residential District R-1B.

1. An addition to a legal nonconforming main building in the R-1B zoning district shall be permitted only within the main building area:

a. Proposed additions to legal nonconforming main buildings beyond the main building area may be permitted upon issuance of a special structures permit.

Title 17 - Zoning

Article II
Districts and Development Standards

Chapter 17.30 Use Districts Designated *(Previously 17.16)*
Chapter 17.32 Residential District R-1A *(Previously 17.20)*
Chapter 17.33 Residential District R-1B *(Previously 17.24)*
Chapter 17.34 Park and Open Space District (POS) *(Previously 17.28)*
Chapter 17.36 Public Facilities and Schools District (PFS) *(Previously 17.32)*
Chapter 17.38 Side Yard Requirements *(Previously 17.40)*

Revisions:

The following revisions have been made to article II of title 17:

Date of Adoption	Ordinance Number	Subject	Section	Page Number

Chapter 17.30 Use Districts Designated *(Previously 17.16)*

Sections:

17.30.010 Designation of Districts *(Previously 17.16.010)*
17.30.020 Zoning Plan (Previously *17.16.020*)
17.30.030 Allowed Uses Generally *(New section)*
17.30.040 Similar Use Determination *(Previously 17.36.010)*
17.30.050 Certain Commercial Uses Prohibited *(17.36.015)*
17.30.060 Interpretation of District Boundaries *(Previously 17.16.030)*
17.30.070 Nonconforming Lots *(New section)*

17.30.010 Designation of Districts *(Previously 17.16.010)*

For the purposes of this title, the town is divided into the following classes of districts as show on the maps hereinafter included by reference:

A. Residential district R-1A.

B. Residential district R-1B.

C. Parks and open space district (POS District).

D. Public facilities and school district (PFS District). (Ord. 407 § 1-2, 1985)

17.30.020 Zoning Plan *(Previously 17.16.020)*

The designations, locations, and boundaries of the districts established are delineated on the map entitled "Atherton Zoning Plan," dated as amended from time to time. This zoning map and all notations and information thereon are made a part of this chapter by reference. (Ord. 407 § 1-3, 1985)

17.30.030 Allowed Uses Generally *(New section)*

Land use provisions are established in this title by the zoning district applied to a site. The uses of land allowed in each zoning district are listed in tables by zoning district category in subsequent chapters of this article. Permitted or conditional uses listed in the various district regulations are specific and no other uses shall be allowed.

17.30.040 Similar Use Determination *(Previously 17.36.010)*

When a use is not specifically listed in this title, the planning commission may determine that the use is similar to a listed use by following the conditional use procedure specified in chapter 17.12 (Conditional Use Permits). Such similar use shall be categorized as a conditional use. In making such a determination, the planning commission shall make all of the following findings:

A. The proposed use will be consistent with the general plan.

B. The proposed use will be consistent with the purposes of the applicable zoning district.

C. The characteristics of and activities associated with the proposed use are equivalent to one or more of the listed uses and will not have a higher level of activity or population density than the uses listed in the district.

17.30.050 Certain Commercial-Residential Uses Prohibited *(Previously 17.36.015)*

No new commercial-residential uses are permitted anywhere in the Town of Atherton. Such prohibited uses include hotels, motels, boardinghouses, and transient guest quarters, including "bed and breakfasts". (Ord. 446 § 1, 1989)

17.30.060 Interpretation of District Boundaries *(Previously 17.16.030)*

Whenever any uncertainty exists as to the boundary of any district shown on the zoning plan, it shall be the responsibility of the town planner to interpret the boundaries of the district. In making such a determination, the following rules shall apply:

A. When a boundary line is indicated as following a street or similar right-of-way, it shall be interpreted as following the centerline of that right-of-way.

B. Where a boundary line is indicated as approximately following a lot line, the boundary line shall be interpreted to follow that lot line.

C. Where a boundary line divides a lot or crosses unsubdivided property, the location of such boundary shall be interpreted as being the closest lot line. (Ord. 407 § 1-4, 1985)

17.30.070 Legal Lots *(New section)*

Any existing lot, legally created, may be used for uses allowed in the district even if it does not meet the current building site area or dimension standards established in title 16 (Subdivisions). All new lots shall be consistent with the development standards in chapter 16.24 (Design). No subdivision shall be approved that would increase the nonconformity of an existing parcel or any nonconforming use on the parcel.

Chapter 17.32 Residential District R-1A *(Previously 17.20)*

Sections:

17.32.010 Purpose *(Previously 17.20.010)*
17.32.020 Characteristics of the District *(New section)*
17.32.030 Allowed Uses and Permit Requirements *(Previously 17.20.020 and 030)*
17.32.040 Development Standards *(Previously 17.20.040)*

17.32.010 Purpose *(Previously 17.20.010)*

This chapter identifies the allowed use and permit requirements and development standards for the residential district R-1A. The intent of this district is to implement the residential land use categories of the town's general plan. It is designed to designate land for the development of residential uses consistent with the development regulations set forth in this title.

17.32.020 Characteristics of the District *(New section)*

Residential district R-1A provides for the development of single family residential uses at a density of one (1) dwelling unit per lot. It allows for new subdivisions with a minimum lot size of one (1) acre. Second dwelling units are permitted, consistent with the development standards of this title. Home occupations are also appropriate for this district, consistent with the development standards of this title. Other uses, including churches and public utilities and facilities, may be allowed upon issuance of a conditional use permit.

17.32.030 Allowed Uses and Permit Requirements *(Previously 17.20.020 and .030)*

Table 17.32.030-1 (Allowed Uses and Permit Requirements for Residential District R-1A) identifies the allowed uses in the R-1A zoning district subject to the development standards of this chapter and all other provisions of this title. Allowed use provisions are symbolized in the table as follows:

P = Land use permitted by right
CUP = Land use permitted with approval of a conditional use permit

Note: Table consolidates permit requirements from existing sections 17.20.020 and 17.20.03.)

Table 17.32.030-1
Allowed Uses and Permit Requirements for Residential District R-1A

Land Use	Zoning District
	R-1A
Single-family dwelling[1]	P
Second dwelling unit[2]	P
Home occupations	P
Churches and places of worship	CUP
Public utilities or facilities	CUP

Notes:

1. Includes associated accessory uses, accessory buildings, and accessory structures (Note: Garages are accessory buildings).

2. Subject to compliance with section 17.32.040 (Development Standards) and section 17.52 (Second Dwelling Units).

17.32.040 Development Standards *(Previously 17.20.040)*

The following minimum and maximum requirements shall apply in the R-1A district. The town planner will review development applications against these standards to determine compliance with applicable zoning regulations.

A. Height. The maximum building heights permitted are provided below. See also chapter 17.42 for height measurement.

1. The standard maximum height for main buildings shall be thirty (30) feet; provided that vertical sidewalls and columns may not exceed twenty-two (22) feet, and provided further that these standard maximum heights may be increased, but in no event to exceed thirty-four (34) feet for main buildings nor to exceed twenty-eight (28) feet for vertical sidewalls and columns, under any of the following circumstances:

a. The main building, vertical sidewalls, and columns height may be increased in any case where the front, rear, and side yards are increased above the standard setbacks by a ratio of at least five (5) feet for each one (1) foot increase of height.

b. Increased height for a main building (but not to exceed thirty-four (34) feet) or for vertical sidewalls or columns (but not to exceed twenty-eight (28) feet) shall be permitted upon approval of a special structure permit.

2. Accessory structures: see chapter 17.40.

3. Detached garages: see chapter 17.40.

4. Consistent with the sidewall height limit for the R-1A zone, dormers that exceed or are otherwise built above the sidewall height limit for the structure, as measured from the extension of the eave line across the width of the dormer, shall be developed consistent with the following standards (see figures 17.32.040-1a (Dormers) and 17.32.040-1b (Excessive Dormers)).

i. The maximum combined length of all dormers on a side or elevation of a building shall not exceed fifty (50) percent of the total length of the respective side or elevation of the building to which they are associated (see figure 17.32.040-1b (Excessive Dormers)).

Figure 17.32.040-1a
Dormers

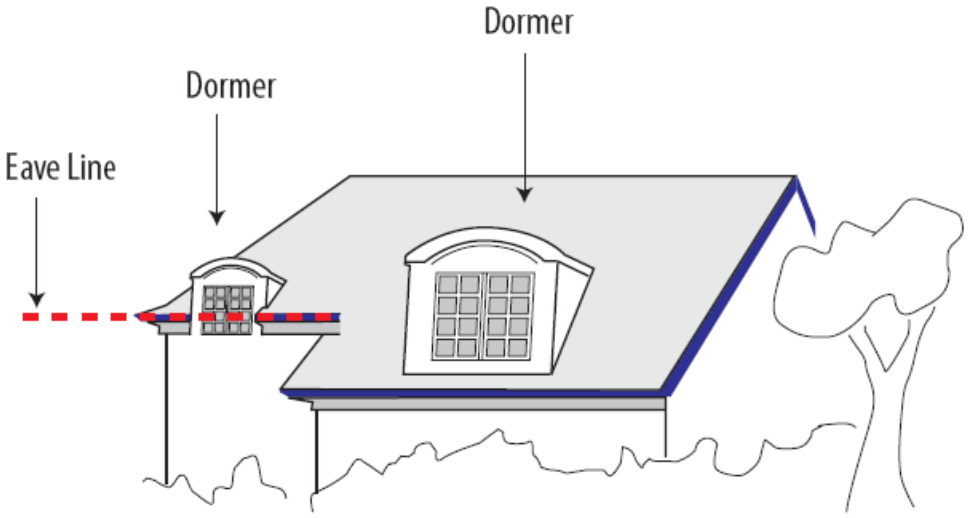
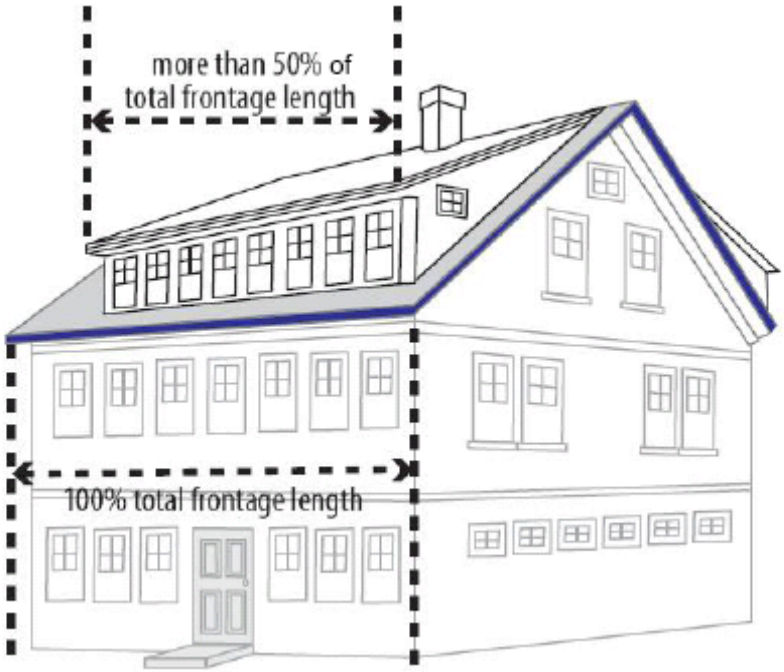
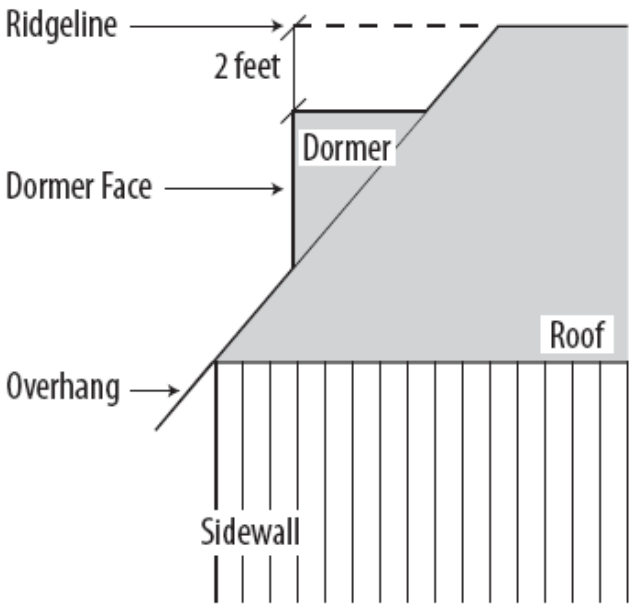


Figure 17.32.040-1b
Excessive Dormers



ii. The face of the dormer shall be a minimum of two (2) feet below the ridge line (see figure 17.32.040-2 (Dormer Height and Placement)).

Figure 17.32.040-2
Dormer Height and Placement



B. Lot Size Requirements. New lots created in the R-1A district shall be consistent with the lot size requirements established in section 16.24.050 (Lot Size Requirements).

C. Maximum Floor Area Ratio. The maximum floor area ratio shall be eighteen (18) percent of the lot size except for those lots smaller than forty-three thousand five hundred sixty (43,560) square feet (one acre), which shall be determined by the following equation:

Floor area in square feet = (lot size in square feet × 0.163) + 726 square feet, with a minimum allowable floor area of 2,250 square feet.

The floor area above the first floor of the main building for all lots shall not exceed seven and one-half (7.5) percent of the lot size.

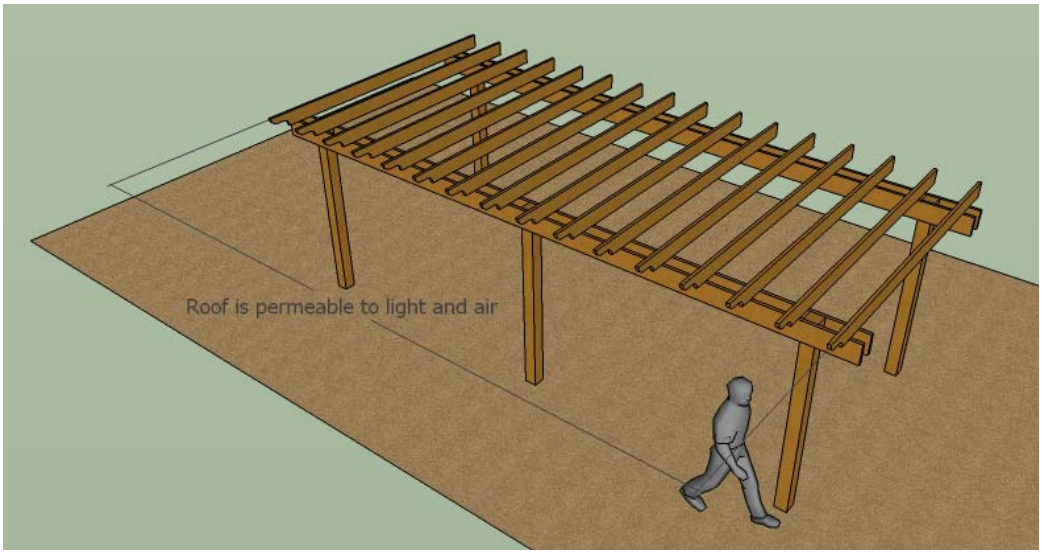
The following conditions shall not be included in floor area calculations:

1. Structures, open on all sides, with substantially open roofs (e.g., trellis) (see figure 17.32.040-4 (Substantially Open Roof)), with the following provisions:

    a. No more than one side of the structure shall be attached to the main building and no more than one side of the structure may be enclosed by small structural features (e.g., outdoor kitchens/b-b-qs, fire pits/ fireplaces, cabinets), provided that on the side with the structural feature at least fifty (50) percent of the

side is still open (see figure 17.40.040-2 (Attached Trellis Exempt from Floor Area Requirement); or

Figure 17.32.040-4
Substantially Open Roof



b. No more than two sides shall be partially enclosed with small structural features (e.g., outdoor kitchens/b-b-qs, fire pits/ fireplaces, cabinets), provided that at least fifty (50) percent of both sides are still open and the other two sides are completely open; and

2. Roofed areas completely open on two or more sides up to five (5) percent of the maximum allowed floor area for the lot plus five hundred (500) square feet (e.g., awning, patio cover, covered walk).

D. Front and Rear Yards. Minimum front and rear yard requirements are:

1. Main building, interior, and corner lots: sixty (60) feet minimum; provided, however, on lots of record prior to adoption of Ordinance No. 146 (April 16, 1946) with a depth of less than two hundred (200) feet, the front and rear yards shall each be thirty (30) percent of the lot depth with a minimum of thirty (30) feet; provided further, where main building heights are between thirty (30) feet and thirty-four (34) feet, the front and rear yards shall be increased by a ratio of five (5) feet for each one (1) foot increase in height (Ord. 146, §, April 16, 1946).

2. Accessory structures: as provided in chapter 17.40.

3. The property owned by the City and County of San Francisco, known as the Hetch Hetchy property, over which the owner of adjacent property with contiguous frontage has reserved surface rights, may be utilized by the adjacent property owner for setback calculation purposes. The

adjacent property owner may calculate setbacks to the original property line prior to the acquisition by the City and County of San Francisco, or in the case of properties subdivided after that date, to the centerline of the Hetch Hetchy property.

E. Side Yards. Minimum side yard requirements are as shown in table 17.38.010; provided, however, where main building heights are between thirty (30) feet and thirty-four (34) feet with the issuance of a special structure permit, the side yards shall be increased by a ratio of five (5) feet for each one (1) foot increase in height.

1. The property owned by the City and County of San Francisco, known as the Hetch Hetchy property, over which the owner of adjacent property with contiguous frontage has reserved surface rights, may be utilized by the adjacent property owner for setback calculation purposes. The adjacent property owner may calculate setbacks to the original property line prior to the acquisition by the City and County of San Francisco, or in the case of properties subdivided after that date, to the centerline of the Hetch Hetchy property.

F. Accessory Structure Area. Maximum area permitted for all accessory structures, exclusive of pools, tennis courts, garages, carports, drives, and other paved surfaces, on a building site shall not exceed the ratio of one thousand two hundred (1,200) square feet of accessory structure for each forty-three thousand five hundred sixty (43,560) square feet of lot area.

G. Eaves. Roof eaves may encroach into any yard not to exceed a maximum of four (4) feet on the main building and not to exceed one (1) foot on an accessory building.

H. Kitchens.

1. There is no limitation on the maximum number of kitchens for the main dwelling.

2. One kitchen may be within an approved second dwelling unit that is located within the main dwelling building setback lines.

I. ~~Lighting. Exterior lighting on main dwellings located in side and rear yards and more than ten (10) feet above grade shall be shielded and downlit so as not to create glare or spill onto neighboring property. Shielding material shall be opaque~~.

Chapter 17.33 Residential District R-1B *(Previously 17.24)*

Sections:

17.33.010 Purpose *(Previously 17.24.010)*
17.33.020 Characteristics of the District *(New section)*
17.33.030 Allowed Uses and Permit Requirements *(Previously 17.24.020 and 030)*
17.33.040 Development Standards *(Previously 17.24.040)*

17.33.010 Purpose *(Previously 17.24.010)*

This chapter identifies the allowed use and permit requirements and development standards for the residential district R-1B. The intent of this district is to implement the residential land use categories of the town's general plan. It is designed to designate land for the development of residential uses consistent with the development regulations set forth in this title.

17.33.020 Characteristics of the District *(New section)*

Residential district R-1B provides for the development of single family residential uses at a density of one (1) dwelling unit per lot. It allows for new subdivisions with a minimum lot size of one (1) acre. Second dwelling units are permitted, consistent with the development standards of this title. Home occupations are also appropriate for this district, consistent with the development standards of this title. Other uses, including churches and public utilities and facilities, may be allowed upon issuance of a conditional use permit.

17.33.030 Allowed Uses and Permit Requirements *(Previously 17.24.020 and 030)*

Table 17.33.030-1 (Allowed Uses and Permit Requirements for Residential District R-1B) identifies the allowed uses in the R-1B zoning district subject to the development standards of this chapter and all other provisions of this title. Allowed use provisions are symbolized in the table as follows:

P = Land use permitted by right
CUP = Land use permitted with approval of a conditional use permit

Table 17.33.030-1
Allowed Uses and Permit Requirements for Residential District R-1B

Land Use	Zoning District
	R-1B
Single-family dwelling[1]	P
Second dwelling unit[2]	P
Home occupations	P
Churches and places of worship	CUP
Public utilities or facilities	CUP

Notes:

1. Includes associated accessory uses, accessory buildings, and accessory structures (Note: Garages are accessory structures).

2. Subject to compliance with section 17.33.040 (Development Standards) and section 17.52 (Second Dwelling Units).

17.33.040 Development Standards *(Previously 17.24.040)*

The following minimum and maximum requirements shall apply in the R-1B district. The town planner will review development applications against these standards to determine compliance with applicable zoning regulations.

A. Height. The maximum building heights permitted are provided below. See also chapter 17.42 for height measurement.

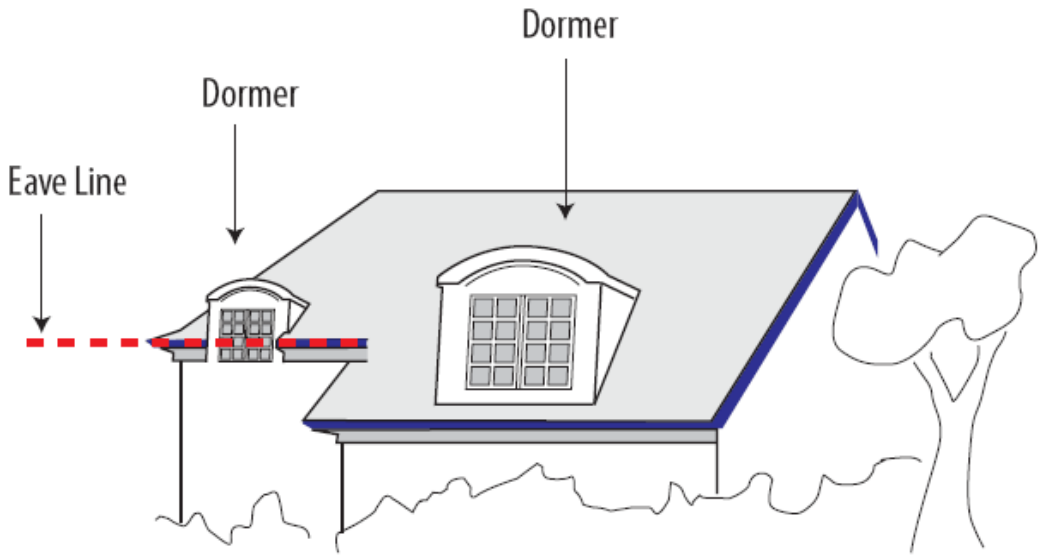
1. Main buildings: twenty-eight (28) feet, provided that neither vertical side walls or columns exceed eighteen (18) feet. End walls shall be perpendicular to the lot depth;

2. Accessory structures: see chapter 17.40.

3. Detached garages: see chapter 17.40.

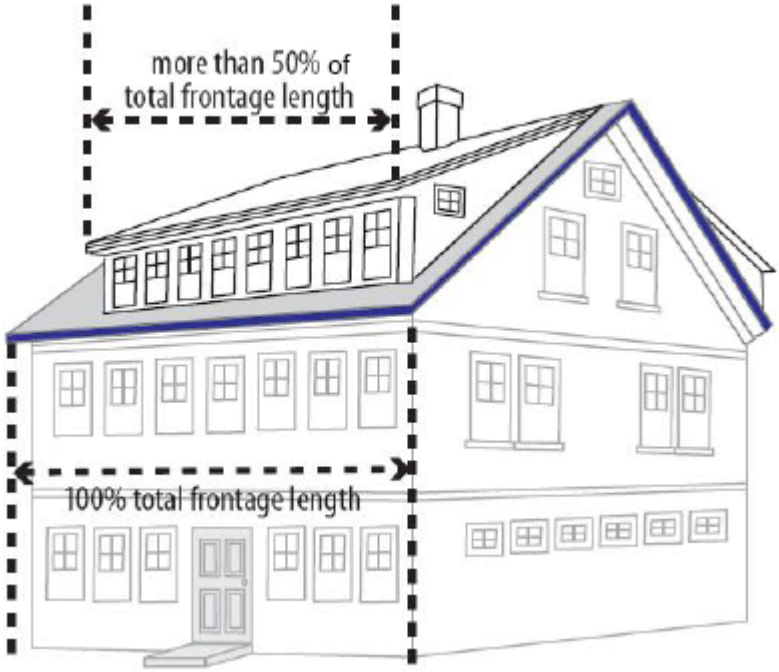
4. Consistent with the sidewall height limit for the R-1B zone, dormers that exceed or are otherwise built above the sidewall height limit for the structure, as measured from the extension of the eave line across the width of the dormer, shall be developed consistent with the following standards (see figures 17.33.040-1a (Dormers) and 17.33.040-1b (Excessive Dormers)).

Figure 17.33.040-1a
Dormers



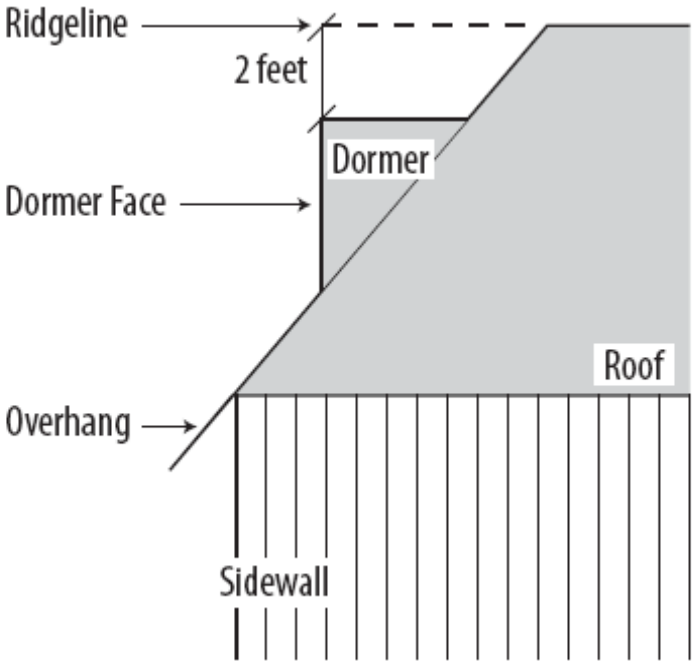
i. The maximum combined length of all dormers on a side or elevation of a building shall not exceed fifty (50) percent of the total length of the respective side or elevation of the building to which they are associated (see figure 17.33.040-1b (Excessive Dormers)).

Figure 17.33.040-1b
Excessive Dormers



ii. The face of the dormer shall be a minimum of two (2) feet below the ridge line (see figure 17.33.040-2 (Dormer Height and Placement)).

Figure 17.33.040-2
Dormer Height and Placement



B. Lot Size Requirements. New lots created in the R-1B district shall be consistent with the lot size requirements established in section 16.24.050 (Lot Size Requirements).

C. Maximum Floor Area Ratio. The maximum floor area ratio shall be eighteen (18) percent of the lot size except for those lots smaller than forty three thousand five hundred sixty (43,560) square feet (one acre), which shall be determined by the following equation:

Floor area in square feet = (lot size in square feet × 0.165) + 1,500 square feet.

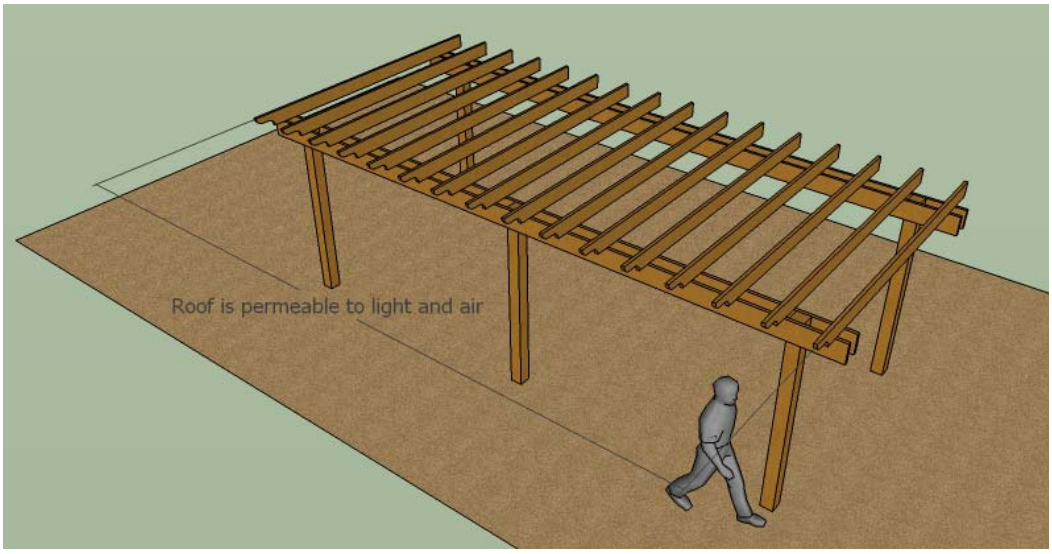
The following conditions shall not be included in floor area calculations:

1. Structures, open on all sides, with substantially open roofs (e.g., trellis) (see figure 17.33.040-4 (Substantially Open Roof)), with the following provisions:

2. Roofed areas open on two or more sides not exceeding five (5) percent of the maximum allowed floor area for the lot plus five hundred (500) square feet (e.g., awning, patio cover, covered walk).

a. No more than one side of the structure shall be attached to the main building and no more than one side of the structure may be enclosed by small structural features (e.g., outdoor kitchens/b-b-qs, fire pits/ fireplaces, cabinets), provided that on the side with the structural feature at least fifty (50) percent of the side is still open (see figure 17.40.040-2 (Attached Trellis Exempt from Floor Area Requirement); or

Figure 17.33.040-4
Substantially Open Roof



b. No more than two sides shall be partially enclosed with small structural features (e.g., outdoor kitchens/b-b-qs, fire pits/ fireplaces, cabinets), provided that at least fifty (50) percent of both sides are still open and the other two sides are completely open.

D. Front and Rear Yards. Minimum front and rear yard requirements are:

1. Main buildings, interior and corner lots: thirty (30) feet minimum; provided, however, on lots of record prior to adoption of Ordinance No. 277 (October 30, 1967) with a depth less than one hundred sixty (160) feet, the front and rear yards shall each be eighteen (18) percent of the lot depth with a minimum of twenty (20) feet; and

2. Accessory structures, as provided in chapter 17.40.

E. Side Yards. Minimum side yard requirements are as shown in Table 17.38.010.

F. Eaves. Roof eaves may encroach into any yard not to exceed a maximum of four (4) feet on the main building and not to exceed one (1) foot on an accessory building.

G. Kitchens.

1. There is no limitation on the maximum number of kitchens for the main dwelling.

2. One kitchen may be within an approved second dwelling unit that is located within the main dwelling building setback lines.

H. ~~Lighting. Exterior lighting on main dwellings located in side and rear yards and more than ten (10) feet above grade shall be shielded and downlit so as not to create glare or spill onto neighboring property. Shielding material shall be opaque~~.

(Ord. 497 §§ 8, 9, 1998; Ord. 480 § 1(D), 1994; Ord. 476 § 1(A), (C), 1993; Ord. 456 § 5, 1990: Ord. 443 §§ 1, 2, 1989; Ord. 434 § 11, 1988; Ord. 407 § 2-2(C), 1985)

Provisions of 17.22.040.I and 17.24.040.I moved to 17.46.040

Chapter 17.34 Park and Open Space District (POS) *(Previously 17.28)*

Sections:

17.34.010 Purpose *(Previously 17.28.010)*
17.34.020 Characteristics of the District *(New section)*
17.34.030 Permitted Uses *(Previously 17.34.020 and 17.28.030)*
17.34.040 Development Standards *(Previously 17.28.040)*

17.34.010 Purpose *(Previously 17.28.010)*

The purpose of this chapter is to implement the open space element of the general plan and provisions of the California Government Code related to open space zoning. This district is designed to designate open space for the preservation of natural resources, uses for the managed production of resources, for outdoor recreation, and for public health and safety. Compliance with the California Government Code requirements for an open space zoning code is achieved through use of this district.

The regulations set forth in this chapter shall apply in all park and open space (POS) districts and shall be subject to the provisions of this title. (Ord. 407 § 2-3 (part), 1985)

17.34.020 Characteristics of the District *(New section)*

The POS district provides for the establishment of parks, recreation, and open space uses. Other recreational and natural preservation uses, such as country clubs, watershed protection lands, and similar uses, may be permitted.

17.34.030 Permitted Uses *(Previously 17.34.020 and 17.28.030)*

Table 17.34.030-1 (Allowed Uses and Permit Requirements for POS district) identifies the allowed uses in the POS district subject to the development standards of this chapter and all other provisions of this title. Allowed use provisions are symbolized in the table as follows:

P = Land use permitted by right
CUP = Land use permitted with approval of a conditional use permit

Table 17.34.030-1
Allowed Uses and Permit Requirements for POS District

Land Use	Zoning District
	POS
Agriculture	P
Ecologic study	P
Public park, recreation, or open space uses	P
Uses of historic and cultural value	P
Watershed land and groundwater recharged land	P
Country clubs	CUP
Home occupation	CUP
Public utilities and facilities uses and structures	CUP
Caretaker housing	CUP

17.34.040 Development Standards *(Previously 17.28.040)*

Table 17.34.040-1 (Development Standards for POS District) identifies the development standards for the POS district. All building and structures located in the POS district shall be considered as main buildings and not as accessory structures.

Table 17.34.040-1
Development Standards for POS District

Development Standard	Zoning District
	POS
Height, maximum	34 ft
Lot coverage, aggregate, maximum	20% gross lot area
Front and rear yard, minimum	60 ft
Side yard, minimum	See chapter 17.38

Chapter 17.36 Public Facilities and Schools District (PFS) *(Previously 17.32)*

Sections:

17.36.010 Purpose (*Previously 17.32.010*)
17.36.020 Characteristics of the District *(New section)*
17.36.030 Allowed Uses and Permit Requirements *(Previously 17.32.020 and 030)*
17.36.040 Development Standards *(Previously 17.32.040)*
17.36.050 Guidelines for School Master Plans *(Previously 17.32.050)*

17.36.010 Purpose (*Previously 17.32.010*)

This chapter establishes the allowed use provisions and development standards for uses located in the public facilities and schools district. It is the intent of this chapter to implement the land use categories outlined in the general plan by providing appropriate locations for public facilities and school uses.

17.36.020 Characteristics of the District *(New section)*

The public facilities and schools (PFS) district provides for the development of public uses (e.g., town hall, town corporation yard, public utilities, etc.) and schools (both public and private), consistent with the town's general plan. Other appropriate uses may include churches, country clubs, and other assembly and civic uses upon issuance of a conditional use permit. It does not provide for the development of residential uses except for convent housing, teacher housing, student housing, and other residential uses when associated with primary non-residential use of the same property with a conditional use permit.

17.36.030 Allowed Uses and Permit Requirements *(Previously 17.32.020 and 17.32.030)*

Table 17.36.030-1 (Allowed Uses and Permit Requirements for PFS District) identifies the allowed uses in the PFS district subject to the development standards of this chapter and all other provisions of this title. Allowed use provisions are symbolized in the table as follows:

P = Land use permitted by right
CUP = Land use permitted with approval of a conditional use permit

Table 17.36.030-1
Allowed Uses and Permit Requirements for PFS District

Land Use	Zoning District
	PFS
Public library	P
Public school	P
Town corporation yard	P
Town hall and associated community uses	P
Churches and places of worship	CUP
Convents	CUP
Country clubs	CUP
Residential associated with primary non-residential use of property on same site[1]	CUP
Private schools	CUP[2, 3]
Public utilities and facilities, uses, and structures	CUP
Transportation terminal facilities	CUP

Notes:

1. Examples include dorms or teacher housing associated with school site, convent when associated with religious institutions, etc.

2. Where a master plan for a private school has been prepared and filed with the town for public record, any application for a conditional use permit shall be compared to the master plan for consistency with that document. All building and/or facility changes, improvements, or new construction shall require a conditional use permit. To that end, all conditional use permit applications shall include the following:

    a. Maps and diagrams showing the proposal in relation to the master plan layout;

    b. History of student and faculty growth and projections of future growth, including an analysis of that growth's consistency with the master plan projections;

    c. A traffic and parking analysis of the proposal and comparison to the master plan projections;

    d. A circulation plan showing how the traffic and pedestrian circulation will function upon implementation of the proposals; and

    e. Other information that might be required for specific proposals, such as noise analyses, lighting plans, landscape screening plans, heritage tree locations, and other similar information.

3. In addition to other conditions of approval, the planning commission shall require the following items where relevant:

    a. Identification of the approved uses and hours of operation, and

b. Clustering of high intensity or noise intense structures and uses (such as gymnasiums, theaters, athletic facilities) away from neighboring residential uses, where possible.

17.36.040 Development Standards *(Previously 17.32.040)*

Table 17.36.030 (Development Standards for PFS District) identifies the development standards for the PFS district, except the buildings, structures, or land used for governmental purposes by the United States of America, State of California, or Town of Atherton. All buildings and structures located in the PFS district shall be considered as main buildings and not as accessory structures.

Table 17.36.030
Development Standards for PFS District

Development Standard	Zoning District
	PFS
Height, maximum	34 ft
Lot coverage, aggregate, maximum	40% gross lot area
Front yard, minimum	60 ft
Side yard, minimum, adjacent to residential	50 ft when building height ≤22 ft 75 ft when building height >22 ft
Side yard, minimum, all others	See chapter 17.38
Rear yard, minimum, adjacent to residential	60 ft when building height ≤22 ft 75 ft when building height >22 ft
Rear yard, minimum, all others	60 ft

Notes:

1. The setbacks for the PFS district properties in the vicinity of Ashfield Road and Station Way containing the town administration building, town hall, library, and other uses shall be as provided in section 17.33.040 (Development Standards) of the R1-B residential district.

17.36.050 Guidelines for School Master Plans *(Previously 17.32.050)*

It is the city council's policy to request the preparation of master plans for all private schools located in the PFS district. Where such master plans are prepared, they should be general enough to allow flexibility and adjustment of the facilities' locations but shall have specific projections such as enrollment or floor space proposed. It is further requested that the schools involve interested neighbors, residents, town representatives, and others in the preparation of such master plans. Suggested content of master plans include:

A. Land uses, their location, and extent;

B. Circulation patterns;

C. Locations for parking and parking standards;

D. Current enrollment projections and maximum enrollment anticipated;

E. A list of possible facilities to be developed;

F. A schedule or priority of development;

G. Identification of historic or other unique facilities, heritage trees, and their disposition;

H. Identification of uses and their days and hours of operation, including evenings; and

I. Identification of other institutions or uses at the facility.

Where master plans have been prepared and adopted by schools, it is requested that they be filed with the office of the town planner for public record. The town planner shall report annually to the planning commission at a regular meeting on the status of school master plans, their availability, and contents. Each private school in Atherton shall report to the planning commission meeting to provide input on the status of master plan preparation and implementation. In addition, the annual meeting shall be noticed to all property owners within five hundred (500) feet of the boundaries of the schools. (Ord. 518 § 1, 2000)

Chapter 17.38 Side Yard Requirements *(Previously 17.40)*

Sections:

17.38.010 Minimum Side Yards *(Previously 17.40.010)*

17.38.010 Minimum Side Yards *(Previously 17.40.010)*

Minimum side yards shall be required on each side of a lot as specified in Table 17.38.010-1 (Minimum Side Yard Requirements).

Table 17.38.010-1
Minimum Side Yard Requirements

Lot Width		Minimum Side Yard
From	To, But Not Including	
200' or over		50'
197' 0"	200' 0"	49' 6"
194' 0"	197' 0"	49' 0"
191' 6"	194' 0"	48' 6"
189' 0"	191' 6"	48' 0"
186' 6"	189' 0"	47' 6"
184' 0"	186' 6"	47' 0"
181' 6"	184' 0"	46' 6"
179' 0"	181' 6"	46' 0"
176' 6"	179' 0"	45' 6"
174' 0"	176' 6"	45' 0"
171' 6"	174' 0"	44' 6"
169' 0"	171' 6"	44' 0"
166' 6"	169' 0"	43' 6"
164' 0"	166' 6"	43' 0"
161' 6"	164' 0"	42' 6"
159' 0"	161' 6"	42' 0"
156' 6"	159' 0"	41' 6"
154' 0"	156' 6"	41' 0"
151' 6"	154' 0"	40' 6"
149' 0"	151' 6"	40' 0"
146' 6"	149' 0"	39' 6"
144' 0"	146' 6"	39' 0"
141' 6"	144' 0"	38' 6"
139' 0"	141'.6"	38' 0"
136' 6"	139' 0"	37' 6"
134' 0"	136' 6"	37' 0"
131' 6"	134' 0"	36' 6"
129' 0"	131' 6"	36' 0"
126' 6"	129' 0"	35' 6"
124' 0"	126' 6"	35' 0"
121' 6"	124' 0"	34' 6"
119' 0"	121' 6"	34' 0"

Lot Width		Minimum Side Yard
From	To, But Not Including	
116' 6"	119' 0"	33' 6"
114' 0"	116' 6"	33' 0"
111' 6"	114' 0"	32' 6"
109' 0"	111' 6"	32' 0"
106' 6"	109' 0"	31' 6"
104' 0"	106' 6"	31' 0"
101' 6"	104' 0"	30' 6"
99' 6"	101' 6"	30' 0"
96' 6"	99' 6"	29' 0"
94' 0"	96' 6"	28' 0"
91' 6"	94' 0"	27' 0"
89' 0"	91' 6"	26' 0"
86' 6"	89' 0"	25' 0"
84' 0"	86' 6"	24' 0"
81' 6"	84' 0"	23' 0"
79' 0"	81' 6"	22' 0"
76' 6"	79' 0"	21' 0"
74' 0"	76' 6"	20' 0"
71' 6"	74' 0"	19' 0"
69' 0"	71' 6"	18' 0"
66' 6"	69' 0"	17' 0"
64' 0"	66' 6"	16' 0"
61' 6"	64' 0"	15' 0"
59' 0"	61' 6"	14' 0"
56' 6"	59' 0"	13' 0"
54' 0"	56' 6"	12' 0"
51' 6"	54' 0"	11' 0"
20' or under	51' 6"	10' 0"

Title 17 - Zoning

Article III
General Regulations

Chapter 17.40 Accessory Buildings and Structures *(Previously 17.36)*
Chapter 17.42 Building Height and Measurement *(New chapter)*
Chapter 17.44 Basements *(Previously 17.36)*
Chapter 17.46 Fences and Walls *(Previously 17.36)*
Chapter 17.48 Home Occupations *(Previously 17.48)*
Chapter 17.50 Landscape Screening *(Previously 17.50)*
Chapter 17.52 Second Dwelling Units *(Previously 17.36)*
Chapter 17.54 Yard Measurement and Projections *(New chapter)*
Chapter 17.56 Special Events *(Previously 17.38)*

Revisions:

The following revisions have been made to article III of title 17:

Date of Adoption	Ordinance Number	Subject	Section	Page Number

Chapter 17.40 Accessory Buildings and Structures *(Previously 17.36)*

Sections:

17.40.010 Purpose *(New section)*
17.40.020 Definitions *(Previously 17.080.20, 042, 050, and 272)*
17.40.030 Permit Requirements and Exceptions *(Previously 17.36.025, 040 through 140, and 165)*
17.40.040 General Development Standards *(Previously 17.36.025, 040 through 140, and 165)*
17.40.050 Development Standards for Specific Types of Accessory Structure *(Previously 17.36.025, 040 through 140, and 165)*

17.40.010 Purpose *(New section)*

The purpose of this chapter is to permit the construction or exterior alterations of accessory buildings and structures subject to regulations necessary to prevent unreasonable interference with views, light, and air, an unreasonable invasion of privacy, or adverse impacts upon the aesthetic character of neighboring residential structures. This chapter establishes a set of criteria, objectives, and procedures to be followed with respect to the review of any proposed accessory structure, or addition or alteration thereto, and to assures that the new development occurs in a manner that is consistent with the objectives of this chapter.

17.40.020 Definitions *(Previously 17.08.020, 042, 050, and 272)*

Terms that are relevant to this chapter are defined in chapter 17.60 (Definitions).

17.40.030 Permit Requirements and Exceptions *(Previously 17.36.025, 040 through 140, and 165)*

Unless otherwise provided below, all accessory buildings and structures shall require zoning clearance at the time of building permit review or prior to development/installation to ensure compliance with the applicable regulations of this chapter.

A. Special Structure Permit Required. The following specific structures shall require the issuance of a special structure permit from the designated approval authority (planning commission as described in Table 17.06.070-1) prior to development/installation:

1. Athletic courts that are located outside the required setback area (see section 17.40.050.A).

2. All inflatable covers (see section 17.40.050.G).

3. Roof-mounted antenna taller than the height limit of the structure to which it is attached. The antenna must be capable of being retracted to a height less than that allowed for the type of building on which it is mounted when it is not in use.

4. Satellite dishes larger than one (1) meter in any dimension, either ground- or building-mounted. Note, the designated approval authority (planning commission as described in Table 17.06.070-1) shall not have the

discretion to deny such permit, but shall review each application for conformity to the requirements of this chapter.

5. Arbors and trellises larger than specified in section 17.40.050.B (Development Standards for Specific Types of Accessory Structures).

6. A pool or spa, exclusive of equipment, when located outside of the area generally allowed, described in section 17.40.040 (General Development Standards) and figure 17.40.040-1 (General Setback Standards for Accessory Buildings and Structures for Interior Lots). See also section 17.40.050.E.

B. Exempt Accessory Buildings and Structures. No zoning clearance or a special structure permit is required for the following buildings and structures.

1. Accessory buildings with a floor area that is less than one hundred twenty (120) square feet in size with no portion of the structure more than eight (8) feet in height with the following conditions.

   a. Structures shall not be located in a required front yard except as otherwise provided.

   b. In order to maintain necessary fire breaks, accessory buildings shall be set back a minimum of ten (10) feet from side and rear property lines with a minimum eight (8) foot separation from the main building.

2. Bridges and walkways over private ponds, creeks, and other features, when located on private property.

3. Mailboxes, flagpoles, outside lighting on poles not over three (3) feet tall, and benches to be used for seating. *(Previously 17.08.320.B)*

4. Driveways, walkways, patios, and other flat wood, concrete, or asphalt work or other similar materials not over six (6) inches above grade. *(Previously 17.08.320.C)*

5. A well, located less than six (6) inches above grade, exclusive of tanks, controls, separator discharge plumbing, or other equipment located outside of the well casing, may be constructed in required side or front yards. In no event shall a well be closer than ten (10) feet to any property line. *(Previously 17.08.320.D)*

6. Seat walls not over twenty-four (24) inches in height.

7. Antenna maintained by the town in connection with public safety activities.

8. Satellite dishes measuring not more than one (1) meter in any dimension when attached to a building or placed on the ground and located within the buildable area for a main building or accessory building or structure.

9. Arbors and trellises, consistent with the standards of section 17.40.050.B.

10. Driveways that also function as basketball courts.

11. Bird baths or pedestals with a shallow basin filled with water for birds to bathe in and drink from.

12. Air conditioners and emergency generators located within the buildable area of the lot and enclosed or otherwise screened to mitigate noise and comply with the town noise ordinance. The location of the equipment shall not impact existing trees. Equipment may be located next to existing buildings consistent with building code requirements. May be located underground when the size is limited to the minimum area needed for the equipment and access and working space, but may not exceed six (6) inches above grade.

13. Fountains and art work not over six (6) feet in height.

14. Solar facilities are exempt from the minimum ten (10) foot side yard setback requirement unless the building official has determined that the placement therein will have a specific, adverse impact upon the public health or safety, as defined in State law.

17.40.040 General Development Standards *(Previously 17.36.025, 040 through 140, and 165)*

The following development standards/provisions apply to all accessory buildings and structures.

A. Location and Required Setbacks. Accessory buildings and structures may be located within required yard areas in compliance with the development standards in Table 17.40.040-1 (General Setback Standards for Accessory Buildings and Structures). Figure 17.40.040-1 (General Setback Standards for Accessory Buildings and Structures) illustrates where accessory buildings and structures are generally allowed.

Table 17.40-040-1
General Minimum Setback Standards for Accessory Buildings and Structures

Location	Setback
Front	120 ft, or 30 ft behind front line of main structure, whichever is less[1, 2]
Side, interior	10 ft
Side, street side	See Table 17.38.010
Rear	10 ft
Rear, abutting street	30 ft[3, 4]
Between structures and buildings	8 ft[5]

Notes:

1. See special front yard location and setback standards for athletic courts (section 17.40.050.A), arbors and trellises (section 17.40.050.B), and artwork and fountains (section 17.40.050.G)

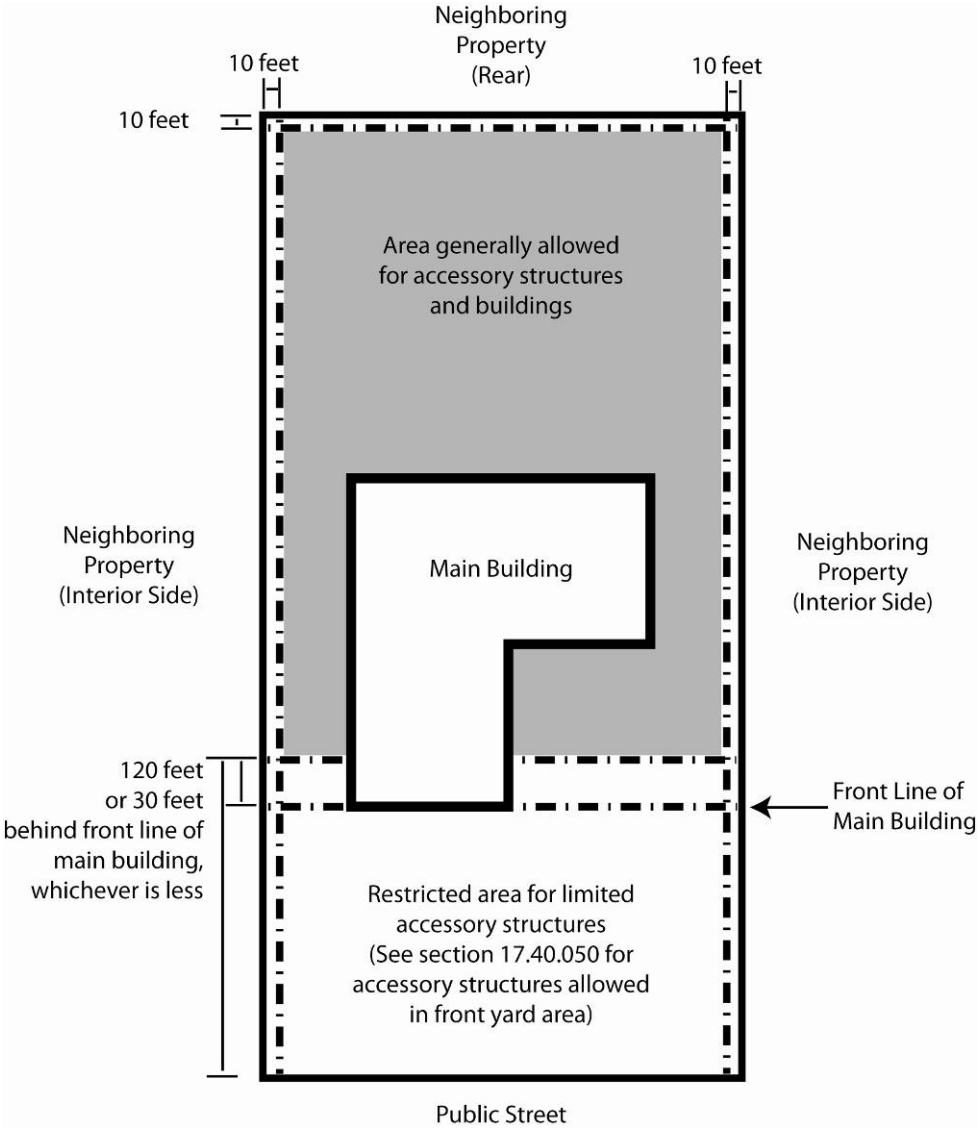
2. On flag lots, the front setback for accessory buildings and structures shall be consistent with the front yard setback of the main residence upon issuance of a special structure permit.

3. For structures that are less than three (3) feet in height, the minimum setback shall be ten (10) feet.

4. When the rear property line abuts the town boundary, the minimum setback shall be ten (10) feet.

5. Stables shall not be located within forty (40) feet of any building intended or used for human habitation on the same lot, shall not be located within forty (40) feet of any property line, and shall not be located within eighty (80) feet of any building intended or used for human habitation on an adjoining lot.

Figure 17.40-040-1
General Setback Standards for Accessory Buildings and Structures for Interior Lots



B. Height. Unless otherwise specified, the maximum height for all accessory buildings and structures is fifteen (15) feet or one story. Vertical sidewalls or columns shall not exceed eleven (11) feet. No other use of structure shall be located above the first story (i.e., no roof decks, spas, etc.). See chapter 17.42 Building Height and Measurement.

1. Exception for vertical projections. Vertical architectural projections on accessory buildings and structures (e.g., cupolas, spires, towers) may exceed the maximum height by up to two (2) feet, up to a maximum of seventeen (17) feet, provided that the footprint of the projection is not more than ten (10) percent of the total footprint of the building. Such projections shall be a minimum of twenty (20) feet from rear and side property lines.

C. Lot Requirements. Unless otherwise identified for specific types of structures or buildings, all accessory buildings and structures shall be constructed only in conjunction with or subsequent to the construction of a main building. An accessory structure or building may be located on a lot without a main building only if all of the following conditions exists:

1. The lot containing the accessory buildings or structure is located adjacent to a lot containing a main building;

2. Both such lots are owned by the same property owner; and

3. An agreement between the town and the property owner has been executed and recorded that provides that in the event common ownership of the two lots ceases then the accessory building or structure will be removed or made to conform to all other provisions of this title.

D. Kitchens. One kitchen may be within an approved accessory building or structure.

E. Bathrooms. There shall be no limitation on the number of bathrooms allowed in an accessory building.

F. Connecting Accessory Buildings and Structures. Accessory buildings and structures shall be detached from the main building and other accessory buildings and structures, except that:

1. An accessory building or structure may be connected to another accessory structure/building or a main building by way of a breezeway or covered walkway when the walkway is open on all sides except where connected to the structures. Examples include, but are not limited to, covered walkways connecting the primary dwelling to a detached garage or secondary dwelling. Structures must be located a minimum of eight (8) feet from the main building. The covered walkway may have a maximum width of eight (8) feet and the length of the walk must be a minimum of two (2) feet longer than the width.

2. A garage shall be considered a part of the main building when it is attached and made an integral part of the dwelling and has at least one common wall of least seven (7) feet in length.

G. Floor Area Ratio Calculation. Accessory buildings and structures shall count towards the allowed floor area ratio of the underlying zoning district as identified in section 17.32.040 (Development Standards for Residential District R-1A) and section 17.33.040 (Development Standards for Residential District R-1B), except that floor area ratio shall exclude the following:

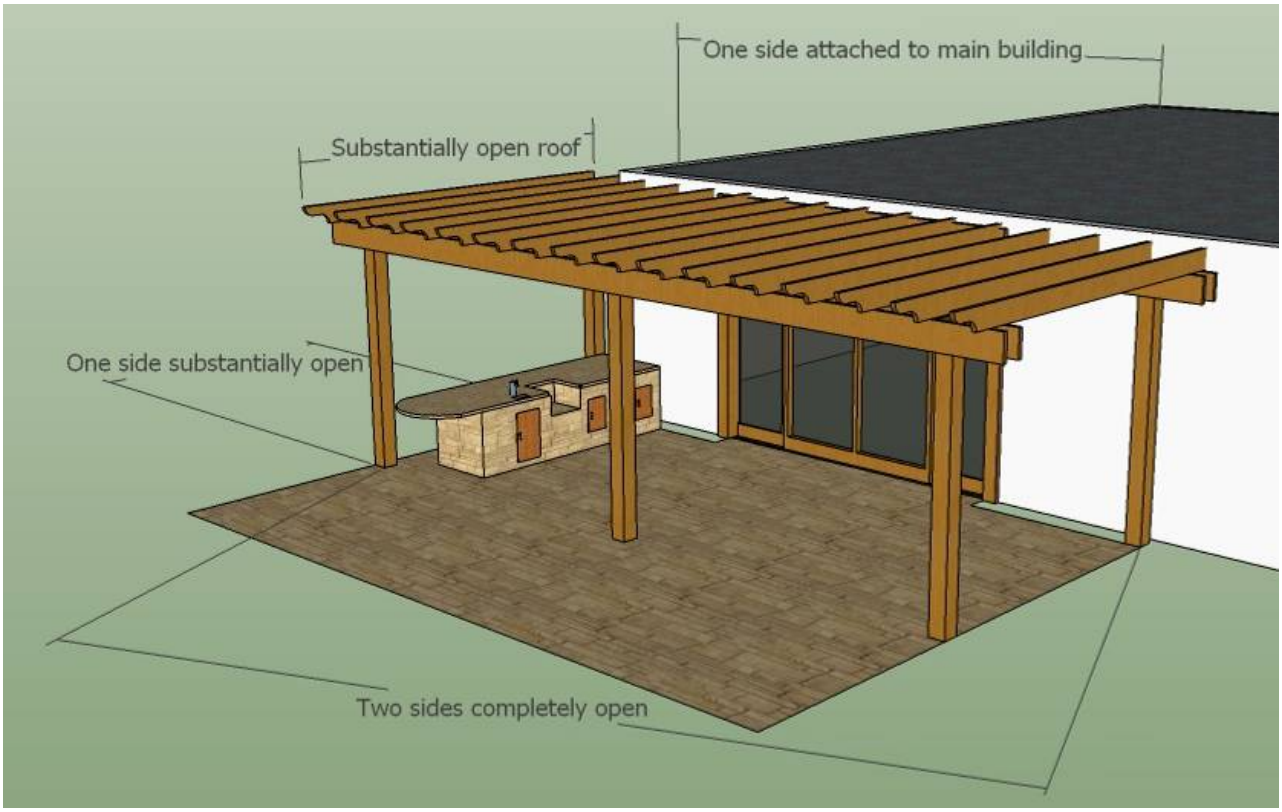
1. Roofed areas open on two or more sides not exceeding five (5) percent of the maximum allowed floor area for the lot plus five hundred (500) square feet (e.g., awning, patio cover, covered walk); and

2. Structures, open on all sides, with substantially open roofs (e.g., trellis), that meet the following criteria:

a. No more than one side of the structure is attached to the main building and no more than one side of the structure is enclosed by small structural features (e.g., outdoor kitchens/b-b-qs, fire pits/ fireplaces, cabinets), provided that on the side with the structural feature at least fifty (50) percent of the side is still open (see figure 17.40.040-2 (Attached Trellis Exempt from Floor Area Requirement); or

b. No more than two sides shall be partially enclosed with small structural features (e.g., outdoor kitchens/barbeques, fire pits/ fireplaces, cabinets), provided that at least fifty (50) percent of both sides are still open and the other two sides are completely open.

Figure 17.40-040-2
Attached Trellis Exempt from Floor Area Requirement



H. Windows. Accessory buildings and structures may include windows and/or skylights, except that no window openings that face the side or rear property line shall be located over nine (9) feet above the ground level.

I. Lighting. All lighting on accessory buildings and structures that are located outside of the main building area shall be shielded or downlit and shall not shine onto adjoining properties.

J. Temporary Habitation. Temporary habitation of an accessory building or structure is permitted for a period of no more than thirty (30) days in any calendar year (consecutive or intermittent). Temporary habitation of an accessory building for more than thirty (30) days may be permitted upon issuance of a Conditional Use Permit when the main building is vacant for remodeling or other similar purposes.

17.40.050 Development Standards for Specific Types of Accessory Buildings and Structures *(Previously 17.36.070 through 140, and 165)*

In addition to the development standards of section 17.40.040 (General Development Standards), the following accessory buildings and structures have special standards and regulations:

A. Athletic Courts. Any athletic court shall be considered an accessory structure and may be located in areas permissible for accessory buildings and structures. Athletic courts may also be located on other portions of the lot, where accessory buildings and structures are normally prohibited, only upon issuance of a special structure permit; however, in no event shall an athletic court be closer to any side or rear property line than specified in Table 17.40.040-1 or closer to the front property line than the minimum front yard setback line of the main dwelling. Any athletic court shall be constructed or erected in accordance with the following standards:

1. No enclosure or partial enclosure for an athletic court shall be permitted within ten (10) feet of any side or rear property line or closer to the front property line than the front setback line.

2. No enclosure or partial enclosure of an athletic court shall be permitted to exceed nine (9) feet in height from finished grade with the exception of a basketball backboard which is a part of the enclosure.

3. Nets (with the exception of basketball goal nets) which exceed nine (9) feet in height from finished grade shall be removed or lowered to less than nine (9) feet in height when not in use.

4. A structure which is used as a practice board or court wall shall be constructed of a minimum six-inch-thick masonry material unless located a minimum sixty (60) feet from any property line.

5. No artificial lighting shall be constructed to illuminate an athletic court.

6. No lighting system or light elsewhere on the property (e.g., landscape lighting, porch lighting) shall be used to illuminate an athletic court. (Ord. 442 § 9, 1989; Ord. 434 § 16, 1988: Ord. 407 § 10-1, 1985

B. Arbors and Trellises. Arbors, trellises, and pergolas are subject to the same development standards as other accessory structures listed in section 17.40.040 (General Development Standards). This includes adhering to the minimum setback standards and the maximum structure height of fifteen (15) feet and maximum sidewall height of eleven (11) feet (e.g., columns and posts are allowed to a maximum of eleven (11) feet and pitched roofs are allowed to a maximum of fifteen (15) feet). However, arbors, trellises, pergolas, and other such structures may be

constructed without regard to the setback requirements if conforming to all of the following:

1. One or more such structures may be built in front of the required accessory structure front setback, provided that such structures shall not exceed twelve (12) feet in height, eight (8) feet in width, nor a total for all such structures of eight (8) feet in length (see figure 17.40.050-1 - Setback Standards for Arbors and Trellises);

2. Is not located closer than ten (10) feet to any property line other than a public right-of-way (see figure 17.40.050-1 - Setback Standards for Arbors and Trellises);

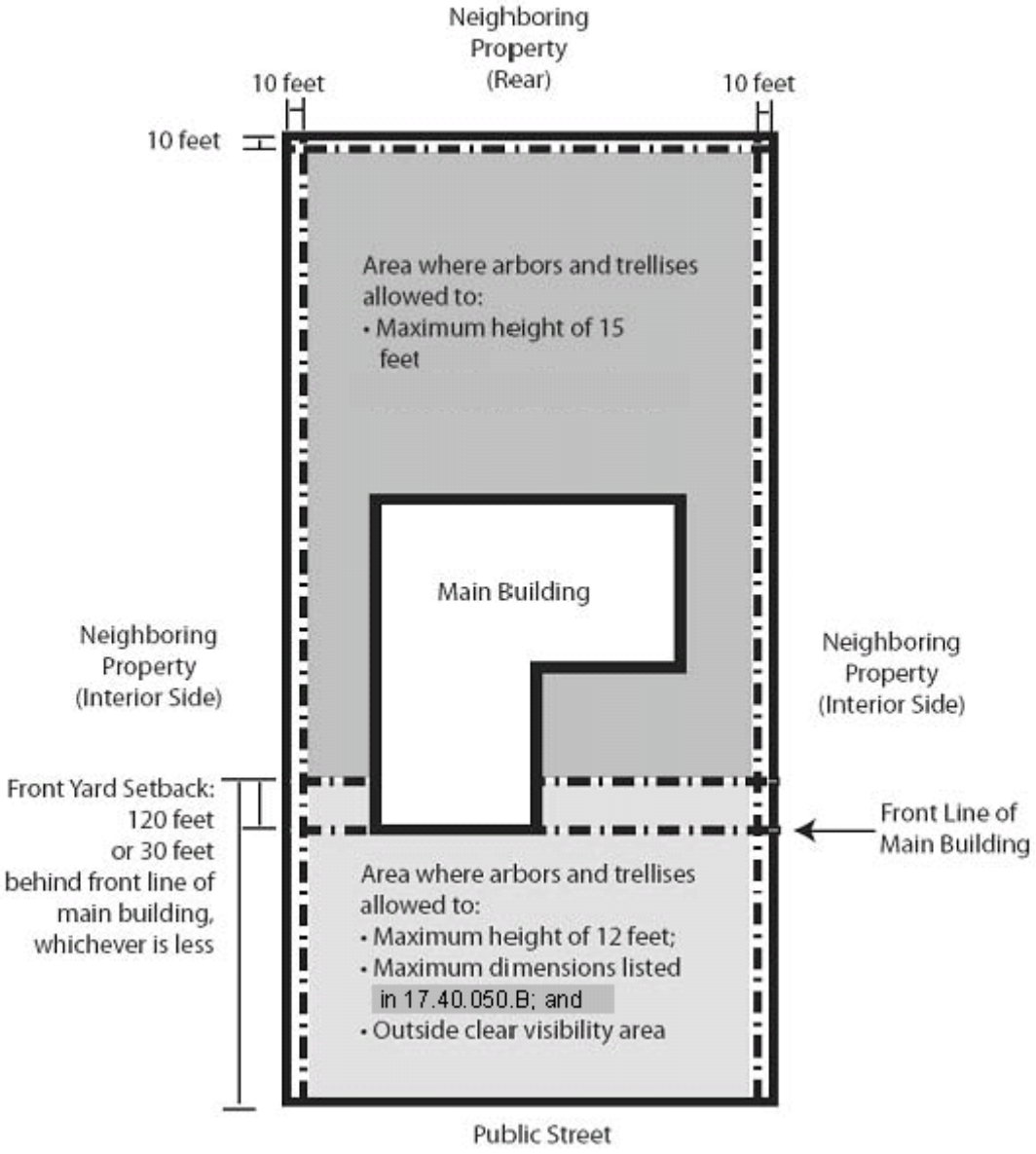
3. Is substantially open to the passage of light and air in all aspects;

4. Is located outside of the clear visibility area; and

5. Is expressly for the purpose of and used for supporting vines, roses, or other vegetation (except trees and/or tree limbs).

6. Lighting shall be shielded or downlit so the source of the light is not visible from other properties.

Figure 17.40.050-1
Setback Standards for Arbors and Trellises for Interior Lots



C. Roof-mounted Antennas. Roof-mounted antennas are only permitted when the boom and any active elements of the antenna array are not more than fifteen (15) feet in length and meet the following conditions:

1. That the antenna be attached to a structure that conforms to this zoning code or to a conforming portion of a nonconforming structure;

2. That it be located so it is shielded in so far as practicable by the structure or landscaping from the view of adjacent property and any public street, park, facility, or right-of-way;

3. That it not exceed the height limit applicable to the structure to which it is attached, with the exception that if a special structures permit is granted so providing, an antenna with the capability of being retracted to a height less than that allowed for the type of building on which it is mounted may exceed the height limit during the actual use for transmitting and receiving.

4. Each antenna shall be constructed of low-visibility materials and shall be finished with a low-visibility, nonglare paint or other finish, consistent with its location and surroundings.

5. Roof-mounted amateur radio antennas provide an essential telecommunication service during periods of disaster and other emergency conditions and are therefore exempt from the provisions of this chapter when in compliance with the following standards:

   a. The antenna is forty-five (45) feet or less in height as measured from the ground to the height point of the antenna, unless the tower is equipped with a lowering device (motorized or mechanical) capable of lowering the antenna to the maximum permitted height when not in operation, in which case the antenna must be not more than seventy-five (75) feet in height.

   b. The operator registers their amateur radio antenna, including type of antenna (e.g., fixed or retractable) and height, with the town.

   c. Consistent with federal law, additional height may be permitted through issuance of a special structures permit, provided the approval authority makes a specific finding that the requested height for the amateur radio antenna is needed to enable communication between antennas.

D. Ground-mounted Antennas. A ground-mounted antenna is only permitted when the following conditions are met:

1. That the antenna be located in the rear yard.

2. That it meets all requirements of this chapter for accessory buildings and structures.

3. That it be screened by fences, buildings, or landscaping from the view of adjacent property and any public street, park, facility, or right-of-way.

4. That it have an antenna height of not more than fifteen (15) feet.

5. Each antenna shall be constructed of low-visibility materials and shall be finished with a low-visibility, nonglare paint or other finish, consistent with its location and surroundings.

6. Ground-mounted amateur radio antennas provide an essential telecommunication service during periods of disaster and other emergency conditions and are therefore exempt from the provisions of this chapter when in compliance with the following standards:

    a. The antenna is not more than forty-five (45) feet in height as measured from the ground to the top of the antenna, unless the tower is equipped with a lowering device (motorized or mechanical) capable of lowering the antenna to the maximum permitted height when not in operation, in which case the antenna must be not more than seventy-five (75) feet in height.

    b. All antenna structures are setback a minimum distance of ten (10) feet from interior property lines.

    c. All antennas are located within an enclosed fenced area or have a minimum five (5) foot tower shield at the tower base to prevent climbing. All active elements of antennas shall have a minimum vertical clearance of eight (8) feet.

    d. The operator registers their amateur radio antenna, including type of antenna (e.g., fixed or retractable) and height, with the town.

    e. Consistent with federal law, additional height may be permitted through issuance of a special structures permit, provided the approval authority makes a specific finding that the requested height for the amateur radio antenna is needed to enable communication between antennas.

E. Pools and Spas. A pool or spa shall be located within the area generally allowed, identified in Table 17.40.040-1 (General Setback Standards for Accessory Buildings and Structures) and figure 17.40.040-1 (General Setback Standards for Accessory Buildings and Structures for Interior Lots). However, upon issuance of a special structure permit, a pool or spa may be located up to ten (10) feet from side and rear property lines and between the front yard setback line and the front line of the main structure.

F. Pool Equipment Operation. No pumping, filter, or similar equipment shall be operated between the hours of eight (8) p.m. and eight (8) a.m., and all permits for the erection of pumping, filter, or other similar equipment shall include the installation of an automatic timing device adjusted to ensure such hours of operation. (Ord. 407 § 7-3, 1985)

G. Inflatable Covers.

1. Screening. Inflatable covers shall be screened from public view or view from other properties.

2. Height. No inflatable cover shall exceed nine (9) feet in height as measured from the ground.

3. The designated approval authority (the planning commission as described in Table 17.06.070-1), in approving the special structures permit, may establish time limits on the permit and other conditions as deemed appropriate by the approval authority.

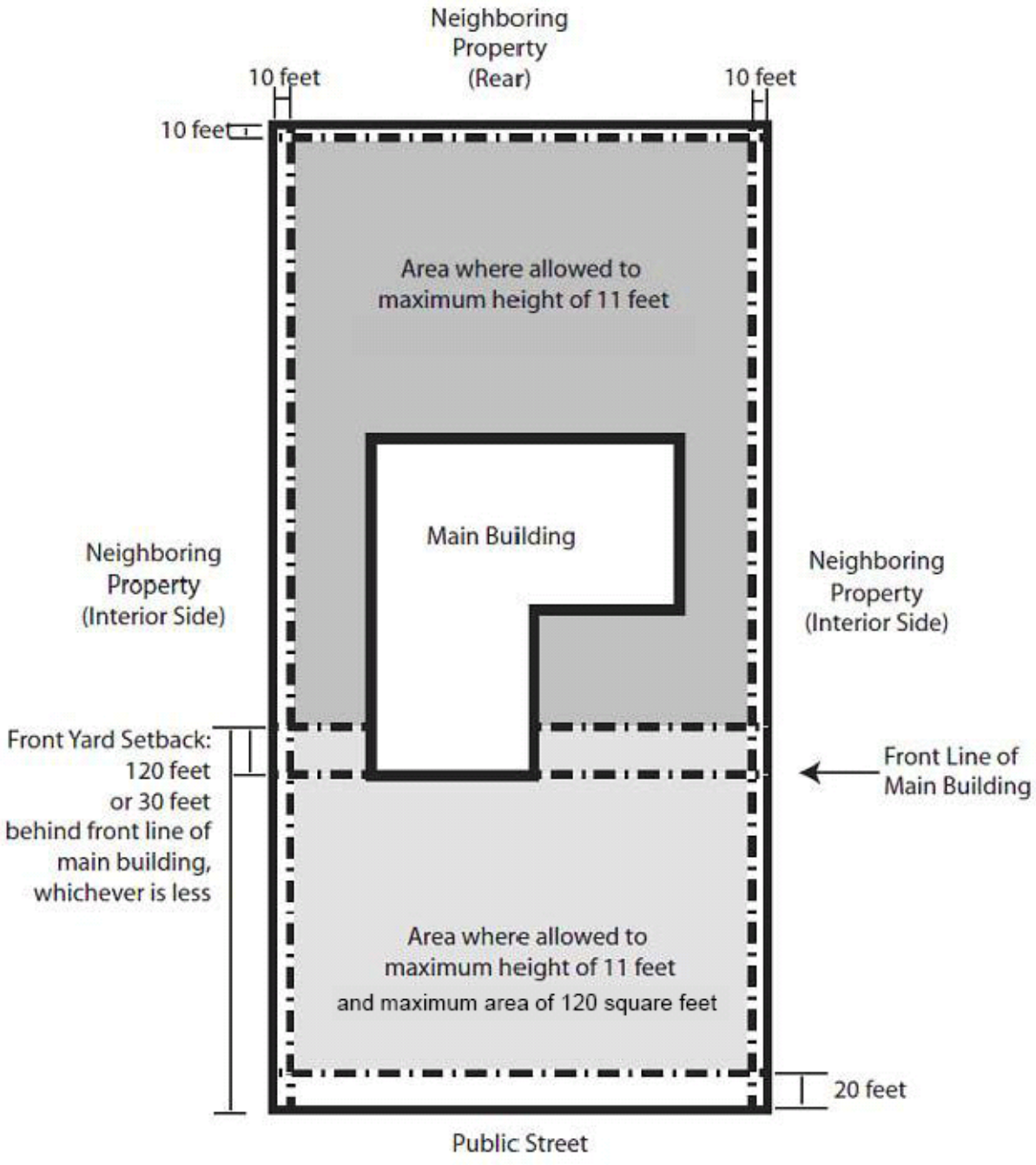
4. Existing inflatable covers in use at the time of adoption of this title shall be existing nonconforming structures and may continue to be used, provided that they are maintained in the same location and under the same ownership. (date to be inserted)

H. Artwork and Fountains. Consistent with the setback requirements of Table 17.40.040-1 (General Minimum Setback Standards for Accessory Buildings and Structures), artwork and fountains are permitted in the following lot areas, consistent with specified development standards:

1. Front Yards. Artwork and fountains may be located in required front yard areas provided they are set back twenty (20) feet from the front property line, are no taller than eleven (11) feet in height, and are not more than one hundred twenty (120) square feet in total area (see figure 17.40.050-2 (Setbacks for Artwork and Fountains)).

2. All other areas. Artwork may be located in side and rear yard areas provided they are set back from property lines consistent with Table 17.40.040-1 (General Setback Standards for Accessory Buildings and Structures) and are no taller than eleven (11) feet in height (see figure 17.40.050-2 (Setbacks for Artwork and Fountains)).

Figure 17.40.050-2
Setbacks for Artwork and Fountains



I. Solar facilities other than pumps for water heaters not exceeding six (6) feet in height are exempt from the minimum ten (10) foot side yard requirement.

Chapter 17.42 Building Height and Measurement *(New chapter)*

Sections:

17.42.010 Purpose (New section)
17.42.020 Building Height (New section)
17.42.030 Height Measurement (Previously 17.08.070)
17.42.040 Exceptions to Height Limit (New section)

17.42.010 Purpose *(New section)*

This chapter describes the required methods for measuring the height of structures in compliance with the height limits and exceptions as established by this zoning code.

17.42.020 Building Height *(New section)*

A. Except as otherwise provided in section 17.42.040 (Exceptions to Height Limit for Main Structures), the height of structures shall not exceed the height limit for the applicable zoning district established by article II.

B. Additional height provisions for fences and walls are listed in chapter 17.46 (Fences and Walls).

C. Additional height provisions for accessory buildings and structures are listed in chapter 17.40 (Accessory Buildings and Structures).

17.42.030 Height Measurement (*Previously 17.08.070*)

A. Height Measurement Generally. The allowable height shall be measured as the vertical distance at any point from the average natural grade within the building pad area to the topmost portion of the building or structure including structural framing and roof covering material. Continuous decorative roof elements, including but not limited to widow walks and railings, shall be included in the maximum building height. Height measurement shall not prohibit any portion of the building measuring fifteen (15) feet or less in height as measured from the finished ground surface adjoining the wall (referred to as the height differential). Natural grade shall mean the original condition of the ground surface as it existed prior to mechanical grading or disturbance. Where the original condition of the ground surface cannot be determined, the town planner may approve a topographic survey of the property prepared by a registered civil engineer or licensed land surveyor indicating the approximate original condition of the ground surface of the site as can best be determined from record and survey data. Average natural grade shall mean the average elevation of the natural grade based upon twelve (12) points of measure along the perimeter of the building prior to any cut and fill. Each point of measure shall be located (first) at every corner of the building and (second) every thirty (30) feet along continuous walls with lengths over fifty (50) feet. A corner shall mean a change in the wall plane of thirty (30) degrees or more. However, if a building has more than twelve (12) corners, then each corner shall be a point of measure regardless of the twelve (12) point requirement. The points shall be determined by starting at the most northerly corner of the building or structure as determined by magnetic north then moving clockwise around the building or structure. The calculation of the average shall be based on the following formula:

Elevation of point A + Elevation of point B…÷ the number of points =Average Natural Grade

See figure 17.42.030-1 (Elevation Points on a Parcel) for a representation of the elevation points located on a parcel and figure 17.42.030-2 (Height Measurements for Primary Structures).

Figure 17.42.030-1
Elevation Points on a Parcel

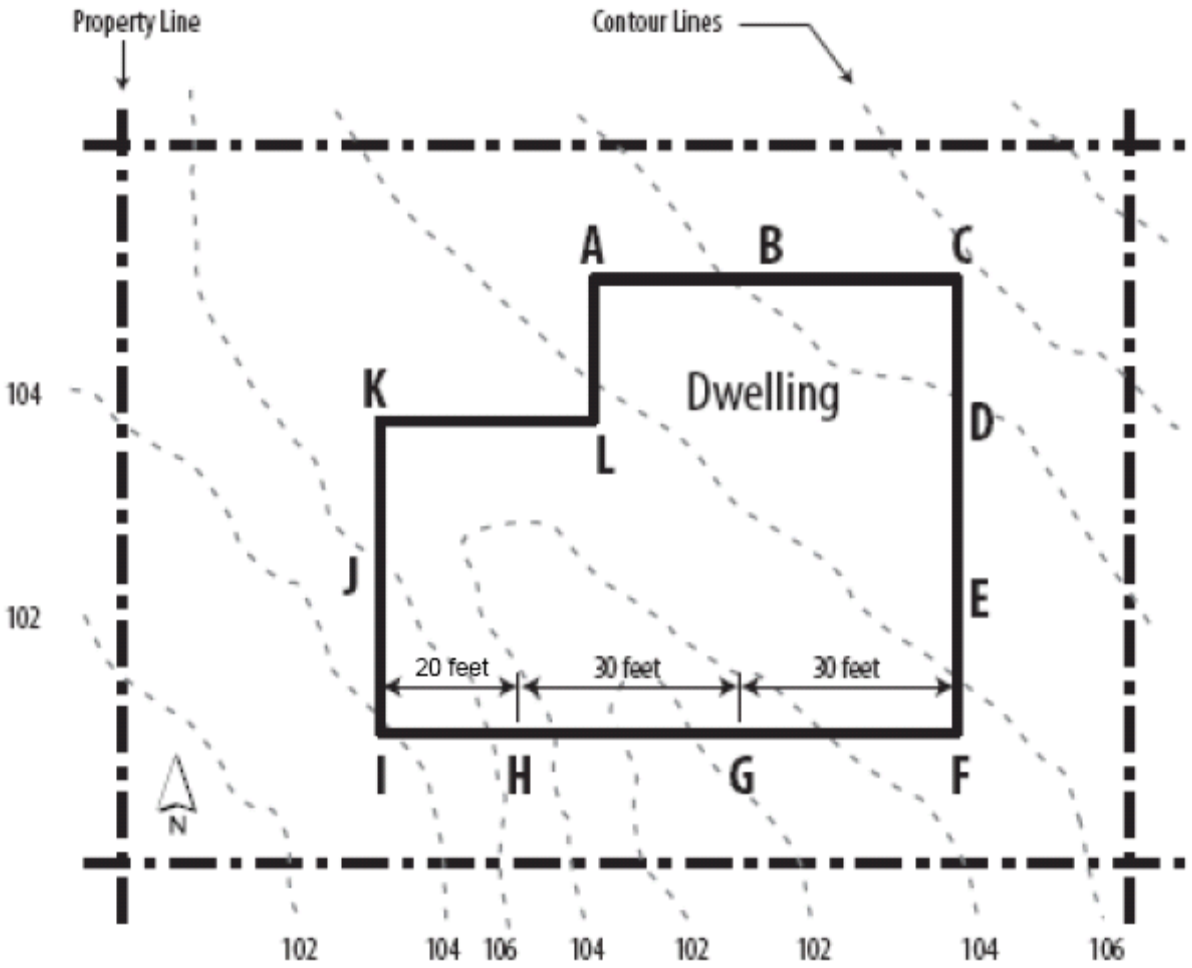
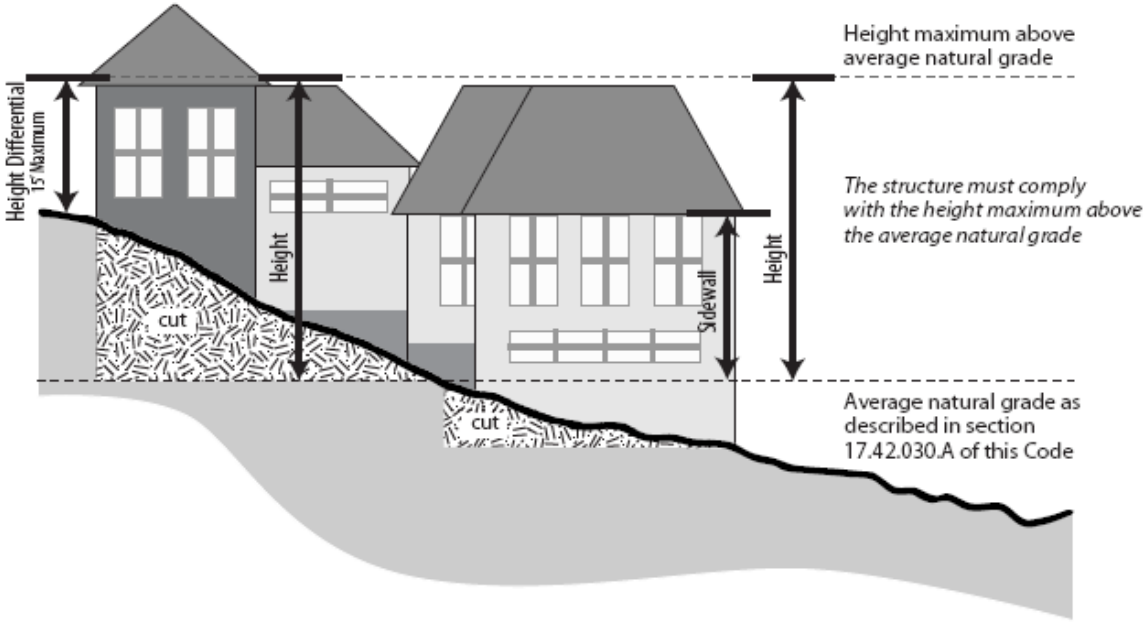


Figure 17.42.030-2
Height Measurements for Primary Structures



1. The building permit set of plans shall include the calculations determining the average natural grade for the property, including the locations and elevations of the natural grade elevation points around the perimeter of the building footprint.

2. Certification by the applicant's civil engineer (or licensed land surveyor) that the existing conditions topographic map accompanying the building permit set of plans shows natural grade as defined in the ordinance.

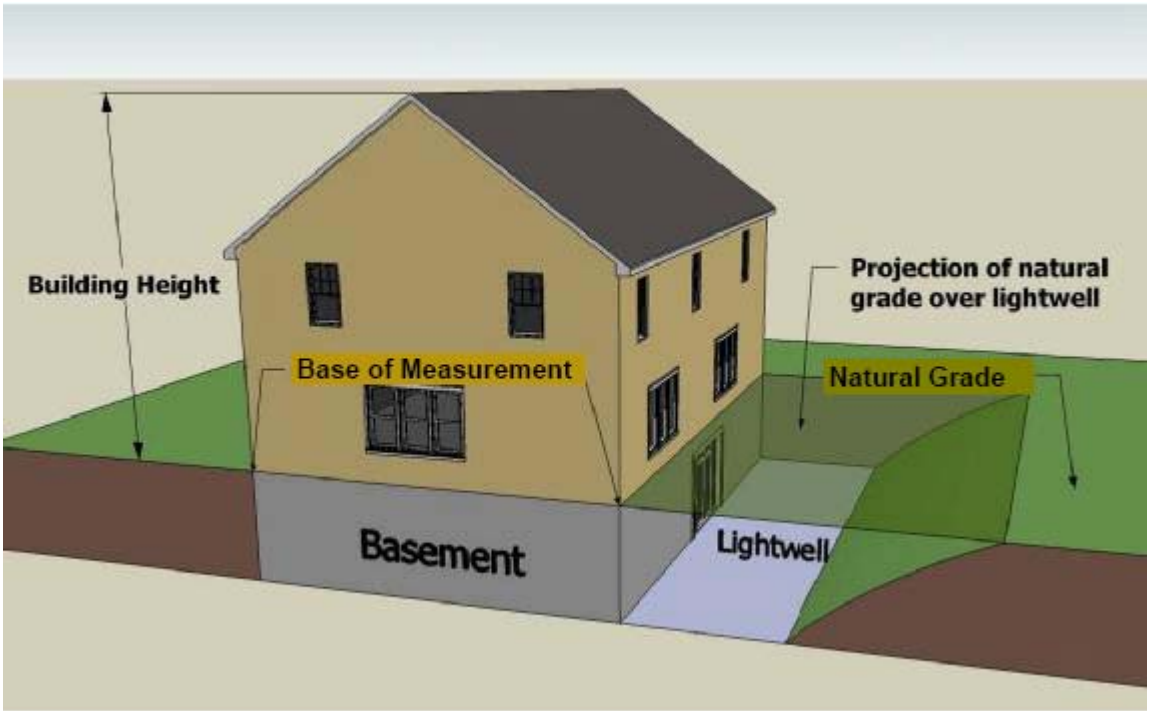
3. A certification by the applicant's civil engineer (or licensed land surveyor) that, at the time of the roof framing inspection, the height of the building does not exceed the allowable height as specified in the ordinance. That certification shall be accompanied by survey notes or other similar data to permit verification of the calculations by a third party. Additionally, a "non-removable benchmark elevation marker" shall be placed on the site and noted on all plans submitted.

4. Upon submission of a civil engineer's report that finds a substantial portion of the buildable area of a lot is subject to inundation, the building pad can be raised up to one (1) foot above the engineered flood level. The height of any building or structure placed on this raised pad shall be calculated from the new pad grade, rather than the previous existing grade. The addition of fill to the site shall not negatively impact the potential allowed height of any building or structure.

B. Height Measurements for Basements. When a building includes a basement, as defined in this title, the height of the building shall be measured as described in 17.42.030.A. Where a home with a basement includes a lightwell, stairwell, driveway

access, or other excavated feature, the height shall be measured from that point on the building where the natural grade would be if the lightwell or other excavated feature were not developed. See figure 17.42.030-3 (Height Measurement for Basements).

Figure 17.42.030-3
Height Measurement for Basements



C. Height Measurement for Sidewalls. The height of sidewalls shall be measured from the average natural grade to the base of the roof plate directly above.

17.42.040 Exceptions to Height Limit for Main Structures *(New section)*

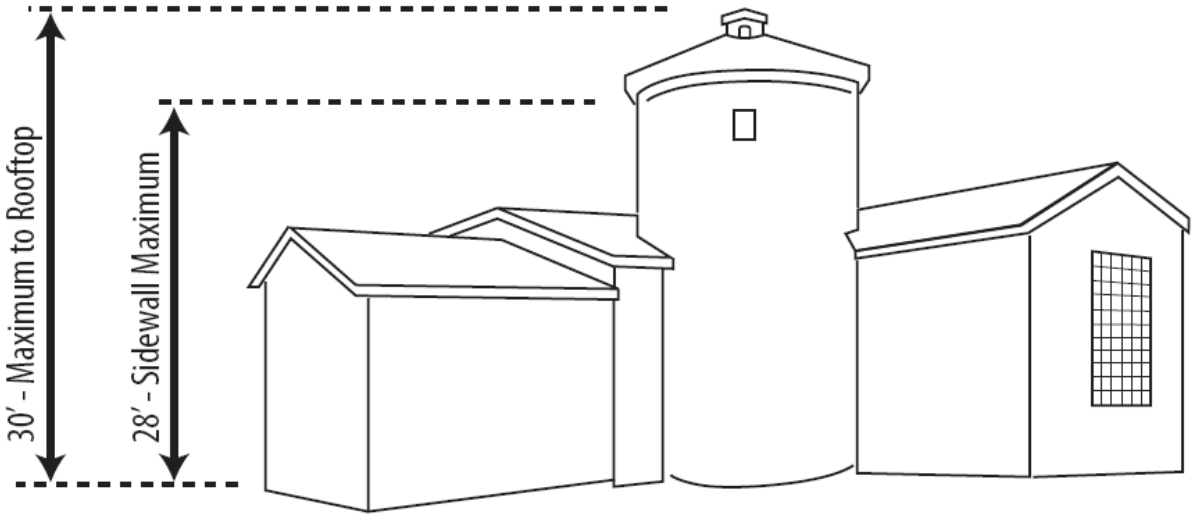
Exceptions to height limits on main structures include:

A. Chimneys located on the main residential structure, provided they do not exceed six (6) feet in height above the roofline of the structure

B. Solar panels may extend above the height limit for the zoning district subject to standards and regulations that ensure that the panels will not have a specific, adverse impact upon the public health or safety, as defined by State law.

C. On main buildings, architectural projections (e.g. towers, cupolas) individually totaling no more than four hundred (400) square feet in footprint area are allowed to extend from the main building to a maximum of twenty-eight (28) feet to the sidewall and thirty (30) feet to the roof top. See figure 14.42.040-1 (Allowed Tower/Stairwell Height).

Figure 17.42.040-1
Allowed Tower/Stairwell Height



D. Exception for vertical projections. Vertical architectural projections on accessory buildings and structures (e.g., cupolas, spires, towers) may exceed the maximum height by two (2) feet, up to a maximum of seventeen (17) feet, provided that the footprint of the projection is not more than five (5) percent of the total footprint of the building.

Chapter 17.44 Basements *(Previously 17.36)*

Sections:

17.44.010 Purpose *(New section)*
17.44.020 Definitions *(Previously 17.08.054 and 290)*
17.44.030 Locations for Basements *(Previously 17.36.190.A)*
17.44.040 Floor Area Calculations *(Previously 17.36.190.B)*
17.44.050 Lightwells, Stairwells, and Other Excavated Features *(New section)*
17.44.060 Design Requirements *(Previously 17.36.190.C)*

17.44.010 Purpose *(New section)*

The purpose of this chapter is to provide for the regulation of basements on residential property. The intent is to regulate the location and size of basements and the orientation and screening of driveway approaches leading to basement garages.

17.44.020 Definitions *(Previously 17.08.054 and 290)*

Terms that are relevant to this chapter are defined in chapter 17.60 (Definitions).

17.44.030 Locations for Basements *(Previously 17.36.190.A)*

A. **Basements Under Main Buildings.** Basements are permitted under a main building. The total allowed floor area for all basements under a main building shall be the same as the total floor area of the first floor of the building (e.g., maximum floor area for basements under a main building is one hundred (100) percent of the floor area of the first floor of the main building). Additionally, the location of all basements as part of a main building shall be limited to the boundaries of the footprint of the first floor of the main building. However, because not all main buildings are exact rectangles, the approval authority (the planning commission as described in Table 17.06.070-1) may allow, through issuance of a special structures permit, exceptions to this rule when within the following parameters:

1. The total floor area of basements shall not exceed one hundred thirty (130) percent of the total floor area of the first floor of the main building; and

2. A minimum of seventy five (75) percent of the total area of the basements shall be located directly under the footprint of the first floor of the main building; and

3. Portions of basements that are not located directly under the footprint of the first floor of the main building shall only be allowed in such locations when they are still within the extents of the main building (e.g., "squaring off" the basement).

B. **Basement under Accessory Buildings.** Basements may be located under the footprint of accessory buildings outside of the main building area with a special structures permit from the approval authority with the finding that the basement will not impact heritage trees and the condition that lightwells be located on the interior side of the yard. The approval authority may impose reasonable conditions

including, but not limited to, increased setbacks and limitation on the size of lightwells.

C. **Garages in Basements.** Garages may be located in basements under buildings located within the main building area.

17.44.040 Floor Area Calculations *(Previously 17.36.190.B)*

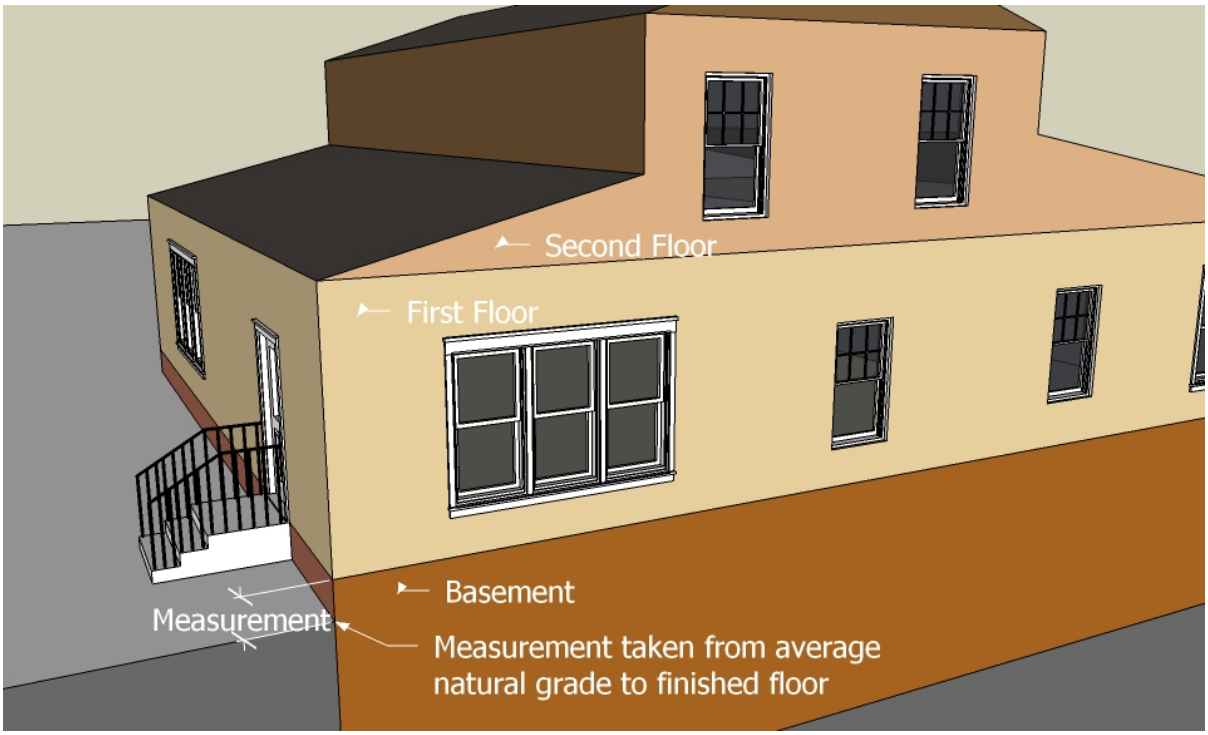
The following rules shall apply to the calculation of floor area ratio relative to basements:

A. In instances where a building has a basement and the measurement of the vertical distance between the average natural grade of the site to the finished floor of the first story measures less than two (2) feet, the basement area shall not be included in the calculation of floor area (see figure 17.44.040-1 (Basements and Floor Area)).

B. In instances where a building has a basement and the measurement of the vertical distance between the average natural grade of the site to the finished floor of the first story measures more than two (2) feet, the basement area shall be included in the calculation of floor area (see figure 17.44.040-1 (Basements and Floor Area)).

C. Exceptions to the requirement of this section for hillside properties (where the average cross-slope is greater than twenty (20) percent as determined under section 16.24.050 (Lot Size Requirements) of the town municipal code) may be permitted upon issuance of a special structure permit, provided landscape screening is maintained.

Figure 17.44.040-1
Basements and Floor Area



17.44.050 Lightwells, Stairwells, and Other Excavated Features in R-1B and smaller lots in the R1-A

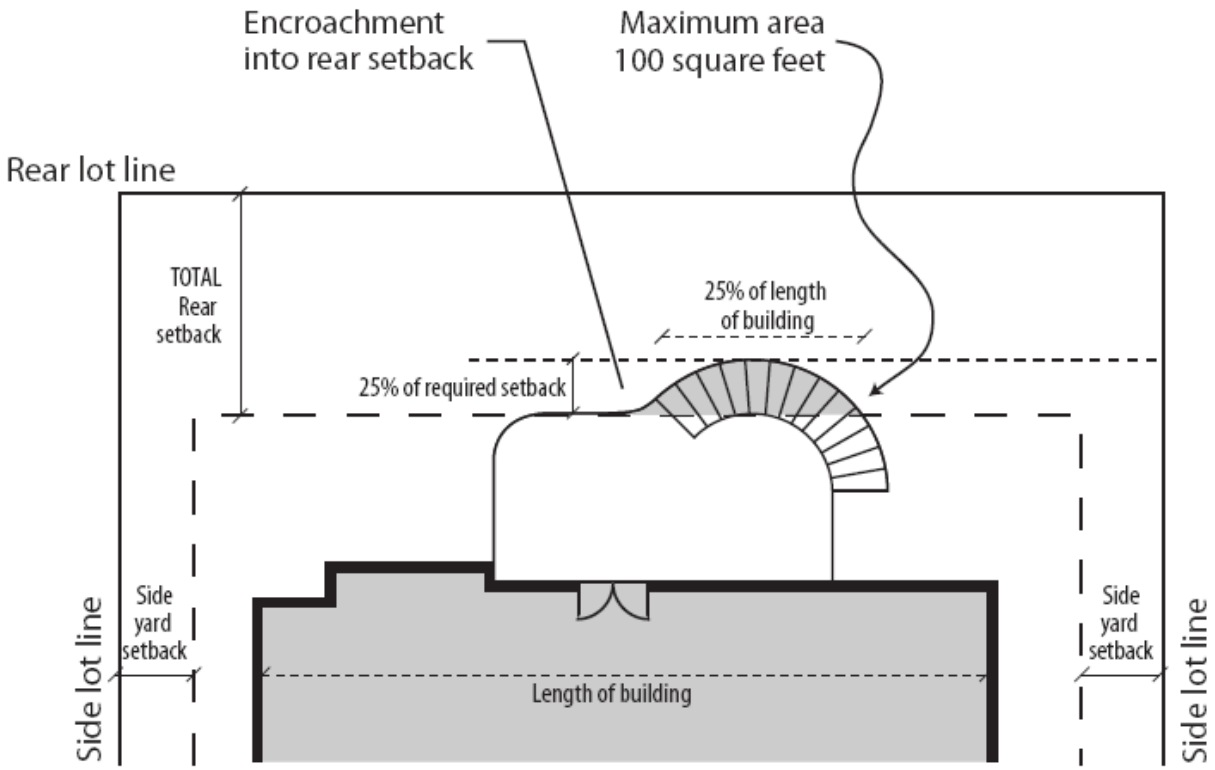
In the R-1B district and for lots with an area of less than 10,000 square feet in the R1-A district, excavated features such as lightwells are allowed to encroach into side and rear yards up to twenty-five (25) percent of the total required side and rear setbacks for primary buildings (see figure 17.44.050-1, Lightwell Exemption), provided landscape screening is maintained between the feature and the adjacent property line and there is no impact to heritage trees. The following provisions shall apply:

A. In residential district R-1B and for lots with an area less than 10,000 square feet in the R1-A district, an encroachment into both rear and interior side yards cannot exceed twenty-five (25) percent of the length of the side of the building to which it is adjacent and a total area of one-hundred (100) square feet.

B. The encroachment is measured to the face of the retaining wall, rather than to the back of the wall.

C. These provisions do not apply to accessory buildings. Lightwells for these structures may only be allowed facing towards the interior of the lot and may not exceed the minimum setbacks for the accessory building.

Figure 17.44.050-1
Lightwell Exemption



17.44.060 Design Requirements *(Previously 17.36.190.C)*

A. The side(s) of a basement not wholly or otherwise substantially underground (e.g., greater than eighty (80) percent) may not be located facing any side of a lot that abuts a road.

B. Except as provided in section 17.44.050 (Lightwells, Stairwells, and Other Excavated Features), areas for stairways and lightwells for basements in the main building area may extend beyond the footprint of buildings, but shall be limited to the main building area. *(Previously 17.36.190.C.1)*

C. Driveway approach for garages in basements shall be screened from the public right-of-way by design, landscaping, or a solid wall and gate. The driveway approach shall not negatively impact heritage trees. *(Previously 17.36.190.C.2)*

Chapter 17.46 Fences and Walls *(Previously 17.36)*

Sections:

17.46.010 Purpose *(New section)*
17.46.020 Permit Requirements and Exemptions *(Previously 17.36.150)*
17.46.030 Development Standards *(Previously 17.36.150)*
17.46.040 Entry Gate and Post Requirements *(Previously 17.36.160)*
17.46.050 Operation and Maintenance Provisions *(Previously 17.36.150.E)*

17.46.010 Purpose *(New section)*

This chapter provides regulations for the installation, construction, and placement of fences on private property. For the purposes of this zoning code, the term "fence" includes fences or walls. It is the intent of this chapter to regulate the height and location of fences to provide privacy and establish buffers between properties.

17.46.020 Permit Requirements and Exemptions *(Previously 17.36.150)*

A. Zoning Clearance Required. Except as otherwise exempted below, zoning clearance shall be required for all fences, walls, entry gates, posts, decorative features, and similar structures. Each application shall be filed with the town planner on a prescribed form, together with all fees, plans, maps, and any other information required by the office of the town planner.

1. Fences located between two private properties and not adjacent to a public street may be up to six (6) ~~eight (8)~~ feet in height. ~~The following additional information shall be provided with the application for zoning clearance:~~

   - ~~Written recordable consent of both property owners;~~
   - ~~Property line boundary survey, prepared by a California licensed surveyor;~~
   - ~~Building permit; and~~
   - ~~An indemnity agreement or other assurances satisfactory to the city manager and city attorney may be required.~~

B. Special Structure Permit Required. A special structure permit is required for retaining walls that are taller than six (6) feet in height or located less than twenty (20) feet from other retaining walls on the same property; otherwise, only a building permit is required.

C. Exemptions. The following walls and fences are exempt from permit requirements.

1. A wall supporting a permitted structure.

2. Fences not over six (6) feet in height on private property and at least ten (10) feet from the public right-of-way.

3. Temporary fences around a construction site.

17.46.030 Development Standards (*Previously 17.36.150*)

A. Maximum Allowed Heights. Fences and walls shall not exceed the maximum heights shown in Table 17.46.030-1 (Maximum Height of Fences and Walls).

Table 17.46.030-1
Maximum Height of Fences and Walls

Location of Fence/Wall	Maximum Height[1]
Generally along all property lines, unless otherwise indicated below[5]	6 feet ~~/ 8 feet~~[5]
Coincident to Town boundary[1]	8 feet
Along lot lines adjoining a public or private school or the railroad right-of-way	8 feet
Along regulated streets[2]	6 feet / 8 feet[2]
At front lot line or along public streets	6 feet
At street intersections within clear visibility area: see chapter 17.60	3 feet
Retaining walls[3]	6 feet
Wing walls[4] on other parts of a lot	6 feet
Interior fences or walls	6 feet

Notes:

1. Lot boundaries coincident to the town's boundary but facing a street shall be a maximum of six (6) feet high.

2. On those lots adjoining any of the following streets, a fence or wall may be constructed to a height of six (6) feet above the elevation of the natural grade upon which it stands or eight (8) feet above the elevation of the centerline of the adjacent pavement or such boundary, whichever is higher:

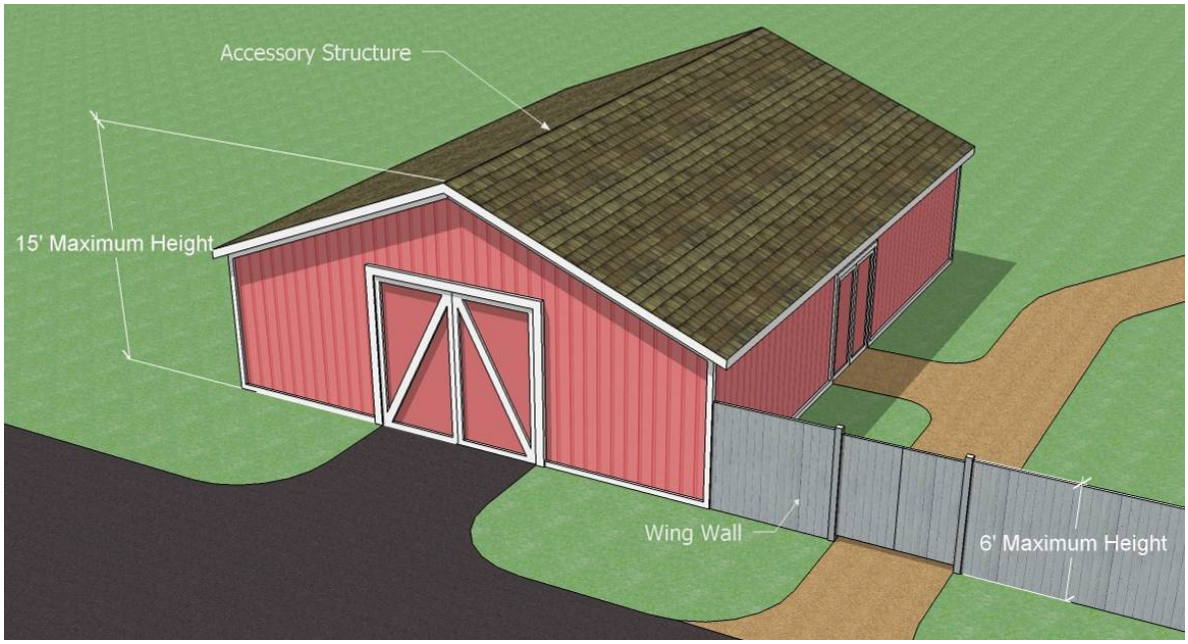
   A. El Camino Real
   B. Marsh Road
   C. Middlefield Road
   D. Valparaiso Avenue
   E. Alameda de la Pulgas
   F. Bay Road
   G. Ringwood Avenue (Previously 17.32.150.B.1)

3. Excludes basements and underground driveway approaches.

4. Wing walls are walls of buildings that extend past the eave. They do not provide support to the building. See figure 17.46.030-1 (Wing Walls).

5. ~~For eight (8) feet tall fences, see 17.46.020A.1~~.

Figure 17.46.030-1
Wing Walls



B. Height Measurement. In all areas except for the required clear visibility area, fence height shall be measured from the natural grade at the base of the fence to the uppermost part of fence. Within the clear visibility area, fence height shall be measured from surface of the closest adjoining pavement to uppermost portion of the fence.

C. Fence/Wall Design Compatibility. In considering whether to issue a permit for such a fence or wall, the town planner shall ensure that it can meet each and all of the following criteria: *(Previously 17.36.150.B.3)*

1. Uniform Design and Appearance. With the exception of renovations and additions to the portion of Lindenwood Wall located along Middlefield Road, any fence or wall shall be of uniform design, construction, and appearance. A fence or wall shall be constructed from the ground level, unless it is an addition to the top of an existing fence or wall. An addition shall be of the same design and feature the same material(s) and color(s) as the existing fence or wall, ensuring that the resulting fence or wall shall appear to have been constructed as a single project. *(Previously 17.36.150.B.3.a)*

2. Landscape Requirements. A fence or wall greater than six (6) feet in height shall be shielded from the public view by plants installed at the time of construction. The selected species shall reach the height of the fence or wall within three (3) years of planting. *(Previously 17.36.150.B.3.b)*

D. Retaining Walls. Retaining walls shall be located no closer than five (5) feet from any property line. Except for basements and underground driveway approaches, the

maximum height of the retaining walls shall not exceed six (6) feet solid wall construction, with a maximum three-foot-high safety fence on top. A safety fence guard rail shall be placed on top of a retaining wall with a minimum height of forty (40) inches where the edge of the wall is part of a pedestrian path. The safety fence shall be substantially open to light and air in compliance with applicable safety codes. Retaining walls shall be constructed no closer than twenty (20) feet from one another on the same property, except that for every one foot decrease in height of the retaining wall from the six (6) foot maximum, the minimum spacing may be reduced by four (4) feet, provided the next closest retaining wall is of the same or shorter height. For example, a five (5) foot tall retaining wall may be located sixteen (16) feet from another retaining wall five feet tall or less. However, upon issuance of a special structures permit, the designated approving authority (the planning commission as described in Table 17.06.070-1) may allow for taller retaining walls or retaining walls located less than twenty (20) feet apart.

17.46.040 Entry Gate and Post Requirements *(Previously 17.36.160)*

Entry gates, posts, and decorative features in excess of the height limits established in Table 17.46.030-1 (Maximum Height of Fences and Walls), but not exceeding ten (10) feet in height, shall be permitted upon the issuance of a building permit. The width of the posts and columns incorporated in fences and walls shall not exceed thirty-three (33) percent of the built height. The height of the wall may transition from the column height to the wall height over a distance not to exceed twenty (20) feet in length.

It is permissible to maintain a light ~~that is shielded or down lit~~, not exceeding eighteen (18) inches in height, at the top of any entry gate post or fence/wall column. However, in no instance shall the top of an entry gate post of a fence/wall column, including the light, exceed ten (10) feet in height. There shall not be more than two (2) lights per entrance. ~~Light spill shall not exceed a twenty-five (25) foot radius or the crown of street, whichever is greater.~~

~~Entry gates shall be located a minimum of twenty (20) feet from the edge of the adjacent paved roadways. The intent is to provide the necessary space so a vehicle can stay clear of vehicle travel lanes.~~

Key pads for gates shall be located to allow vehicles to use the pad without encroaching into the street travel way.

17.46.050 Operation and Maintenance Provisions *(Previously 17.36.150.E)*

A. Maintenance. Fences and walls shall be continuously maintained in an orderly and good condition, at no more than their maximum allowed height.

B. Public Nuisance Declared. Each fence, wall, shrub, or tree constructed or maintained in violation of any of the provisions of this title is declared to be a public nuisance and subject to abatement as such.

Chapter 17.48 Home Occupations *(Previously 17.48)*

Sections:

17.48.010 Purpose *(New section)*
17.48.020 Permit Required – Standards *(Previously 17.48.010)*

17.48.010 Purpose *(New section)*

The purpose of this chapter is to allow limited non-residential uses within a residential neighborhood or zoning district consistent with established criteria to ensure compatibility and to keep the integrity of the surrounding residential uses and character. It will also minimize noise, traffic nuisances, hazardous material use, and other possible side effects of non-residential uses being conducted in residential areas.

17.48.020 Permit Required – Standards *(Previously 17.48.010)*

Home occupations shall be permitted upon issuance of a zoning clearance by the town planner only when that use conforms to all of the applicable following standards:

A. The use is clearly incidental and secondary to the use of the dwelling for dwelling purposes.

B. The use is conducted entirely within a dwelling and is carried on by the inhabitants thereof.

C. No persons other than the inhabitants are employed at the premises in relation to the home occupation.

D. No signs or commercial names are displayed for any purpose on or about the premises.

E. No business address listings are used in telephone or business directories, web sites, advertisements, or similar publications.

F. The use does not change the character of the dwelling or adversely affect the uses permitted in the surrounding district. There shall be no external evidence of business activity.

G. The use creates only infrequent or occasional additional traffic.

H. The entrance to the space devoted to such use is from within the building and no internal or external alterations or construction features not customary in dwellings are involved. (Ord. 407 § 13-1, 1985)

Chapter 17.50 Landscape Screening *(Previously 17.50)*

Sections:

17.50.010 Purpose (*Previously 17.50.010*)
17.50.020 Applicability *(Previously 17.50.020)*
17.50.030 General Requirements *(Previously 17.50.030)*
17.50.040 Maintenance *(Previously 17.50.040)*
17.50.050 Continued Landscaping *(Previously 17.50.050)*
17.50.060 Installation Requirements *(Previously 17.50.060)*
17.50.070 Plant Coverage and Tree Sizes *(Previously 17.50.070)*
17.50.080 Protection of Heritage Trees *(Previously 17.50.080)*
17.50.090 Violation *(Previously 17.50.090)*
17.50.100 Appeals (*Previously 17.50.100*)

17.50.010 Purpose *(Previously 17.50.010)*

The purposes of this chapter are to reduce the impact of structures on neighborhoods and to provide for the maintenance of the individual privacy of homes in a neighborhood to a reasonable degree by requiring landscape screening where appropriate. (Ord. 508 § 1, 1999: Ord. 460 § 2 (part), 1991)

17.50.020 Applicability *(Previously 17.50.020)*

The requirements of this chapter shall apply to the following projects:

A. New construction that exceeds eighteen (18) feet above grade; or

B. New construction of an accessory structure or alteration to an existing accessory structure that is more than six (6) feet above grade and is less than twenty-five (25) feet from a property line; or

C. New construction of an accessory structure or alteration to an existing accessory structure that is ten (10) feet above grade and less than thirty-five (35) feet from a property line.

In the case of additions to existing structures, only those areas adjoining each addition that meet the above criteria are required to be landscape screened. (Ord. 479 § 1, 1994: Ord. 460 § 2 (part), 1991)

17.50.030 General Requirements *(Previously 17.50.030)*

The following general landscape requirements apply to all residential and nonresidential property within the town.

A. All front, side, and rear yards shall be landscape screened as described in this chapter. Front yards contiguous to a street shall not require landscape screening.

B. Plantings shall be provided by the owners and located to reduce the visual impact of structures. Planting with appropriate trees and plants shall be used where necessary to provide privacy. Landscaping on adjacent properties may be taken into consideration.

C. The provisions contained in this chapter are intended to be minimum standards and shall not preclude application of additional requirements where, in the opinion of the town arborist, such additional requirements are necessary to attain the purposes of this chapter and to attain compatibility with the general plan and the goals and policies of the town. (Ord. 508 §§ 2, 3, 1999; Ord. 470 § 1(B),(C), 1992; Ord. 460 § 2 (part), 1991)

17.50.040 Maintenance *(Previously 17.50.040)*

All landscape screening areas shall be maintained reasonably free of weeds, litter, and debris. All required planting shall be maintained in a healthy growing condition and, whenever necessary, replaced with plant materials approved by the town arborists to provide continued conformance with approved plans. All new screening plantings shall be provided with a water-efficient automatic irrigation system to be installed at the time of planting. (Ord. 508 § 4, 1999: Ord. 460 §2 (part), 1991)

17.50.050 Continued Landscaping *(Previously 17.50.050)*

A landscape screening agreement shall be signed by the applicant and shall be submitted to the town before any planning or building application is deemed complete. The purpose of this agreement is to ensure that the landscaping will not be removed at a future date, resulting in a loss of privacy and landscape screening. At no time shall the landscape screening plan be modified or amended in a manner not consistent with the approved plan without prior approval of the town arborist. The intent is to maintain continued landscape screening of property consistent with the objectives of this chapter. Failure to comply with this requirement without first receiving authorization from the town arborist may result in an administrative penalty and fine as established by the city council.

17.50.060 Installation Requirements *(Previously 17.50.060)*

Prior to the final inspection or issuance of a certificate of occupancy (unless delay is authorized by the building official) all required landscape screening shall be installed in conformance with the approved plans. In the case of phased building construction, the town building official may permit phased installation of landscape screening. If the required landscaping is not installed prior to the final inspection, then a minimum five thousand dollar ($5,000) deposit and an agreement in writing, approved as to form by the city attorney, stating that all required landscaping shall be installed within six (6) months, shall be executed by the applicant and submitted to the town before approval of the final inspection or issuance of the certificate of occupancy. (Ord. 508 §6, 1999: Ord. 470 § 1(E), 1992: Ord. 460 § 2 (part), 1991)

17.50.070 Plant Coverage and Tree Sizes *(Previously 17.50.070)*

Plantings shall be sized to adequately screen the proposed structure within a period of five (5) years from the date of issuance of a building permit. The following shall constitute minimum standards for plant coverage and tree sizes:

A. Adequacy of Screening: All plantings shall be of adequate size and spacing to ensure compliance with the screening requirements. A site inspection shall be conducted after a completed landscape screening application has been submitted. It shall be at the discretion of the town arborist to assess the adequacy of the proposed planting to meet the screening requirement.

B. Minimum Tree Size. All trees shall be at least twenty-four (24) inch box container size at the time of installation. Larger trees may be required in the sole discretion of the town arborist where deemed necessary to meet the objectives of this chapter. Fifteen (15) gallon trees or shrubs may be allowed at the discretion of the town arborist, when it can be shown that they will achieve the desired landscape screening requirements. (Ord. 524 § 1, 2001; Ord. 508 §§ 7, 8, 1999: Ord. 470 § (F), 1992: Ord. 460 § 2 (part), 1991)

17.50.080 Protection of Heritage Trees *(Previously 17.50.080)*

Every reasonable effort shall be made to protect heritage trees during the course of construction. Compliance with chapter 8.10 (Removal of and Damage to Heritage Trees) of the town municipal code relating to heritage trees is required. Landscape screening plans shall identify all heritage trees within the construction zone. Each application shall include a tree preservation plan to be implemented during construction. (Ord. 508 § 9, 1999: Ord. 470 § 1(G), 1992: Ord. 460 § 2 (part), 1991)

17.50.090 Violation *(Previously 17.50.090)*

Each violation of this chapter shall constitute a public nuisance and be subject to abatement as such. When, in the opinion of the town arborist or his or her duly authorized representative, this ordinance is not being complied with, the town arborist may issue a stop work order for all construction work on the entire site. (Ord. 508 § 10, 1999)

17.50.100 Appeals *(Previously 17.50.100)*

Any property owner applicant affected by a decision of an official hereunder may appeal such decision to the city council in accordance with the provisions of section 17.06.100 (Appeals) of this title. (Ord. 460 § 2 (part), 1991)

Chapter 17.52 Second Dwelling Units *(Previously 17.36)*

Sections:

17.52.010 Purpose *(New section)*
17.52.020 Allowed Use Provisions *(New section)*
17.52.030 Development Standards *(Previously 17.36.030)*

17.52.010 Purpose *(New section)*

The purpose of this chapter is to regulate second dwelling units in residential zoning districts and on residential property consistent with state law (California Government Code Sections 65852.1 through 65852.2). Implementation of this chapter is intended to provide for additional housing opportunities by increasing the number of units available within existing neighborhoods while maintaining the primarily single family residential character of the area.

17.52.020 Allowed Use Provisions *(New section)*

Second dwelling units shall be allowed in all residential zoning districts in compliance with the development standards set forth in section 17.52.030 (Development Standards) of this chapter.

17.52.030 Development Standards *(Previously 17.36.030)*

A second dwelling unit is permitted provided the following standards are incorporated into the structural design:

A. Maximum Number. Only one second dwelling unit shall be allowed on each lot or parcel.

B. Setback Requirement. Except as otherwise provided herein, each second dwelling unit shall meet all applicable setback requirements in effect for the main residence.

C. Maximum Size. The size of each such second dwelling unit shall not exceed twelve hundred (1,200) square feet, and no unit shall contain fewer square feet than the minimum prescribed by the applicable building code.

D. Owner Occupancy. Either the main residence or the second dwelling unit, or both, shall be occupied by the owner of the property.

E. Parking Requirement. Each second dwelling unit shall have assigned to it one parking space for each bedroom in the second dwelling unit. Parking shall be accessible from a public street and screened from view of the public street.

F. Minimum Lot Size if Attached. Second dwelling units that are to be incorporated into or added to existing residence structures (e.g., attached to the main residence) shall be permitted only on lots that are larger than one-half (0.5) acre.

G. Minimum Lot Size/Location Restrictions if Detached. Second dwelling units that are to be detached from main residence structures shall be permitted only on lots that are larger than forty thousand (40,000) square feet.

H. Separation Requirement. A separation of at least eight (8) feet shall be maintained between any detached second dwelling unit and its main residence structure.

I. Entrance Requirements. Any new second dwelling unit that is incorporated into an existing main residence shall have a separate entrance facing the side or rear yard.

J. Compliance with Applicable Requirements. The second dwelling structure shall meet all applicable zoning, building, and fire regulations.

K. Lighting Restrictions. Any lighting associated with the second dwelling unit shall be shielded or downlit and shall not shine onto adjoining properties.

L. Landscape Screening. Landscape screening shall be provided in compliance with the provisions of chapter 17.50 (Landscape Screening). (Ord. 544 § 5, 2003: Ord. 442 §§ 6, 7, 1989; Ord. 407 § 12-1, 1985)

Chapter 17.54 Yard Measurements and Projections *(New chapter)*

Sections:

17.54.010 Purpose *(New section)*
17.54.020 Definitions (*Previously 17.08.133, 150, 180, 190, 200, 210, 220, 271, 340, 350, 360, and 370*)
17.54.030 Setback Measurements *(New section)*
17.54.040 Projections (*Previously 17.20.040.G and 17.24.040.G*)

17.54.010 Purpose *(New section)*

The purpose of this chapter is to establish rules and regulations for setback measurement and yard areas. These provisions, in conjunction with other applicable provisions of this title, are intended to ensure open areas around primary structures; maintain clear visibility for traffic safety and pedestrian access; buffer between land uses; and establish natural and visual light and air space for privacy, landscaping, and recreation.

17.54.020 Definitions *(Previously 17.08.133, 150, 180, 190, 200, 210, 220, 271, 340, 350, 360, and 370)*

Terms that are relevant to this chapter are defined in chapter 17.60 (Definitions).

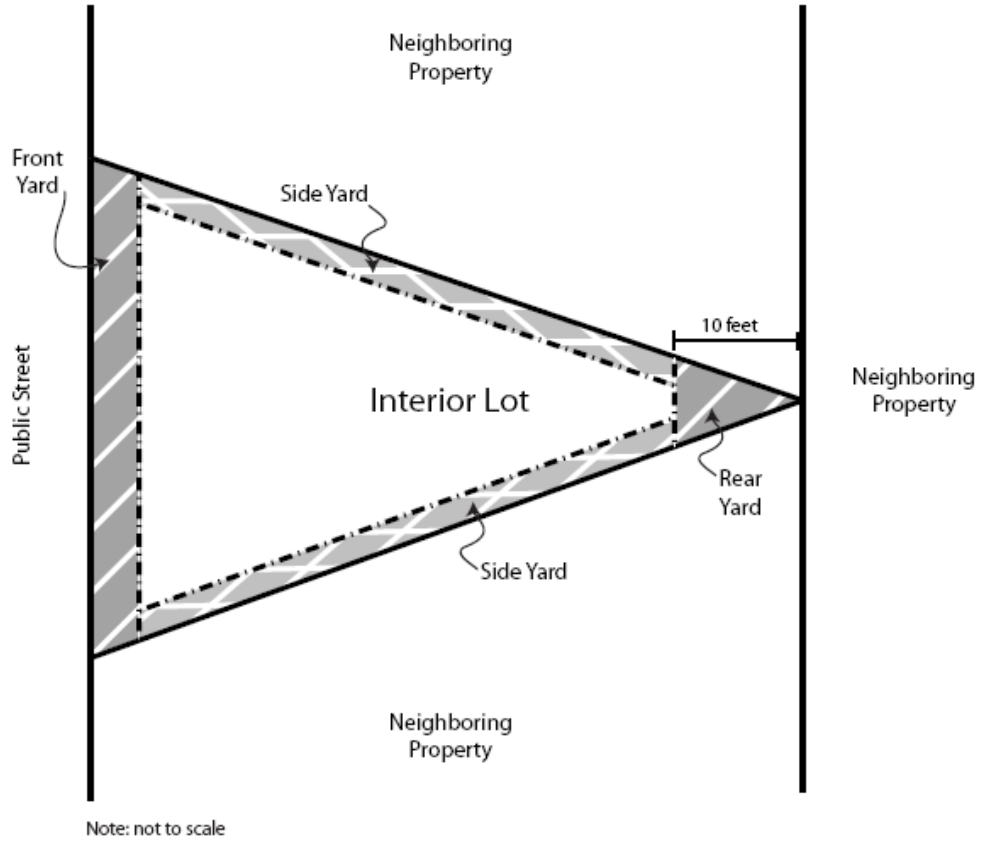
17.54.030 Setback Measurements *(New section)*

A. All setback distances shall be measured at right angles from the designated property line (e.g., front, interior side, street-side, rear) and the setback line shall be drawn parallel to the designated property line at the required setback distance, except as follows:

1. The rear yard setback on the street side of a double frontage lot is a line parallel to the rear property line abutting the street. However, if a street right-of-way line extends into or through a rear yard, the minimum rear yard setback distance shall be measured at right angles from the access easement or right-of-way line.

2. Where the side lot lines converge to a point with two or three (3) lines, the rear yard setback shall be measured from an imaginary line drawn parallel to the front property line from a distance of ten feet from the point at which the lines converge. See figure 17.54.030-1 (Setback Determination for Converging Side Lot Lines).

Figure 17.54.030-1:
Setback Determination for Converging Side Lot Lines



3. The approval authority shall have the authority, through the front/rear lot line redesignation process, to redesignate a front or rear lot line (see chapter 17.20, Front/Rear Lot Line Redesignation).

B. At the time of building permit application, the applicant's engineer shall provide certification that the building is being located within the required setback lines.

C. The setback lines shall be staked at the same time as foundation staking so that the field inspector can visually verify that the building is being constructed within the setback lines.

17.54.040 Projections *(Previously 17.20.040.G and 17.24.040.G)*

A. Roof eaves may encroach into any yard not to exceed a maximum of four (4) feet on the main building and one (1) foot on accessory buildings.

B. Architectural projections for chimneys and fire places on primary buildings may encroach into the interior side and rear yard setback a maximum of two (2) feet, provided that each projection is a maximum of seven (7) feet in length.

C. Additionally, in the R-1B district and in the R1-A district for lots less than 10,000 square feet, one cantilevered bay window on the first floor of the main building may project up to two (2) feet into side or rear setbacks, provided that the length of the window is no more than seven (7) feet.

Chapter 17.56 Special Events *(Previously 17.38)*

Sections:

17.56.010 Title (*Previously 17.38.010*)
17.56.020 Purpose and Intent *(Previously 17.38.020)*
17.56.030 Definitions *(Previously 17.38.030)*
17.56.040 Permit Required *(Previously 17.38.040)*
17.56.050 Application Submittal Requirements *(Previously 17.38.050)*
17.56.060 Permit Issuance *(Previously 17.38.060)*
17.56.070 Permit Requirements *(Previously 17.38.070)*
17.56.080 Permit Revocation *(Previously 17.38.080)*
17.56.090 Violation as a Public Nuisance *(Previously 17.38.090)*

17.56.010 Title *(Previously 17.38.010)*

This chapter shall be known as the "Special Event Ordinance" and may be so cited. (Ord. 559 § 2 (part), 2005)

17.56.020 Purpose and Intent *(Previously 17.38.020)*

A. The purpose of this chapter is to ensure the comfort, safety, and general welfare of the town citizens by controlling the number of special events and impacts of such events on the community and by providing a simplified permit process. It is also the purpose of this chapter to defray the costs of processing applications for these events.

B. The intent of this chapter is to protect the residents from excessive noise, traffic, and other intrusions upon their privacy. (Ord. 559 § 2 (part), 2005)

17.56.030 Definitions *(Previously 17.38.030)*

Terms that are relevant to this chapter are defined in chapter 17.60 (Definitions).

17.56.040 Permit Required *(Previously 17.38.040)*

A. All special events held in the public right-of-way shall obtain a special event permit. Activities include, but are not limited to, processions such as walks, road races, bicycle rides, skate-a-thons, and similar activities.

B. A special event permit is required for any special event held on private property, occurring on two (2) or more consecutive days where members of the general public are invited. Activities requiring a permit include, but are not limited to, the following:

1. Motion picture filming;

2. House and garden tours;

3. Fundraisers;

4. Auctions;

5. Antique shows;

6. Concerts;

7. Other similar activities.

C. The following provisions shall apply to special events held at private and public schools and country clubs:

1. A permit is not required for on-site school-related events. Responsible parties shall notify the town of school events that may result in additional traffic or parking.

2. A permit is not required for non-school-related events held at schools and country clubs that meet the school event guidelines as prepared by the city manager and accepted by the city council. Responsible parties shall notify the town of events that may result in additional traffic or parking.

3. A special event permit is required for non-school-related events that are planned to occur outside of the school event guidelines.

D. Open house tours for the purpose of selling property in the regular course of a real estate transaction shall be exempt from the permit requirements of this chapter. (Ord. 559 § 2 (part), 2005)

17.56.050 Application Submittal Requirements *(Previously 17.38.050)*

The following items and information shall be submitted to the city manager or designee:

A. Completed application (application form supplied by the town) submitted to the town at least two (2) months prior to the event.

B. Detailed description of the event.

C. Contact person available prior to and during the event.

D. Application fee (as set by resolution of the city council).

E. The anticipated number of attendees and number of vehicle trips per day.

F. An on- and off-site parking plan including the placement of barricades, etc.

G. A deposit as determined by the police chief for the funding of any additional security measures not provided by the applicant.

H. A hold harmless agreement, naming the town, its officers, employees, volunteers, and agents, and a certificate of insurance in the amount of two million dollars ($2,000,000) naming the town as additional insured. The hold harmless agreement and certificate of insurance shall be reviewed and approved by the city attorney. (Ord. 559 § 2 (part), 2005).

17.56.060 Permit Issuance *(Previously 17.38.060)*

A. The city manager or designee may issue a special event permit when, in the opinion of the city manager or designee, the event meets all of the requirements of this code and the general plan. The city manager or designee may refer items to the planning commission when, in his or her opinion, the public interest would be better served by the planning commission conducting a public hearing. The city manager or designee shall issue, deny, or refer a special event permit within thirty (30) days of receipt of a completed application. If the event will not be in conformance with either this title or the general plan, the application shall be denied.

B. If a special event permit is issued by the city manager or designee, such official may impose any reasonable conditions to ensure the event will have a minimal impact on the community. Such conditions may include, but are not limited to, any of the following:

1. Adequate arrangements to prevent:

   a. Violation of chapter 8.16 (Noise Control),

   b. Violation of chapter 8.20 (Nuisance Abatement),

   c. Amplified sound,

   d. Violation of any traffic laws,

   e. Violation of any other section of this code;

2. Posting of docents at key/dangerous locations;

3. Events, including setup and tear-down, will be done during daylight hours if feasible;

4. Signs on public property shall be kept to a minimum and shall not be displayed for longer than one (1) hour prior to or after the end of the event;

5. Other materials or mitigation measures deemed necessary by the city manager or designee; and/or

6. Parking barricades shall be set back a minimum distance as required by the city manager or his or her designee to ensure site distance clearance from special event site driveways and neighboring driveways. (Ord. 559 § 2 (part), 2005)

17.56.070 Permit Requirements *(Previously 17.38.070)*

A. All special events held on private property shall be limited to no more than two (2) consecutive weeks, including no more than two (2) consecutive weekends. Any event for a longer period of time requires a conditional use permit.

B. All special events shall be publicly noticed at least ten (10) days prior to the issuance of a permit, pursuant to the process outlined in State Planning and Zoning Law Section 65091, with a five hundred (500) foot radius notification. However, if the event is not conducted on a single site, or is to be conducted within the public right-of-way, the applicant shall pay for the cost associated with the publication of the notice in a newspaper of general circulation at least ten (10) days prior to issuance of a permit.

C. The applicant shall execute a contract agreeing to the obligations of the special event permit.

D. No more than two (2) special event permits shall be issued in a twelve-month period for special events on any single private residential property. (Ord. 559 § 2 (part), 2005)

17.56.080 Permit Revocation *(Previously 17.38.080)*

A special event permit may be revoked by the city manager or his or her designee in the event of any violation of the special events permit or this title. (Ord. 559 § 2 (part), 2005)

Title 17 - Zoning

Article IV
Zoning Definitions

Chapter 17.60 Definitions *(Previously 17.08)*

Revisions:

The following revisions have been made to article IV of title 17:

Date of Adoption	Ordinance Number	Subject	Section	Page Number

17.60 Definitions *(Previously 17.08)*

Sections:

17.60.010 Purpose
17.60.020 Definitions

17.60.010 Purpose *(Previously 17.08.010)*

The purpose of this chapter is to provide definitions of the terms and phrases used in this title that are technical or specialized in an effort to ensure consistency in the interpretation of the zoning code. For the purpose of this title, certain terms and words in the plural number include the singular and the singular includes the plural; the word "building" includes the word "structure," and the word "shall" is mandatory and not directory. (Ord. 407 § 16-1, 1985)

17.60.020 Definitions *(Previously 17.08.020 through 17.08.370)*

"Accessory building" shall mean a detached building where fifty (50) percent or more of the footprint of the enclosed space is covered. Accessory buildings are subordinate to, and their use is customarily incidental to, that of the main building, structure, or use on the same or attached/adjacent lot as regulated in this title. This classification includes: garages, greenhouses, poolhouses, sunrooms, workshops, storage sheds, carports, patio covers, gazebos, barns, stables, and other agricultural outbuildings with solid roof construction.

"Accessory structure" shall mean a detached structure that is not enclosed by walls and a solid or partially enclosed roof. Accessory structures are subordinate to, and their use is customarily incidental to, that of the main building, structure, or use on the same or attached/adjacent lot as regulated in this title. Types of accessory structures regulated by the town include the following:

- Antennas and satellite dishes. Antennas are a system of wires, poles, rods, reflecting disks, or similar devices used for the transmission or reception of electromagnetic waves. A satellite dish is any antenna (typically parabolic in design) which is used to collect signals from or transmit signals to satellites orbiting the earth.

- Arbors/Trellises/Pergolas. Arbors/trellises/pergolas are structures that are open on all sides and have a roof that is substantially open to the passage of light and air. For purposes of this definition "substantially open" shall mean a minimum of fifty (50) percent of the covered area is open to light and air. Typically, these structures are constructed with a lattice-like roof structure.

- Artwork and fountains/water features. Artwork shall mean sculptures and other decorative features of an artistic nature that are placed outside of any structure. Fountains/water features shall mean a structure where water is forced into the air under pressure, creating a jet. The pressure may be gravitational or may be produced by a motor-driven pump. The definition of fountain/water features excludes bird baths, which are pedestals with a shallow basin filled with water for birds to bathe in and drink from.

- Athletic courts. Athletic courts shall mean any surface constructed primarily for athletic activity use, which may be equipped with nets, standards, backboards, or other projections; or which may be equipped with sleeves suitable for the installation

of such features, above grade. Includes basketball courts, squash courts, tennis courts, baseball, soccer, other fields, and other sports facilities.

- Heat pumps. Heat pumps are mechanical equipment used to transfer heat to the interior of a structure. A furnace is another type of heating device that can also be used to generate and transfer heat.

- Inflatable covers. Inflatable covers are devices that cover pools, spas, hot tubs, and other similar structures. Such covers are inflated with air to maintain their structure and are designed to preclude the pooling of water and leaves on their surface.

- Pool/Spa. As defined in the Uniform Building Code, a pool/spa is any structure intended for swimming or recreational bathing that contains water over eighteen (18) inches deep. This definition includes in-ground, above-ground, and on-ground swimming pools, hot tubs, and spas. It also includes incidental equipment and housing (e.g., pumps, heating equipment, etc).

- Solar facilities. Solar facilities are panels used for the conversion of sunlight into electricity. Such facilities include solar hot water heaters, which are facilities that use sunlight to heat water.

"Approval authority" means the body of the town planning agency (city council, planning commission, town planner) who makes a decision on a planning permit. See section 17.06.070.

"Atherton Zoning Plan" means the map identifying the designations, locations, and boundaries of the zoning districts established by this title. This map and all notations and information on it are a part of this title by reference.

"Attached/Adjacent lot" means one or more lots of record located adjacent to one or more lots of record all held in common ownership. The attached/adjacent lots may be designated as one, separate, or several assessor's parcels.

"Average natural grade" means the average elevation of the natural grade based upon twelve (12) points of measure along the perimeter of the building prior to any cut and fill. Each point of measure shall be located (first) at every corner of the building and (second) every thirty (30) feet along continuous walls with lengths over fifty (50) feet. A corner shall mean a change in the wall plane of thirty (30) degrees or more. However, if a building has more than twelve (12) corners, then each corner shall be a point of measure regardless of the twelve (12) point requirement. The points shall be determined by starting at the most northerly corner of the building or structure as determined by magnetic north then moving clockwise around the building or structure. See section 17.42.030 for determining natural grade.

"Basement" means that finished story below the finished floor of the first story of a building. Basements are subject to the requirements of chapter 17.44. Basements do not include crawl spaces or other under-floor areas, which are separately defined. Includes, but not limited to, hobby space and wine cellar.

"Building" means any structure having a roof, columns, walls, and foundation.

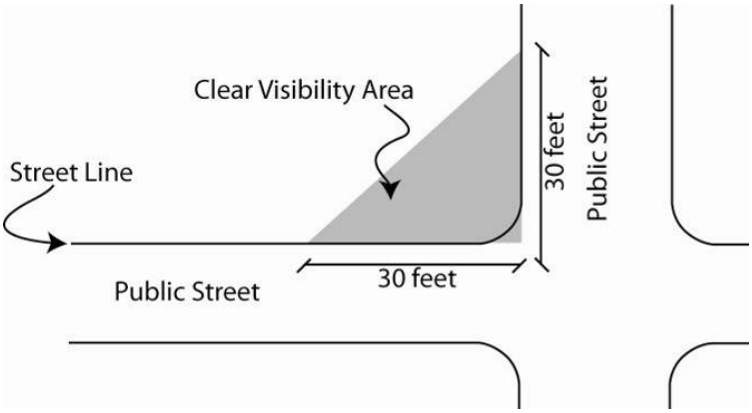
"Building height" means the vertical distance from the ground to the highest point on the structure. See chapter 17.42 for an explanation of how to calculate height.

"Building setback line" means the front line of the building area. (Ord. 407 § 16-7, 1985)

"Chimney" means a vertical structure or flue, which extends through the roof of a house, and provides a path through which smoke from a fire is carried away.

"Clear visibility area" means a triangular area bounded on two (2) sides by street lines extending a distance of thirty (30) feet from any street corner measured along the curb, gutter, or edge of pavement. See figure 17.60.020-1 (Clear Visibility Area). *(Previously 17.36.150.C)*

Figure 17.60.020-1
Clear Visibility Area



"Conditional use permit" means a planning permit for the establishment of a specific use of land within the town.

"District" or "zone" means a portion of the town within which certain uses of land and development standards are established for buildings. (Ord. 407 § 16-9, 1985)

"Dormer" means a window which is set vertically on a sloping roof. A dormer has its own roof.

"Dormer, face of" means the vertical surface of a dormer projecting from a sloping roof that is parallel to the vertical walls of the structure.

"Eave" means the overhang at the lower edge of a roof or the line along the sidewall formed by the intersection of the planes of the roof and wall.

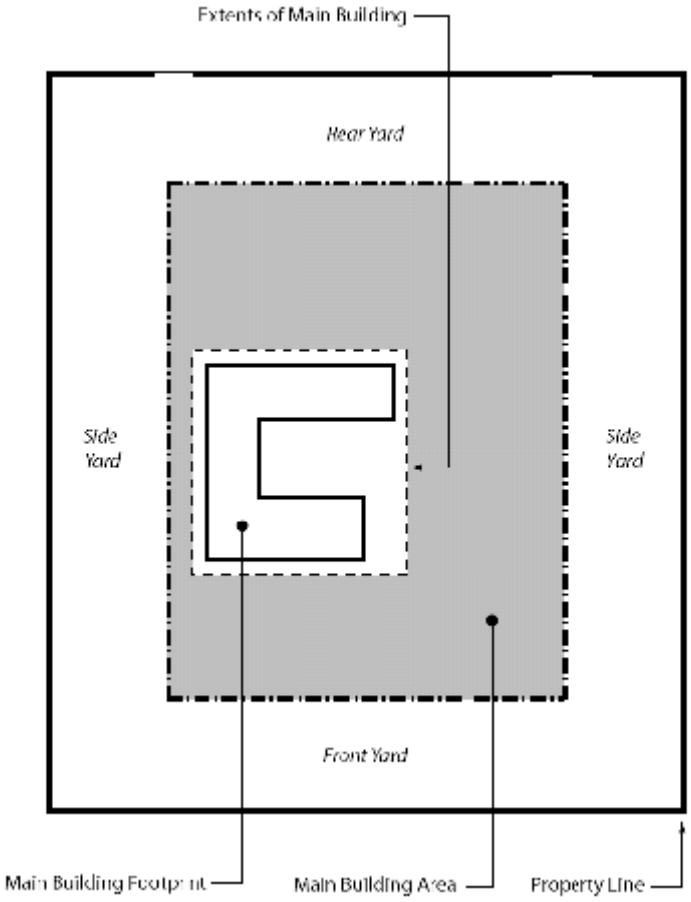
"Eave line" means where the face of a dormer or other architectural feature intersects the eave, that part of the roof that projects beyond the exterior wall. The eave line is the projection on the architectural feature of where the eave of the roof would continue uninterrupted if the architectural projection did not intersect it.

"End wall" means any wall or group of walls parallel to one another as so designated by this title or the town if no such designation exists. (Ord. 456 § 2, 1990)

"Entry gate" means a gate in a fence or wall intended for vehicle entry into a property.

"Extents of the Main Building" shall be the area of a lot as determined by drawing a rectangle around the outer most edges of the footprint of the main building. See figure 17.60.020-2 (Extents of Main Building).

Figure 17.60.020-2
Extents of Main Building



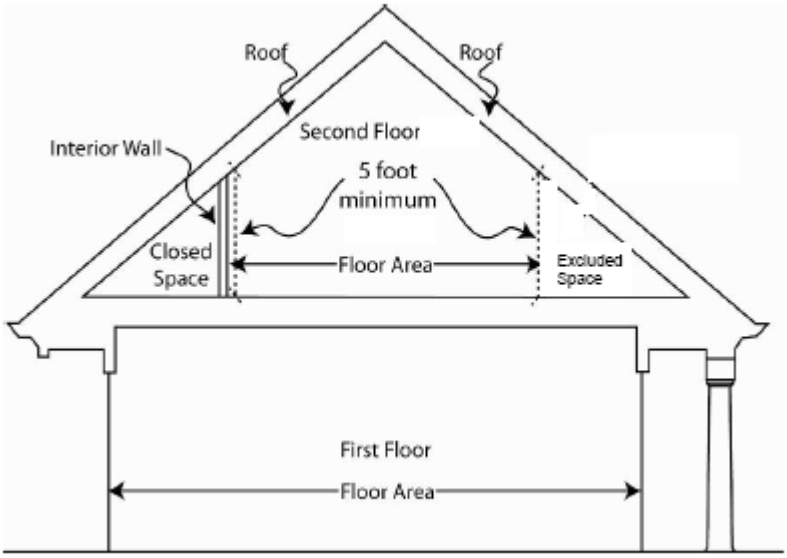
"Fence" means a vertical screening structure used to prevent the ingress or egress of persons or animals or the obstruction of vision or noise. Structures that are used to support a roof, awning, or other horizontal compositions, or structures that have a purpose other than those hereinabove specified, including, but not limited to, tennis courts and other enclosures for athletic activities, compost bins, bath structure enclosures, and enclosures for the storage of tools, equipment and garden supplies, shall not be deemed to be fences. Wing walls or extensions of a building wall that do not support the building shall be included in the definition of a fence for purposes of this title. (Ord. 407 § 16-10, 1985)

"Finish grade" means the final contour of the ground surface of a site that conforms to the approved grading plan.

"Floor area" means the sum of the gross horizontal areas of the several planes of the building at each floor level measured from the outside perimeter of the exterior walls or roof in the case of open structures. In instances where the roof line creates the exterior wall of a floor, such as in an attic, the floor area shall be measured to the interior wall (see figure 17.60.020-3 (Floor Area

for Second Floor/Attic Spaces)). Floor area shall also include those portions of overhangs exceeding four (4) feet on the main building and those portions of overhangs exceeding one (1) foot on accessory structures. Floor area shall not include pools, tennis courts, drives and other paved surfaces, and basements (except as otherwise required by this title). In areas with an open height of sixteen (16) feet or greater at any point, the floor area for that portion of the building shall be multiplied by two (2). (Ord. 497 § 2, 1998: Ord. 478 § 1(B), 1994: Ord. 456 § 3, 1990)

Figure 17.60.020-3
Floor Area for Second Floor/Attic Spaces



"Floor area ratio" means the sum of the floor areas of all main and accessory structures on a lot, divided by the gross lot area. (Ord. 497 § 3, 1998: Ord. 407 § 16-11, 1985)

"Front/rear lot line redesignation" means a planning permit that allows a property owner to request a different line as the front or rear lot line.

"Footprint" means the plan view projection to ground level of the perimeter of a building to the outside perimeter of the exterior walls. Open or partially covered flat work such as decks and patios not more than six (6) inches in height are excluded from the footprint.

"Front line of main building" means the line touching the front most point of the main building that is at a right angle to the line connecting the midpoints of the front and rear lot lines. (Ord. 469 § 1(A), 1992)

"Garage or carport" means a separate building or portion of a main building or accessory building designed for shelter or storage of vehicles owned or operated by the occupants of the lot. For the purposes of this title, a carport is equivalent to a garage. (Ord. 434 § 2, 1988)

"General Plan" means the Town of Atherton's general plan as adopted by the city council and as may be amended from time to time.

"General plan amendment" means a planning process for approving an amendment to the general plan, including the Land Use Map.

"Grade" means the elevation of the ground surface.

"Group home" means a dwelling unit licensed or supervised by any Federal, State, or local health/welfare agency that provides twenty-four-hour nonmedical care of unrelated persons who are not disabled but are in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment. Group homes include children's homes, rehabilitation centers, and self-help group homes. Medical care may be provided in conjunction with group homes that provide alcoholism or drug abuse recovery or treatment services.

"Home occupation" means any use customarily conducted entirely within a dwelling and carried on by the inhabitants thereof, which use is clearly incidental and secondary to the use of the dwelling for dwelling purposes and does not change the character or appearance thereof. (Ord. 407 § 16-12, 1985)

"Kitchen" means any room or area intended or designed to be used or maintained for the cooking, storing, and preparation of food and includes facilities for cleaning, preparation, and storage of food and cooking and eating utensils. (Ord. 434 § 3, 1988)

"Landscape screening area" means the rear yard, the side yard and, when required by the town arborist, the front yard. (Ord. 470 § 1(A), 1992: Ord. 460 § 2 (part), 1991)

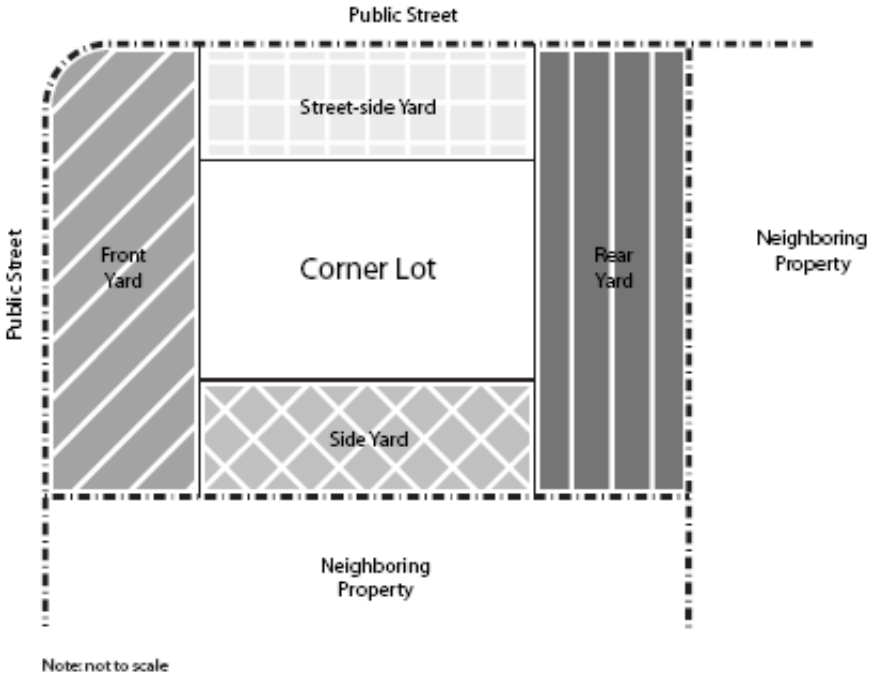
"Legislative decisions" means decisions that must be made by the city council. Legislative land use decisions apply to the general population and prescribe policy and require the greatest amount of discretion and evaluation of subjective approval criteria. A public hearing is required for legislative land use decisions.

"Lot" or "site" means a parcel of land consisting of a single lot of record, used or intended for use or uses under the regulations of this title (Ord. 407 § 16-13, 1985). See "Lot, corner," "Lot, double frontage," "Lot, flag," "Lot, interior."

"Lot area" means the area of a lot measured horizontally between bounding lot lines, including any portion of a flag lot providing access to the street. (Ord. 407 § 16-14, 1985)

"Lot, corner" means a lot bounded by two or more abutting and intersecting street lines. See figure 17.60.020-4 (Corner Lot).

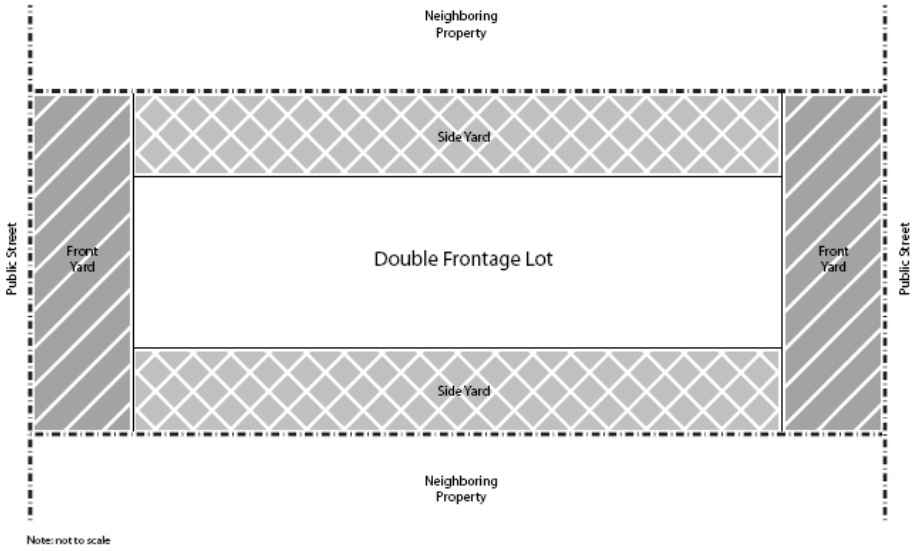
Figure 17.60.020-4
Corner Lot



"Lot depth" means the mean distance between the front lot line and the rear lot line measured in the main direction of the side lines of the lot. (Ord. 442 § 2, 1989)

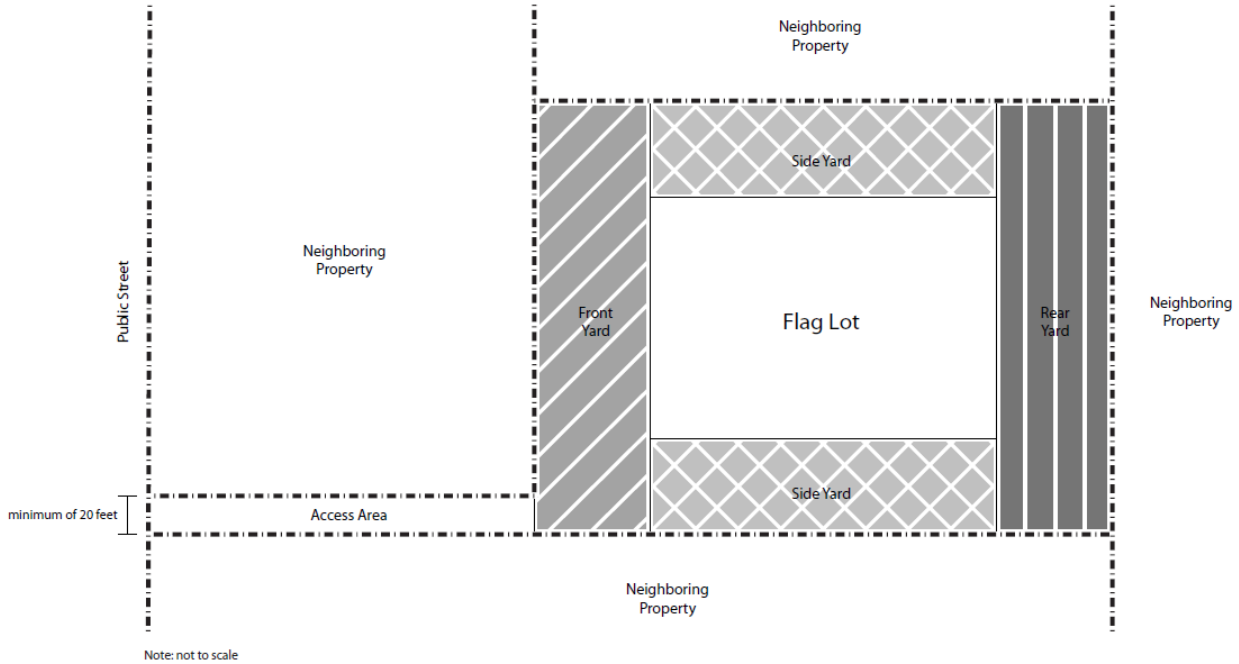
"Lot, double frontage" means an interior lot bounded by two or more abutting street lines that do not intersect. See figure 17.60.020-5 (Double Frontage Lot).

Figure 17.60.020-5
Double Frontage Lot



"Lot, flag" means a lot having access to a street by means of a private driveway or parcel of land (known as the access area) not otherwise meeting the requirements of this title for lot frontage. Width of the access area shall be measured at right angle to the side line of the access area. (Ord. 407 § 16-16, 1985) See figure 17.60.020-6 (Flag Lot).

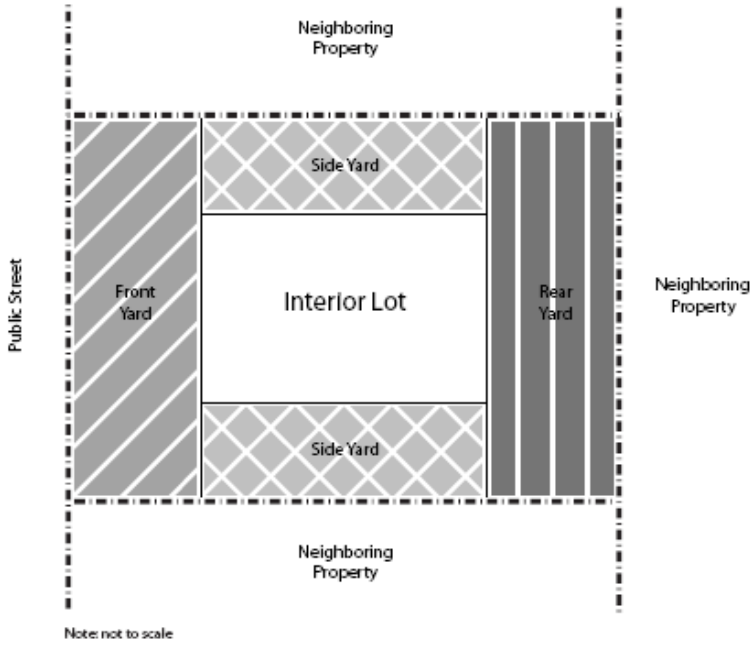
Figure 17.60.020-6
Flag Lot



"Lot frontage" means that boundary of a lot along a public right-of-way. (Ord. 407 § 16-18, 1985)

"Lot, interior" means a lot other than a corner lot abutting only one street. (Ord. 407 § 16-20, 1985) See figure 17.60.020-7 (Interior Lot).

Figure 17.60.020-7
Interior Lot



"Lot line, front" means that boundary of a lot's narrowest portion abutting a public street or access area in the case of a flag lot, except where a different front has been previously officially designated or recognized by the town. (Ord. 407 § 16-19, 1985)

"Lot line, rear" means the lot line or lines most nearly parallel to and most remote from the front property line. (Ord. 442 § 3, 1989: Ord. 407 § 16-21, 1985)

"Lot width" means the width measured at right angles to its depth at the front line of the building area. (Ord. 407 § 16-22, 1985)

"Main building" means a building or buildings containing the principal use of the building site. (Ord. 449 § 1, 1989)

"Main building area" (front, interior side, street side, and/or rear) of a lot is the horizontal plane between the minimum setbacks of the respective yard.

"Natural grade" shall mean the original condition of the ground surface as it existed prior to mechanical grading or disturbance. Where the original condition of the ground surface cannot be determined, the town planner may approve a topographic survey of the property prepared by a registered civil engineer or licensed land surveyor indicating the approximate original condition of the ground surface of the site as can best be determined from record and survey data.

"Nonconforming building" means a building that does not conform to the current regulations of the district in which it is located. (Ord. 407 § 16-23, 1985)

"Nonconforming structure" means a structure that does not conform to the current regulations of the district in which it is located. (Ord. 407 § 16-24, 1985)

"Nonconforming use" means a use that does not conform to the current regulations for the district in which it is located. (Ord. 407 § 16-24, 1985)

"Prezoning" means a zoning designation, formally adopted by the town, that applies to property owners outside of the existing town limits in advance of annexation of the area into the town.

"Private school," for zoning purposes, means a building, group of buildings, or any tract of land or lot used for play, instruction, or care of children other than at public expense. (Ord. 407 § 16-25, 1985)

"Public hearing:" A meeting held by the approval authority (i.e., the planning commission or city council) that is open to the public and at which the approval authority transparently deliberates a planning entitlement or other land use matter and accepts testimony from the public as required by the provisions of this title or state statute. During a public hearing, the applicant for a project and all other persons shall have the right to be represented, provide testimony, and present evidence. Following the completion of testimony at a public hearing, action shall be taken by the approval authority to approve, conditionally approve, deny, continue, or take under advisement the subject of the public hearing. The public shall be provided with advance notice of all public hearings in compliance with state law, as applicable. See section 17.06.090 (Public Hearings) for more information.

"Public school," for zoning purposes, means a building, group of buildings, or any tract of land or lot used for play, instruction, or care of children at public expense. (Ord. 407 § 16-26, 1985)

"Quasi-judicial decisions" means decisions typically involving some level of discretion or policy determination on the part of the approval authority and require making a set of findings as part of the approval process. A public hearing is held, evidence is weighed, and conclusions are drawn. The approval authority uses this information as the basis for its decision.

"Rear line of main building" means the line touching the rear most point of the main building that is at right angle to the line connecting the midpoints of the front and rear lot lines.

"Reasonable accommodation for accessibility" means a planning permit that provides a process for individuals with disabilities to make requests for reasonable accommodation for relief from the various zoning rules, policies, practices, and/or procedures of the town.

"Retaining wall" means a structurally designed and engineered wall, the primary purpose of which is to retain earth material in an excavated or filled area.

"Rezoning" means a planning permit that changes the zoning designation on a piece of property within the town as recorded on the official zoning plan.

"Ridge line" means the highest point of the roof. Where the roof consists of two sloping roof surfaces, the ridge line is the line at the intersection of the upper edges of the two sloping roof surfaces.

"Second dwelling unit" means a building or portion of a building designed for use and occupancy by people living independently of the occupants of the main residence building and containing separate kitchen, bath, sleeping, or living facilities. (Ord. 544 § 1, 2003: Ord. 407 § 16-38, 1985)

"Shielded and downlit" means that the lamp that emits the light is hidden from view by an opaque shade so that only cast light is visible, not the lamp or bulb itself, and that all cast light is lower than the bottom of the opaque shade.

"Sidewall" means any wall not parallel to the end wall. A sidewall shall be measured from the average natural grade to the base of the roof plate directly above. (Ord. 512 § 3, 2000: Ord. 456 § 4, 1990)

"Single family dwelling" means a building designed for use and occupancy by no more than one individual, family, or group of individuals. (Ord. 407 § 16-36, 1985)

"Solar facilities" means panels that are used for the conversion of sunlight into electricity. This includes solar hot water heaters, which are facilities that use sunlight to heat water.

"Special Event" is an activity sponsored by one (1) or more organizations, individuals, or other entities, held at one (1) or more locations within the town to which the general public is invited. (Ord. 559 § 2 (part), 2005)

"Special structures permit" means a planning permit that provides a process for the review of special and specific buildings and structures to ensure compatibility with surrounding areas and uses.

"Staff-level decisions" means decisions that require limited interpretation or exercise of policy or legal judgment in evaluating approval criteria because the decision is made according to specific criteria where no discretion is involved. Examples include zoning clearance as part of an application for a building permit.

"Story" means a horizontal section of a building with a single continuous or primarily continuous floor including all rooms on the same floor or level of a building. (Ord. 407 § 16-28, 1985)

"Story, first" means the first horizontal section of a building located above the natural grade.

"Street line" means the boundary line between a public or private street, road or way, and a lot or parcel of land. (Ord. 407 § 16-29, 1985)

"Structure" means anything constructed or erected, the use of which requires attachment to the ground or attachment to something located on the ground.

"Substantially open" means a structure or portion of a structure that is fifty (50) percent open to the passage of light and air in all aspects. (Ord. 478 § 1(B), 1994)

"Use" means the purpose for which land or a building thereon is designed, arranged, or intended or for which it is or may be occupied or maintained. (Ord. 407 § 16-31, 1985)

"Under-floor area" (a.k.a. crawl space) is the space below the first floor in a building that has a ceiling height not more than seven (7) feet, measured from the floor surface to the bottom of the

floor joists above. A space below the first story in a building having a ceiling height greater than seven (7) feet may be considered an under-floor area when the natural grade in the under-floor space slopes more than two (2) percent due to hillside topography. In these cases, the area may be considered an under-floor area due to its non-usability features of not having a level floor surface. Once a sloped under floor area (or portion of such area) is excavated to achieve a ceiling height of seven (7) feet minimum and the space contains a relatively level floor surface (<2%), then the space will be considered a basement. Under-floor areas are considered restricted use areas and may not be used as habitable space. The area cannot be finished to look as if it were going to be used as habitable space.

"Variance" means a planning permit that provides a process to request exceptions to the development standards and provisions of this title in cases where, because of special circumstances applicable to the property, the strict application of this title deprives such property of privileges enjoyed by other property in the vicinity within identical land use zoning districts.

"Yard" means an open space on the same lot with a building that is unoccupied and unobstructed from the ground upward, except as otherwise permitted in this title. (Ord. 407 § 16-32, 1985)

"Yard, front" means the yard extending across the full width of the lot adjacent to the front lot line and measured from that line to the nearest line where the main building is permitted. (Ord. 407 § 16-33, 1985)

"Yard, rear" means the yard extending across the full width of the lot and lying between the rear line of the lot and the nearest line where the main building is permitted. (Ord. 407 § 16-34, 1985)

"Yard, side" means the yard lying between a side lot line and the nearest line where building is permitted, and extending from the front yard to the rear yard. (Ord. 449 § 3, 1989: Ord. 442 § 5, 1989: Ord. 407 § 16-35, 1985)

"Zoning clearance" means an administrative process, completed as part of the building permit review or similar administrative permit issuance or as required for all new fences and walls, that ensures the proposed activity or construction is consistent with applicable sections and standards of this title. See chapter 17.08 (Zoning Clearance) for more information.

"Zoning code amendment" means a planning process for approving an amendment to this title, including the Atherton Zoning Plan.

"Zoning code interpretation" means the process for clarification of ambiguity in the regulations of this title in order to provide consistent interpretation and application. See chapter 17.10 (Zoning Code Interpretations).

"Zoning plan" – see "Atherton Zoning Plan."

ITEM No. 29

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **JEROME D. GRUBER, CITY MANAGER**

DATE: **FOR THE REGULAR MEETING OF OCTOBER 21, 2009**

SUBJECT: **AUDIT COMMITTEE APPOINTMENT**

RECOMMENDATION:

Appoint new member to the Audit Committee to complete term of Chairman Sam Goodman who resigned which expires April 30, 2010.

BACKGROUND:

City Council held a special meeting on Saturday, April 4, 2009 for Committee and Commission appointments. At the special meeting Council appointed Rose Hau, Jim Massey and Dr. Sam Goodman to the Audit Committee. Sam Goodman was elected Chair of the Audit Committee. Sam Goodman has informed Town staff that he is moving out of the Town of Atherton and resigned as Chairman of the Audit Committee.

DISCUSSION:

Interview candidates for the:

Audit Committee: Bill Widmer, Randy Lamb

I have attached a summary of the Audit Committee, the Audit Committee section of the Town Roster, and the applications received for your review.

ALTERNATIVES:

1. Set a future special meeting for Audit Committee interviews

2. Begin a new round of recruitment for a new Audit Committee member
3. Appoint applicant without interviews.

ATTACHMENTS:

A- Summary of Audit Committee
B - Audit Section of the Town Roster
C - Applications

Prepared by:

_____
Theresa DellaSanta
Deputy City Clerk

Approved by:

_____
Eileen Wilkerson
Acting City Manager

TOWN OF ATHERTON

APPLICATION FOR APPOINTMENT TO COMMISSION OR COMMITTEE

Name: Randy Lamb

Address: 224 Park Lane, Atherton, Ca.

Home Telephone: 650-327-2648 Date: 9-29-09

Work Telephone: 650-326-1600

Are you registered to vote in the Town of Atherton? Yes X No ___

I am applying for a position on the (check one):

( ) Planning Commission ( ) Park and Recreation Commission

( ) General Plan Committee ( ) Arts Committee

(X) Other: Audit Committee

TO THE APPLICANT:

This application form is intended to provide you with information about the body on which you would like to serve. The completed application will also help the interviewing Council Members learn more about you. In responding to the questions here, please fell free to use separate sheets of paper to expand on your answers if you wish to do so.

1. Why do you want to serve on the body for which you are submitting your application? What particular skills, interest or experience would you bring to it if selected?

   I run a small business and numerous partnerships and am acutely aware that financial accountability is crucial to any organization's success. The town is no different in its' need for accountability, especially given the current circumstances within the financial sector. It is an asset to have a strong audit committee to act as an advisory entity to the city council.

2. Have you attended any meeting of the body on which you wish to serve?

   ( ) Yes (X) No

3. Have you reviewed the minutes of the past meetings of the body on which you wish to serve? (Minutes and past agendas of Town bodies are available for review at Town Hall during normal business hours.)

   ( ) Yes (X) No

4. Have you spoken with any current or former members of the body on which you wish to serve about service on that body?

(X) Yes ( ) No

5. Do you believe that other time demands might interfere with your ability to devote the time necessary to serve if you are selected?

( ) Yes (X) No

6. Vacancies occur periodically on Town bodies. If you are not selected for the position for which you are applying, would you like to be considered for future vacancies occurring within one year of the date of this applications?

( ) No

( ) Yes, for (check as many as you wish):

(X) Planning Commission
( ) Park and Recreation Commission
( ) General Plan Committee
( ) Arts Committee
( ) Other: _____

FOR YOUR INFORMATION:

The two-member screening committee of the Council will interview all applicants, if feasible. The Committee makes its recommendation of the person or persons to fill the existing vacancies to the full Council. The recommendation is not binding, although it is usually followed. Council Members may nominate others for appointment.

Council Members and Planning Commissioners must annually file a "Statement of Economic Interests", which is a public document and is forwarded to the Fair Political Practices Commission. All members of Town Commissions/Committees must be registered voters and reside in Atherton.

Service on Town bodies is without compensation. Application for reimbursement by the Town for expenses incurred in Town service may be made on forms available from the City Clerk. There is no assurance that expenses will be reimbursed.

Length of service on Town bodies is controlled by ordinance or resolution. Persons appointed may be reappointed within the restrictions of the ordinance. The fact that an individual is appointed does not necessarily mean the individual will be re-appointed. Copies of appropriate ordinances, (and statutes, if applicable) are available from the City Clerk.

Thank you for your interest in serving the Town of Atherton.

TOWN OF ATHERTON

APPLICATION FOR APPOINTMENT TO COMMISSION OR COMMITTEE

Date: 16 August 2008

Name: Wm. R (Bill) Widmer

Address: 158 Glenwood Av, Atherton

Home Telephone: 650 853 8408 Work Telephone: 650 387 5578

E-mail address (optional): _____

Are you registered to vote in the Town of Atherton? Yes ✓ No ___

I am applying for a position on the (check one):

( ) Planning Commission

( ) General Plan Committee

(✓) Audit Committee

( ) Park and Recreation Commission

( ) Arts Committee

(✓) Other: Finance

TO THE APPLICANT:

This application form is intended to provide you with information about the body on which you would like to serve. The completed application will also help the interviewing Council Members learn more about you. In responding to the questions here, please fell free to use separate sheets of paper to expand on your answers if you wish to do so.

1. Why do you want to serve on the body for which you are submitting your application? What particular skills, interest or experience would you bring to it if selected?

On certain times, it is necessary to have an outside view on business and spending. I have recently begun looking into the town's operating pla and have offered suggestions. I have created an managed P&L's for $200 M p.a. businesses. I have an MBA from Texas Christian University.

2. Have you attended any meeting of the body on which you wish to serve?

( ) Yes (✓) No

But have attended other Committee meetings

3. Have you reviewed the minutes of the past meetings of the body on which you wish to serve? (Minutes and past agendas of Town bodies are available for review on the Town website at www.ci.atherton.ca.us and at Town Hall during normal business hours.)

(✓) Yes ( ) No

4. Have you spoken with any current or former members of the body on which you wish to serve about service on that body?

(✓) Yes ( ) No

5. Do you believe that other time demands might interfere with your ability to devote the time necessary to serve if you are selected?

(✓) Yes ( ) No

As the meeting may be called as needed, there may be instances that I am out of town.

6. Vacancies occur periodically on Town commissions and committees. If you are not selected for the position for which you are applying, would you like to be considered for future vacancies occurring within one year of the date of this application?

(✓) No ( ) Yes, for (check as many as you wish):

( ) Planning Commission
( ) Park and Recreation Commission
( ) General Plan Committee
( ) Audit Committee
( ) Arts Committee
( ) Other: _____

FOR YOUR INFORMATION:

The two-member screening committee of the City Council will interview all applicants, if feasible. The Committee makes its recommendation of the person or persons to fill the existing vacancies to the full Council. The recommendation is not binding, although it is usually followed. Council Members may nominate others for appointment.

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Thank you for your interest in serving the Town of Atherton.

ITEM 30

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **THE CITY COUNCIL**

FROM: **JEROME GRUBER, CITY MANAGER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **RESOLUTION APPROVING A FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS AND SOLID WASTE COLLECTION SERVICES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FRANCHISE AGREEMENT**

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution approving and authorizing the City Manager to execute a Franchise Agreement for Collection Services of Recyclable Materials, Organic Materials and Solid Waste with Recology San Mateo County ("Recology" - formerly Norcal Waste Systems of San Mateo County) (referred to hereafter as the Agreement).

BACKGROUND

The provision of recycling and solid waste collection services in Town has never been competitively procured until the contractor selection process initiated by the South Bayside Waste Management Authority (SBWMA) in 2005. The SBWMA is comprised of twelve member agencies and the participation and support of Town staff in this joint powers authority has been instrumental in the competitive procurement of a new recycling, organics and solid waste collection services company.

The process to select a new service provider commenced in 2005 at a series of SBWMA related meetings. On October 26, 2006, the SBWMA Board approved the Collection Services RFP recommendations to the Member Agencies regarding future services, contract terms and competitive proposal guidelines for the RFP process. On December 13, 2006, the City Council adopted Resolution No. 06-22 which affirmed the SBWMA Board recommendations to the Member Agencies regarding future services, contract terms and the competitive procurement guidelines for the Collection Services RFP process and committed the Town's participation in the SBWMA Collection Services RFP process.

On September 19, 2007 the City Council adopted Resolution No. 07-24 approving release of the SBWMA's Collection Services RFP scope of services, proposals evaluation process and future contract terms.

On November 1, 2007 the SBWMA released the Collection Services RFP. Proposals for the new collection services were due on March 11, 2008 and the SBWMA received four responsive proposals from companies capable and qualified to provide the collection services described in the RFP.

The RFP prescribed a thorough process to evaluate the proposals using an Evaluation Team consisting of: SBWMA staff, the Monterey Regional Waste Management District Assistant General Manager, and a team of R3 consultants; and a Selection Committee comprised of SBWMA Board Members and/or Member Agency staff including Brian Ponty, City of Redwood City; Larry Patterson, City of San Mateo; Jim Hardy, City of Foster City; Peggy Jensen, County of San Mateo; Jesus Nava, City of Burlingame; and Kent Steffens, City of Menlo Park.

The Evaluation Team and Selection Committee members conducted a thorough analysis and evaluation of the four proposals. On August 28, 2008, the Selection Committee recommendation to select Recology as the future Collection Services provider was affirmed by a unanimous vote from the SBWMA Board of Directors.

On July 15, 2009, the City Council authorized staff to negotiate a contract with Recology as the future Collection Services company and return to Council with an Agreement for consideration.

ANALYSIS

The execution of the agreement with Recology San Mateo County as the new Collection Services company will mark a new era in recycling and solid waste collection for the Town. The company has considerable experience implementing the new scope of services the Town is requiring and provision of these new services will be made possible by the renovation of the Shoreway Recycling and Disposal Center (Shoreway facility) to accommodate processing of single-stream recycling.

The roll-out of new services and the renovation of the Shoreway facility will allow the Town to provide its residents and businesses a cost-effective and comprehensive array of new collection services that will result in reducing solid waste going to landfill through a reliable, customer-friendly system designed to conveniently collect common recyclable materials such as cans/bottles, paper, plastics, cardboard, old cell phones, used household batteries, used motor oil and filters, and organic materials (including yard trimmings, food scraps and soiled paper). In addition, Recology will be required to collect all of the solid waste generated in the Town; provide recycling and garbage collection services to Town-sponsored community events, provide bulky good pick ups; increase commercial recycling efforts; collect all public right-of-way litter and recycling receptacles; picking up illegally dumped trash; and deliver compost to events for residents. A description of the complete scope of services Recology will provide is included as Attachment A.

The Franchise Agreement for the new collection services that will be provided by Recology includes the following fundamental contract terms:

- The new contract will have a ten year term commencing on January 1, 2011 upon expiration of the contract with the Town's current service provider.

- The collection services will be handled with "automated" trucks thus providing a more cost-effective collection approach, ensuring higher productivity, reducing costs and resulting in significantly fewer injuries and claims related to handling recycling and refuse receptacles.
- Recycling in both the residential and commercial sectors will be substantially improved with the introduction of single-stream recycling which is significantly more convenient, thus resulting in more diversion from landfill and an increased generation of valuable commodities at Shoreway.
- The public education and outreach campaign will be a collaborative effort between Recology and the SBWMA, thus resulting in the Town's reaping the benefits of cost efficiencies associated with developing a regional campaign in lieu of a stand-alone campaign which would be more costly.
- The contract includes extensive reporting requirements which will be a great improvement in the scope and timeliness of information shared between the collection company and the Town.
- The contract includes extensive performance incentives/disincentives (Attachment B) and liquidated damages provisions (Attachment C) to ensure that anticipated performance by the company is achieved, maintained and potentially exceeded.
- The method to pay the company for services provided will be significantly simpler than the current "cost-plus" system. Adjustments to compensation in the new contract will be primarily based on predetermined published indices (Attachment D). In addition, the process to make the annual adjustments to compensation will also be brought in-house to the SBWMA, thus saving approximately $200,000 in consultant fees annually.

Next Steps

Upon adoption of the attached resolution approving the agreement and authorizing the City Manager to execute the agreement with Recology, staff will work collaboratively with Recology and the SBWMA to ensure that the public education and outreach effort is designed to address the unique requirements of Town residents and businesses. Staff will also work closely with both the current service provider and Recology to ensure a smooth transition to the new services. The City Council will be provided updates as we progress with rebuilding the Shoreway facility and the extensive planning efforts required to transition to the new services in 2011. In addition, staff will also provide periodic updates on our progress with planning the transition and the details of when and how our residents and businesses will be introduced to the new services (see Attachment E – Implementation Schedule).

CONCLUSION:

The new Collection Agreement with Recology will provide updated collection services of solid waste, green waste, organics and recyclable materials. The new services will be easier from the residents perspective as they will be able to place all recyclable materials in one container. The new services also provides and expanded recycling opportunity with organics (food scraps). Finally, the new services will include new automated collection vehicles.

ALTERNATIVES:

The City Council could request staff further negotiate the Agreement. It should be noted that Recology submitted its proposal based on a Request for Proposals that was authorized by the Town.

FISCAL IMPACT:

There is no fiscal impact on the Town General Fund due to the execution of a contract with Recology. The cost to provide the services covered in the Franchise Agreement will be paid for through rates charged to residents and businesses that receive the services (see Attachment F). The Town will continue to receive the 10% franchise fee and pass-though payment of $24,000 annually for street sweeping services.

ENVIRONMENTAL IMPACT:

The Agreement will provide for an increased level of service in the City that could potentially have some environmental impacts related to traffic, noise, pollution etc. Such matters were discussed and analyzed in a 2008 Mitigated Negative Declaration (MND) for a Use Permit in San Carlos for the improvements to the Shoreway Recycling and Disposal Center. A legal opinion has been obtained by legal counsel to the SBWMA indicating that CEQA can be complied with as to action on the Franchise Agreements for Collection Services of the Member Agencies by referring to the MND as an adequate environmental document pursuant to CEQA and CEQA Guidelines for the purposes of analysis and consideration of a Franchise Agreement for Collection Services. A copy of the MND has been on file with the City Clerk and available for review. CEQA language has been included in the Resolution approving the Franchise Agreement.

FORMAL MOTION:

I move that the City Council adopt the attached Resolution approving and authorizing the City Manager to execute a Franchise Agreement for Collection Services of Recyclable Materials, Organic Materials and Solid Waste with Recology San Mateo County.

Lisa Costa Sanders | *Jerome D. Gruber*

Lisa Costa Sanders, Deputy Town Planner | Jerome D. Gruber, City Manager

Attachments:

Resolution No. 09-39
Franchise Agreement and attachments MEMO

RESOLUTION NO. 09-39

A RESOLUTION OF THE TOWN OF ATHERTON APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS AND SOLID WASTE COLLECTION SERVICES

WHEREAS, the State of California, through California Integrated Waste Management Act of 1989, codified at Public Resources Code Section 40000, et seq.(the "Act"), found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfill disposal, has created a need to state and local agencies to enact and implement an aggressive integrated waste management program;

WHEREAS, the Act directs the California Integrated Waste Management Board (CIWMB) and local agencies to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed in landfills;

WHEREAS, the South Bayside Waste Management Authority ("Authority") is a joint powers authority between 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 West Bay Sanitary District; and the County of San Mateo ("Member Agencies");

WHEREAS, on October 26, 2006, the Authority Board approved the Collection Services Request for Proposals (RFP) recommendations to the Member Agencies regarding future services, contract terms and competitive proposal guidelines for the Authority Collection Services RFP process;

WHEREAS, on September 19, 2007, the City Council approved Resolution No. 07-24 approving the release of the Authority Collection Services RFP scope of services, proposals evaluation process and contract terms;

WHEREAS, the Authority issued the Collection Services Request for Proposals on November 1, 2007 soliciting proposals for the collection of recyclable materials, organic materials and solid waste within the jurisdictions of the Authority ("RFP Process");

WHEREAS, on March 11, 2008, the Authority received proposals from four (4) companies to provide the collection services described in the RFP;

WHEREAS, on August 28, 2008 the Authority Board approved the Authority Collection Services RFP Selection Committee recommendation to select Recology San Mateo County (formerly Norcal Waste Systems of San Mateo County) to provide collection services to the entire SBWMA service area;

WEREAS, on July 15, 2009 the City Council authorized staff to negotiate a contract with Recology San Mateo County for the future recyclable materials, organic materials and solid waste collection services provider;

WHEREAS, the services to be provided under the Franchise Agreement have been analyzed pursuant to a Mitigated Negative Declaration prepared and approved by the City of San Carlos Planning Commission in July 2008 in connection with a Use Permit granted the SBWMA for the expansion of an improvements to be made to the Shoreway Center. The Mitigated Negative Declaration is an adequate environmental document pursuant to CEQA and CEQA guidelines for the purposes of analysis and consideration of the Franchise Agreement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton hereby approves the Franchise Agreement with Recology San Mateo County for Recyclables Materials, Organic Materials, and Solid Waste Collection Services ("Agreement") attached hereto. The City Manager is hereby authorized and directed to execute the Agreement in substantially the form presented to this meeting with such non-substantive additions, clarifications and other changes as the City Manager deems necessary or advisable after consultation with the City Attorney.

* * * * * * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 21st day of October, 2009 by the following vote:

AYES: *COUNCILMEMBERS:* _____
NOES: *COUNCILMEMBERS:* _____
ABSENT: *COUNCILMEMBERS:* _____
ABSTAIN: *COUNCILMEMBERS:* _____

_____
Jerry Carlson, Mayor

ATTEST:

_____
Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

_____
Wynne Furth, City Attorney

ATTACHMENT A

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement will have the meanings specified in this Article.

Act

"Act" means the California Integrated Waste Management Act of 1989 (AB 939) Public Resources Code, Section 40000 et seq. as currently in force or as hereafter amended.

Affiliate

"Affiliate" means a Person which is related to Contractor by virtue of direct or indirect ownership interest or common management. An Affiliate includes a Person in which Contractor owns a direct or indirect ownership interest, a Person which has a direct or indirect ownership interest in Contractor and/or a Person which is also owned, controlled or managed by any Person or individual which has a direct or indirect ownership interest in Contractor.

Agency

"Agency" means the Town of Atherton.

Agency Manager

"Agency Manager" means Agency's City Manager, as designated by Agency.

Agreement

"Agreement" means this Agreement, including the attachments.

Applicable Law

"Applicable Law" means all federal, State, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirements of any governmental agency having jurisdiction over the Collection, transportation, Processing, and Disposal of Solid Waste, Targeted Recyclable Materials, Organic Materials and other materials Collected pursuant to this Agreement that are in force on the Effective Date and as they may be enacted, issued or amended during the Term.

Application

"Application" means the application prepared and submitted by Contractor for determination of Contractor's Compensation for the following Rate Year.

Authority

"Authority" means the South Bayside Waste Management Authority or "SBWMA."

Average Hold Time

"Average Hold time" means the sum of all call Hold Times divided by the number of calls answered by the agent or queue of agents over the same time interval.

Average Speed of Answer

"Average Speed of Answer" means the sum of time Customers wait for their calls to be answered after the call is queued (upon completion of the introductory voicemail message(s) or Customer bypassing the message(s)) divided by the total number of calls received over the same time interval.

Backyard Collection Service

"Backyard Collection Service" means the provision of Collection Service to a SFD in the rear or side premises.

Billings

"Billings" means statements of charges for services rendered by Contractor, to Owners or Occupants of property, including Residential and Commercial Premises, for the Collection of Solid Waste, Targeted Recyclable Materials, Organic Materials, and other materials Collected pursuant to this Agreement.

Bin

"Bin" means a metal Container with capacity of approximately one (1) to eight (8) cubic yards, with a hinged lid, and with wheels, typically serviced by a front-loading Collection vehicle.

Bulky Items

"Bulky Items" means large items including, but not limited to, Major Appliances, furniture, tires (with rims removed), carpets, mattresses, and other oversize materials whose large size precludes or complicates their handling by normal Collection. Bulky Items do not include abandoned automobiles, large auto parts, or trees.

Business Days

"Business Days" means days (i.e., Monday through Friday) during which Contractor's office is open to do business with the public.

Cart

"Cart" means a plastic Container with a hinged lid and two wheels that is serviced by an automated or semi-automated Collection vehicle. A Cart has capacity of 20, 30, 60, or 90 gallons (or similar volumes).

Cell Phones

"Cell Phones" means all telephones used for mobile or cellular communications including batteries used to power cell phones.

Change in Law

"Change in Law" means any of the following events or conditions which has a material and adverse effect on the performance by the Parties of their respective obligations under this Agreement:

a. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after the Effective Date of any Applicable Law; or

b. The order or judgment of any governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Agency, or of the Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute such a willful or negligent action, error or omission or lack of reasonable diligence.

Collect/Collection

"Collect" or "Collection" means to take physical possession, transport, and remove Solid Waste, Targeted Recyclable Materials, Organic Materials, or other materials pursuant to this Agreement within and from Agency.

Collection Container

“Collection Container” means any Container provided by Contractor to store and Collect Solid Waste, Targeted Recyclable Materials, Organics, or any other material targeted for Collection by Contractor or subcontractor of Contractor.

Commencement Date

“Commencement Date” means the date specified in Section 3.02 when the Contractor is to begin providing services required by this Agreement.

Commercial

"Commercial” means a business activity including, but not limited to, retail sales, wholesale sales, services, research and development, government, education, non-profit, hospital, manufacturing, institutional and industrial operations, but excluding businesses conducted upon Residential Property which are permitted under applicable zoning regulations and are not the primary use of the property. Commercial Collection includes service provided to Multi-Family Dwelling Customers and Agency Facilities.

Commercial Diversion Level

“Commercial Diversion Level” means the sum of all Commercial Recyclable Materials Collected by Contractor divided by the sum of all Commercial materials Collected by Contractor.

Commingle

“Commingle” means to mix, mingle, or combine Targeted Recyclable Materials in a Collection Container.

Compactor

“Compactor” means a mechanical apparatus that compresses materials and/or the Container that holds the compressed materials. Compactors include Bin compactors of any size serviced by front-loading Collection vehicles and Drop Box compactors of any size serviced by Drop Box Collection vehicles.

Complaint

“Complaint” means written or orally communicated statements made by members of the public, Customers, Owners, or Occupants of properties served by Contractor, by officers, employees or

agents of Agency or SBWMA alleging non-performance of, or deficiencies in Contractor's performance of, its duties under this Agreement, or a violation by Contractor of this Agreement.

Construction and Demolition Debris or C&D

"Construction and Demolition Debris" and "C&D" means materials resulting from construction, renovation, remodeling, repair, or demolition operations on any Residential, Commercial or other structure or pavement.

Container

"Container" means any receptacle used for storage of Solid Waste, Targeted Recyclable Materials, Organic Materials and other materials Collected pursuant to this Agreement including, but not limited to, metal or plastic cans, Carts, Bins, tubs, Kitchen Pails and Drop Boxes.

Contamination

"Contamination" means (i) all materials other than those defined as Targeted Recyclable Materials that were Collected by Contractor with Single-Stream or Source Separated Targeted Recyclable Materials; (ii) all materials other than those defined as Plant Materials Collected by Contractor with Plant Materials; or (iii) all materials other than those defined as Organic Materials Collected by Contractor with Organic Materials.

Contamination Level

"Contamination Level" means the percentage of Contamination in the Targeted Recyclable Materials, Plant Materials, or Organic Materials Collected by Contractor, which shall be calculated as the Tonnage of Contaminated Material or residual divided by the Tonnage of all the specific material Collected.

Contamination Measurement Procedure

"Contamination Measurement Procedure" means the procedure the SBWMA will use to determine the Contamination Level of loads of Targeted Recyclable Materials, Plant Materials or Organic Materials Collected by Contractor and delivered to the Designated Transfer and Processing Facility.

Contractor

"Contractor" means Recology San Mateo County.

Contractor's Compensation

"Contractor's Compensation" means the monetary compensation owed to Contractor in return for providing services in accordance with this Agreement as described in Article 11.

Contractor Pass-Through Costs

"Contractor Pass-Through Costs" means the costs described in Attachment K, Section 3, Table 1 to which no element of overhead, administrative expense, or profit, is added, such that the specific amount of such cost is included without modification in the calculations or reports prepared in implementing this Agreement.

Contractor's Proposal

"Contractor's Proposal" means the proposal submitted by Contractor and received by March 11, 2008 by the SBWMA in response to the November 1, 2007 SBWMA Request for Proposals for Collection Services, and certain supplemental written materials.

County

"County" means the County of San Mateo.

Curbside

"Curbside" means the location for Collection, where Collection Containers or loose materials are placed on the street or alley against the face of the curb, or, where no curb exists, placed not more than five (5) feet from the outside edge of the street or alley.

Customer

"Customer" means the Person to whom Contractor (or Agency if Agency bills directly) submits billing invoices for Collection services provided to a Premises. The Customer may be the Occupant or Owner of the Premises provided that the Owner of the Premises shall be responsible for payment of Collection services if an Occupant of the Premises fails to make such payment.

Day

"Day" means calendar day unless otherwise specified.

Designated Transfer and Processing Facility

"Designated Transfer and Processing Facility" means the Shoreway Recycling and Disposal Center or "SRDC" at 225 and 333 Shoreway Road, San Carlos, California, which is owned by SBWMA.

Designated Waste

"Designated Waste" means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be disposed of only in Class II Disposal Sites or Class III Disposal Sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste in California Code of Regulations Title 23, Section 2522.

Discarded Material

"Discarded Material" means Solid Waste, Targeted Recyclable Materials, and Organic Materials placed by a Generator in a Container and/or at a location that is designated for Collection pursuant to the Agency's Municipal Code. Discarded Material shall become the property of Contractor pursuant to California Public Resources Code Section 41950 until delivery to the Designated Transfer and Processing Facility.

Disposal

"Disposal" means the ultimate disposition of Solid Waste Collected by Contractor at a Disposal Site.

Disposal Site

"Disposal Site" means the facility or facilities utilized for the landfill Disposal of Solid Waste Collected under the terms of this Agreement.

Drop Box

“Drop Box” means an open-top Container with a typical capacity of seven (7) to fifty (50) cubic yards that is serviced by a Drop Box or roll-off Collection vehicle.

Effective Date

“Effective Date” means the date identified in Section 3.01.

Electronic Waste (or E-Scrap)

“Electronic Waste” or “E-Scrap” means “Covered Electronic Wastes” as defined in the Act (Section 42463 of Public Resources Code) in addition to discarded electronic equipment such as, but not limited to, television sets, computer monitors, central processing units (CPUs), laptop computers, and peripherals (e.g., external computer hard drives, computer keyboards, computer mice, and computer printers). E-Scrap does not include those items defined herein as Targeted Recyclable Materials.

Environmental Laws

"Environmental Laws" means all federal and State statutes, County, and Agency ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC §6902 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances Control Act, 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the California Toxic Substances Control Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

Event

“Event” includes but is not limited to “large events” as defined in the Act (Public Resources Code Section 42648), any Event that serves an average of at least 2,000 attendees and workers per day, and Agency-sponsored community events. A list of Events currently held in the Agency is included as Attachment C.

Facility/Facilities

"Facility/Facilities" means any plant or site, owned or leased and maintained, operated or used by Contractor for purposes of performing Contractor’s obligations under this Agreement (e.g., facilities for parking and maintaining vehicles, administration offices, and customer service offices, etc.). As of the Effective Date, Contractor’s Facility(ies) are Shoreway Recycling and Disposal Center at 225 Shoreway Road, San Carlos, California.

Fiscal Year

"Fiscal Year" means the period commencing July 1st through June 30th each year.

Food Scraps

"Food Scraps" means a subset of Organic Materials including: (i) all kitchen and table food waste, and animal, or vegetable fruit, grain, dairy or fish waste that attends or results from the storage, preparation, cooking or handling of foodstuffs, with the exception of animal excrement, (ii) paper waste contaminated with putrescible material, and (iii) biodegradable plastic food service ware.

Franchise Fee

“Franchise Fee” means the fee paid by Contractor to Agency pursuant to Section 10.02.

Generator

“Generator” means any Person whose act or process produces Solid Waste, Targeted Recyclable Materials, or Organic Materials, or whose act first causes Solid Waste to become subject to regulation.

Gross Revenue Billed

“Gross Revenue Billed” means the total revenue recognized per generally accepted accounting principles by the Contractor for all services provided to Customers during the Rate Year in question. Revenues may be billed by the Contractor to Customers or may be billed by Agency to Customers.

Guarantor

“Guarantor” means Recology Inc..

Guaranty

“Guaranty” means the agreement to be executed by the Guarantor in the form of Attachment G.

Hazardous Substance

"Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated there under to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable Federal, State or local Environmental Laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl’s ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

Hazardous Waste

"Hazardous Waste" means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or in any future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated there under.

Hold Time

"Hold Time" means the amount of time per answered call that a customer service agent (or agents) place a call on hold, plus the amount of time a call is left unanswered after Contractor's introductory voicemail message(s) is ended either by completion of the message(s) or by the Customer bypassing the message.

Holidays

"Holidays" means New Year's Day, Thanksgiving Day, and Christmas Day.

Holiday Schedule

"Holiday Schedule" means the modified service schedule for the days following a Holiday. If a Holiday falls on Monday, Tuesday, Wednesday, Thursday or Friday, the service is provided the immediately following Day.

Holiday Trees

"Holiday Trees" means trees targeted for diversion that were purchased and used in celebration of Christmas and other Holidays in December and January.

Household Batteries

"Household Batteries" means disposable or rechargeable dry cells (e.g., A, AA, AAA, B, C, D, 9-volt, button-type) commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, nickel metal hydride, alkaline, mercury, mercuric oxide, silver oxide, zinc oxide, nickel-zinc, nickel iron, lithium, lithium ion, magnesium, manganese, and carbon-zinc batteries, but excluding automotive lead acid batteries.

Household Hazardous Waste

"Household Hazardous Waste" means Hazardous Waste generated at Residential Premises. Household Hazardous Waste does not include those items defined as Targeted Recyclable Materials.

Including

"Including" means including but not limited to.

Infectious Waste

"Infectious Waste" means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments that are identified in State Health and Safety Code Section 25117.5.

Inquiry

"Inquiry" means a written or orally communicated request for information, request for Collection services, or request for change in service level made by members of the public, Customers, Owners, or Occupants of properties served by Contractor, or by officers, employees or agents of Agency or SBWMA.

Kitchen Pail

"Kitchen Pail" means a receptacle suitable for the storage of Food Scraps that has a capacity of 1.5 to 2.5 gallons, a wire or plastic handle, and a lid.

Line of Business

"Line of Business" means the individual types of Collection service provided by Contractor to each Service Sector, including Recyclable Materials Collection service, Organic Materials Collection service and Solid Waste Collection service.

Liquidated Damages

"Liquidated Damages" means the amounts owed by Contractor to the Agency for failure to meet specific standards of performance as described in Section 14.07.

Major Appliances

"Major Appliances" means any device including, but not limited to, washing machines, clothes dryer, hot water heaters, dehumidifiers, conventional ovens, microwave ovens, stoves, refrigerators, freezers, air-conditioners, trash compactors, and residential furnaces discarded by Customers. Major Appliances are commonly referred to as White Goods.

Materials Recovery Facility (MRF)

"Materials Recovery Facility" means a permitted facility where Solid Waste, Targeted Recyclable Materials, Organic Materials, and other materials are processed, sorted or separated for the purposes of recovering reusable or Targeted Recyclable Materials. For the purposes of this Agreement, Agency has designated the Shoreway Recycling and Disposal Center, located at 225 and 333 Shoreway Road, San Carlos, CA, owned by the SBWMA, as its Designated Transfer and Processing Facility.

Measured Contamination Level

"Measured Contamination Level" means the Contamination Level of the Targeted Recyclable Materials, Plant Materials, and Organic Materials delivered by Contractor to the Designated Transfer and Processing Facility determined in accordance with procedures contained in Attachments E-1 and E-2.

Member Agencies

"Member Agencies" means the following jurisdictions: 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.

Member Agency Facilities

"Member Agency Facilities" or "Agency Facilities" means any building, site or open space, owned, or leased and maintained, operated or used by a Member Agency.

Missed Pick-Up Collection Event

"Missed Pick-Up Collection Event" means events whereby Contractor failed to collect Solid Waste, Targeted Recyclable Materials and Organic Materials on or before the Business Day following Contractor's receipt of the Missed Pick-Up Initial Complaint. The only exceptions to this definition include: Missed Pick-Up Initial Complaints for which Contractor: (i) documented in its Customer service system the Customer's failure to properly set out Container or that the Containers were blocked for Collection based on the route driver's report; and, (ii) coded the call for a recollection request or courtesy pick-up prior to receiving a Missed Pick-Up Initial Complaint.

Missed Pick-Up Initial Complaint

"Missed Pick-Up Initial Complaint" means complaints received by Contractor, Agency or SBWMA for missed pick-up of Solid Waste, Targeted Recyclable Materials and Organic Materials with the exception of Missed Pick-Up Complaints for which Contractor: (i) documented in its customer service system the Customer's failure to properly set out Container or that the Containers were blocked for Collection based on the route driver's report; and, (ii) coded the call for a recollection request or courtesy pick-up prior to receiving a Missed Pick-Up Complaint on that same Day.

Multi-Family Dwelling

"Multi-Family," "Multi-Family Dwelling" or "MFD" means an individual Residential Premises in a building that contains five (5) or more individual Residential Premises.

Multi-Family Residential Complex

"Multi-Family Residential Complex" means the building(s) containing five (5) or more individual Residential Premises. Such Premises normally have centralized Solid Waste and Targeted Recyclable Materials Collection service for all units in the building and are billed to one address (typically the Owner or property manager).

Net Revenue Billed

"Net Revenue Billed" means the sum of actual Gross Revenue Billed (as per Section 11.03.D) minus payments to SBWMA for disposal, payments to Agencies for Franchise and other fees as described in Article 10, and revenues attributable to unscheduled or intermittent service.

Occupant

"Occupant" means a Person who occupies a Premise.

On-Call Service

"On-Call Service" means Collection service provided by Contractor that is not regularly scheduled or is scheduled more than twenty-four (24) hours in advance. On-Call Service is initiated by Customer by calling, emailing, or requesting the service in person at Contractor's office.

Operating Cost

"Operating Cost" or "Cost of Operations" means those costs actually incurred by Contractor, reasonably necessary to perform under this Agreement, and not otherwise specifically excluded in this Agreement.

Operating Ratio

"Operating Ratio" means a factor used in the calculation of profit. Contractor's profit is determined by applying the Operating Ratio of ninety and one-half percent (90.5%) to total annual Costs of Operation described in Attachment K, Section 6.B.2.

Operator

"Operator" means the company contracted by the SBWMA to operate the Designated Transfer and Processing Facility.

Organic Materials

"Organic Materials" means those materials that will decompose and/or putrefy and that the Agency permits, directs, or requires Generators to separate from Solid Waste and Targeted Recyclable Materials for Collection in specially designated Containers for Organic Materials Collection. Organic Materials include Plant Materials, Food Scraps, paper contaminated with Food Scraps, biodegradable plastic food service ware, pieces of unpainted and untreated wood, and pieces of unpainted and untreated wallboard. No Discarded Material shall be considered Organic Materials, unless such material is separated from Solid Waste and Targeted Recyclable Material.

Other Recyclable Material

"Other Recyclable Material" means a subset of Recyclable Materials that are Collected which include, but are not limited to: Household Batteries, Cell Phones, Used Motor Oil, Used Motor Oil Filters, Bulky Items that are Recycled, Major Appliances, E-Scrap, and U-Waste. The purpose of differentiating Other Recyclable Material is to describe a category used to calculate the Overall Diversion Level as specified in Attachment I.

Overage

"Overage" means the amount of Solid Waste placed in or adjacent to a Collection Container that is in excess of the Container capacity.

Overall Diversion Level

"Overall Diversion Level" means the sum of all Recyclable Materials Collected by Contractor divided by the sum of all materials Collected by Contractor in a Rate Year.

Owner

"Owner" means the Person holding legal title to the real property constituting the Premises to which Solid Waste, Targeted Recyclable Materials, and/or Organic Materials Collection service is provided.

Party(ies)

"Party(ies)" refers to the Agency and Contractor, individually or together.

Pass-Through Cost

"Pass-Through Cost" means a cost to which no element of overhead, administrative expense, or profit, is added, such that the specific amount of such cost is included without modification in the calculations or reports prepared in implementing this Agreement.

Person

"Person" means any individual, firm, company, association, organization, partnership, corporation, trust, joint venture, the United States, the State, the County, towns, cities, or special purpose districts.

Plant Materials

“Plant Materials” means a subset of Organic Materials consisting of grass cuttings, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees (not more than six (6) inches in diameter) and five (5) feet in length, and similar materials generated at Premises, separated and set out for Collection. Plant Materials does not include materials not normally produced from gardens or landscape areas, such as, brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood products. Diseased plants and trees may be excluded from Plant Materials upon mutual consent of Agency and Contractor.

Premise

"Premise" means any land, or building where Solid Waste, Recyclable Materials, or Organic Materials is generated or accumulated.

Previous Contractor

"Previous Contractor” means Allied Waste Services of San Mateo County, a division of Republic Services, Inc.

Proposal

"Proposal" means Contractor’s Proposal.

Rates

“Rates” means the monetary amounts to be charged a Customer by Contractor for providing Collection of Solid Waste, Recyclable Materials, Organic Materials, and other materials.

Rate Year

"Rate Year" means the twelve-month period, commencing January 1 of one year and concluding December 31 of the same year, for which Contractor’s Compensation is calculated.

Recycling

"Recycling" means the process of sorting, cleansing, treating and reconstituting materials that would otherwise be Disposed of at a landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused or reconstituted products.

Recycling Blitz

"Recycling Blitz" means Contractor’s campaign to implement Recycling Collection service at Commercial and Multi-Family Dwelling Customers that have limited or no recycling collection service approximately six (6) months prior to the roll-out of new services.

Recycling Tote-Bag

"Recycling Tote-Bag" means a durable, mesh plastic bag with handles and a carrying capacity of approximately eight (8) gallons distributed to Multi-Family Dwelling Residential Premises and Multi-Family Residential complexes for personal Recycling use.

Recyclable Containers

"Recyclable Containers" means food and beverage packaging receptacles including but not limited to packaging that has California Redemption Value.

Recyclable Materials

"Recyclable Materials" means Discarded Materials that can be re-used, remanufactured, reconstituted, or Recycled.

Related Party Entity

"Related Party Entity" means any Affiliate which has financial transactions with Contractor pertaining to this Agreement.

Residential

“Residential” means of, from, or pertaining to Single-Family Dwellings, and Multi-Family Residential complexes, including single-family homes, apartments, condominiums, townhouse complexes, mobile home parks, cooperative apartments, and yacht harbors and marinas where residents live aboard boats.

Residential Diversion Level

“Residential Diversion Level” means the sum of all Residential Recyclable Materials Collected by Contractor divided by the sum of all Residential materials Collected by Contractor.

Residential Premise

"Residential Premises” means individual dwelling units such as Single-Family Dwelling units, Multi-Family Dwelling units (such as townhouses, apartments, and condominiums), mobile home park dwelling units, cooperative apartments, and dwelling units at yacht harbors and marinas where residents live aboard boats.

Residential Property

"Residential Property" means property used for residential purposes.

Residential Recyclable Materials

“Residential Recyclable Materials” means Targeted Recyclable Materials Collected from both Single-Family Dwelling Customers and Multi-Family Residential Complexes.

Revenue Requirement

“Revenue Requirement” means the total projected amount of revenue that must be included in Agency’s Rates charged to Customers to cover all costs associated with Contractor’s Compensation, Contractor Pass-Through Costs and Pass-Through Costs for a Rate Year.

SBWMA

"SBWMA" means the South Bayside Waste Management Authority, which is a joint powers authority comprised of the Member Agencies.

SBWMA Service Area

"SBWMA Service Area" means the service area comprised of the SBWMA's Member Agencies, which include the following: Town of Atherton, City of Belmont, City of Burlingame, City of East Palo Alto, City of Foster City, Town of Hillsborough, City of Menlo Park, City of Redwood City, City of San Carlos, City of San Mateo, sections of unincorporated San Mateo County, and West Bay Sanitary District.

Service Area

"Service Area" means the area within, and, if applicable, outside Agency's jurisdictional boundaries with respect to which Agency exercises franchising authority for the Collection of Solid Waste, Targeted Recyclable Materials, Organic Materials, or other materials pursuant to this Agreement.

Service Day

"Service Day" means Monday through Sunday excluding Holidays.

Service Opportunity

"Service Opportunity" means each individual opportunity the Contractor has to Collect Solid Waste, Targeted Recyclable Materials, and Organic Materials from a Customer's Container which is equivalent to the required Single-Family, Multi-Family and Commercial lifts. For example, for a Single-Family Customer with regular weekly service, Contractor has three (3) Service Opportunities per week – one (1) for Solid Waste Collection, one (1) for Targeted Recyclable Materials, and one (1) for Organic Materials.

Service Sector

"Service Sector" means Collection services for each of the following types of services: Single-Family; Multi-Family; Commercial; and Member Agency Facilities.

Single-Family

"Single-Family," "Single-Family Dwelling," or "SFD" means a Premises used as a Residential dwelling and includes each unit of a duplex, triplex, fourplex or townhouse condominium at which there are no more than four dwelling units where individual Solid Waste, Targeted Recyclable Materials, and Organics Materials Collection is provided separately to each dwelling unit.

Single-Stream Targeted Recyclable Materials

"Single-Stream Targeted Recyclable Materials" shall mean Targeted Recyclable Materials which have been Commingled by the Generator and placed in a Container for the purposes of Collection.

Solid Waste

"Solid Waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, as defined in California Public Resources Code Section 40191. For the purposes of this

Agreement, “Solid Waste” does not include abandoned vehicles and parts thereof, Hazardous Waste or low-level radioactive waste, medical waste, Source Separated Targeted Recyclable Materials, Source Separated Plant Materials, or Source Separated Organic Materials.

Source Separated

"Source Separated" means materials which otherwise would become Solid Waste, but have been segregated by the Generator, such as Targeted Recyclable Materials or Organic Materials, for the purpose of reuse, Recycling, or composting, to be Collected by Contractor or others.

Special Handling Service

“Special Handling Service” means the provision of Collection service to a SFD in the rear or side premises. Customers eligible for this service include only those that submit documentation (e.g., a form signed by a doctor) of their inability to perform the generally applicable Curbside Collection set-out requirements.

Specialty Recyclable or Reusable Material

“Specialty Recyclable or Reusable Material” means Recyclable Materials that are not Targeted Recyclable Materials but that may be collected for purposes of Recycling by any Person operating in accordance with the Agency Municipal Code. Such Specialty Recyclable or Reusable Materials include, but are not limited to, scrap metal weighing more than ten (10) pounds, Construction and Demolition Debris, pallets, plastic film, and reusable furniture.

Speed of Answer

“Speed of Answer” means the amount of time before a call is answered once that call is queued upon completion of the introductory voicemail message(s) or Customer bypassing the message(s).

State

“State” means the State of California.

Subcontractor

“Subcontractor” means a Person which has entered into a contract with the Contractor for the performance of work that is necessary for the Contractor’s fulfillment of its obligations under this Agreement.

Targeted Recyclable Materials

“Targeted Recyclable Materials” means a subset of Recyclable Materials that includes: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, paperboard, paper egg cartons, telephone books, books, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard; paper milk cartons; glass containers of any color (including brown, blue, clear, and green); aluminum (including food and beverage containers, foil, small pieces of scrap metal); small pieces of scrap metal weighing less than ten (10) pounds and fitting into the Targeted Recyclable Materials Collection Container (excluding chain, cable, wire, banding, hand tools, and automotive parts); steel, tin or bi-metal containers; plastic containers (i.e., all plastic containers stamped with the Society for the Plastics Industry (SPI) code #1 through #7; and

plastic containers that are not stamped but clearly can be identified as PET, HDPE, polypropylene). For Single-Family and Multi-Family Premises, Targeted Recyclable Materials also include Used Motor Oil, Used Motor Oil Filters, Household Batteries, and Cell Phones.

Term

"Term" means the Term of this Agreement.

Ton (or Tonnage)

"Ton (or Tonnage)" means a unit of measure for weight equivalent to 2,000 pounds where each pound contains 16 ounces.

Transfer Station

"Transfer Station" means a Facility primarily used for the purpose of transferring Solid Waste from Collection vehicles to transfer vehicles (but which may include recovery operations) to more efficiently transport Solid Waste to the Disposal Site. For the purposes of this Agreement, Agency has designated the Shoreway Recycling and Disposal Center, located at 225 and 333 Shoreway Road, San Carlos, CA, as its designated Transfer Station.

Spills of Discarded Materials

"Spills of Discarded Materials" means any Solid Waste, Targeted Recyclable Materials, or Organic Materials spilled or left at established Collection sites by Contractor after Collection, other than small particles of grass clippings and leaves of the size and volume that may be collected by regular street sweeping operations which may be left behind.

Universal Waste (or U-Waste)

"Universal Waste," or "U-Waste," means all wastes defined by Title 22, Subsections 66273.1 through 66273.9 of the California Code of Regulations. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and Electronic Waste. U-Waste does not include those items defined herein as Targeted Recyclable Materials.

Unpermitted Materials

"Unpermitted Materials" mean wastes or other materials that the Designated Transfer and Processing Facility is not permitted to receive, including Hazardous Waste and Hazardous Substances.

Unscheduled Service

"Unscheduled Service," means services that are unscheduled or provided on an intermittent basis. For the purposes of Section 11.03D, Unscheduled Service does not include services described in Section 5.02 (other than Single-Family Backyard Collection Service provided to Customers representing more than twenty percent (20%) of the Single-Family Accounts), 5.03 (other than universal implementation), 5.04 (other than universal implementation), 5.05, 5.06, 5.07, 5.08 (as to events described in Attachment C), 5.09, 5.10, 5.11 (up to 30 cubic yards), 5.13A, or in Article 6, or any other service not included in Attachment Q unless authorized by Agency.

Used Motor Oil

"Used Motor Oil" means used motor oil from automobiles and other light duty vehicles intended for personal use which is removed from cars at a Residential Premises and not as a part of a for-profit or other business activity.

Used Motor Oil Filter

"Used Motor Oil Filter" means a used motor oil filter from automobiles and other light duty vehicles intended for personal use which is removed from the vehicle at a Residential Premises and not as a part of a for-profit or other business activity.

Venue

"Venue" means a permanent facility that during any year seats or serves an average of more than 2,000 individuals per day of operation. Both people attending the event and those working at it, including volunteers, are included in this number.

Weekly Collection Service

"Weekly Collection Service" means Collection Service that is scheduled in advance from Monday through Friday and provided once-per-week on the same day or days each week.

White Goods

"White Goods" means Major Appliances.

ATTACHMENT B

AGENCY FACILITIES

AGENCY: TOWN OF ATHERTON

FACILITY - FIXED	ADDRESS	GARBAGE	MIXED PAPER	CANS & BOTTLES	ORGANICS	COMMENTS
Police/Admin	83-91 Ashfield	1-6yd, weekly	1-2yd, weekly	1-95 gal. B-Week		We roll out
Module & Corp Yard	99 Station Lane	1-3yd, weekly	1-2 yd, weekly	1-95 gal. B-Week		We roll out
Train Station	1 Station Lane	None	2-95 gal. weekly	None		
Library	2 Station Lane	None	2-95 gal weekly	None		Loose cardboard also
H-P Park	150 Watkins	2 – 2yd. Mon/Fri	1-2yd weekly	6- 95 gal weekly	Add, weekly	
H-P Park	160 Watkins	32 gal. weekly	64 gal. weekly	In 64 gal.	96 gal. weekly	City Manager's Residence
Fire Department	32 Almendral	3-45 gal cans, weekly	None	2-95 gal. A - Week		

FACILITY NON-FIXED	ADDRESS	GARBAGE	MIXED PAPER	CANS & BOTTLES
Library Reading Park	2 Station Lane	1-32gal. weekly	1-20 gal. weekly	1-20gal. weekly
El Camino Real Bus Stop	X St. Fifth Avenue Southbound	1-45 gal. weekly		
El Camino Real Bus Stop	X St. Isabella Southbound	1-45 gal. weekly		
Middlefield Rd. Bus Stop	Across from 470 Middlefield Northbound	1-45 gal. weekly		

Public Works Corp Yard: **1-40 yard greenwaste, call for pick-up**

1-20 yard concrete and asphalt, call for pick-up

Holbrook-Palmer Park: **1-40 yard greenwaste, call for pick-up**

ATTACHMENT C
COMMUNITY EVENTS
AGENCY: TOWN OF ATHERTON

- Dames/Foundation Town BBQ at Holbrook-Palmer Park, September
- Jazz at the Park – Arts Committee
- Earth Day/ Green Start – Environmental Programs Committee

Not a Town Event – Menlo Circus Club Annual Charity Horseshow, in August
Contact: Bob Crosby, 322-6401

ATTACHMENT D – CONTAINER SPECIFICATIONS
AGENCY: TOWN OF ATHERTON

Container Specifications - Carts					
1.	Material to be Collected		Color		Default Capacity
	Solid Waste		Black		32 gallon
	Targeted Recyclable Materials		Blue		64 gallon
	Organic Materials		Green		96 gallon
2.	Manufacturer……..		Toter Inc.		
3.	Material of Construction……		LMPDE – Linear Medium Density Polyethelyne		
4.	Recycled Content (percentage)……..		Minimum of thirty percent (30%) post-consumer recycled content material		
5.	Manufacturing Method (rotational molding, injection molding, other.)……..		Rotational molding for 32,64,and 96 gallon carts Injection molding for 20 gallon cart		
	Cart Size	**20 gal [1]**	**32 gal**	**64 gal**	**96 gal**
6.	Durability (in service years) …….	10+	10+	10+	10+
7.	Cost of Each Container **…….	$52.00	$42.00	$53.00	$69.00
8.	Dimensions of Each Container (Length x Width x Height) ……	18 x 19.8 x 32.60	24.25 x 19.25 x 38.50	31.75 x 24.25 x 41.75	35.25 x 29.75 x 43.25
9.	Wheel Size (carts only) …….	8”	10”	10”	10”
1.	Maximum Load Weight (lbs) …….	60-74 lbs	112 lbs	224 lbs	336 lbs
10.	Manufacturer’s warranty (years)	10	10	10	10
11.	Labeling (list methods)……..	Hot Stamp on Body and/or Lid			

[1] The 20 gallon Cart manufacturer shall be Rehrig Pacific Company or Norseman Environmental Products. Cart capacity may vary slightly based on manufacturer.

ATTACHMENT D – CONTAINER SPECIFICATIONS
AGENCY: TOWN OF ATHERTON

Container Specifications – Kitchen Pails			
1. Kitchen Pail (Food Waste)	☒		
2. Manufacturer……			Norseman Environmental Products
3. Material of Construction ……..			High Density Polyethylene
4. Recycled Content (percentage)……..			Minimum of twenty percent (20%) post-consumer recycled content material
5. Color ……..			Green body White lid White handle
6. Durability (in service years) ……			Five years plus
7. Cost of Each Kitchen Pail ……			$5.60 (delivery included)
8. Dimensions of Each Kitchen Pail (Length x Width x Height) ...			12” x 8.6” x 8.6”
9. Manufacturer’s warranty ……..	☐ No	☒ Yes	If Yes No. of Years 5
10. Labeling (list methods)..……..			Hot stamped on front and/or Label affixed to front or on lid

ATTACHMENT D – CONTAINER SPECIFICATIONS
AGENCY: TOWN OF ATHERTON

Container Specifications – Recycling Tote Bag			
1. Recycling Tote Bags ……..	☒		
2. Manufacturer……..			Multibag
3. Material of Construction ……			Polypropylene
4. Recycled Content (percentage) ……			60% Recycled Polypropylene, 35% Virgin Polypropylene, 3% White pigment, and 2% Printing ink
5. Color ……..			Available in any Pantone color
6. Durability (in service years) ……			5 – 10 Years
7. Cost of Tote ……..			3000 Bags - $3.15 per 5000 Bags - $2.92 per 10,000 Bags - $2.87 per 15,000 Bags - $2.80 per
8. Dimensions of Recycling Tote Bag (Length x Width x Height)			15 x 7 x 15 (inches)
9. Manufacturer's warranty ……..	☒ No	☐ Yes	If Yes No. of Years _____
10. Labeling (list methods) ……			Silkscreen

ATTACHMENT D – CONTAINER SPECIFICATIONS
AGENCY: TOWN OF ATHERTON

Container Specifications - Bins				
1. Material to be Collected.	Garbage ☒ Targeted Recyclables ☒ Organic Waste ☒ C&D Materials ☒			
2. Manufacturer……	Consolidated Fabricators			
3. Material of Construction ……	Steel Body	HDPE Plastic Lid		
4. Recycled Content (percentage)……	30%			
5. Manufacturing Method ……	Welded (Body) Molded (Lid)			
6. New or Used (Agency authorization required)……	☐ New	☐ Used		
7. Date of Last Refurbished ……	_____			
Container Size (cubic yards)	1 CY	2 CY	3 CY	4 CY
8. Color ……	_____	_____	_____	_____
9. Durability (in service years) ……..	7+	7+	7+	7+
10. Cost of Each Container ……	$460.00	$590.00	$620.00	$700.00
11. Dimensions of Each Container (Length x Width x Height) ……..	72” x 24” x 28”	72” x 34.5” x 34.5”	72” x 41.5” x 41.5”	72” x 50.5” x 46”
12. Wheel Size (if appropriate) ……..	6”	6”	6”	6”
13. Maximum Load Weight (lbs) …….	600	1000	1400	1800
14. Manufacturer’s warranty (years)	1	1	1	1
15. Labeling (list methods) ……	Paint and decals			

ATTACHMENT D – CONTAINER SPECIFICATIONS
AGENCY: TOWN OF ATHERTON

Container Specifications – Bins				
1. Material to be Collected.	Garbage ☒ Targeted Recyclables ☒ Organic Waste ☒ C&D Materials ☒			
2. Manufacturer……	Consolidated Fabricators			
3. Material of Construction ……	Steel Body	HDPE Plastic Lid		
4. Recycled Content (percentage)……	30%			
5. Manufacturing Method ……	Welded (Body) Molded (Lid)			
6. New or Used (Agency authorization required)……..	☐ New	☐ Used		
7. Date of Last Refurbished ……	_____			
Container Size	6 CY	8 CY	9 CY	15 CY
8. Color ……	_____	_____	_____	_____
9. Durability (in service years) ……..	7+	7+	7+	7+
10. Cost of Each Container ……	$900.00	$1,200.00	N/A	N/A
11. Dimensions of Each Container (Length x Width x Height) ……..	72”x66”x 50”	72” x 72” x 56”	8x12x34”	8x12x55”
12. Wheel Size (if appropriate) ……..	n/a	n/a	10”	10”
13. Maximum Load Weight (lbs) …….	2000	2200	15,000 lb	15,000 lb
14. Manufacturer’s warranty (years)	1	1	1	1
15. Labeling (list methods) …….	Paint and decals			

N/A means “not applicable.”

ATTACHMENT D – CONTAINER SPECIFICATIONS
AGENCY: TOWN OF ATHERTON

Container Specifications – Drop Boxes

1.	Material to be Collected.	Garbage ☐ Targeted Recyclables ☒ Organic Waste ☒ C&D Materials ☒			
2.	Manufacturer……	Consolidated Fabricators			
3.	Material of Construction ……	Steel Body	N/A Lid		
4.	Recycled Content (percentage)……	30%			
5.	Manufacturing Method ……	Welded			
6.	New or Used (Agency authorization required)……..	☐ New	☐ Used		
7.	Date of Last Refurbished ……				
	Container Size	20 CY	30 CY	40 CY	
8.	Color ……	_____	_____	_____	
9.	Durability (in service years) ……..	+	+	+	
10.	Cost of Each Container ……	N/A	N/A	N/A	
11.	Dimensions of Each Container (Length x Width x Height) ……..	8x18x49”	8x20x66”	8x22x80”	
12.	Wheel Size (if appropriate) ……..	10”	10”	10”	
13.	Maximum Load Weight (lbs) …….	15,000 lb	15,000 lb	15,000 lb	
14.	Manufacturer’s warranty (years)	1	1	1	
15.	Labeling (list methods) ……	Paint and decals			

N/A means “not applicable.”

ATTACHMENT D – CONTAINER SPECIFICATIONS
AGENCY: TOWN OF ATHERTON

Container Specifications – Compactors

1.	Material to be Collected.	Garbage ☐			
		Targeted Recyclables ☐			
		Organic Waste ☐			
		C&D Materials ☐			
2.	Manufacturer……	_____			
3.	Material of Construction ……	Steel Body	_____ Lid		
4.	Recycled Content (percentage)……	_____			
5.	Manufacturing Method ……	_____			
6.	New or Used (Agency authorization required)……	☐ New	☐ Used		
7.	Date of Last Refurbished ……				
	Container Size	__ CY	__ CY	__ CY	__ CY
8.	Color ……	_____	_____	_____	_____
9.	Durability (in service years) ……..	_____	_____	_____	_____
10.	Cost of Each Container ……	_____	_____	_____	_____
11.	Dimensions of Each Container (Length x Width x Height) ……..	_____	_____	_____	_____
12.	Wheel Size (if appropriate) ……..	_____	_____	_____	_____
13.	Maximum Load Weight (lbs) …….	_____	_____	_____	_____
14.	Manufacturer's warranty (years)	_____	_____	_____	_____
15.	Labeling (list methods) …….	Paint and decals			

ATTACHMENT E-1

Contamination Measurement Methodology: Single Loads

This Attachment presents the methodology for quantifying the Contamination Level of single load(s) of Recyclable Materials Collected in the Service Area and delivered to the Designated Transfer and Processing Facility by Contractor.

This Attachment is organized into the following six (6) sections:

1. **Objectives**–describes the purpose of the methodology.
2. **Sampling rationale**–defines which loads will be sampled.
3. **Sampling allocation**–describes the number of samples required to provide a sufficient level of accuracy in findings.
4. **Test procedures**–describes sampling and sorting activities for each load.
5. **Sorting categories**-describes the sorting categories.
6. **Calculations**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. sample *data collection forms*
3. *equipment list*

1. Objectives

This methodology is designed to estimate the Contamination Level (as a percentage by weight of the entire load) in an individual load from five (5) inbound material types Collected in the Service Area. These material streams are listed below and described further in Section 3.

- Commercial Source Separated and Targeted Recyclable Materials
- Commercial Organic Materials
- Commercial Plant Materials
- Single-Family Targeted Recyclable Materials
- Single-Family Organic Materials

The methodology described herein is intended to produce consistent and statistically reliable estimates of the Contamination Level of individual loads from the above material streams. In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

2. Sampling rationale

Loads may be selected for sampling when observation of the load by SBWMA or Operator indicates that it may exceed the allowed Contamination Level. A statistical sampling process will be used to determine the Measured Contamination Level in individual loads.

3. Sampling allocation

Approximately five (5) samples, each weighing approximately one hundred and fifty (150) pounds, are required from an individual load in order to calculate the Measured Contamination Level with a sufficient level of accuracy for every material stream except Commercial Organic Materials. Because of the variability typically found in loads of Commercial Organic Materials, approximately fifteen (15) samples of two hundred (200) pounds are required for sampling to achieve the specified level of accuracy.

The recommended numbers of samples are based on the following factors:

1) An analysis of the composition variability among samples that were sorted during waste characterization studies of similar waste streams and programs in other West Coast communities.

2) An agreement on the acceptable level of accuracy.

Table 1 indicates the statistical confidence intervals (error ranges) at the ninety percent (90%) confidence level that are expected to result from characterizing five (5) samples per load, or fifteen (15) samples per load in the case of Commercial Plant Materials.

Table 1: Samples per Load and Results

Material stream	Estimated sample weight	Number of samples	Expected statistical error range
Commercial Source-Separated and Targeted Recyclable Materials	150 lbs.	5	4%
Commercial Organic Materials	200 lbs.	15	7%
Commercial Plant Materials	150 lbs.	5	1%
Single-Family Targeted Recyclable Materials	150 lbs.	5	2%
Single-Family Organic Materials-	150 lbs.	5	1%

The error ranges shown above shall be interpreted as follows. When the calculation method described below provides the Measured Contamination Level of a load, the estimate will be expressed in terms of percent by weight of the entire load. The error range around the estimate reflects a percent by weight of the entire load. Thus, if the Measured Contamination Level for a given material stream is five percent (5%), plus or minus one percent (1%), then ninety percent (90%) confidence that the Contamination is between four percent (4%) and six percent (6%) of the entire load is achieved.The Parties agree that the actual Measured Contamination Level will be the sole determinant of the percentage of Contamination in a load, and of Contractor's compliance with the maximum contamination levels.

It is expected that a two (2) person crew can obtain, sort, and weigh five (5) samples in a five (5) to seven (7) hour period.

4. Test procedures

Test procedures are broken down in to the following steps, which shall be used by SBWMA, or a third party designated by the SBWMA.

- Safety training and staff coordination
- Sampling and sorting area designation
- Sample selection
- Sample sorting
- Sample disposal
- Data management

Contractor or its representative shall have the right to be present at, observe, and photograph and video all aspects of the sampling process, including without limitation each of the steps listed above or described below.

Contractor shall not be responsible for any of the costs incurred in implementing the sampling process and procedures described in this Attachment E-1, other than costs incurred by Contractor in exercising its observation rights set forth in the preceding paragraph.

These steps are described in more detail following the definitions of roles. Each step is the responsibility of a specific person or group of people as follows:

- ***sampling crew manager***—responsible for selecting samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- ***sampling crew***—responsible for sorting samples.
- ***facility manager***—responsible for coordinating with the *sampling crew manager*.
- ***tipping floor staff***—responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- ***loader operator(s)***—responsible for segregating the selected load from other loads in the designated sampling and sorting area.

Safety training and staff coordination

When the *sampling crew manager* and the *sampling crew* arrive at the Designated Transfer and Processing Facility they will participate in any required safety training and put on all required personal protective equipment (see the *equipment list* shown in Appendix 3). The *sampling crew manager* will also walk through the process of extracting samples from the designated load with both the *loader operator(s)* and the *tipping floor staff*.

Sampling and sorting area designation

With the input of the *tipping floor staff* and the *loader operator(s)*, the *sampling crew manager* and *sampling crew* will set up in the designated sampling and sorting area near the tipping floor. The sorting area should be in a location near the load to be sampled and from which the loader can safely remove samples after sorting.

Sample selection

Five (5) cells will be randomly selected for sampling using a random number generator for all material streams except commercial organics. Fifteen (15) cells will be selected for the commercial organics material stream.

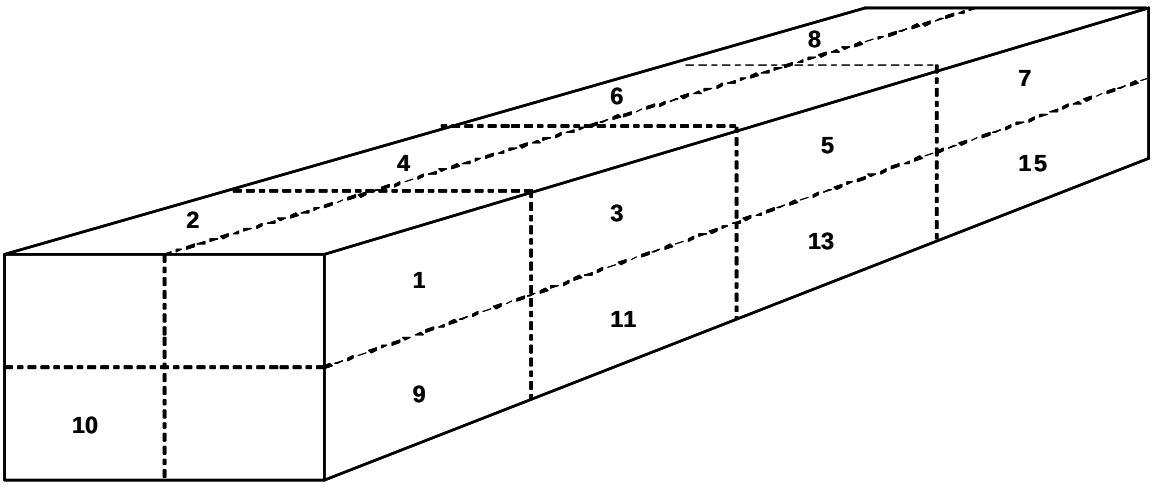
The *sampling crew manager* will assist the *loader operator* in locating the appropriate cell for each sample using the sample cell map in Figure 1 below.

After the loader has extracted the material in the selected cell, the *sampling crew manager* will guide the loader to a designated tarp. Using visual cues the *sampling crew manager* will ensure the *loader operator(s)* deposits the proper quantity of material on the tarp. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket cannot collect.

Pulling the tarp is a basic test used to estimate sample weight.[1] If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by removing or adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted but samples must be prevented from mixing with each other and with other material on the tipping floor. The *sampling crew manager* will place a unique sample placard on each sample for a photograph and, if the sample is not immediately sorted, for later identification. The placard is marked with a unique sample identification number and additional information (such as the date) used to identify loads in photographs and correlate load net weights with sample details. Each placard will be coded according to its corresponding materials stream. (e.g., 'RSS-1' indicates the first load of Residential single-stream recycling). Each load will be photographed individually with the sample placard visible and legible.

Figure 1: Sixteen (16) cell grid



Note: Cells 12, 14 and 16 are below cells 4, 6 and 8, respectively.

[1] Samples of Commercial Source-Separated and Targeted Recyclable Materials, Single-Family Targeted Recyclable Materials, and Commercial Plant Materials shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Single-Family Organic Materials shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.

Sample sorting

The sample identification number, as designated by the placard, will be recorded on the tally form (see Appendix 2 for an example of this form.) The sample will be moved into the designated sorting area. Next, the *sampling crew* will sort the Contamination materials, as defined in Appendix 1, out of the load and into sort containers. The *sampling crew* will then weigh the Contamination materials while the *sampling crew manager* records the weights on the tally form. The remainder of the load–all acceptable items–will be put into containers, weighed, and recorded on the tally form. The *sampling crew manager* is responsible for monitoring the homogeneity of material in each container and ensuring the accuracy of the sorting process. At the end of each sampling day the *sampling crew* will comply with any *tipping floor staff* directions regarding cleaning the designated sampling and sorting area and storing sampling and sorting supplies.

Sample disposal

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* will move the sorted material to a location where it is safe and convenient for the loader to remove.

Data management

At the end of each sampling day, the *sampling crew manager* will review all forms for accuracy and completeness. Any issues shall be resolved immediately while the day's work is still fresh in the mind. To ensure the tally forms are not lost before inputting the data into an electronic form, copies shall be made of all completed forms and copies will be kept in a place separate from the originals. One copy of the forms will be mailed or hand delivered to the person inputting the data into an electronic form.

The appendices cover calculations, data collection forms, and an equipment list for this study.

5. Sorting categories

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

1) Contamination
2) Targeted Recyclable Materials, Source-Separated Targeted Recycable Materials, Organic Materials, or Plant Materials

6. Calculations

Estimates of Contamination and Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials will be calculated using a method that gives equal weighting or "importance" to each sample within a given stream. Confidence intervals (error ranges) will be calculated based on assumptions of normality in the composition estimates.

In the descriptions of calculation methods, the following variables will be used:

- i denotes an individual sample.
- j denotes the material type.
- c_j is the weight of the material type j in a sample.

- *w* is the weight of an entire sample.
- r_j is the composition estimate for material *j* (*r* stands for *ratio*).
- *a* denotes a region of the state (*a* stands for *area*).
- *s* denotes a particular sector or subsector of the waste stream.
- *n* denotes the number of samples in the particular group that is being analyzed at that step.

Estimating the Composition

The following method will be used to estimate the composition of waste belonging to the Commercial Source-Separated and Targeted Recyclable Materials, Commercial Organic Materials, Commercial Plant Materials, Single-Family Targeted Recyclable Materials, and Single-Family Organic Materials streams.

For a given stream, the composition estimate denoted by r_j represents the ratio of the component's weight to the total weight of all the samples in the stream. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given stream and dividing by the sum of the total weight of waste for all of the samples in that stream, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \qquad (1)$$

where:

- *c* = weight of particular component
- *w* = sum of all component weights
- for *i* = 1 to *n*, where *n* = number of selected samples
- for *j* = 1 to *m*, where *m* = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

	Sample 1	**Sample 2**	**Sample 3**
Weight (*c*) of carpet	5	3	4
Total Sample Weight (*w*)	80	70	90

$$r_{Carpet} = \sum \frac{5+3+4}{80+70+90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05, or five percent (5%). In other words, five percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\mathrm{Var}(r_j) \approx \left(\frac{1}{n}\right)\left(\frac{1}{\overline{w}^2}\right)\left(\frac{\sum_i \left(c_{ij} - r_j w_i\right)^2}{n-1}\right) \qquad (2)$$

where:

$$\overline{w} = \frac{\sum_i w_i}{n} \qquad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm \left(z\sqrt{\mathrm{Var}(r_j)}\right) \qquad (4)$$

where *z* = the value of the *z*-statistic (1.645) corresponding to a 90 percent (90%) confidence level.

Appendix 1: Methodology checklist

Roles and responsibilities

- **sampling crew manager—**responsible for selecting samples, working with Facility staff and the sampling crew, quality control, and compliance with Facility regulations.
- **sampling crew—**responsible for sorting samples.
- **facility manager—**responsible for coordinating with the sampling crew manager, SBWMA, and drivers.
- **tipping floor staff—**responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)—**responsible for segregating the selected load from other loads in the designated sampling and sorting area.

- **Advanced preparation**
  - *Project manager:*
    - Contact *facility manager*
      - Ask *facility manager* to update the following employees with the sampling plan:
        - *Loader operator(s)*
        - *Tipping floor staff*
      - Request safety expectations
      - Schedule safety training
      - Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)
    - Obtain safety gear (Appendix 3)
      - Check safety gear
    - Obtain sorting equipment (Appendix 3)
      - Check sorting equipment
    - Print tally sheets (Appendix 2)
      - Print on "Rite in the Rain" all-weather paper
  - *Sampling crew* and *sampling crew manager*
    - Review material list
    - Review data collection forms
    - Review unique site requirements

- **Arrival at Facility**
  - *Sampling crew:*
    - Arrive at Facility ahead of schedule
    - Participate in any required safety training
    - Don safety gear
  - *Sampling crew manager:*
    - Arrive at Facility ahead of schedule
    - Reviews logistics and expectations with MRF manager
    - Participate in any required safety training
    - Don safety gear

- **Tipping floor coordination**
  - *Sampling crew manager:*
    - Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
      - *Loader operator(s)* can visually communicate with sampling crew
      - *Loader operator(s)* can safely remove sorted loads
      - Approximately twenty (20) feet by twenty (20) feet
    - Explain and walkthrough the sampling process with both the *tipping floor staff* and the *loader operator(s)*
      - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
      - Explain that the *sampling crew manager* is responsible for identifying the portion of the load that the *loader operator(s)* will sample
      - Explain the appropriate samples size. Samples of Commercial Source-Separated and Targeted Recyclable Materials, Single-Family Targeted Recyclable Materials, and Commercial Plant Materials shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Single-Family Organic Materials shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.
      - Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin
  - *Sampling crew*:
    - Set up designated sampling sorting area
      - Sorting table
      - Baskets
      - Digital scale(s)

- **Sample collection**
  - *Tipping floor staff*:
  - *Sampling crew manager*:
    - Direct *loader operator(s)* to pre-selected sampling cell
    - Direct *loader operator(s)* to designated tarpaulin
    - Signal *loader operator(s)* with tipping instructions
    - Pull tarp to test for appropriate sample weight
    - Place placard in the load
    - Photograph load
      - Placard should be visible and legible
    - Wrap and segregate load until ready to sort
  - *Loader operator(s):*
    - Pinch/scoop sample, as directed by the *sampling crew manager*
    - Tip sample on designated tarpaulin, as directed by the *sampling crew* manager
  - *Sampling crew*:
    - May assist *sampling crew manager* at any point

- **Sample sorting**
  - *Sampling crew*:

- Move the sample into the designated sampling/sorting area
- Sort the sample
  - Sort Contamination materials into designated baskets
- Assist the *sampling crew manager* with weighing the baskets
- Assist the *sampling crew manager* with weighing the remainder material

- *Sampling crew manager*:
  - Record the sample ID onto the tally sheet
  - Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
  - Sort the sample
    - Sort all Contamination material into designated baskets
  - Weigh baskets containing Contamination materials, and record weights on the tally sheet
    - Ensure homogeneity of materials
  - Weigh remainder material and record weights on the tally sheet
    - Ensure all Contamination materials are removed

- **Sample disposal**
  - *Sampling crew manager* and *sampling crew*:
    - Dispose of all materials in a designated disposal area
  - *Loader operator(s)*:
    - Remove disposed materials when it is safe and convenient

- **Data management**
  - *Sampling crew manager*:
    - Review all forms for accuracy and completeness
      - Tally sheet(s)
  - *Project manager*:
    - Check all forms for accuracy and completeness
      - Tally sheet(s)
    - Copy all data forms
      - Store copies separate from the originals
    - Download pictures from camera
    - Provide copies of data for electronic input
    - Ensure data entry is checked for accuracy

Appendix 2: Data collection forms

Appendix consists of copies of each of the following two (2) data collection forms:

- sampling placard
- tally sheet

Figure 2: Example Sampling placard

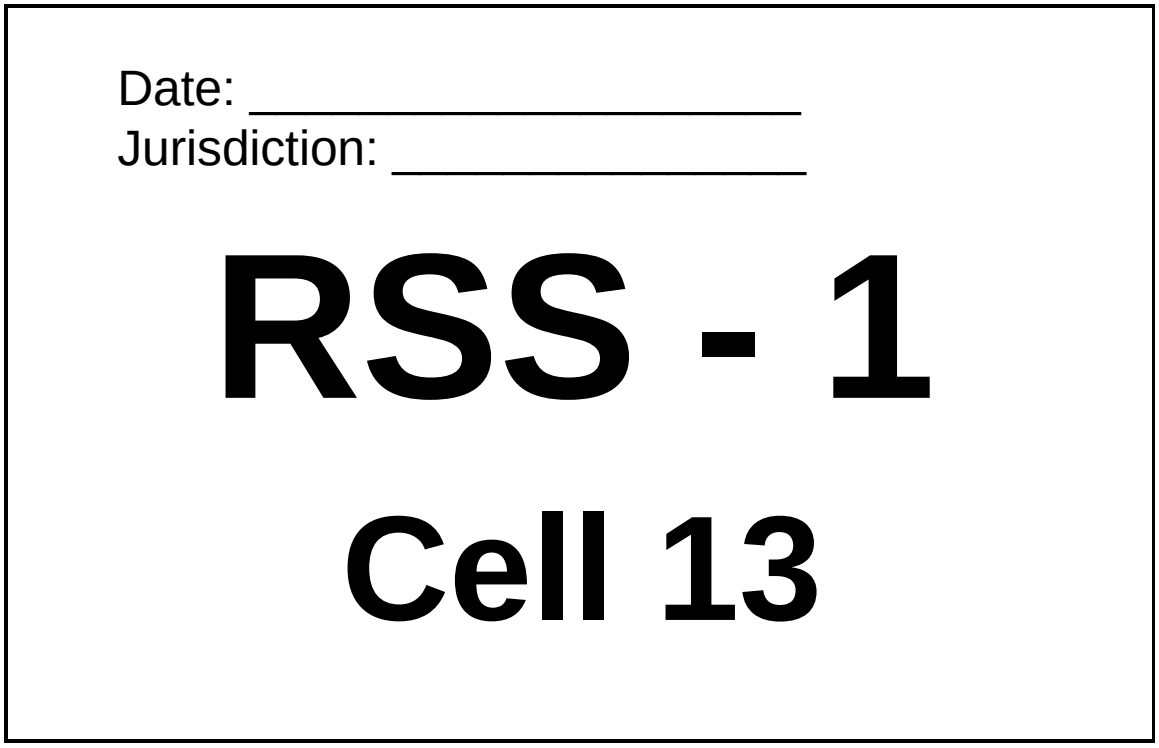


Figure 3: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling

RethinkWaste
South Bayside Waste Management Authority

					DATE:	SAMPLE ID:
CONTAMINANTS	Container 1					
	Container 2					
	Container 3				SAMPLING POPULATION:	SAMPLE WEIGHT:
	Container 4					
	Container 5					
	Container 6				TIME:	TRUCK NO.:
	Container 7					
	Container 8					
	Container 9				LOAD NO.:	CELL NO.:
	Container 10					
ACCEPTABLE	Container 1					
	Container 2					
	Container 3				NOTES:	
	Container 4					
	Container 5					
	Container 6					
	Container 7					
	Container 8					
	Container 9					
	Container 10					

Appendix 3: Equipment list

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

Sorting equipment:

- Approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to two hundred (200) pounds, accurate to one-tenth (1/10) of a pound)
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- data collection forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

Safety equipment:

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments

ATTACHMENT E-2

Contamination Measurement Methodology: Quarterly Protocol

This Attachment presents the methodology for quantifying the Contamination Level in five (5) distinct materials streams Collected by Contractor from the SBWMA Service Area.

This Attachment is organized into the following six (6) sections:

1. **Objectives**–describes the purpose of the methodology.
2. **Sampling rationale**–presents key sample groupings for the methodology, based on the Agency and material stream.
3. **Sampling allocation and calendar**–describes the number of samples required to provide a sufficient level of accuracy in findings and outlines a schedule that provides representative and sufficient data to meet quarterly and annual sampling goals.
4. **Field procedures**–describes sampling activities for each sorting day.
5. **Sorting categories**–describes the sorting categories.
6. **Calculations**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. sample *data collection forms*
3. *equipment list*

1. Objectives

This methodology is designed to estimate the Contamination Level (as a percentage by weight of the entire load) in an individual load from any of the five (5) materials streams Collected in the SBWMA Service Area as follows:

- Commercial Source-Separated and Targeted Recyclable Materials
- Commercial Organic Materials
- Commercial Plant Materials
- Single-Family Targeted Recyclable Materials
- Single-Family Organic Materials

The methodology described herein is also intended to produce consistent and statistically reliable estimates of the Contamination Level for each material stream as a whole. In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

2. Sampling rationale

Load samples shall be collected from each material stream identified above. The sampling plan considers the SBWMA Service Area as a single source of materials generation. Each materials stream will be considered as separate sampling population.

3. Sampling allocation and calendar

A total of twelve (12) samples shall be collected from each materials stream per quarter to achieve the agreed upon desired level of statistical accuracy. Additional samples may be collected in accordance with the last paragraph of this Section 3 and in such cases, all samples taken shall be used to calculate the Measured Contamination Level(s) for that quarter.

The specified number of samples are based on the following factors:

1) An analysis of the composition variability among samples that were sorted during waste characterization studies of similar waste streams and programs in other west coast communities.
2) An agreement on the acceptable level of accuracy

Table 1 indicates the statistical confidence intervals (error ranges) at the ninety percent (90%) confidence level that are expected to result from characterizing twelve (12) samples per quarter and forty-eight (48) samples per year with respect to each material stream.

Table 1: Samples per Load and Results

		Quarterly samples and results		Annual samples and results	
Material stream	**Estimated sample weight**	**Number of truckloads to be sampled[1]**	**Approximate statistical error range**	**Number of truckloads to be sampled[1]**	**Approximate statistical error range**
Commercial Source-Separated and Targeted Recyclable Materials	150 lbs	12	3%	48	1.5%
Commercial Organic Materials	200 lbs	12	8%	48	4% to 5%
Commercial Plant Materials	150 lbs	12	1%	48	0.5%
Single-Family Targeted Recyclable Materials	150 lbs	12	2%	48	1%
Single-Family Organic Materials	150 lbs	12	1%	48	0.5%

[1] The error ranges in Table 1 are based on one (1) sample per truckload.

The error ranges shown above shall be interpreted as follows. When the calculation method described below provides the Measured Contamination Level in a material stream, the estimate will be expressed in terms of percent by weight of the entire material stream. The error range around the estimate reflects a percent by weight of the entire material stream. Thus, if the Measured Contamination Level in a given material stream is five percent (5%), plus or minus one percent (1%), then ninety percent (90%) confidence that the Contamination Level is between four percent (4%) and six percent (6%) of the total material stream is achieved.

The Parties agree that the actual Measured Contamination Level will be the sole determinant of the percentage of Contamination in a load, and of Contractor's compliance with the maximum contamination levels.

It is expected that a two (2) person crew can collect, sort, and weigh approximately twelve (12) samples in an eight (8) to ten (10) hour period, assuming a constant supply of samples is available. Therefore, two (2) sorters working approximately five (5) days per quarter will collect and sort the desired number of samples to assess all five (5) material streams, assuming there are enough inbound loads during that time period to provide the desired number of samples.

To capture seasonal variations, sampling events will be conducted during each of the the four (4) calendar quarters. In addition, sampling events will not be scheduled five (5) days immediately before or after Holidays.

If the Measured Contamination Level for a material stream calculated for one (1) calendar quarter varies by twenty five percent (25%) or more from the Measured Contamination Level calculated for the immediately preceding calendar quarter, Contractor may require the SBWMA to increase the number of samples to be taken in the following quarter (up to twenty four (24) samples) at Contractor's expense. The result of the increased sampling will be used together with the regularly scheduled sampling to establish the Measured Contamination Level for the material stream for that quarter.

4. Field Procedures

The field procedures are described in the following nine (9) steps, and shall be followed by the applicable party: Contractor, Operator, SBWMA, or a third party designated by the SBWMA.

- Advanced preparation for regularly scheduled testing
- Arrival at Facility for regularly scheduled testing
- Scale house coordination
- Tipping floor coordination
- Load selection
- Sample collection
- Sample sorting
- Sample disposal
- Data management

Contractor or its representative shall have the right to be present at, observe, and photograph and video all aspects of the sampling process, including without limitation each of the steps listed above or described below.

SBWMA shall be solely responsible for all costs incurred in implementing the sampling process and procedures described in this Attachment E-2, other than (i) costs incurred by Contractor in exercising its observation rights set forth in the preceding paragraph, and (ii) the full cost of conducting additional sampling implemented at Contractor's direction under Section 3.

The above field procedures or steps are described in more detail following the explanation of roles. Each step is the responsibility of a specific person or group of people as follows:

- ***sampling crew manager—***responsible for identifying selected samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- ***sampling crew—***responsible for sorting samples.
- ***MRF manager—***responsible for coordinating with the *sampling crew manager*.
- ***scale house staff—***responsible for identifying selected vehicles, distributing sample placards, and directing drivers towards the sampling area.
- ***tipping floor staff—***responsible for creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- ***loader operator(s)—***responsible for segregating the selected load from other loads in the designated sampling and sorting area.
- ***project manager—***responsible for managing the sampling process.
- ***facility manager—***responsible for managing day-to-day operations at the Designated Transfer and Processing Facility
- ***Contractor-***- responsible for informing the scale house staff of load origin and material stream and for passing sample placards to the sampling crew manager.

Advanced preparation for regularly scheduled testing

Before each sampling day, the *sampling crew manager* will contact the *MRF manager* and require the *MRF manager* to remind the *scale house staff*, *tipping floor staff*, *loader operator(s)*, *Contractor*, and all other affected staff of the sampling plan. The *project manager* will also require the *facility manager* to provide the site's safety standards and disclose if any additional safety training will be required on site. In addition, the *project manager* will obtain and inspect all safety equipment and all sorting equipment (see list of supplies in Appendix 3), and develop and print all daily sampling quotas, vehicle selection sheets, placards, and tally sheets prior to beginning each sampling event. See Appendix 2 for sample forms.

Contractors, SBWMA staff and/or third parties will meet all requirements of and receive formal training in the safety requirements of the Facility.

Arrival at Facility for regularly scheduled testing

The *sampling crew* and *sampling crew manager* will arrive at the Designated Transfer and Processing Facility prior to the agreed upon start time to participate in any required safety training and to put on all required personal protective equipment. Before the start time, the *sampling crew manager* will also cover logistics with the *MRF manager*, as well as any needs and expectations for the study period (regardless of the amount of advance communication conducted.)

Scale house coordination

The *sampling crew manager* will speak with the *scale house staff* to explain the basic objectives of the study and provide the *scale house staff* with a copy of the vehicle selection sheet, as well as sampling placards to identify selected loads (see Appendix 2 for examples of field forms.) The *sampling crew manager* will ensure the *scale house staff* understands the needs of the study throughout the day, allowing the *scale house staff* to plan for transitions such as scheduled breaks and shift changes. Additionally, the *sampling crew manager* will provide the scale house staff with a means of contacting the sampling crew manager throughout the day.

The *scale house staff* is responsible for identifying selected vehicles using the vehicle selection sheet, provided by the *sampling crew manager*. The *scale house staff* will also distribute sampling placards to the *Contractor*.

Tipping floor coordination

With the input of the *MRF manager* and the *loader operator(s)*, the *sampling crew manager* will determine locations for two (2) designated sampling/sorting areas on or near the tipping floors. There will be one designated sampling/sorting area on the Organic Materials tipping floor and one area on the recyclables tipping floor. These sampling/sorting areas will be in a location in which the *sampling crew* can identify designated loads entering the tipping area, the *loader operator(s)* can visually communicate with the *sampling crew*, and the *loader operator(s)* can safely remove samples after sorting.

Once the *sampling crew manager* has determined the locations, the *sampling crew* will set up the designated sampling/sorting areas. The *sampling crew manager* will then walk through the process of extracting samples from selected loads with both the *loader operator(s)* and the *tipping house staff*.

Load selection

Contractor and SBWMA shall mutually agree on the random numbers table to be used, the process to select random truckloads for sampling, and the process to select specific cells from each truckload for sampling. When a target Collection vehicle arrives at the Designated Transfer and Processing Facility, the *scale house staff* will confirm the material stream and origin of the load (e.g., Single-Family Targeted Recyclable Materials from the north geographic area). The *scale house staff* will copy the sample cell number from the Collection vehicle selection form onto the appropriate sample placard and provide the placard to the driver. A cell number represents the location within a load from which a sample will be extracted and is defined by the map in Figure 1. Additionally, the *scale house staff* will record the load's net weight on the vehicle selection sheet.

The *scale house staff* will instruct the driver to place the placard in a highly visible place at the front of the truck (e.g., on the dashboard), and will direct the driver where to unload.

The placard is the signal to the *sampling crew* that a load selected for sampling has arrived. The placard is marked with a unique sample identification number and additional information used to randomly select cells, identify loads in photographs, and correlate net weights with sample details. Each placard will be coded according to its corresponding material stream and origin (e.g., 'O-S-01' indicates a load of Single-Family Organic Materials from the south geographic area).

Sample collection

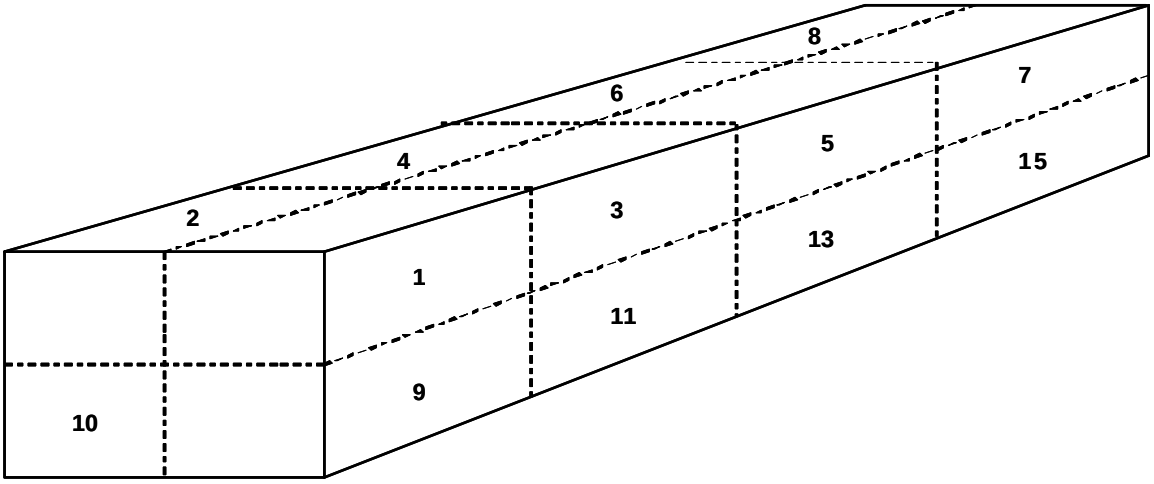
The *tipping house staff* will direct the driver to empty the entire truckload of material in an elongated pile on a designated dumping area. To the extent possible, this area shall be clean and the unloaded material shall be segregated from other loads on the tipping floor. The location of the unloading area may change during any given day.

The *sampling crew manager* will collect the placard from the *Contractor* and, once the load is emptied, will assist the *loader operator(s)* in locating the appropriate cell for the sample, as noted on the sample placard, using the map shown in Figure 1. The map shown in Figure 1 shall always be oriented with cells 1, 2, 9 and 10 representing the material contained in the front of the truck and cells 7, 8, 15 and 16 representing the material contained in the rear of the truck and unloaded first. The *loader operator(s)* will then extract the material in the selected cell. The *sampling crew manager* will guide the *loader operator(s)* to a designated tarpaulin, and will ensure that the proper quantity of material (one-hundred and twenty five (125) to two hundred and twenty five (225) pounds, depending on the material stream) is unloaded on the tarpaulin. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket failed to collect.

Pulling the tarpaulin taught is a basic test used to estimate sample weight. If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted, but samples shall be kept separate. The *sampling crew manager* will place the sample placard on its respective sample for a photograph and, if the sample is not immediately sorted, wrap the sample in its tarpaulin for later sampling. The *sampling crew manager* will photograph each load individually with the sample placard visible and legible.

Figure 1: Sixteen (16) Cell Grid



Note: Cells 12, 14 and 16 are below cells 4, 6 and 8, respectively.

Sample sorting

The *sampling crew manager* will record the sample identification number, as designated by the placard, on the tally form (see Appendix 2 for an example of this form).

The *sampling crew* will move the sample into the designated sampling/sorting area. The *sampling crew* and the *sampling crew manager* will sort the Contamination materials, as defined in Section 5, out of the load and into designated sort receptacles. The *sampling crew* will then weigh the Contamination materials and the *sampling crew manager* will record the weights on the tally form. The remainder of the load–all acceptable items–will be put into receptacles, weighed, and recorded by the *sampling crew manager* on the tally form.

The *sampling crew manager* is responsible for monitoring the homogeneity of material in each receptacle and ensuring the accuracy of the sorting process. For increased efficiency, the *sampling crew manager* shall be responsible for either pre-programming the scale with the receptacle tare weights, or recording the receptacle tare weights for subtraction later. At the end of each sampling day the *sampling crew* and *sampling crew manager* must comply with any Facility directions regarding cleaning the designated sampling/sorting area and storing sampling and sorting supplies.

Sample disposal

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* and the *sampling crew manager* will move the sample to a location where it is safe and convenient for *the loader operator(s)* to remove.

Data management

At the end of each sampling day, the *sampling crew manager*, Contractor and SBWMA shall review all forms for accuracy and completeness to ensure timely resolution of any disputes or issues that may arise. The *sampling crew manager* will collect the vehicle selection sheets from the *scale house staff* and ensure that net weights have been recorded for each selected load.

To ensure the vehicle selection and tally forms are not lost before inputting the data into an electronic form, the *sampling crew manager* will make copies of all completed forms and will keep the copies in a separate place from the originals. The *sampling crew manager* will ensure a copy of the form is delivered within one (1) day to the person inputting the data into an electronic form.

5. Sorting categories

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

1) Contamination
2) Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials

6. Calculations

Estimates of Contamination and Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials will be calculated using a method that gives equal weighting or "importance" to each sample within a given stream. Confidence intervals (error ranges) will be calculated based on assumptions of normality in the composition estimates.

In the descriptions of calculation methods, the following variables will be used:

- *i* denotes an individual sample.
- *j* denotes the material type.
- c_j is the weight of the material type *j* in a sample.
- *w* is the weight of an entire sample.
- r_j is the composition estimate for material *j* (*r* stands for *ratio*).
- *a* denotes a region of the state (*a* stands for *area*).
- *s* denotes a particular sector or subsector of the waste stream.
- *n* denotes the number of samples in the particular group that is being analyzed at that step.

Estimating the Composition

The following method will be used to estimate the composition of waste belonging to the Commercial Source-Separated and Targeted Recyclable Materials, Commercial Organic Materials, Commercial Plant Materials, Single-Family Targeted Recyclable Materials, and Single-Family Organic Materials streams.

For a given stream, the composition estimate denoted by r_j represents the ratio of the component's weight to the total weight of all the samples in the stream. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given stream and dividing by the sum of the total weight of waste for all of the samples in that stream, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \qquad (1)$$

where:

- c = weight of particular component
- w = sum of all component weights
- for i = 1 to n, where n = number of selected samples
- for j = 1 to m, where m = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

	Sample 1	**Sample 2**	**Sample 3**
Weight (c) of carpet	5	3	4
Total Sample Weight (w)	80	70	90

$$r_{Carpet} = \sum \frac{5+3+4}{80+70+90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05, or five percent (5%). In other words, five percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\mathrm{Var}(r_j) \approx \left(\frac{1}{n}\right)\left(\frac{1}{\overline{w}^2}\right)\left(\frac{\sum_i \left(c_{ij} - r_j w_i\right)^2}{n-1}\right) \qquad (2)$$

where:

$$\overline{w} = \frac{\sum_i w_i}{n} \qquad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm \left(z\sqrt{\mathrm{Var}(r_j)}\right) \qquad (4)$$

where z = the value of the z-statistic (1.645) corresponding to a 90 percent (90%) confidence level.

Appendix 1: Methodology checklist

Roles and responsibilities

- ***sampling crew manager—***responsible for identifying selected samples, working with Facility staff and the *sampling crew*, quality control, and compliance with Facility regulations.
- ***sampling crew—***responsible for sorting samples.
- ***MRF manager—***responsible for coordinating with the *sampling crew manager*, SBWMA, and drivers.
- ***scale house staff—***responsible for identifying selected vehicles, distributing sample placards, and directing drivers towards the sampling area.
- ***tipping floor staff—*** creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- ***loader operator(s)—***responsible for segregating the selected load from other loads in the designated sampling and sorting area.
- ***project manager—***responsible for managing the sampling process.
- ***facility manager—***responsible for managing day-to-day operations at the Designated Transfer and Processing Facility.
- ***Contractor-***- responsible for informing the scale house staff of load origin and type and for passing sample placards to the sampling crew manager.

- **Advanced Preparation**
  - *Project Manager*
    - Contact *MRF manager*
      - Confirm study dates
      - Ask *MRF manager* to update the following employees with the sampling plan:
        - *scale house staff*
        - *loader operator(s)*
        - *tipping house staff*
        - *Contractor*
        - Any other affected staff
      - Share study quotas
      - Request expected traffic volumes
      - Request safety expectations
      - Schedule safety training
      - Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)
    - Obtain safety gear (Appendix 3)
      - Check safety gear
    - Obtain sorting equipment (Appendix 3)
      - Check sorting equipment
    - Develop and print daily sampling quotas (Appendix 2)
    - Develop and print vehicle selection sheets (Appendix 2)
    - Print tally sheets (Appendix 2)
      - Print on “Rite in the Rain” all-weather paper

- *Sampling crew* and *sampling crew manager*
  - Review material list
  - Review field forms
  - Review study requirements
  - Review unique site requirements
  - Review quotas

- **Arrival at Facility**
  - *Sampling crew:*
    - Arrive at Facility ahead of schedule
    - Participate in any required safety training
    - Don safety gear
  - *Sampling crew manager:*
    - Arrive at Facility ahead of schedule
    - Reviews logistics and expectations with MRF manager
    - Participate in any required safety training
    - Don safety gear

- **Scale House Coordination**
  - *Sampling crew manager:*
    - Explain the basic objective of the study to the *scale house staff*
    - Explain the responsibilities of the *scale house staff*
    - Explain the needs of the study despite breaks and shift changes
      - Encourage *scale house staff* to plan transitions for breaks and shift changes
    - Provide *scale house staff* with vehicle selection sheet
    - Discuss expected vehicle traffic
      - Ask *scale house staff* if this is reasonable
    - Provide *scale house staff* with sampling placards
    - Provide *scale house staff* with sampling crew manager's cell phone number

- **Tipping Floor Coordination**
  - *Sampling crew manager:*
    - Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
      - *sampling crew* can see selected loads entering the tipping floor area
      - *Loader operator(s)* can visually communicate with sampling crew
      - *Loader operator(s)* can safely remove sorted loads
      - Approximately twenty (20) feet by twenty (20) feet
    - Explain and walkthrough the sampling process with both the *tipping house staff* and the *loader operator(s)*
      - Explain how trucks with placards are samples
      - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
      - Explain that the *sampling crew manager* is responsible for collecting the placard and responsible for identifying the selected cell of the load that the *loader operator(s)* will sample
      - Explain that each sample is between one hundred and twenty five (125) and two hundred and twenty five (225) pounds

- Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin
- Note: Explanation will need to be repeated for each designated sorting area

- *Sampling crew*:
  - Set up designated sampling sorting area one
    - Sorting table
    - Baskets
    - Digital scale(s)
  - Set up designated sampling sorting area two
    - Sorting table
    - Baskets
    - Digital scale(s)

- **Sample Collection**
  - *Tipping house staff*:
    - Direct load to a designated dumping area
  - *Sampling crew manager*:
    - Collect placard from *Contractor*
    - Direct *loader operator(s)* to pre-selected sampling cell
    - Direct *loader operator(s)* to designated tarpaulin
    - Signal *loader operator(s)* with tipping instructions
    - Pull tarp to test for appropriate sample weight
    - Place placard in the load
    - Photograph load
      - Placard should be visible and legible
    - Wrap and segregate load until ready to sort
  - *Loader operator(s):*
    - Pinch/scoop sample, as directed by the sampling crew manager
    - Tip sample on designated tarpaulin, as directed by the *sampling crew manager*
  - *Sampling crew*:
    - May assist *sampling crew manager* at any point

- **Sample Sorting**
  - *Sampling crew*:
    - Move the sample into the designated sampling/sorting area
    - Sort the sample
      - Sort Contamination materials into designated baskets
    - Assist the *sampling crew manager* with weighing the baskets
    - Assist the *sampling crew manager* with weighing the remainder material
  - *Sampling crew manager*:
    - Record the sample identification number onto the tally sheet
    - Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
    - Sort the sample
      - Sort Contamination materials into designated baskets
    - Weigh Contamination baskets and record weights on the tally sheet
      - Ensure homogeneity of materials
    - Weigh remainder material and record weights on the tally sheet
      - Ensure all Contamination materials are removed

- **Sample Disposal**
  - *Sampling crew manager* and *sampling crew*:
    - Dispose of all materials in a designated disposal area
  - *Loader operator(s)*:
    - Remove disposed materials when it is safe and convenient

- **Data Management**
  - *Sampling crew manager*:
    - Collect vehicle selection sheets from the *scale house staff*
    - Review all forms for accuracy and completeness
      - Vehicle selection sheet(s)
      - Tally sheet(s)
  - *Project Manager*
    - Check all forms for accuracy and completeness
      - Vehicle selection sheets(s)
      - Tally sheet(s)
    - Copy all data forms
      - Store copies separate from the originals
    - Download pictures from camera
    - Provide copies of data for electronic input
    - Ensure data entry is checked for accuracy

Appendix 2: Example Data collection forms

Appendix 2 consists of copies of each of the following three (3) data collection forms

- Collection vehicle selection sheet
- sampling placard
- tally sheet

Figure 2: Example Collection Vehicle selection sheet

Vehicle Selection Sheet
SBWMA: Contamination Sampling

RethinkWaste
South Bayside Waste Management Authority

Sampling Date: June 25, 2009
1st Load Arrives At: 9:00:00 AM
Notes: Betty working at scale house, helped with sampling before.

Truck No.	Load No.	ETA	Sampling Population	Sample ID	Sample Cell	Vehicle Type	Number of samples	Net Weight (pounds)	Notes
2238	1	9:00	CSS - N	CSS-1	3	FL	1		
1318	1	9:00	RSS - S	RSS-1	8	FL	1		
1310	1	10:30	CO - E	CO-1	4	FL	1		
2305	2	12:00	CO - W	CO-2	2	FL	1		
1227	1	13:00	CSS - E	CSS-2	1	FL	1		
1313	1	13:00	RO - E	RO-1	9	FL	1		
1308	1	13:30	CGW - N	CGW-1	7	FL	1		
2240	1	14:00	CGW - N	CGW-2	1	FL	1		
2243	2	14:00	RO - W	RO-2	7	FL	1		
1317	2	15:30	CSS - N	CSS-3	2	RO	1		
Multi Sample Loads									
1319	2	15:30	CGW - E	CGW-3&4	6,13	FL	2		
1309	2	15:30	RSS - N	RSS-2&3	9,1	FL	2		
CONTINGENCY SAMPLES									
1316	1	11:30	RSS - N		7	FL	1		
2244	2	11:30	RO - W		14	FL	1		

Any Additional Samples or notes?

Figure 3: Example Sampling placard

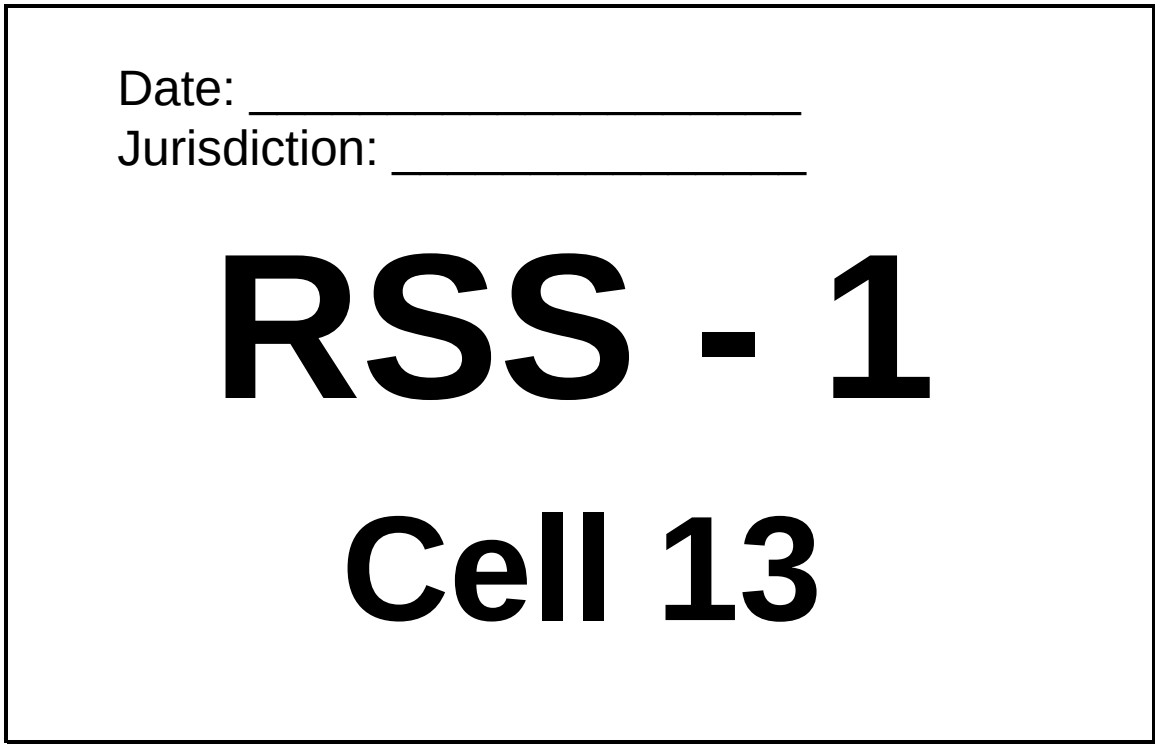


Figure 4: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling

RethinkWaste
South Bayside Waste Management Authority

					DATE:	SAMPLE ID:
CONTAMINANTS	Container 1					
	Container 2					
	Container 3				SAMPLING POPULATION:	SAMPLE WEIGHT:
	Container 4					
	Container 5					
	Container 6				TIME:	TRUCK NO.:
	Container 7					
	Container 8					
	Container 9				LOAD NO.:	CELL NO.:
	Container 10					
ACCEPTABLE	Container 1					
	Container 2					
	Container 3				NOTES:	
	Container 4					
	Container 5					
	Container 6					
	Container 7					
	Container 8					
	Container 9					
	Container 10					

Appendix 3: Equipment list

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

Sorting equipment:

- approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to four hundred (400) pounds, accurate to one-tenth (1/10) of a pound)
- spare batteries for the scale
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- field forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

Safety equipment:

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments

ATTACHMENT F
FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that RECOLOGY SAN MATEO COUNTY, hereinafter called the PRINCIPAL, and

_____,
a corporation duly organized under the laws of the State of _____,
having its principal place of business at _____,
in the State of _____, and authorized to do business as an admitted surety insurer in the State of California, regulated by the California Insurance Commissioner and with a financial condition and record of service satisfactory to the *[AGENCY]*, hereinafter called the SURETY, are held and firmly bound to the *[AGENCY]*, a municipal corporation in the State of California, hereinafter called the OBLIGEE, in the sum of _____ Dollars ($_____) lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the PRINCIPAL has entered into a Contract with the OBLIGEE for Recyclable Materials, Organic Materials and Solid Waste Collection Services ("Contract") and said PRINCIPAL is required under the terms of said Contract to furnish a bond of faithful performance of said Contract.

NOW, THEREFORE, if the PRINCIPAL shall well and truly perform and fulfill all of the undertakings, covenants, terms and agreements of said Contract, and any modification thereto made as therein provided, at the time and in the manner therein specified, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

The SURETY, for value received, hereby agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder, or the specifications incorporated therein shall impair or affect its obligations on this bond, and it hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

PROVIDED, however, that the SURETY shall not be liable (1) as respects to any obligations related to said Contract occurring after two (2) years from the date of this Bond, unless this Bond is extended, or (2) with respect to PRINCIPAL'S obligation to procure a replacement performance bond, as provided for in Section 13.03 of the Contract. This Bond may be extended beyond _____, 2011 in the sole discretion of the SURETY by means of a continuation certificate in form and substance satisfactory to OBLIGEE signed at least ninety (90) days prior to _____, 2011.

In the event suit is brought upon this Bond by the OBLIGEE and the OBLIGEE is the prevailing party, the SURETY shall pay, in addition to the sums set forth above, all costs incurred by the OBLIGEE in such suit, including reasonable attorneys' fees to be fixed by the court.

ATTACHMENT F
FAITHFUL PERFORMANCE BOND

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument as of this ____ day of _____, 2009.

RECOLOGY SAN MATEO COUNTY
(PRINCIPAL)

By: _____
Name: Mark R. Lomele
Title: Senior Vice President & CFO

_____
(SURETY)

By: _____
Attorney-In-Fact

Name: _____

* * *

Note: To be considered complete, both the principal and surety must sign this performance bond. In addition, the surety's signature must be acknowledged by a notary public and a copy of the surety's power of attorney must be attached.

ATTACHMENT F-1

CONTINUATION CERTIFICATION

In consideration of the premium charged,

_____ hereby continues in force:

Bond #: _____

Dated: _____

In the amount of: _____ Dollars ($_____)

on behalf of the *[NAME OF AGENCY]*, for the period:

Beginning: _____

And Ending: _____ subject to all terms and conditions of said Bond, PROVIDED that the liability of :_____
(NAME OF SURETY)
shall not exceed in the aggregate the amount above written, whether the loss shall have occurred during the term of said bond or during any continuation or continuations thereof, or partly during said term and partly during any continuation or continuations thereof.

Signed and Sealed: _____ (date)

By: _____
Attorney-In-Fact

[ACKNOWLEDGEMENT]

ATTACHMENT G
GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the ____ day of _____, 2009, by RECOLOGY, INC., formerly NORCAL WASTE SYSTEMS, INC., ("Guarantor"), to _____, a public agency ("Agency").

THIS GUARANTY is made with reference to the following facts and circumstances:

A. Recology San Mateo County ("Contractor") is a corporation organized under the laws of the State of California, all of the issued and outstanding stock of which is owned by Guarantor.

B. Guarantor is a corporation organized under the laws of the State of California.

C. Contractor and Agency have negotiated an Agreement for Solid Waste, Recyclable Materials, and Organic Materials Collection ("Agreement"), under which Contractor is to provide specified services to Agency. A copy of this Agreement is attached hereto and incorporated herein by this reference.

D. It is a requirement of the Agreement, and a condition to Agency's entering into the Agreement, that Guarantor guaranty Contractor's performance of the Agreement.

E. Guarantor is providing this Guaranty to induce Agency to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

1. **Guaranty of the Agreement**. Guarantor hereby irrevocably and unconditionally guarantees to Agency the complete and timely performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement which Contractor is required to perform, satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms or conditions of the Agreement, Guarantor will promptly and fully perform, satisfy or observe them in the place of the Contractor. Guarantor hereby guarantees prompt payment to Agency of each and every sum due from Contractor to Agency under the Agreement, as and when due from time to time, and the prompt performance of every other task and duty to be performed by the Contractor under the Agreement.

2. **Guarantor's Obligations Are Absolute**. The obligations of the Guarantor hereunder are direct, immediate, absolute, continuing, unconditional and unlimited and, with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement.

3. **Waivers and Subordination**. The Guarantor shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from its obligations under it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Contractor; (2) any amendment, modification or waiver of any provision of the Agreement or the extension of its Term; (3) the actual or purported rejection of the Agreement by a trustee in bankruptcy, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (4) any waiver, extension, release or modification with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of Agency's rights or remedies

against Contractor; or (5) any merger or consolidation of the Contractor with any other organization, or any sale, lease or transfer of any or all the assets of the Contractor.

The Guarantor hereby waives any and all rights, benefits and defenses under California Civil Code Sections 2809, 2815, 2819, 2845, 2849 and 2850, and all other rights permitted to be waived by Section 2856(a) including, without limitation, the right to require Agency to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral Agency may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantor's benefit, and agree that Agency may proceed against Guarantor for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral Agency may hold now or hereafter hold. Agency may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing Agency's rights and remedies in enforcing this Guarantee.

The Guarantor hereby waives and agrees to waive at any future time at the request of Agency, to the extent now or then permitted by applicable law, any and all rights which the Guarantor may have or which at any time hereafter may be conferred upon it, by statute, regulation or otherwise, to avoid any of its obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder: (a) at any time or from time to time, without notice to the Guarantor, the time for Contractor's performance of or compliance with any of its obligations under the Agreement is extended, or such performance or compliance is waived; (b) the Agreement is modified or amended in any respect; (c) any other indemnification with respect to Contractor's obligations under the Agreement or any security therefor is released or exchanged in whole or in part or otherwise dealt with; (d) any assignment of the Agreement is effected which does not require Agency's approval; or (e) any termination or suspension of the Agreement arising by reason of a default by Contractor.

The Guarantor hereby expressly waives diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantor's obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from Agency as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantor or Contractor prior to such avoidance or recovery, or (b) payment in full of any obligations then outstanding.

The Guarantor expressly subordinates and waives its rights to subrogation, reimbursement, contribution or indemnity with respect to performance by Guarantor of the obligations of Contractor guaranteed hereby, until such time as Agency receives payment or performance in full of all such obligations.

4. **Term**. This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantor shall remain fully responsible under this Guaranty without regard to the acceptance by Agency of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantor shall not be released of its obligations hereunder so long as there is any claim by Agency against Contractor arising

out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

5. **No Waivers by Agency**. No delay on the part of Agency in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantor shall be a waiver of any obligation of Guarantor or right of Agency to take other or further action without notice or demand. No modification or waiver by Agency of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by Agency and by Guarantor, nor shall any waiver by Agency be effective except in the specific instance or matter for which it is given.

6. **Attorney's Fees**. In addition to the amounts guaranteed under this Guaranty, Guarantor agrees to pay actual attorney's fees and all other costs and expenses incurred by Agency in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. **Governing Law; Jurisdiction**. This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantor agrees that any action brought by Agency to enforce this Guaranty may be brought in any court of the State of California and Guarantor consents to personal jurisdiction over it by such courts. Guarantor appoints the following person as its agent for service of process in California:

Michael J. Sangiacomo
50 California Street, 24th Floor
San Francisco, CA 94111

8. **Severability**. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. **Binding on Successors**. This Guaranty shall inure to the benefit of Agency and its successors and shall be binding upon Guarantor and its successors, including a successor entity formed by a merger or consolidation, a transferee of substantially all of its assets, and its shareholders in the event of its dissolution or insolvency.

10. **Authority**. Guarantor represents and warrants that it has the corporate power to give this guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Articles of Incorporation and by-laws, and that the person signing this Guaranty on its behalf has authority to do so.

11. **Notices**. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To Agency: _____
_____
_____
_____

With a copy to Agency's Attorney at the same address.

To Guarantor: Recology, Inc.
50 California Street, 24th Floor
San Francisco, CA 94111
Attention: Michael Sangiacomo

The parties may change the address to which notice is to be sent by giving the other party notice of the change as provided in this Section.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the day and year first above written.

RECOLOGY, INC.

By:_____
Name: Michael J. Sangiacomo
Title: President

By:_____
Name: _____
Title: Secretary

ATTACHMENT H
DELINQUENT PAYMENT POLICY

Delinquent Payment

Single-Family Residential Customers will be considered delinquent sixty (60) Days after start of the quarter in which Collection services are provided by Contractor and Multi-Family Dwelling and Commercial Customers will be considered delinquent thirty (30) Days after payment is due to Contractor.

Contractor may discontinue service to any Account, if payment is not received by Contractor within thirty (30) Days after the Account becomes delinquent. Contractor must provide all delinquent Accounts with written notice of its intent to discontinue service at least thirty (30) Days prior to such discontinuance. Agency shall allow Contractor to Collect a premium fee to initiate service at a discontinued service Account, in an amount not to exceed (i) {insert flat fee} or (ii) twenty-five percent (25%) of the unpaid balance for Residential Customers and ten percent (10%) of the balance for Multi-Family Residential and Commercial Customers.

ATTACHMENT I
PERFORMANCE INCENTIVES AND DISINCENTIVES

Performance incentives (in the form of increased compensation to Contractor) will be awarded for excellent performance on aspects of Solid Waste diversion, Collection service delivery and Customer service as specified in this Attachment. Any performance incentive for achieving or surpassing the performance standards specified herein shall be added to Contractor's Compensation during the Rate Year immediately following the calculation and award of the performance incentive. Performance disincentives will be assessed for substandard performance on aspects of Solid Waste diversion, Source Separated and Targeted Recyclable Materials contamination, Organic Materials contamination, Plant Materials contamination, Collection service delivery and Customer service as specified in this Attachment. Any performance disincentives for performance falling below standards as specified herein shall be subtracted from Contractor's Compensation during the Rate Year immediately following the calculation and assessment of the performance disincentive, with the exception of Contamination related disincentives which shall be paid by Contractor quarterly.

The performance incentives and disincentives contained herein will commence after full implementation of the roll-out of new services to Agency, with the exception of Contamination disincentives for Single-Family Targeted Recyclable Materials, which will commence after the first six (6) months of Rate Year One (2011). Agency may defer imposing some standards until after the first six (6) months of the roll-out of new services.

1. GENERAL

Agency shall provide an incentive payment to Contractor for exceeding the following three (3) performance standards:

- Overall Diversion Level
- Single-Family Missed Pick-Up Initial Complaints
- Average Speed of Answer

Agency shall assess a disincentive payment to Contractor for not meeting the following eleven (11) performance standards:

- Minimum Single-Family Diversion Level
- Minimum Commercial Diversion Level
- Maximum Contamination Level – Single-Family Targeted Recyclable Materials
- Maximum Contamination Level – Single-Family Organic Materials
- Maximum Contamination Level – Commercial Source Separated and Targeted Recyclable Materials
- Maximum Contamination Level – Commercial Organic Materials
- Maximum Contamination Level – MFD and Commercial Plant Materials
- Single-Family Missed Pick-Up Initial Complaints
- Single-Family Missed Pick-Up Collection Events
- Average Speed of Answer
- Ninety (90) Second Maximum Hold Time

Table 1 provides a summary of the incentives and disincentives, which are described in detail in Sections 2 - 7 of this Attachment. Section 8 of this Attachment describes the incentive and disincentive payment procedures.

ATTACHMENT I
PERFORMANCE INCENTIVES AND DISINCENTIVES

Summary of Incentives/Disincentives

TABLE 1			
Performance Incentive and Disincentive	Disincentive Payment Threshold	Incentive Payment Threshold	Performance Incentive/Disincentive Payment Amount
Annual Diversion Level			
Overall Diversion Level[1]	Not applicable	calculated Overall Diversion Level > targeted Overall Diversion Level	Incentive payment = $70.00 per Ton
Minimum Single-Family Diversion Level	Level < TBD%[1]	Not applicable	Disincentive payment = $70.00 per Ton
Minimum Commercial Diversion Level	Level < TBD%[2]	Not applicable	Disincentive payment = $70.00 per Ton
Maximum Contamination Level – Residential Targeted Recyclable Materials	Rate Year One level > 20%[3] Rate Year Two (2012) through Ten (2020) level > TBD[4]	Not applicable	Disincentive payment = $175.00 per Ton
Maximum Contamination Level – Residential Organic Materials	Level > 5%	Not applicable	Disincentive payment = $70.00 per Ton
Maximum Contamination Level – Commercial Targeted Recyclable Materials	Level > 8%	Not applicable	Disincentive payment = $70.00 per Ton
Maximum Contamination Level – Commercial Organic Materials	Level > 10%	Not applicable	Disincentive payment = $70.00 per Ton
Maximum Contamination Level – MFD and Commercial Plant Materials	Level > 5%	Not applicable	Disincentive payment = $70.00 per Ton
Single-Family Missed Pick-Up Initial Complaints	Actual % > 0.1% (1 Complaint per 1,000 Service Opportunities)	Actual % < 0.033% (1 Complaint per 3,000 Service Opportunities)	Incentive or Disincentive payment = $50.00 per Complaint

ATTACHMENT I
PERFORMANCE INCENTIVES AND DISINCENTIVES

TABLE 1			
Performance Incentive and Disincentive	Disincentive Payment Threshold	Incentive Payment Threshold	Performance Incentive/Disincentive Payment Amount
Single-Family Missed Pick-Up Collection Event	Actual > 0	Not applicable	Disincentive payment = $50.00 per Missed Pick-Up Collection Event
Average Speed of Answer	Actual > 30 seconds	Actual < 15 seconds	Incentive or disincentive payment = $500 per second above or below the threshold
Ninety (90) Second Maximum Hold Time	Actual < 100% of all calls received are answered in ninety (90) seconds or less	Not applicable	Disincentive payment = $5.00 per number of calls exceeding the threshold

[1] "TBD" is "to be determined. The minimum Single-Family Diversion Level for Rate Year One (2011) shall equal the calculated Single-Family Diversion Level achieved by the Previous Contractor in 2010 which shall include all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010. The minimum Single-Family Diversion Level for Rate Year Two (2012) through Ten (2020) shall equal the higher of the following: (i) the Single-Family Diversion Level achieved by Previous Contractor in 2010 including all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010 or (ii) the Single-Family Diversion Level achieved by Contractor in Rate Year One (2011).

[2] "TBD" is "to be determined. The minimum Commercial Diversion Level targeted for Rate Year One shall equal the calculated Commercial Diversion Level achieved by the Previous Contractor in 2010 which shall include all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010. The minimum Commercial Diversion Level for Rate Year Two shall equal the higher of the following (i) the Commercial Diversion Level achieved by Previous Contractor in 2010 including all Recyclable Materials Collected by Contractor during the Recycling Blitz in 2010 or (ii) the Commercial Diversion Level achieved by Contractor in Rate Year One (2011).

[3] The Single-Family Dwelling Targeted Recyclable Materials maximum Contamination Level is twenty percent (20%) for the last six (6) months of Rate Year One (2011).

[4] "TBD" is: "to be determined." The Rate Year Two (2012) through Rate Year Ten (2020) maximum Contamination Level will be established by calculating the arithmetic average of the quarterly results obtained from the sampling for Rate Year One (2011) conducted pursuant to Section 6.02.B and Attachment E-2.

ATTACHMENT I
PERFORMANCE INCENTIVES AND DISINCENTIVES

2. DIVERSION LEVELS

Definition of Calculated Diversion Level

The Single-Family, Commercial and Overall Diversion Levels achieved shall be calculated based on the methodology shown in the following example:

Example assumptions (actual results will be based on Contractor performance):

Rate Year Two (2012) Results					
Service Sector	**Material Type**	**Tons Collected**	**Contamination Percent**	**Contamination Tons**	**Net Tons**
Single-Family	Targeted Recyclable Materials	35,000	7.00%	2,450	32,550
	Other Recyclable Materials	3,000	N/A	N/A	3,000
	Organic Materials	51,000	8.00%	4,080	46,920
	Total Diversion	89,000	N/A	6,530	82,470
	Solid Waste	80,000	N/A	6,530	86,530
	Calculated Single-Family Diversion Level				**48.80%**
Multi-Family	Targeted Recyclable Materials	8,000	9.00%	720	7,280
	Other Recyclable Materials	1,000	N/A	N/A	1,000
	Organic Materials	6,000	9.00%	540	5,460
	Plant Materials	1,000	2.00%	20	980
	Total Diversion	16,000	N/A	1,280	14,720
	Solid Waste	30,000	N/A	1,280	31,280
Commercial	Targeted Recyclable Materials	28,000	6.00%	1,680	26,320
	Other Recyclable Materials	2,000	N/A	N/A	2,000
	Organic Materials	13,000	6.00%	780	12,220
	Plant Materials	5,000	4.00%	200	4,800
	Total Diversion	48,000	N/A	2,660	45,340
	Solid Waste	147,000	N/A	2,660	149,660
Agency Facilities	Targeted Recyclable Materials	2,000	6.00%	120	1,880
	Other Recyclable Materials	500	N/A	N/A	500
	Organic Materials	500	6.00%	30	470
	Plant Materials	200	4.00%	8	192
	Total Diversion	3,200	N/A	158	3,042
	Solid Waste	9,000	N/A	158	9,158
Multi-Family, Commercial and Agency Facilities Total	Targeted Recyclable Materials	38,000	N/A	2,520	35,480
	Other Recyclable Materials	3,500		N/A	3,500
	Organic Materials	19,500		1,350	18,150
	Plant Materials	6,200		228	5,972
	Total Diversion	67,200		4,098	63,102
	Solid Waste	186,000		4,098	190,098
	Calculated Commercial Diversion Level[1]				**24.92%**
Single-Family, Multi-Family, Commercial and Agency Facilities[2]	Targeted Recyclable Materials	73,000	N/A	4,970	68,030
	Other Recyclable Materials	6,500	N/A	N/A	6,500
	Organic Materials	70,500	N/A	5,430	65,070
	Plant Materials	6,200	N/A	228	5,972
	Total Diversion	156,200	N/A	10,628	145,572
	Solid Waste	266,000	N/A	4,098	276,628
	Calculated Overall Annual Diversion Level[2]				**34.48%**

[1] Commercial Diversion includes: Multi-Family, Commercial and Agency Facility Service Sectors.

[2] Overall Diversion Level includes Single-Family, Multi-Family, Commercial and Agency Facility Service Sectors.

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Exceptional Diversion Level Performance

For Rate Years Two (2012) through Ten (2020) Contractor shall receive an incentive payment if the calculated Overall Diversion Level achieved by Contractor in any given Rate Year exceeds (i) the highest calculated Overall Diversion Level achieved by Contractor in a prior Rate Year during the Term or (ii) the Overall Diversion Level achieved by Previous Contractor in 2010 which shall include all Recyclable Materials Collected by Contractor during the Recycling Blitz.

For example:

- If the Previous Contractor achieves an Overall Diversion Level of 36.45% (including all Recyclable Materials Collected by Contractor during the Recycling Blitz) in 2010 and Contractor achieves an Overall Diversion Level of 35.58% in Rate Year One, the Contractor must achieve an Overall Diversion Level greater than 36.45% in any given Rate Year to receive an incentive payment.
- If Contractor achieves Overall Diversion Levels for Rate Years Two, Three, Four and Five of 37.66%, 38.59%, 38.38% and 37.64%, respectively, Contractor shall receive an incentive payment for Rate Year Three only and the Overall Diversion Level that must be exceeded is 38.59% in future Rate Years, unless a higher Overall Diversion Level is achieved.

The targeted Overall Diversion Level shall be calculated based on the methodology used in the following example:

Example assumptions (actual results *will be based on Contractor performance*):

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Rate Year	Diversion Level	Tons Diverted	Tons Disposed	Total Tons Collected	Disincentive Payment ($70.00 per net Ton Diverted)	Incentive Payment ($70.00 per net Ton Diverted)
Calculated Single-Family Diversion Level for 2013	49.42%	83,700	85,658	169,358		
Minimum Single-Family Diversion Level for 2012	48.80%	82,470	86,530	169,000		
Variance from 2012 to 2013	**0.62%**			1,055.30	None	N/A
Calculated Commercial Diversion Level for 2013	24.70%	62,010	189,000	251,010		
Minimum Commercial Diversion Level for 2012	24.92%	63,102	190,098	253,200		
Variance from 2012 to 2013	**-0.22%**			-546.21	-$38,234.88	N/A
Calculated Overall Diversion Level for 2013	34.66%	145,710	274,658	420,368		
Targeted Overall Diversion Level for 2012	34.48%	145,572	276,628	422,200		
Variance from 2012 to 2013	**0.18%**			769.66	N/A	$53,876.37
New Targeted Overall Diversion Level for 2014	34.66%					
Summary:					**Net Payment Due: Positve Amount Due Contractor and Negative Amount Due Agencies**	**$15,641.50**
	Variance					
Single-Family Diversion =	0.62%	Positive results in no Disincentive due				
Commercial Diversion =	-0.22%	Negative results in Disincentive due				
Overall Diversion =	0.18%	Positive results in Incentive due				

Minimum Diversion Level Requirements

Minimum Single-Family Diversion Level

For Rate Years One (2011) through Ten (2020), Contractor shall be assessed a Disincentive Payment if the calculated Single-Family Diversion Level is less than the targeted (minimum) Single-Family Diversion Level.

The minimum Single-Family Diversion Level for Rate Year One (2011) shall equal the calculated Single-Family Diversion Level achieved by the Previous Contractor in 2010 including all Recyclable Materials Tons Collected by Contractor during the Recycling Blitz. The minimum Single-Family Diversion Level for Rate Year Two (2012) through Rate Year Ten (2020) shall equal the higher of the following: (i) the Single-Family Diversion Level achieved by Previous Contractor in 2010 including all Recyclable

Materials Tons Collected by Contractor during the Recycling Blitz or (ii) the Single-Family Diversion Level achieved by Contractor in Rate Year One (2011).

For example:

- If the Previous Contractor achieves a Single-Family Diversion Level of 44.45% in 2010 and Contractor's calculated Single-Family Diversion Level is 43.85% in Rate Year One (2011), Contractor shall be assessed a disincentive payment for Rate Year One.
- If the Previous Contractor achieves a Single-Family Diversion Level of 44.45% in 2010 and Contractor achieves calculated Single-Family Diversion Levels of 46.85% in Rate Year One and 45.54% in Rate Year Two, the targeted Single-Family Diversion Level for Rate Years Three (2013) through Ten (2020) shall be 46.85%.

Minimum Commercial Diversion Level

For Rate Years One (2011) through Ten (2020), Contractor shall be assessed a Disincentive Payment if the calculated Commercial Diversion Level is less than the targeted (minimum) Commercial Diversion Level. The minimum Commercial Diversion Level for Rate Year One (2011) shall equal the calculated Commercial Diversion Level achieved by the Previous Contractor in 2010 including all Recyclable Materials Tons Collected by Contractor during the Recycling Blitz. The minimum Commercial Diversion Level for Rate Year Two (2012) through Rate Year Ten (2020) shall equal the higher of the following: (i) the Commercial Diversion Level achieved by Previous Contractor in 2010 including all Recyclable Materials Tons Collected by Contractor during the Recycling Blitz or (ii) the Commercial Diversion Level achieved by Contractor in Rate Year One (2011).

For example:

- If the Previous Contractor achieves a Commercial Diversion Level of 21.35% in 2010 and the Commercial Recyclable Materials Tons Collected by Contractor during the Recycling Blitz increases this Diversion level to 26.35% and Contractor's calculated Commercial Diversion Level is 25.85% in Rate Year One, Contractor shall be assessed a disincentive payment for Rate Year One.
- If the Previous Contractor's activities in 2010 and Contractor's Recycling Blitz activities combined achieve a Commercial Diversion Level of 26.35% in 2010 and Contractor achieves calculated Commercial Diversion Levels of 27.13% in Rate Year One and 25.38% in Rate Year Two, the targeted Single-Family Diversion Level for Rate Years Three through Nine shall be 27.13%.

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3. CONTAMINATION LEVELS

Contamination Level Requirements

The maximum Contamination Levels shall be:

- Rate Year One (2011) Single-Family Targeted Recyclable Materials = twenty percent (20%) for the last six (6) months of Rate Year One (2011)
- Rate Year Two (2012) through Ten (2020) Single-Family Targeted Recyclable Materials = TBD%

"TBD" is: To Be Determined. The Rate Year Two (2012) through Rate Year Ten (2020) maximum Contamination Level will be established by calculating the arithmetic average of the quarterly results obtained from the sampling for Rate Year One (2011) conducted pursuant to Section 6.02.B and Attachment E-2.

- Residential Organic Materials = 5%
- Commercial Source Separated and Targeted Recyclable Materials = 8%
- Commercial Organic Materials = 10%
- MFD and Commercial Plant Materials = 5%

Contamination Disincentive Payment shall be:

- $175.00 per Ton for Single-Family Targeted Recyclable Materials
- $70.00 per Ton for Commercial Source Separated and Targeted Recyclable Materials
- $70.00 per Ton for Organic Materials
- $70.00 per Ton for Plant Materials

The Contamination Levels achieved will be determined based on the results of the Contamination Measurement Procedure conducted pursuant to Section 6.02.B and Attachment E-2.

Contamination Disincentive Payment

Contractor shall be assessed a disincentive payment for exceeding the maximum Contamination Level(s), based on the methodology shown in the following example:

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Material Type	Tons Collected	Allowable Contamination Threshold	Measured Contamination Level	Variance	Tons	Payment Amount	Payment Due
Single-Family Targeted Recyclable Materials	35,000	6.20%	7.10%	0.90%	315	$175	$55,125
Commercial Targeted Recyclable Materials	38,000	8.00%	6.40%	-1.60%	N/A	$70	N/A
Residential Organic Materials	51,000	5.00%	4.82%	-0.18%	N/A	$70	N/A
Commercial Organic Materials	13,000	10.00%	8.50%	-1.50%	N/A	$70	N/A
Multi-Family and Commercial Plant Materials	6,000	5.00%	5.60%	0.60%	36	$70	$2,520
						Total	**$57,645**

4. SINGLE-FAMILY MISSED PICK-UP INITIAL COMPLAINTS

Incentive Payment for Exceptionally Low Missed Pick-Up Initial Complaint Level

Contractor shall receive an incentive payment if the percentage of Missed Pick-Up Initial Complaints for Agency is less than one (1) per three-thousand (1:3,000) of the total Single-Family Service Opportunities during the monthly reporting period (e.g., 15,000 SFD that are provided service for three carts or 45,000 total weekly Service Opportunities x 4.33 weeks per month = 194,850 Service Opportunities per month, which equates to a total allowance of 58 or fewer Missed Pick-Up Initial Complaints each month; or, the total number of Complaints is less 0.033% of all Service Opportunities). In such cases, the incentive payment shall be calculated based on the following example:

Actual number of Missed Pick-Up Initial Complaints = 36

Allowable threshold of Missed Pick-Up Initial Complaints = 58

Incentive Payment = $50 per complaint

Incentive = Actual number < 0.033% of monthly Service Opportunities (i.e., 58)

36 – 58 = -22 = <58

22 x $50 = $1,100

If the percentage of Single-Family Missed Pick-Up Initial Complaints for Agency is equal to or greater than one- per three-thousand (1:3,000) Service Opportunities during the monthly reporting period, no incentive payment shall be provided for the monthly reporting period.

Disincentive Payment for Excessive Initial Single-Family Missed Pick-Up Complaints

Contractor shall be assessed a disincentive payment if the percentage of Contractor's Missed Pick-Up Initial Complaints for Agency is less than one per one-thousand (1:1,000) Service Opportunities each month. If Contractor exceeds the minimum Missed Pick-Up Initial Complaints threshold, Agency shall assess a disincentive payment based on the following example:

Actual number of Single-Family Missed Pick-Up Initial Complaints = 267

Allowable threshold of Single-Family Missed Pick-Up Complaints = 195

Disincentive Payment = $50 per complaint

Disincentive = Actual number > 0.1% of monthly Service Opportunities (i.e., 195)

267 – 195 = 72

72 * $50 = $3,600

5. SINGLE-FAMILY MISSED PICK-UP COLLECTION EVENTS

Contractor shall be assessed a disincentive payment for the actual number of Single-Family Missed Pick-Up Collection Events for Agency that occur during each month. Disincentive payments for Missed Pick-Up Collection Events will be based on the following example:

Actual number of Single-Family Missed Pick-Up Collection Events = 87

Allowable threshold of Single-Family Missed Pick-Up Collection Events = 0

Disincentive Payment = $50 per Missed Pick-Up Collection Event

87 x $50 = $4,350

6. AVERAGE SPEED OF ANSWER AT CUSTOMER SERVICE CENTER

Exceptionally Fast Average Speed of Answer

Contractor shall receive an incentive payment if the actual Average Speed of Answer is less than fifteen (15) seconds each month . In such cases, the incentive payment shall be calculated based on the following example:

Actual Average Speed of Answer = 14 seconds

Average Speed of Answer Standard = 15 seconds

Speed of Answer Incentive Payment = $500.00 per second

Incentive = Actual Average < 15 seconds

14 – 15 = -1 second

1 x $500.00 = $500

If the actual Average Speed of Answer is equal to or greater than fifteen (15) seconds each month, no incentive payment will be provided.

Maximum Average Speed of Answer

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Contractor shall be assessed a disincentive payment if the Average Speed of Answer is less than or equal to thirty (30) seconds each month. If Contractor fails to achieve this maximum Average Speed of Answer, the Agency shall assess a disincentive payment based on the following example:

Actual Average Speed of Answer= 47 seconds

Average Speed of Answer Standard = 30 seconds

Speed of Answer Disincentive Payment = $500.00 per second

Disincentive = Actual Average > 30 seconds

47 - 30 = 17 seconds

17 x $500.00 = $8,500

If the actual Average Speed of Answer is equal to or greater than fifteen (15) seconds and less than thirty (30) seconds each month, neither incentives or disincentives shall be applied.

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7. NINETY SECOND (90) MAXIMUM HOLD TIME

The maximum Hold Time shall be ninety (90) seconds. If Contractor fails to achieve this performance standard, the Agency shall assess a disincentive payment based on the following example:

Number of calls exceeding the Ninety (90) Second threshold = 312

Disincentive Payment = $5.00 per call

312 x $5.00 = $1,560

8. INCENTIVE/DISINCENTIVE PAYMENT PROCEDURES

A. **Record Keeping.** In accordance with Article 9, records shall be maintained by Contractor for Agency in a manner that adequately demonstrates and documents Contractor's performance in accordance with this Agreement. The records shall be sufficient for Agency and SBWMA to determine Contractor's compliance with the specified performance standards.

B. **Determination of Achievement of Performance Standards**. In accordance with the requirements of Sections 9.06, 9.07 and 11.07, Contractor shall provide with its quarterly and annual reports, a report that identifies compliance with the performance standards listed in this Attachment and calculation of the performance incentive payments and disincentive assessments due.

Performance incentives and disincentives for Overall Diversion Level, Minimum Single-Family Diversion Level, Minimum Commercial Diversion Level, Average Speed of Answer and Ninety (90) Second Maximum Hold Time shall be calculated in aggregate for the SBWMA Service Area and Agency's share shall be proportional based on the tons of Solid Waste Collected in the previous Rate Year by Contractor or for Rate Year One (2011) by Previous Contractor in 2010. Performance incentives and disincentives for Single-Family Missed Pick-Up Initial Complaints and Single-Family Missed Pick-Up Collection Events shall be calculated separately for each Agency. Disincentive assessments for Contamination shall be calculated in aggregate and paid to the SBWMA quarterly pursuant to Agreement Sections 9.06 and 11.07, and Section 8.D of this Attachment.

The incentives and disincentives that will be calculated monthly include:

- Single-Family Missed Pick-Up Initial Complaints
- Single-Family Missed Pick-Up Collection Events
- Average Speed of Answer
- Ninety (90) Second Maximum Hold Time

The disincentives that will be calculated quarterly include:

- Single-Family Targeted Recyclable Materials maximum Contamination Level
- Single-Family Organic Materials maximum Contamination Level
- Commercial Source Separated and Targeted Recyclable Materials maximum Contamination Level

- Commercial Organic Materials maximum Contamination Level
- MFD and Commercial Plant Materials maximum Contamination Level

The incentives and disincentives that will be calculated annually include:

- Overall Diversion Level
- Minimum Single Family Diversion
- Minimum Commercial Diversion Level

C. **Amount.** The incentive and disincentive payment amounts shall be determined in accordance with the formulas presented in Sections 2 - 7 of this Attachment I.

D. **Timing of Payment.** Payments related to performance incentives and disincentives that are calculated monthly and annually are to be included in Contractor's annual Application for adjustment to Contractor's Compensation. Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of performance incentive payments and disincentive assessments calculated. Payment by Contractor for Contamination related performance disincentives that are calculated quarterly shall be paid to the SBWMA within ten (10) days after submittal of Contractor's quarterly report. The SBWMA will review Contractor's calculations of incentives and disincentive payments and underlying data for accuracy, will confer with Member Agencies to confirm data as to each Member Agency, and will meet with Contractor to resolve any errors or inconsistencies.

E. **Disputes by Contractor**. Contractor may, within ten (10) calendar days after receiving the Agency's or SBWMA's written notice containing Agency's or SBWMA's revised determination of incentive and disincentive payments, provide written notice to Agency and SBWMA of any disagreement with Agency's or SBWMA's determination. Contractor may present evidence in writing to support its position. Agency and SBWMA shall review Contractor's submission and within ten (10) calendar days shall schedule a meeting with Contractor to discuss Contractor's concerns. The decision of Agency or SBWMA shall be final.

ATTACHMENT J
LIQUIDATED DAMAGES

The following table lists the events that constitute breaches of the Agreement's standard of performance warranting the imposition of liquidated damages; the acceptable performance level; the definition of the Complaint, incident or event; the method by which occurrences will principally be tracked (by Contractor or Agency), and the amount of liquidated damages for failure to meet the contractually-required standard of performance.

Contractor is required to maintain records of Customer Complaints which show for each Complaint: date and time received; name, address and telephone number of caller; nature of Complaint (e.g., missed pick-up, excessive noise, property damage, etc.); name of employee receiving Complaint; action taken by Contractor to respond to Complaint; and date Complaint was resolved.

Contractor shall submit to Agency with its quarterly report a liquidated damages report which summarizes the number of Complaints in each category and computes the amount (if any) of liquidated damages accrued by month during the preceding quarter. If Agency requests, Contractor shall also provide a printout of the full records for the quarter.

Agency intends to suspend imposition of select liquidated damages for the initial six (6) months of Collection Service, provided that Contractor diligently applies its best efforts to minimize the occurrence of events which can result in the imposition of liquidated damages. The liquidated damages that will be suspended for the initial six (6) months of collection service are denoted with an asterisk (i.e., " * "). If Contractor does not exert such best efforts, as determined by Agency, Agency may, after notice to Contractor, end this policy and begin enforcement of the performance standards through liquidated damages.

TABLE 1					
	Event of Non-Performance	**Acceptable Performance Level**	**Definition of Complaint, Incident, or Event**	**Tracking Method**	**Liquidated Damage Amount**
	COLLECTION QUALITY				
1.	Collection Quality Complaint (includes Solid Waste, Recyclable Materials and Organic Materials Collection service)	Number of "Collection quality Complaints" is less than or equal to thirty (30) per month for each of the following three categories (i.e., A, B and C) for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies.	"Collection quality Complaints" shall include all Complaints received regarding events described under Items 1A through 1C herein.	Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded for each category (Items 1A through 1C) for the Agency	$150 per Complaint received above the acceptable performance level
	A. Unauthorized Collection Hours (includes: Solid Waste, Recyclable Materials and Organic Materials Collection service)	See above	Each Complaint that Contractor has performed Collection services outside of hours authorized in Section 8.01.A.	See above	See above
	B. Inadequate Care of or Damage to Private Property	See above	Each Complaint that Contractor has not closed a Customer's gate, has crossed planted areas, or has damaged private property (including damage of private vehicles) pursuant to Section 8.02.H.	See above	See above

TABLE 1					
	Event of Non-Performance	**Acceptable Performance Level**	**Definition of Complaint, Incident, or Event**	**Tracking Method**	**Liquidated Damage Amount**
	C. Failure to Resolve Property Damage Claims	See above	Each Complaint of Contractor's failure to resolve claims of damage to property within thirty (30) calendar days of the date the Complaint of damage was reported pursuant to Section 8.02.H.	See above	See above
2.	* Failure to Provide New Service or Initiate Change in Service	Number of "Failures to Provide New Service or Initiate Change in Service" is less than or equal to sixty (60) each month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies.	Each Complaint of Contractor's failure to provide new service or change an existing service level within five (5) Business Days of receiving the request pursuant to Section 8.02.C.	Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency.	$100 per Complaint received above the acceptable performance level
3.	* Improper Container Placement Complaints	The number of "Improper Container Placement Complaints" shall be less than or equal to 500 per month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies.	Each Complaint of Contractor's failure to return empty Containers to original location (or alternate location if original location was not safe with regard to pedestrian and vehicular traffic), and each Complaint of failure to place Containers in an upright position with lids closed pursuant to Section 8.02.B.1, provided that Contractor shall not be responsible for placement of Containers that are moved due to wind, rain or other inclement weather conditions, third parties or other factors outside Contractor's reasonable control.	Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency.	$50 per Complaint above the acceptable performance level

TABLE 1					
	Event of Non-Performance	**Acceptable Performance Level**	**Definition of Complaint, Incident, or Event**	**Tracking Method**	**Liquidated Damage Amount**
4.	Failure to Effectively Distribute Non-Collection Notices	The number of non-collection notices that Contractor distributes is at least 50% of all Container set-outs that require a non-collection notice based on the presence of contamination.	An event is a Container set-out that contains contamination but was not provided a non-collection notice.	Contractor shall provide a report on a monthly basis that contains information on Contactor's use of non-collection notices.	$25 per event
5.	Excessive Noise Complaints	The number of "excessive noise Complaints" shall be less than or equal to sixty (60) per month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies.	Each Complaint of excessive noise reportedly related to Contractor's Collection operations pursuant to Section 8.02.J.	Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency.	$50 per Complaint above the acceptable performance level
6.	Unacceptable Employee Behavior	No incidents or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.	Each Complaint of reportedly discourteous, rude, or inappropriate behavior by Collection vehicle personnel, Customer service personnel, or other employees of Contractor pursuant to Section 8.06.H.	Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency.	$250 per Complaint

TABLE 1					
	Event of Non-Performance	**Acceptable Performance Level**	**Definition of Complaint, Incident, or Event**	**Tracking Method**	**Liquidated Damage Amount**
7.	A. Complaints of Spills of Discarded Materials	The number of "Complaints of spills of Discarded Materials" shall be less than or equal to one-hundred and twenty (120) per month for the SBWMA Service Area. Table 2 provides the proportional distribution of the total monthly allowance to all Member Agencies.	Each Complaint of litter, or spills of Solid Waste, Recyclable Materials, or Organic Materials near Containers or on public streets and Contractor's failure to pick up or clean up such material immediately pursuant to Section 8.02.I.	Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency.	$50 per Complaint above the acceptable performance level
	B. Complaints of Failure to Clean Up Spills of Discarded Materials	See above	Each Complaint of Contractor failing to clean up Solid Waste, Recyclable Materials, or Organic Materials that were littered on public property pursuant to Section 8.02.I.	See above	See above
8.	Spills of Vehicle Fluids	No incidents or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.	Each Complaint of unreasonable leaks or spills of hydraulic fluids, fuel, motor oil, and other motor vehicle fluids and liquids from the Collection vehicle on public streets pursuant to Section 8.02.I.	Contractor shall print a report on a quarterly basis from its Customer service system listing the total number of Complaints coded to this category for the Agency.	$500 per Complaint

TABLE 1					
	Event of Non-Performance	**Acceptable Performance Level**	**Definition of Complaint, Incident, or Event**	**Tracking Method**	**Liquidated Damage Amount**
	Customer Service Quality				
1.	* Untimely Resolution of Complaints and Inquiries	No failures or Complaints in this category are acceptable; therefore, any Complaint of this nature shall be considered unacceptable.	Each failure to resolve or remedy a Complaint or Inquiry within ten (10) Business Days of receipt of Complaint or Inquiry pursuant to Section 7.02.D, with the exception of missed pick-ups which are addressed above or other service related events that have Liquidated Damages associated with them.	Contractor shall document all Complaints and Inquiries including the date of response pursuant to Section 7.02.D, and, upon request, shall provide detailed reports for the Agency's review.	$100 per incident
	Reporting				
1.	Late Submittal of Reports, Application, Proposal, or Other Submittals	Report, application or proposal shall be submitted on the date or in accordance with the timeframe specified in this Agreement.	For each day Contractor fails to submit: (i) reports in the timeframe specified in Article 9, (ii) Application for determination of Contractor's Compensation in the timeframe specified in Article 11; (iii) proposal requested by Agency for change in service in the timeframe specified in Article 9; and (iv) other submittals required by this Agreement in the timeframe specified in this Agreement.	Contractor's submittal dates shall be recorded and compared to the submittal requirements of the Agreement	$250 per day for each day report is overdue

TABLE 1					
	Event of Non-Performance	**Acceptable Performance Level**	**Definition of Complaint, Incident, or Event**	**Tracking Method**	**Liquidated Damage Amount**
2.	Submittal of Inaccurate Report, Application, Proposal, or Other Submittals and Correspondence	Report, application, proposal or correspondence submitted does not contain inaccurate, misleading or erroneous data and information.	For each day Contractor fails to submit corrections or restatements rectifying the inaccurate, misleading or erroneous data and information contained in reports, applications, proposals or correspondence submitted to Agency or SBWMA commencing with the third (3rd) Business Day after receiving notification from Agency or SBWMA of Contractor having submitted inaccurate, misleading or erroneous data and information.	The data and information contained in Contractor's submittal shall be recorded and verified for accuracy by Agency or SBWMA.	$250 per day for each day inaccurate or erroneous information is not corrected by Contractor commencing with the third (3rd) Business Day after receiving notification from Agency or SBWMA of Contractor having submitted inaccurate, misleading or erroneous data and information
3.	Failure to Perform and Report on Billing Review	Reports on billing reviews are submitted on time.	Failure to conduct Billing reviews and report on the findings of the review pursuant to Section 7.01.F.	Contractor's submittal dates shall be recorded and compared to the submittal requirements of the Agreement	$250 per day for each day report is overdue
	Other				
1.	Disposal of Diversion Program Materials	Contractor does not Dispose of Recyclable Materials or Organic Materials Collected.	For each Ton of Recyclable Materials or Organic Materials Disposed of without written approval of the Agency pursuant to Section 8.02.D.	Alleged incidents shall be investigated by Agency	$175 per Ton Disposed for Recyclables $100 per Ton Disposed for Organics

TABLE 1					
	Event of Non-Performance	**Acceptable Performance Level**	**Definition of Complaint, Incident, or Event**	**Tracking Method**	**Liquidated Damage Amount**
2.	Use of Unauthorized Facilities	Each Ton of material shall be delivered to the Designated Transfer and Processing Site.	For each Ton of Solid Waste, Recyclable Materials or Organic Materials that is not delivered to the Designated Transfer and Processing Facility pursuant to Section 6.01.	Alleged incidents shall be investigated by Agency	$175 per Ton Delivered to unauthorized facility for Recyclables $100 per Ton Delivered to unauthorized facility for Organics and Solid Waste

Table 2			
Liquidated Damages Number	**Member Agency**	**Monthly Percentage Threshold (Based on Total Monthly SFD Service Opportunities)**	**Acceptable Performance Level Allowance**
1.A, 1.B, 1.C			
	Atherton	2.49%	1
	Belmont	7.13%	2
	Burlingame	6.99%	2
	Hillsborough	3.92%	1
	EPA	4.54%	1
	Foster City	7.08%	2
	Menlo Park	8.40%	3
	Redwood City	18.72%	6
	Menlo Park	9.22%	3
	San Mateo	21.02%	6
	San Mateo County	2.86%	1
	WBSD	2.28%	1
	Uninc. County	5.32%	2
	Total		30
2			
	Atherton	2.49%	1
	Belmont	7.13%	4
	Burlingame	6.99%	4
	Hillsborough	3.92%	2
	EPA	4.54%	3
	Foster City	7.08%	4
	Menlo Park	8.40%	5
	Redwood City	18.72%	11
	San Carlos	9.22%	6
	San Mateo	21.02%	13
	San Mateo County	2.86%	2
	WBSD	2.28%	1
	Uninc. County	5.32%	3
	Total		60

Table 2			
Liquidated Damages Number	**Member Agency**	**Monthly Percentage Threshold (Based on Total Monthly SFD Service Opportunities)**	**Acceptable Performance Level Allowance**
3			
	Atherton	2.49%	12
	Belmont	7.13%	36
	Burlingame	6.99%	35
	Hillsborough	3.92%	20
	EPA	4.54%	23
	Foster City	7.08%	35
	Menlo Park	8.40%	42
	Redwood City	18.72%	94
	San Carlos	9.22%	46
	San Mateo	21.02%	105
	San Mateo County	2.86%	14
	WBSD	2.28%	11
	Uninc. County	5.32%	27
	Total		500
5			
	Atherton	2.49%	1
	Belmont	7.13%	4
	Burlingame	6.99%	4
	Hillsborough	3.92%	2
	EPA	4.54%	3
	Foster City	7.08%	4
	Menlo Park	8.40%	5
	Redwood City	18.72%	11
	San Carlos	9.22%	6
	San Mateo	21.02%	13
	San Mateo County	2.86%	2
	WBSD	2.28%	1
	Uninc. County	5.32%	3
	Total		60

Table 2			
Liquidated Damages Number	**Member Agency**	**Monthly Percentage Threshold (Based on Total Monthly SFD Service Opportunities)**	**Acceptable Performance Level Allowance**
7, 7.A			
	Atherton	2.49%	3
	Belmont	7.13%	9
	Burlingame	6.99%	8
	Hillsborough	3.92%	5
	EPA	4.54%	5
	Foster City	7.08%	9
	Menlo Park	8.40%	10
	Redwood City	18.72%	22
	San Carlos	9.22%	11
	San Mateo	21.02%	25
	San Mateo County	2.86%	3
	WBSD	2.28%	3
	Uninc. County	5.32%	6
	Total		120

Attachment K
Contractor's Compensation
and
Rate Setting Process

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ATTACHMENT K
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS

1. Introduction

As provided in Article 11 of the Agreement, Member Agencies expect the South Bayside Waste Management Authority (SBWMA), of which they are all members, to provide substantial assistance in administering the annual review of Contractor's Compensation and the integration of that review with Agencies' adjustment of rates charged to Customers for Contractor's services.

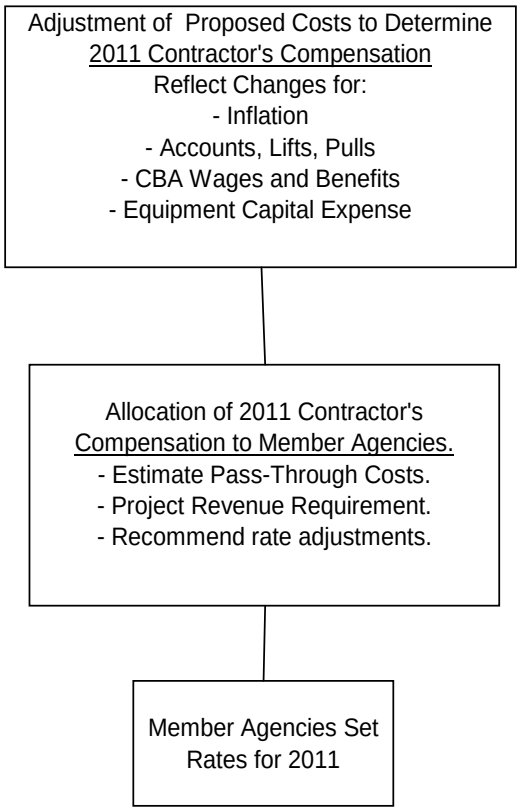
This Attachment describes Contractor's accountability regarding Contractor's Proposal assumptions (section 2); the procedures by which specific elements of Contractor's Compensation will be adjusted annually (section 3); the format and content of Contractor's annual application for adjustments in compensation (section 4); the actions to be taken by SBWMA in reviewing that application (section 5); allocating Contractor's overall compensation among Member Agencies (section 6); an explanation of Pass-Through Costs (section 7); reconciling the revenue earned by Contractor each year with the approved compensation for that year (section 8); preparing and reviewing reports to Member Agencies with recommendations for adjustments in each Agency's rates (section 9); a discussion of Performance Incentives and Disincentives (section 10); and the role of each Agency in establishing rates and the rate structure (section 11).

SBWMA and Contractor may agree to modifications in the procedures and schedules in this Attachment in order to adapt them to changed circumstances or to improve their efficiency and timeliness. Such modifications shall not change the methodology for allocation of costs among Member Agencies. Before implementing any such modifications, SBWMA will provide at least thirty (30) days prior written notice to Agency and all other Member Agencies. The notice will include an explanation of the reason(s) for the proposed modification(s) and the section(s) of this Attachment that would be affected by the proposed modification(s).

Figure K-1 is a flow chart depicting the process for determining Contractor's Compensation and rates for Rate Year One (2011).

ATTACHMENT K
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS

Figure K-1
Determination of Contractor's Compensation for Rate Year One (2011)



2. Contractor Accountability for Proposal Assumptions

The method of adjusting Contractor's Compensation holds Contractor accountable for several projections and assumptions on which its Proposal was based, and which are incorporated into the baseline costs shown on Attachment N, including: proposed technology, route productivity, Single-Family Container placement assumptions; and recycling/organics participation rates, as follows:

- Proposed Technology – No additional adjustments shall be made to Contractor's Compensation if the technology proposed by Contractor does not achieve the intended results or productivity. (If a change in law or regulations requires consideration of new or alternative technology or if the parties mutually agree to consider a change in technology, cost impacts related to the change in technology will be reviewed.)
- Route Productivity – The assumptions regarding route productivity directly impact costs related to labor, route hours, vehicles, fuel use, and vehicle maintenance. No adjustments to Contractor's Compensation will be made for differences between route productivity levels assumed in Contractor's Proposal and actual route productivity.
- Container Placement (Curbside or Backyard) Rates – Contractor's Proposal was based on its best estimate of the number of Single-Family Dwelling Customers who will place their Containers Curbside for Collection or choose to pay additional fees for backyard Collection. No adjustments to Contractor's Compensation will be made for differences between estimated and actual levels, unless the Agency's adjustment of rates results in a migration between Curbside and Backyard Service resulting in a change of two percent (2%) in Contractor costs per Section 11.07.C.
- Weekly Recycling Participation Levels – Contractor's estimate of the number of Single-Family Dwelling Customers that will be provided weekly Targeted Recyclable Materials and Organic Materials Collection Service is incorporated into the baseline costs shown on Attachment N. No adjustments to Contractor's Compensation will be made for differences between estimated and actual participation levels.

3. Adjustments to Contractor's Compensation

The annual process for adjusting Contractor's Compensation is summarized in Table 1. Column One of the table illustrates the adjustment of 2008 costs shown on Attachment N in 2010 to establish Rate Year One (2011) Contractor's Compensation; Column Two describes annual adjustments to determine Contractor's Compensation for Rate Year Two (2012) and each year thereafter.

With regard to changes in service levels (i.e., accounts, lifts, and pulls), adjustments to Contractor's costs in 2010 to establish Contractor's Compensation for Rate Year One (2011) and in 2012 to establish Contractor's Compensation for Rate Year Three (2013) will be made as described in Table 1 and 2.

Contractor's Compensation will be adjusted by the change in service levels for Rate Year One and Rate Year Three only. No adjustments to reflect changes in service levels shall be made after the adjustments made in 2012, when calculating Contractor's Compensation for Rate Year Three (2013).

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
ANNUAL COST OF OPERATIONS		
A. Wages and benefits for all employees represented through collective bargaining agreements (CBA).	Two adjustments will be made: • Revise 2008 wage rates and benefits shown on Attachment N to reflect wage rates and benefit levels to be in effect in 2011 based on the collective bargaining agreements between the Previous Contractor and unions in effect in 2010. The number of full-time equivalent employees and hours in each labor category shown in Attachment N Cost Form 2 will be used in making the adjustment. • Revise to reflect service level changes in 2010 from the 2008 proposal assumptions by increasing or decreasing wage and benefits costs by the percentage change in accounts, lifts, or pulls as described in Table 2.	• Annually adjust labor costs based on the collective bargaining agreements between the Previous Contractor and unions in effect on the Commencement Date, until they expire. • After expiration of the above collective bargaining agreements, annually adjust wage and benefit costs for the one (1) year change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, cis201s000000000i successor to series no. ecs12102i). Average index change between index for May of prior year to April of current year (i.e., twelve (12) months average change)[1]. • For Rate Year Three (2013) only, adjust wages and benefits to reflect service level changes by increasing or decreasing wage and benefit costs by the percentage change in accounts, lifts, and pulls as described in Table 2. No further adjustment for changes in service levels will be made after Rate Year Three (2013). **[1] The term "average index change" in this Attachment K means the percentage change between the simple average of all twelve (12) (or fewer) monthly index levels for one (1) year and the same average for a following year.**

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
B. Wages and benefits for employees not represented through collective bargaining agreements.	• Step One: Initially adjust Attachment N 2008 costs using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, cis201s000000000i successor to series no. ecs12102i). Average index change between index for May 2008 and April 2010 (i.e., twenty four (24) months). • Step Two: In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, cis201s000000000i successor to series no. ecs12102i). Average index change between index for May 2009 to April 2010 (i.e., twelve (12) months). • Revise to reflect service level changes by increasing or decreasing wage and benefit costs by sixty five percent (65%) of the percentage change in accounts, lifts or pulls as described in Table 2.	• Adjust to reflect the one (1) year average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, cis201s000000000i successor to series no. ecs12102i). Average index change between index for May of prior year to April of current year (i.e., twelve (12) months). • For Rate Year Three (2013) only, revise to reflect service level changes by increasing or decreasing wage and benefit costs by sixty-five percent (65%) of the percentage change in accounts, lifts or pulls as described in Table 2.

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
C. Payroll taxes	• Payroll tax expense will be calculated based on the following effective tax rates in Contractor's Proposal: ▪ 8.32% for Direct Labor; and, ▪ 8.15% for Indirect Labor. • The effective tax rate will be applied to the adjusted wages for direct or indirect labor to calculate payroll tax expense. When the Federal and/or State employer payroll tax rates or limits are changed, Contractor will submit to SBWMA a new effective payroll tax rate for review and approval. If approved, the new rates will be used to calculate payroll tax expense for the Rate Year affected by the change(s).	• Same method as prior year.
D. Workers compensation, direct and indirect	• Step One: Initially adjust Attachment N 2008 costs using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All Workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). Average index change between Index for May 2008 and April 2010 (i.e., twenty four (24) months). • Step Two: In order to reflect 2011 base costs, adjust costs using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All Workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). Average index change between index for May 2009 and April 2010 (i.e., twelve (12) months).	• Adjust to reflect one (1) year average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All Workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A). Average index change between index for May of prior year to April of current year (i.e., twelve (12) months). • For Rate Year Three (2013) only, service level change adjustment to workers compensation costs for direct labor based on one-hundred percent (100%) of the service level changes and for worker compensation costs for indirect labor based on sixty-five percent (65%) of service level changes as described in Table 2.

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
	• Service level change adjustment for workers compensation costs for direct labor based on one-hundred percent (100%) of the service level changes and to workers compensations costs for indirect labor based on sixty-five percent (65%) of service level changes as described in Table 2.	

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
E. Fuel for route and service vehicles, direct and indirect	• Step One: Initially adjust 2008 fuel costs on Attachment N using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303). Average index change between index for May 2008 and April 2010 (i.e., twenty four (24) months). • Step Two: In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303Five (5) year average index change between index for May 2005 and April 2010. • Service level change adjustment for direct fuel costs based on one-hundred percent (100%) of the service level changes and for indirect fuel costs based on sixty-five percent (65%) of the service level changes as described in Table 2.	• Inflation adjustment to reflect one-year change in the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303). Average index change between index for May of prior year and April of current year (i.e., twelve (12) months). • For Rate Year Three (2013) only, adjustment will be made for direct fuel costs based on one-hundred percent (100%) of the service level changes and for indirect fuel costs based on sixty-five percent (65%) of service level changes as described in Table 2.

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
F. Other costs, direct and indirect, excluding depreciation and wages and benefits	• Step One: Initially adjust Attachment N 2008 costs using 80% of the change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). Average index change between index for May 2008 and April 2010 (i.e., twenty four (24) months). • Step Two: In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using 80% of the change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). Average index change between index for May 2009 and April 2010 (i.e., twelve (12) months). • Service level change adjustment will be made for direct other costs based on one-hundred percent (100%) of the service level changes and for indirect other costs based on sixty-five percent (65%) of service level changes as described in Table 2.	• Adjust to reflect 80% of the one (1) year average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). Average index change between index for May of prior year and April of current year (i.e., twelve (12) months). • For Rate Year Three (2013) only, service level change adjustment for direct other costs based on one-hundred percent (100%) of the service level changes and for indirect other costs based on sixty-five percent (65%) of service level changes as described in Table 2.

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
G. Depreciation for Collection vehicles and Containers	• The adjustment process outlined below for depreciation will be applied separately to each of the four (4) categories of capital equipment: Collection Vehicles, Other Vehicles, Containers, and Other Equipment. • Price adjustment of 2008 equipment costs shown in Attachment N up to CPI adjustment to actual month ordered. CPI Index: the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211). Average index change between index for March 2008 and that for actual month ordered. • Price Adjustment: Actual cost of purchase will be used if purchase price is less than CPI-adjusted price. • Change in sales or other tax will be separately adjusted to reflect the actual tax rate at time of purchase. • Price Adjustment: If the total price of a capital equipment category increases more than the inflation adjustment, then Contractor may request additional adjustment to depreciation in 2010; in such case, Contractor must demonstrate that prices paid reflected market rates for equipment.	• The adjustment process outlined below for depreciation will be applied separately to each of the four (4) categories of capital equipment: Collection Vehicles, Other Vehicles, Containers, and Other Equipment. • No indexed cost adjustments shall be made to depreciation over the remaining Term. In Rate Year Two (2012) when determining Contractor's Compensation for Rate Year Three (2013), if changes in service levels (see Table 2) warrant the purchase of additional capital equipment, depreciation on additional capital equipment whose purchase has been authorized by SBWMA will be added to the adjusted depreciation expense. • Depreciation expense shall be based on Contractor's depreciation schedule in Attachment N Cost Form 11 for the appropriate year, as adjusted for any allowed and approved change to capital purchases. • Added new capital equipment will be depreciated over ten (10) years from date placed in service. Agency has no responsibility to pay Contractor for remaining net book value of any Containers not fully depreciated at end of Term, unless Agency elects to purchase Containers pursuant to subsection 8.05.F. • If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
	• Quantity Adjustment: Revise number of pieces of equipment specified in Attachment N Cost Form 4 to reflect Agency changes in accounts, lifts, and pulls (see Table 2). Any purchase of additional equipment must be authorized by SBWMA. Depreciation on such additional capital equipment will be added to the adjusted base depreciation. Depreciation of new equipment will be based on a ten (10) year life from date placed in service. • If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense will be revised to reflect actual costs of used equipment. • Depreciation expense shall be based on Contractor's depreciation schedule in Attachment N Cost Form 11 for the appropriate year, as adjusted for any authorized change to capital equipment purchases. • Depreciation on used capital equipment will be calculated on a straight line method, using a ten (10) year service life. If used capital equipment is taken out of service before the expiration of the Term, the remaining undepreciated net book value less market value shall be treated as an expense in the following year in which the equipment is removed from service. •	will be revised to reflect actual costs of used equipment. • Depreciation on used capital equipment will be calculated on a straight line method, using a ten (10) year service life. If used capital equipment is taken out of service before the expiration of the Term, the remaining undepreciated net book value less market value shall be treated as an expense in the following year in which the equipment is removed from service.

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
H. Allocated Indirect Depreciation Costs (related to vehicle and container maintenance equipment, shop equipment, office equipment, etc.)	• Step One: Initially adjust 2008 costs in Attachment N using one-hundred percent (100%) of the change in the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211). Average index change between Index for March 2008 and April 2010 (i.e., twenty six (26) months). • Step Two: In order to reflect 2011 base costs, adjust the costs resulting from the adjustment in Step One using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211. Average index change between for May 2009 to April 2010 (i.e., twelve (12) months). • If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense in the following year will be revised to reflect the actual cost of the used equipment.	• No additional adjustments. • If purchase of additional equipment is authorized by SBWMA, depreciation expense will be revised to reflect the actual cost of the additional equipment. • If purchase of used equipment is authorized by Agency and SBWMA, depreciation expense in the following year will be revised to reflect the actual cost of the used equipment.

ATTACHMENT K
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
I. Implementation Costs	• Same Inflation Index and method as that described for Other Costs (Cost F). • No adjustment based on changes in service levels will be made.	• No additional adjustment.
Total Annual Cost of Operations	• Calculated as the sum of the cost components adjusted as described above.	• Same method as prior year.
PROFIT		
	• Profit calculated using the operating ratio and the adjusted total annual cost of operations. The operating ratio is fixed for the length of the Agreement at ninety and one-half percent (90.5%).	• Same method as prior year

ATTACHMENT K
CONTRACTOR'S COMPENSATION AND RATE SETTING PROCESS

Table 1

Cost	Adjustment to Proposed Costs for Rate Year One (2011) Contractor's Compensation	Annual Adjustment to Contractor's Compensation for Rate Years Two – Ten (2012 - 2020)
CONTRACTOR PASS-THROUGH COSTS		
A. Interest expense (on capital and implementation costs)	• Interest rate on loans used to acquire capital equipment will be 5.5% as specified in Contractor's Proposal. • Compensation for interest expense will be specified on the Debt Service Schedule in Attachment N Cost Form 11. • Interest expense in Attachment N will be revised for any approved changes in the amount of capital equipment purchased.	• No interest rate adjustment. • Compensation for interest expense will be based on the revised and SBWMA approved Debt Service Schedule in Attachment N for Rate Year One (2011). • The Debt Service Schedule may be revised again for any given Rate Year for allowed and approved changes to the capital equipment schedule. • Interest expense will be based on ten (10) year financing terms on any approved additional capital.
B. Regulatory Agency Fees	• Any non-operating fees (but not fines) paid by Contractor (e.g., to U.S. Department of Transportation, Bay Area Air Quality Management District, Local Enforcement Agency, Bay Area Water Quality Control Board, California Highway Patrol).	• Actual amount paid in prior year for Regulatory Agency Fees will be adjusted by one hundred percent (100%) of CPI Index used to adjust Cost F - "Other costs."
Total Contractor Pass-Through Costs	• Calculated as the sum of the Contractor Pass-Through Costs.	• Same method as prior year.
TOTAL CONTRACTOR'S COMPENSATION	• Calculated as the sum of total Annual Cost of Operations, Profit, and Contractor's Pass-Through Costs.	• Same method as prior year.

Table 2

Adjustment Metric	Rate Year One (2011) Adjustment and Source of Data	Rate Year Three (2013) Adjustment and Source of Data
Accounts (Single-Family Dwelling accounts for Solid Waste Collection)	• Adjustment shall be based on the percentage change in accounts from March 2008[1] (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider).	• Adjustment shall be based on the percentage change in accounts from June 2010 (Source: current service provider data) to June 2012 (Source: Contractor).
Lifts (Multi-Family Dwelling, Commercial and Agency Facility Bin and Cart lifts for Solid Waste, Recyclable and Organic Materials Collection)	• Adjustment shall be based on the percentage change in lifts from March 2008[1] (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider).	• Adjustment shall be based on the percentage change in lifts from June 2010 (Source: current service provider data) to June 2012 (Source: Contractor).
Pulls (Multi-Family Dwelling, Commercial and Agency Facility Drop Box and Compactor pulls for Solid Waste, Recyclable and Organic Materials Collection)	• Adjustment shall be based on the percentage change in pulls from March 2008[1] (Source: SBWMA RFP for Collection Services) to June 2010 (Source: current service provider).	• Adjustment shall be based on the percentage change in pulls from June 2010 (Source: current service provider) to June 2012 (Source: Contractor).

[1] Contractor's proposal was submitted in March 2008.

4. Application for Contractor's Compensation Adjustment

4.1 Preparation of Application for Contractor's Compensation Adjustment

Contractor is required to submit an Application for Contractor's Compensation Adjustment (Application) annually by July 1 for determination of Contractor's Compensation for the following Rate Year. This Section describes the content of the Application.

A. Reporting of Operational Information

Operational information shall be reported in total as well as disaggregated by each Line of Business, by Service Sector and by Member Agency. The information shall be submitted on forms provided by Contractor and approved by SBWMA. This data is required to allocate Contractor's Compensation to each Member Agency. Operational information to be provided includes, but is not limited to:

- Tonnage collected by Line of Business;
- Number of accounts by Line of Business and account type (i.e., Container size, Collection frequency, and material type);
- Number of pulls for Roll-Off service;
- Number of lifts for Bin service;
- Number of Containers in service by Line of Business;
- Set-out rates by Line of Business;
- Number of routes and annual route hours by Line of Business;
- Number and type of vehicles by Line of Business;
- Annual route labor hours by Line of Business; and
- Roster of all personnel by category including direct, indirect, and general and administrative (G&A).

B. Audited Financial Statements

Financial statements (balance sheet, income and expense statement) for the operations covered by this Agreement for Contractor's immediately preceding fiscal year (October 1 – September 30) shall be submitted with the Application. The financial statements shall be accompanied by a report of an independent Certified Public Accountant licensed by the California Board of Public Accountancy stating that (i) it has audited the financial statements in accordance with auditing standards generally accepted in the United States, and (ii) in its opinion the financial statements present fairly, in all material respects, the financial position of Contractor as of September 30 of the year under review and of the immediately preceding year, and the changes in its financial position for the years then ended in conformity with United States generally accepted accounting principles.

The Certified Public Accountant's report shall also contain a separate statement identifying the amounts of audited revenue and expense that are attributable to the last nine months of the Contractor's fiscal year (January - September 30).

In addition, Contractor shall submit financial statements covering the last three months of the preceding calendar year (October 1 - December 30) and a compiled twelve (12) month statement covering the preceding calendar year. These

statements shall be accompanied by a report of the independent Certified Public Accountant stating that it has conducted a review of the statements in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and that contains the elements described in AICPA Professional Standards, section AR 100.

C. Preparation of Management Representation Letter

The Application shall include a management representation letter signed by the President of Contractor, which states that:

- Management accepts responsibility for the accuracy and completeness of the Application;
- The Application is based on the Contractor's Compensation adjustment procedures described in Article 11, this Attachment K - including Tables 1 and 2, and on the forms approved by the SBWMA; and,
- All significant information and supporting documents relevant to the Contractor's Compensation adjustment process are available for review by SBWMA.

D. Calculation of Contractor's Compensation and Projection of Gross Revenue Billed for the Next Rate Year

The Application shall include a calculation of the next year's Contractor's Compensation (i) in total, (ii) by Agency including overage(s) or shortfall(s) from the prior year identified in the Revenue Reconciliation process described in Section 11.03 of the Agreement and Section 8 of this Attachment, (iii) by Service Sector, and (iv) by Line of Business.

Contractor shall also project the following year's Gross Revenue Billed (i) in total, (ii) by Agency, (iii) by Service Sector, and (iv) by Line of Business based on rates currently in effect. Contractor shall provide an explanation of, and supporting documentation for, the Gross Revenue Billed projection.

E. Supporting Documentation

Contractor shall make available to SBWMA and Agency, upon request, supporting documentation and summary reports for all calculations, assumptions, and data used in the calculation of the Contractor's Compensation for the following Rate Year and in the annual revenue reconciliation of Gross Revenue Billed to approved Contractor Compensation. Supporting documents and reports requested may include:

- General Ledger
- Revenue and Accounts Receivable Ledgers
- Collective Bargaining Agreements
- Solid Waste Transfer Tickets
- Weight tickets for all C&D Materials, Recyclable Materials, Inert Materials, and Organic Materials
- Customer billing information and service levels
- Copies of Bureau of Labor Statistics Index Data
- Other information requested by SBWMA

5. SBWMA Review of Application

Agency delegates to SBWMA the authority to conduct the review of the Application. SBWMA will review the Application and supporting documentation to determine that it has been prepared in a manner consistent with the Agreement, including this Attachment. SBWMA may request and Contractor shall provide any missing information necessary to complete the Application. Agency may participate in meetings with SBWMA and Contractor to discuss the Application.

A. Preliminary Review

SBWMA shall determine if the Application is complete and ready for analysis.

1. Completeness and Mathematical Accuracy of Application. SBWMA shall determine if:

   a. All required forms and financial statements are included;

   b. All forms are completed correctly and data and indexes tie to correct source; and

   c. All calculations are mathematically correct.

   If the Application is incomplete or contains arithmetic errors, SBWMA will notify Contractor and Contractor will promptly provide missing information and corrected calculations.

2. Verification of Operating Statistics. SBWMA may perform an on-site review of Contractor's operations to determine if the then-current operating statistics remain appropriate to allocate costs among Member Agencies for the coming Rate Year.

3. Verification of Supporting Documents and Schedules. Various documents are to be included in the Application to support the requested adjustment in Contractor's Compensation. Any supporting information SBWMA finds to have been omitted shall be promptly be provided by Contractor.

4. Contractor Notification. SBWMA will notify Contractor when it has determined that the Application is complete.

B. Review of Application

The Contractor's Compensation review process is intended to allow SBWMA to determine whether the Application is consistent with the Agreement and accurately calculates Contractor's Compensation for the coming Rate Year. SBWMA shall take the following steps during its review of the Application.

1. Review of Contractor's Compensation Calculations. SBWMA shall review Contractor's Compensation adjustment calculations to verify that the calculations are performed in accordance with Article 11 and relevant attachments including this Attachment. SBWMA shall notify Contractor of any apparent errors or discrepancies in the calculation of Contractor's Compensation which it identifies.

2. Review of Revenue Projection for Following Year. SBWMA shall review Contractor's projection of Gross Revenue Billed. Any unusual trends will be identified and explanations obtained from the Contractor.

3. Determine Prior Year Revenue Surplus/Shortfall. SBWMA will review the Contractor's Revenue Reconciliation calculations submitted in March in light of audited financial statements.

6. Methodology for Allocating Contractor's Compensation Among Member Agencies

A. Overview

After having calculated Contractor's Compensation in total, Contractor will allocate it among the Member Agencies using the methodology described in subsection 6.B and illustrated in Attachment N.

A cost allocation process will be used to attribute the Contractor's costs to the individual Member Agencies it services. The allocation process will rely on operating statistics compiled by Contractor including those from the annual route audit described in Section 7.12, including route labor hours per year, route hours per year, number of accounts, service stops, Bin and Cart lifts, Drop Box pulls, tonnage, and number of Containers, reported separately for each Member Agency. Route labor hours and route hours shall include hours related to on and off route time, collection time, and hauling time to deliver materials to the Designated Transfer and Processing Facility. Contractor shall compile these operating statistics based on the annual route audit or best available information.

B. Contractor's Compensation Allocation Methodology

The following methodology will be used in allocating Contractor's Compensation to each Member Agency when Contractor's Compensation for Rate Year One (2011) and each subsequent Rate Year is determined.

If particular costs can be assigned to a specific Member Agency, such costs shall be attributed to that Member Agency. Otherwise, expenses shall be assigned to each Member Agency as follows:

Rate Year One (2011)

For Rate Year One, Contractor's Compensation, adjusted in 2010 as described above, will be allocated using the 2011 operating statistics contained in Attachment N.

1. COSTS OF OPERATION

    a. Wages for Direct Labor (drivers and mechanics). Direct Labor Wages shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.

    b. Benefits for Direct Labor. Benefit costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.

    c. Payroll Taxes. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.

    d. Workers Compensation Expense. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route labor hours.

    e. Direct Fuel Costs. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.

    f. Other Direct Costs. Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.

    g. Depreciation for Collection Equipment:

i. Route Vehicles - Costs shall be allocated to each Member Agency based on its proportional share of the Rate Year One (2011) annual route hours.

ii. Collection Containers - Costs shall be allocated to each Member Agency based on its proportional share of the number of Containers in service in 2011.

iii. Other - Costs shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.

h. Allocated Indirect Costs Excluding Depreciation and Interest:

i. General and Administration – Indirect General and Administration Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) customer accounts serviced.

ii. Vehicle Maintenance - Indirect Vehicle Maintenance Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.

iii. Container Maintenance - Container Maintenance Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) Containers in service.

iv. Operations – Indirect Operations Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.

i. Implementation - Implementation Costs (excluding depreciation and interest) shall be allocated to each Member Agency based on its proportional share of Rate Year One (2011) annual route hours.

j. Allocated Indirect Depreciation. The Allocated Indirect Depreciation Expenses shall be allocated in the manner described in subsection h.iv above.

k. Total Annual Cost of Operations. The Rate Year One (2011) Total Annual Cost of Operations for each Member Agency shall equal the sum of the projected costs listed above in subsections a through j.

2. PROFIT

Profit shall be calculated for each Member Agency using a ninety and one-half percent (90.5%) Operating Ratio and the Total Annual Cost of Operations for each Member Agency per subsection k above. [The calculation is: (k ÷ 0.905) – k = profit].

3. CONTRACTOR'S PASS-THROUGH COSTS

a. Regulatory Agency Fees. Regulatory Agency Fees shall be allocated based on Rate Year One (2011) annual route hours. Agency fees required by Article 10 of the Agreement shall not be included in this calculation, as they will be calculated later in the process.

b. Direct Interest Expense. The Direct Interest Expense shall be allocated based on the ratio of each Agency's depreciation expense to the total depreciation expense.

c. Implementation Cost Interest Expense. The Implementation Interest Expenses shall be allocated in the manner described in subsection 1.i.

d. Other Agency Costs shall be directly allocated to the specific Member Agency that applies to the individual expense in this category.

e. Total Contractor Pass-Through Costs. The Rate Year One (2011) Total Pass-Through Costs for each Agency shall equal the sum of the Agency's allocated Regulatory Agency Fees, Interest Expense, Implementation Interest Expense, and other Agency costs, if any.

4. RATE YEAR ONE (2011) CONTRACTOR'S COMPENSATION

The Rate Year One (2011) Contractor's Compensation for each Agency shall equal the sum of the Agency's Rate Year One (2011) Total Annual Cost of Operations, plus Rate Year One (2011) Profit, plus Rate Year One (2011) Total Contractor Pass-Through Costs.

Subsequent Rate Years (2012-2020)

The allocation methodology set forth above shall be used by the SBWMA in subsequent years, utilizing operating statistics compiled by Contractor in May of each Rate Year.

7. Pass-Through Costs

Pass-Through Costs are costs which are included in Gross Revenue Billed but not retained by Contractor and on which no profit is paid to Contractor. Pass-Through Costs include Member Agency Franchise and other Fees which are paid to each Member Agency and charges billed by SBWMA for processing and Disposal of Materials delivered by Contractor to the Designated Transfer and Processing Facility.

Franchise and other Fees paid to each Member Agency will be identified by jurisdiction in the Application and do not need to be allocated. SBWMA will estimate the amount of these fees for the Rate Year covered by the Application based on each Member Agency's fee structure and the amount of recommended Contractor's Compensation.

Payments to SBWMA for its charges shall be allocated by SBWMA based on Tonnage projected to be delivered to the Designated Transfer and Processing Facility during the Rate Year.

8. Revenue Reconciliation of Gross Revenue Billed to Approved Contractor's Compensation for Prior Year

Annually, Contractor's Gross Revenues Billed for the prior Rate Year will be reconciled to the Contractor's Compensation approved for the prior Rate Year. The difference will be added to or subtracted from Contractors' Compensation for the following rate year.

The Revenue Reconciliation shall be reported annually by March 31 of each year (in a format to be approved by SBWMA) commencing with the Application submitted in 2012 for Rate Year Three (2013) and shall include the following:

a. Statement of Gross Revenue Billed for the most-recently completed Rate Year for each Member Agency, by Line of Business.

b. Statement of Pass-Through Costs by Agency, by Line of Business.

c. Statement of Revenues Billed attributable to unscheduled/intermittent service, by Agency.

Subtracting the sum of items b and c from a, yields Net Revenue Billed. [The calculation is: a - (b + c) = Net Revenue Billed.] Net Revenue Billed is compared to the approved Contractor's Compensation and the surplus, or shortfall, is determined.

The amounts described in items a, b and c for the prior Rate Year must be included in the audited financial statement due by August 1. Any variance between the March 31 data and the final audited data must be explained and the Revenue Reconciliation report revised accordingly. The audited data will be considered in calculating the adjustment to Contractor's Compensation for the following Rate Year.

Payment(s) made by Contractor to SBWMA under section 6.02 for transportation and Disposal and supplemental processing fees shall not be subtracted from Gross Revenue Billed.

The revenue reconciliation process will not be carried out during the last year of the Term.

9. Preparation and Review of Reports

SBWMA staff will prepare a report on its review of the Application. The report will contain SBWMA staff findings on each of the following components of the Application.

- Contractor's Annual Costs of Operation (Changes in service levels for Rate Years One and Three only)
- Contractor's Pass-Through Costs
- Calculated Profit
- Revenue surplus or shortfall for the prior Rate Year, based on Revenue Reconciliation
- Pass-Through Costs, including Contractor payments to SBWMA for Processing and Disposal and to Agency for Franchise Fees
- Total Revenue Requirement for Contractor for the Rate Year
- Allocation of Revenue Requirement (and components) to each Member Agency
- Recommended overall percentage change in each Agency's rates
- Discussion of issues for consideration by Member Agencies, including unresolved disagreements, if any, that Contractor has with the report's findings and recommendations.

On or before September 1 of each year, SBWMA staff will provide a draft of its report to Contractor and to each Member Agency for review and shall consider all comments received within ten (10) days after the draft report is released. Agency will be responsible to include in its comments any special or intermittent Agency specific costs that should be included in Contractor's Revenue Requirement for the next year. SBWMA staff will submit the final report to the SBWMA Board of Directors for consideration at a regular or special meeting held before September 30.

Upon approval by the SBWMA Board, the report will be distributed to each Member Agency, on or before October 1.

10. Performance Incentives and Disincentives for Contractor's Performance

Contractor performance will be monitored against established and quantifiable standards in the areas of Diversion, Collection Performance, and Customer Service. Incentives have been designed to reward Contractor for outstanding levels of performance with regard to Diversion, Number of Missed Pick-Up Initial Complaints, and Average Hold Time for customer service calls. Disincentives (in the form of reduced compensation to Contractor) may be assessed for substandard performance related to: diversion level attained (i.e., Single-Family and Commercial sectors), Contamination Level (i.e., Targeted Recyclable Materials, Residential and Commercial Organic Materials, and Commercial Plant Materials), Missed Pick-Up Initial Complaints, Missed Pick-Up Collection Events, Average Hold Time, and Calls Answered in Ninety (90) Seconds.

The Performance Incentives and Disincentives are detailed in Attachment I. Payment related to Performance Incentives and Disincentives shall be included in Contractor's Application, with the exception of Disincentive assessments pertaining to Contamination which are calculated and paid to SBWMA quarterly. Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of Performance Incentive payments and Disincentive assessments calculated.

11. Rate Setting

Member Agencies shall review their collection rates annually (or as frequently as they determine necessary) and adjust them in amount and with an effective date sufficient to achieve the Revenue Requirement projected for that year in the SBWMA report. The Revenue Requirement consists of: (i) their allocated portion of Contractor's Compensation; (ii) an adjustment to reflect a revenue shortfall or surplus for the prior Rate Year; (iii) Pass-Through Costs including, but not limited to, Franchise Fees and payments to SBWMA for processing and disposal; and (iv) Performance Incentive and Disincentive payments due, if any.

ATTACHMENT L
IMPLEMENTATION PLAN

The implementation plan specified in this Attachment is based on Contractor's Proposal for roll-out of new services on January 1, 2011.

Implementation Plan Timeline Detail		
1 - Implementation Management		
Start	End	Description
1-Jun-09	31-Dec-11	RSMC / SBWMA coordination meetings – minimum once per month
2 - SBWMA/Member Agency Public Education and Outreach		
Start	End	Description
1-Jun-09	31-Dec-10	RSMC Public Education coordination meetings with SBWMA and Member Agencies
1-Jan-10	31-Dec-10	RSMC collaboration with SBWMA/Member Agencies on design of public education materials
1-Jun-10		Suggested date to send introductory mailer to all residential customers
1-Jul-10		Suggested date to send introductory mailer to all multi-family and commercial accounts
1-Jul-10		Suggested date to send comprehensive residential services brochure including tear-off postcard for selection of garbage cart size
3 - RSMC Public Education and Outreach		
Start	End	Description
1-Jun-09	31-Dec-10	RSMC Public Education coordination meetings with SBWMA and Member Agencies
1-Jan-10	31-Dec-10	SBWMA/Member Agencies collaboration with RSMC on design of public education materials
1-Jan-10	1-June-10	Design and produce "How to" recycling DVD
1-Jan-10	1-June-10	Develop RSMC website
1-Jan-10	31-Dec-10	Design and produce door hangers
1-Jan-10	31-Dec-10	Design and produce Non-Collection Notices
1-Jan-10	31-Dec-10	Assemble used motor oil recycling kits
1-Jan-10	31-Dec-10	Design and produce annual on-call collection service collection notices
1-Jan-10	31-Dec-10	Design and produce annual holiday tree recycling notices
1-Jan-10	31-Dec-10	Design and produce twice-annual commercial recycling notices
2-Apr-10	31-Dec-10	Begin staffing booth a local public events, PSA's, presentations at service organizations & schools.
4 - Customer Service		
Start	End	Description
1-Jun-09		Request for database including all customer information in electronic flat file. Initial request occurring in June 2009. Subsequent requests will be done on a quarterly basis.
1-Sep-09	31-Dec-09	RSMC database conversion to NCRM
1-Sep-09	31-Dec-09	Verify accuracy and completion of all customer information
1-Sep-09	31-Dec-09	Installation of all NCRM service codes for daily work orders and reporting
1-Sep-09	31-Dec-09	Installation and testing of all systems

ATTACHMENT L
IMPLEMENTATION PLAN

Implementation Plan Timeline Detail		
5 - Cart Procurement		
Start	End	Description
3-Aug-09	30-Sep-09	Determine configuration of cart orders
1-Sep-09	30-Sep-09	Place all cart orders for residential, multi-family, and commercial customers
1-Apr-10	30-Sep-10	Delivery of all carts to RSMC storage location
6 - Container Procurement		
Start	End	Description
3-Aug-09	30-Sep-09	Determine configuration of cart orders
1-Sep-09	31-Dec-09	Place all steel container orders
1-Apr-10	31-Jul-10	Delivery of all steel containers to RSMC storage location
7 - Vehicle Procurement		
Start	End	Description
1-Sep-09	30-Sep-09	Place all truck and chassis orders including all support vehicles
1-Jul-10	30-Sep-10	Distributor QC inspections, vehicle registration, and delivery to RSMC
16-Aug-10	15-Oct-10	Install Routeware equipment in collection vehicles
1-Jul-10	30-Nov-10	Final inspection and field testing of all vehicles by RSMC
8 - Collection Routing		
Start	End	Description
1-Sep-09	31-Dec-09	RSMC database conversion to NCRM
1-Sep-09	31-Dec-09	Verify accuracy and completion of all customer information
1-Jan-10	30-Jun-10	Download customer data file to Route Smart, Obtain Updated GIS Maps, Gecode and trouble shoot data, create initial routes, test and modify as necessary.
1-Oct-09	31-Dec-10	Quarterly obtain updated customer files, update NCRM files, changes in Route Smart
1-Oct-09	31-Dec-09	Obtain updated customer files, update NCRM files, changes in Route Smart
1-Jan-10	31-Mar-10	Obtain updated customer files, update NCRM files, changes in Route Smart
1-Apr-10	30-Jun-10	Obtain updated customer files, update NCRM files, changes in Route Smart
1-Jul-10	30-Sep-10	Obtain updated customer files, update NCRM files, changes in Route Smart
1-Oct-10	31-Dec-10	Obtain updated customer files, update NCRM files, changes in Route Smart
1-Jul-10	31-Dec-10	Download customer data file to Route Ware Software and install on-board system, test and modify as necessary.
1-Sep-10	31-Dec-10	Field-check all MFD and Commercial customer locations / verify readiness for service
1-Oct-10	31-Dec-10	Obtain customer changes daily, update NCRM files and make changes in Route Smart and Route Ware.
9 - Operations and Maintenance Facility		
Start	End	Description
1-Oct-09	30-Oct-09	Develop plan for computer/communications/office equipment procurement and installation
2-Nov-09	31-Dec-09	Place orders for all SRDC computers/communications/office equipment
1-Jul-10	31-Dec-10	Coordinate with SBWMA and Allied for equipment installations and move to SRDC
1-Oct-10	31-Dec-10	Install and test computer and communications systems

ATTACHMENT L
IMPLEMENTATION PLAN

Implementation Plan Timeline Detail		
10 - MFD & Commercial Recycling Blitz		
Start	End	Description
1-Jan-10	31-Mar-10	Design and produce New Service brochure for Recycling Blitz
1-Jan-10	31-Mar-10	Establish Recycling Blitz operations base in Burlingame
1-Jan-10	31-Mar-10	Recruit and train Recycling Blitz Team personnel
1-Jan-10	31-Mar-10	Develop detailed Recycling Blitz Operations Plan and Team assignments
1-July-10	31-Dec-10	Conduct MFD & commercial recycling promotion Blitz
11 - Personnel Recruitment and Training		
Start	End	Description
19-Jul-10		Reception BBQ to meet RSMC team and opportunity to ask questions.
09-Aug-10		Job fair including a formal presentation, mandatory training schedule, Q & A, and employment application process.
23-Aug-10		Make-up meeting for employees that were not able to attend the job fair.
1-Sep-10	30-Sep-10	Issue letters of employment offer
1-Oct-10	29-Oct-10	Pre-employment exams
1-Dec-10	28-Dec-10	New-hire orientation and onboarding
4-Oct-10	17-Dec-10	Customer Service, Sales & Administration, and Operations training.
18-Oct-10	17-Dec-10	Driver and Mechanic training.
15-Nov-10	17-Dec-10	Practice collection route runs by all new drivers
12 - Container Distribution		
Start	End	Description
2-Aug-10		Deadline for selection of SFD cart size pending delivery of default size
16-Aug-10	3-Dec-10	Exchange all commercial and multi-family containers
13-Sep-10	18-Dec-10	Delivery of all residential carts and kitchen pails
15-Nov-10	31-Dec-10	Distribution to multi-family dwelling customers of public education door hangers, posters, and Tote-Bags

ATTACHMENT M
AGENCY'S FRANCHISE FEES AND OTHER FEES

FRANCHISE FEE

In consideration of the exclusive franchise granted to Contractor by this Agreement, and to reimburse Agency for costs incurred in administering this Agreement, Contractor shall pay to Agency an annual Franchise Fee of 10%.

STREET SWEEPING FEE

Contractor shall pay the Agency for its costs for street sweeping services in the amount of $24,000 annually.

ATTACHMENT N

EXAMPLE CALCULATION OF CONTRACTOR'S COMPENSATION FOR RATE YEAR ONE (2011) AND ALLOCATION OF 2011 COSTS AMONG MEMBER AGENCIES

The basic principles by which Contractor's Compensation is to be determined each year are contained in Article 11 of the Agreement.

Attachment K to the Agreement describes in more detail the procedures which will be used to adjust Contractor's Compensation annually and to allocate it, and specified Pass-Through costs, among the Member Agencies. The first column in Table 1 of Attachment K describes the steps by which the various components of Contractor's Cost of Operations and Contractor's Pass-Through Costs, as proposed in 2008 dollars, will be adjusted in 2010 to reflect inflationary and other changes which have occurred since March 2008 and/or are projected to occur by 2011. Table 1 also describes the steps by which the same components of Cost of Operations and Contractor's Pass-Through Costs will be adjusted in each succeeding year during the Term.

This Attachment N is intended to illustrate the initial adjustment of costs from 2008 to 2011 and the allocation of the 2011 adjusted costs, Profit and Pass-Through Costs (which together comprise the 2011 Revenue Requirement) among the Member Agencies. Subsequent annual adjustments will follow a similar, though simpler, process described in the second column of Table 1 in Attachment K.

The dollar amounts contained in the various forms contained in Attachment N are intended to provide concrete illustrations of the process that will be followed by Contractor in preparing its Application for 2011 Contractor's Compensation and by SBWMA in reviewing that Application. They are not intended to be predictive of the results of that process. In almost all cases, the 2011 forecasts in Attachment N have been developed, in part, on the basis of estimated Bureau of Labor Statistics index levels for the period from July 2009 to June 2010. They also are based on assumed changes in services levels, the actual data for which will not be available until 2010. Moreover, the figure used for the largest component of Pass-Through Costs (the SBWMA charges for use of the Shoreway Facility) are in 2008 values. Finally, the metrics used to allocate the forecasted 2011 costs among Member Agencies (e.g., number of customers, number of route miles, number of containers, tonnage, etc.) use data as of February 2008; the compensation adjustments made in 2010 will use more current data.

The components of Attachment N, and a brief description of each, are as follows:

Form A: <u>Contractor's Compensation - SBWMA Summary</u>

This table shows the change, in amount and percentage, between the elements of Contractor's Compensation as proposed in 2008 dollars, and as forecast to be in effect in 2011 on a total SBWMA Service Area basis.

Form B: <u>Projected Contractor's Compensation in 2011 by Service Sector</u>

This table distributes the total Contractor's Compensation forecast for 2011 (Form A) among the three (3) "Service Sectors" (Single-Family Residential, Multi-Family Residential and Commercial, and Member Agency Facilities).

Form C: Projected 2011 Revenue Requirement by Member Agency

This table allocates the Contractor's Compensation forecast for 2011 (Form A) and unadjusted 2008 Pass-Through Costs among the Member Agencies. The allocation is based on the methodology described in Attachment K, Section 6, using the statistics shown on Form J.

Form D: 2011 Revenue Requirement - Agency Detail

This form provides more detail on the components of the forecast 2011 Revenue Requirement for Agency.

Form E: Forecast 2011 Costs of Operations – Single-Family Dwelling Cost Detail

This table displays the forecast 2011 cost of operations allocated to the Single-Family Dwelling Service Sector, disaggregated among the relevant "Lines of Business" (e.g., Solid Waste, Targeted Recyclable Materials, etc.).

Form F: Forecast 2011 Costs of Operations - Multi-Family and Commercial Cost Detail

This table displays the forecast 2011 Costs of Operations allocated to the Multi-Family Residential and Commercial Service Sectors, disaggregated among the relevant Lines of Business.

Form G: Forecast 2011 Costs of Operations - Member Agency Facilities Cost Detail

This table displays the forecast 2011 Costs of Operation allocated to the Member Agency Facilities Service Sector, disaggregated among the relevant Lines of Business.

Form H: Indexes for Compensation Adjustment

These tables display the historical, and assumed future, index levels which are used to adjust five (5) categories of Operating Costs. The calculations shown illustrate the two-step procedures described in Attachment K, Table 1 to adjust these costs from 2008 to 2011. These tables illustrate the calculation of the period to period changes in costs contained in Form K, Detail 1 and Detail 4.

Form I: CBA Wages and Benefits Worksheet

This form identifies the 2008 wages and benefit levels contained in collective bargaining agreements currently in effect and the calculations that will be used to determine the adjustments to these costs to 2011.

Form J: Statistics for Cost Allocation

This form contains the data on relative service provided to individual Member Agencies (e.g., number of customers, tons delivered to the Shoreway Facility, etc.) that will be used to distribute various categories of cost among the Member Agencies.

Form K: Detail on Adjustments of Cost Categories to Reflect Changes in Levels of Price Indices and Changes in Service Levels

Detail 1 - Indirect Cost Change

This table provides the calculations used to generate the 2011 costs for the "Indirect Costs excluding Depreciation and Interest" cost category. An explanation of the methodology used to adjust this cost category is contained in Attachment K, Table 2. The indirect costs specified in this form are used to populate the changes to this cost category in the "Detail 2 - Adjust Cost" worksheet.

Detail 2 - Adjust Cost

This table provides the calculations used to generate the 2011 costs for the "Indirect Costs excluding Depreciation and Interest" cost category by Line of Business and are based on the costs calculated in the "Detail 1 - Indirect Cost Change" worksheet. The costs specified in this form are used to populate the changes to this cost category in the "Detail 3 - Service Level Changes" worksheet.

Detail 3 - Service Level Changes

This table provides the calculations to adjust the costs delineated on the "Detail 2 - Adjust Cost" worksheet for changes in service levels. The adjustment to costs based on service level changes are calculated for each Service Sector by Line of Business. The costs that are updated based on service level changes are used to populate the costs in the "Detail 4 - Updated Total Costs" worksheet. The adjustment to costs based on changes in service levels will only be calculated for Rate Year One (2011) and Rate Year Three (2013).

Detail 4 - Updated Total Costs

This table provides the updated costs for 2011 by Service Sector and Line of Business that are calculated in the "Detail 3 - Service Level Change" worksheet. The calculations used to adjust costs by the annual average percentage change in various indices are included in Forms H and I.

Form L: Recology Cost Forms (March 2008)

Cost Form 1: General Information
Cost Form 2: Direct Labor
Cost Form 3: Other Personnel
Cost Form 4: Capital Schedule
Cost Form 5: Total SBWMA Cost Summary
Cost Form 6: Single Family Dwelling Cost
Cost Form 7: Commercial and Multi-Family Dwelling Cost
Cost Form 8: Agency Services Cost
Cost Form 9: Allocated Indirect Costs
Cost Form 10: Allocated Startup Costs
Cost Form 11: Debt Service and Depreciation Schedule
Cost Form 12: Interest Expense on Startup Costs

SBWMA COLLECTION AGREEMENT **ATTACHMENT N**

Cost Projection: Next Rate Year vs. Current Year **EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY**

Combined Collection - SBWMA SUMMARY

A. SBWMA SUMMARY

	Costs - 2008	Estimated Costs - 2011	Change	% Change
Annual Cost of Operations				
Direct Labor-Related Costs				
Wages for CBAs	12,180,646	14,367,375	2,186,728	18.0%
Benefits for CBAs	3,782,561	4,425,358	642,797	17.0%
Payroll Taxes	1,012,978	1,195,366	182,388	18.0%
Workers Compensation Insurance	1,218,046	1,307,879	89,833	7.4%
Total Direct Labor Related-Costs	18,194,231	21,295,977	3,101,746	60.3%
Direct Fuel Costs	3,361,635	2,748,036	(613,599)	-18.3%
Other Direct Costs	1,959,869	2,050,911	91,042	4.6%
Depreciation				
- Collection Vehicles	3,680,736	3,905,261	224,525	6.1%
- Containers	2,160,702	2,292,505	131,803	6.1%
Total Depreciation	5,841,438	6,197,766	356,328	6.1%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	5,970,593	6,369,065	398,472	6.7%
Operations	1,510,853	1,624,603	113,750	7.5%
Vehicle Maintenance	2,236,261	2,549,498	313,237	14.0%
Container Maintenance	787,633	848,526	60,893	7.7%
Total Allocated Indirect Costs excluding Depreciation	10,505,341	11,391,692	886,351	8.4%
Total Allocated Indirect Depreciation Costs	166,018	176,145	10,127	6.1%
Annual Implementation Cost Amortization	217,225	224,016	6,791	3.1%
Total Annual Cost of Operations	**40,245,755**	**44,084,542**	**3,838,787**	**9.5%**
Profit	4,224,692	**4,627,659**	402,967	**9.5%**
Operating Ratio	90.5%	90.5%		
Total Operating Costs	**44,470,447**	**48,712,201**	**4,241,754**	**9.5%**
Contractor Pass-Through Costs				
Regulatory Agency Fees	-	-	-	
Interest Expense	2,990,538	3,172,961	182,423	6.1%
Interest Expense on Implementation Cost	115,290	115,290	-	0.0%
Total Contractor Pass-Through Costs	**3,105,828**	**3,288,251**	**182,423**	5.9%
TOTAL CONTRACTOR'S COMPENSATION	**47,576,275**	**52,000,452**	**4,424,176**	**9.3%**
Other Pass-Through Costs				
Disposal & Processing Fees	-	-	-	
Agency Franchise Fees	-	-	-	
Total Other Pass-Through Costs	**-**	**-**	**-**	
TOTAL REVENUE REQUIREMENT				

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

B. 2011 PROJECTED CONTRACTOR'S COMPENSATION BY SERVICE SECTOR

TOTAL COLLECTION COSTS	2011 Total Costs			
	Single-Family Costs	Multi-Family and Commercial Costs	Member Agency Costs	Total Costs
Annual Cost of Operations				
Direct Labor-Related Costs				
Wages for CBAs	$7,767,212	$6,409,813	$190,350	$14,367,375
Benefits for CBAs	$2,450,691	$1,915,765	$58,902	$4,425,358
Payroll Taxes	$646,232	$533,296	$15,837	$1,195,366
Workers Compensation Insurance	$707,059	$583,493	$17,327	$1,307,879
Total Direct Labor Related-Costs	$11,571,195	$9,442,366	$282,416	$21,295,977
Direct Fuel Costs	$1,571,462	$1,133,674	$42,899	$2,748,036
Other Direct Costs	$1,122,829	$884,663	$43,419	$2,050,911
Depreciation				
- Collection Vehicles	$2,259,409	$1,587,085	$58,767	$3,905,261
- Containers	$1,646,998	$645,507	$0	$2,292,505
Total Depreciation	$3,906,407	$2,232,592	$58,767	$6,197,766
Allocated Indirect Costs excluding Depreciation				
General and Administrative	$3,684,464	$2,492,844	$191,757	$6,369,065
Operations	$939,822	$635,867	$48,913	$1,624,603
Vehicle Maintenance	$1,474,869	$997,870	$76,759	$2,549,498
Container Maintenance	$490,867	$332,112	$25,547	$848,526
Total Allocated Indirect Costs excluding Depreciation	$6,590,022	$4,458,694	$342,977	$11,391,692
Total Allocated Indirect Depreciation Costs	$102,164	$68,696	$5,284	$176,145
Annual Implementation Cost Amortization	$123,209	$94,087	$6,720	$224,016
Total Annual Cost of Operations	**$24,987,288**	**$18,314,772**	**$782,482**	**$44,084,542**
Profit	**$2,622,975**	**$1,922,545**	**$82,139**	**$4,627,659**
Operating Ratio	90.5%	90.5%	90.5%	90.5%
Total Operating Cost	**$27,610,263**	**$20,237,317**	**$864,620**	$48,712,201
Contractor Pass-Through Costs				
Regulatory Agency Fees				
Interest Expense	$1,808,588	$1,300,913	$63,459	$3,172,961
Interest Expense on Implementation Cost	$65,715	$47,268	$2,307	$115,290
Total Contractor Pass-Through Costs	**$1,874,303**	**$1,348,181**	**$65,766**	**$3,288,251**
TOTAL CONTRACTOR'S COMPENSATION	**$29,484,566**	**$21,585,499**	**$930,387**	**$52,000,452**

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

C. 2011 PROJECTED REVENUE REQUIREMENT BY MEMBER AGENCY

TOTAL COLLECTION COSTS	2011 Costs														
	2011 Total	Atherton	Belmont	Burlingame	E Palo Alto	Foster City	Hillsborough	Menlo Park	Redwood City	San Carlos	San Mateo	North Fair Oaks	West Bay	Unincorporated - North	Unincorporated - South
Annual Cost of Operations															
Direct Labor-Related Costs															
Wages for CBAs	$14,367,374	$431,312	$787,170	$1,424,240	$543,302	$940,174	$729,533	$1,457,210	$2,610,977	$1,094,202	$3,277,525	$426,011	$207,135	$135,977	$302,606
Benefits for CBAs	$4,425,358	$133,575	$244,893	$432,230	$168,621	$286,397	$228,276	$447,990	$803,513	$338,515	$1,009,437	$130,101	$64,890	$42,456	$94,463
Payroll Taxes	$1,195,366	$35,885	$65,493	$118,497	$45,203	$78,222	$60,697	$121,240	$217,233	$91,038	$272,690	$35,444	$17,234	$11,313	$25,177
Workers Compensation Insurance	$1,307,879	$39,263	$71,657	$129,650	$49,458	$85,585	$66,410	$132,652	$237,680	$99,606	$298,357	$38,780	$18,856	$12,378	$27,547
Total Direct Labor Related-Costs	$21,295,977	$640,035	$1,169,213	$2,104,617	$806,583	$1,390,379	$1,084,916	$2,159,092	$3,869,403	$1,623,361	$4,858,009	$630,337	$308,114	$202,124	$449,792
Direct Fuel Costs	$2,748,036	$91,498	$159,608	$253,892	$111,498	$188,119	$156,362	$275,244	$477,135	$222,371	$588,924	$87,265	$41,073	$29,598	$65,449
Other Direct Costs	$2,050,911	$65,692	$118,585	$194,839	$83,120	$141,160	$112,494	$204,791	$358,055	$167,022	$443,193	$64,551	$29,678	$21,113	$46,616
Depreciation															
- Collection Vehicles	$3,905,261	$130,923	$227,598	$359,516	$158,511	$266,419	$223,848	$389,101	$678,373	$317,036	$835,919	$123,503	$58,723	$42,259	$93,532
- Containers	$2,292,505	$47,773	$148,584	$201,406	$95,628	$158,605	$66,744	$222,443	$423,939	$207,344	$511,960	$75,762	$41,563	$32,672	$58,083
Total Depreciation	$6,197,766	$178,696	$376,181	$560,922	$254,139	$425,025	$290,593	$611,544	$1,102,312	$524,380	$1,347,879	$199,264	$100,286	$74,931	$151,615
Allocated Indirect Costs excluding Depreciation															
General and Administrative	$6,369,065	$117,069	$378,344	$671,965	$248,711	$454,377	$160,066	$627,380	$1,184,480	$556,954	$1,461,257	$209,283	$96,838	$72,843	$129,498
Operations	$1,624,603	$58,293	$89,926	$153,587	$65,846	$115,138	$96,542	$159,291	$282,690	$128,208	$343,045	$53,348	$24,215	$16,726	$37,746
Vehicle Maintenance	$2,549,498	$91,480	$141,121	$241,026	$103,333	$180,687	$151,504	$249,977	$443,627	$201,197	$538,342	$83,720	$38,001	$26,248	$59,235
Container Maintenance	$848,526	$15,597	$50,405	$89,523	$33,135	$60,535	$21,325	$83,583	$157,804	$74,201	$194,678	$27,882	$12,901	$9,705	$17,253
Total Allocated Indirect Costs excluding Depreciation	$11,391,692	$282,439	$659,796	$1,156,102	$451,025	$810,737	$429,437	$1,120,231	$2,068,601	$960,560	$2,537,322	$374,233	$171,955	$125,522	$243,732
Total Allocated Indirect Depreciation Costs	$176,145	$6,332	$9,755	$16,633	$7,142	$12,478	$10,490	$17,259	$30,645	$13,901	$37,179	$5,781	$2,630	$1,818	$4,102
Annual Implementation Cost Amortization	$224,016	$7,344	$12,897	$21,087	$9,369	$15,527	$12,445	$22,380	$38,877	$17,974	$48,424	$7,133	$3,269	$2,269	$5,021
Total Annual Cost of Operations	$44,084,542	$1,272,036	$2,506,036	$4,308,092	$1,722,875	$2,983,426	$2,096,737	$4,410,542	$7,945,029	$3,529,569	$9,860,931	$1,368,564	$657,005	$457,373	$966,327
Profit	$4,627,659	$133,529	$263,065	$452,231	$180,854	$313,177	$220,099	$462,985	$834,009	$370,507	$1,035,125	$143,661	$68,967	$48,012	$101,438
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
Total Operating Cost	$48,712,201	$1,405,565	$2,769,101	$4,760,323	$1,903,729	$3,296,603	$2,316,836	$4,873,527	$8,779,037	$3,900,077	$10,896,056	$1,512,226	$725,972	$505,385	$1,067,764
Check															
Contractor Pass-Through Costs															
Regulatory Agency Fees															
Interest Expense	$3,172,961	$91,484	$192,587	$287,165	$130,107	$217,592	$148,770	$313,081	$564,331	$268,458	$690,050	$102,014	$51,342	$38,361	$77,619
Interest Expense on Implementation Cost	$115,290	$3,780	$6,638	$10,852	$4,822	$7,991	$6,405	$11,518	$20,008	$9,250	$24,922	$3,671	$1,682	$1,168	$2,584
Total Contractor Pass-Through Costs	**$3,288,251**	**$95,264**	**$199,225**	**$298,018**	**$134,929**	**$225,584**	**$155,175**	**$324,599**	**$584,339**	**$277,708**	**$714,972**	**$105,685**	**$53,024**	**$39,529**	**$80,204**
TOTAL CONTRACTOR'S COMPENSATION	**$52,000,452**	**$1,500,828**	**$2,968,325**	**$5,058,340**	**$2,038,658**	**$3,522,187**	**$2,472,011**	**$5,198,126**	**$9,363,376**	**$4,177,784**	**$11,611,028**	**$1,617,910**	**$778,996**	**$544,914**	**$1,147,968**
Other Pass-Through Costs															
Disposal & Processing Fees [1]	$15,520,578	$400,623	$917,195	$1,419,478	$889,322	$1,013,045	$369,213	$1,625,803	$3,157,906	$1,179,580	$3,196,085	$571,770	$203,521	$125,000	$452,037
Agency Franchise Fees [2]	$7,478,118	$193,561	$849,961	$630,677	$333,032	$295,833	$220,959	$660,136	$1,788,943	$348,038	$2,093,615	$58,351	$5,012	$0	$0
Total Other Pass-Through Costs	**$22,998,696**	**$594,184**	**$1,767,156**	**$2,050,155**	**$1,222,354**	**$1,308,878**	**$590,172**	**$2,285,939**	**$4,946,849**	**$1,527,618**	**$5,289,700**	**$630,121**	**$208,533**	**$125,000**	**$452,037**
TOTAL REVENUE REQUIREMENT	**$74,999,148**	**$2,095,012**	**$4,735,481**	**$7,108,495**	**$3,261,012**	**$4,831,065**	**$3,062,183**	**$7,484,065**	**$14,310,225**	**$5,705,402**	**$16,900,728**	**$2,248,031**	**$987,529**	**$669,914**	**$1,600,005**

1 Disposal Fees for example only, not actual or projected

2 Franchise Fee for example only, not actual or projected

E. Single Family Dwelling (SFD) - Forecast 2011 Cost of Operations

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

SFD COLLECTION COSTS	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL 2011
	A	B	C	D	D	J	
Annual Cost of Operations							
Direct Labor-Related Costs							
Wages for CBAs	$2,780,331	$2,275,048	$2,033,010	$11,490	$11,490	$655,842	$7,767,212
Benefits for CBAs	$850,252	$726,088	$633,518	$3,667	$3,667	$233,499	$2,450,691
Payroll Taxes	$231,324	$189,284	$169,146	$956	$956	$54,566	$646,232
Workers Compensation Insurance	$253,103	$207,097	$185,064	$1,046	$1,046	$59,702	$707,059
Total Direct Labor Related-Costs	$4,115,010	$3,397,518	$3,020,739	$17,159	$17,159	$1,003,609	$11,571,195
Direct Fuel Costs	$520,864	$528,877	$461,371	$2,671	$2,671	$55,009	$1,571,462
Other Direct Costs	$368,056	$373,719	$330,074	$1,887	$1,887	$47,205	$1,122,829
Depreciation							
- Collection Vehicles	$756,914	$749,345	$662,301	$3,785	$3,785	$83,280	$2,259,409
- Containers	$504,187	$514,271	$623,345	$2,597	$2,597	$0	$1,646,998
Total Depreciation	$1,261,101	$1,263,616	$1,285,646	$6,382	$6,382	$83,280	$3,906,407
Allocated Indirect Costs excluding Depreciation							
General and Administrative	$1,179,024	$1,215,868	$1,228,150	$6,141	$6,141	$49,141	$3,684,464
Operations	$300,742	$310,140	$313,273	$1,566	$1,566	$12,535	$939,822
Vehicle Maintenance	$471,956	$486,705	$491,621	$2,458	$2,458	$19,671	$1,474,869
Container Maintenance	$157,077	$161,985	$163,622	$818	$818	$6,547	$490,867
Total Allocated Indirect Costs excluding Depreciation	$2,108,798	$2,174,698	$2,196,665	$10,983	$10,983	$87,894	$6,590,022
Total Allocated Indirect Depreciation Costs	$32,692	$33,714	$34,055	$170	$170	$1,362	$102,164
Annual Implementation Cost Amortization	$40,659	$38,195	$36,963	$616	$616	$6,160	$123,209
Total Annual Cost of Operations	**$8,447,181**	**$7,810,337**	**$7,365,512**	**$39,869**	**$39,869**	**$1,284,520**	**$24,987,288**
Profit	**$886,721**	**$819,870**	**$773,175**	**$4,185**	**$4,185**	**$134,839**	**$2,622,975**
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
Total Operating Costs before Pass-Through Costs	**$9,333,902**	**$8,630,207**	**$8,138,687**	**$44,054**	**$44,054**	**$1,419,359**	**$27,610,263**

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

F. Commercial & Multi-Family Dwelling (MFD) - Forecast 2011 Cost of Operations

COMMERCIAL & MFD COLLECTION COSTS	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	TOTAL 2011
	E	F	G	H	H	H	J	
Annual Cost of Operations								
Direct Labor-Related Costs								
Wages for CBAs	$3,930,750	$1,502,403	$410,753	$370,045	$54,386	$34,807	$106,669	$6,409,813
Benefits for CBAs	$1,240,634	$445,444	$85,571	$81,790	$16,829	$10,771	$34,727	$1,915,765
Payroll Taxes	$327,038	$125,000	$34,175	$30,788	$4,525	$2,896	$8,875	$533,296
Workers Compensation Insurance	$357,821	$136,766	$37,394	$33,683	$4,950	$3,168	$9,710	$583,493
Total Direct Labor Related-Costs	$5,856,243	$2,209,612	$567,893	$516,306	$80,690	$51,642	$159,981	$9,442,366
Direct Fuel Costs	$665,712	$269,650	$98,054	$59,568	$12,257	$7,844	$20,589	$1,133,674
Other Direct Costs	$491,600	$232,907	$63,828	$60,665	$12,454	$8,005	$15,204	$884,663
Depreciation								
- Collection Vehicles	$917,663	$405,959	$125,256	$82,129	$16,859	$10,838	$28,381	$1,587,085
- Containers	$244,103	$201,043	$192,812	$0	$0	$0	$7,550	$645,507
Total Depreciation	$1,161,765	$607,002	$318,068	$82,129	$16,859	$10,838	$35,931	$2,232,592
Allocated Indirect Costs excluding Depreciation								
General and Administrative	$657,081	$677,403	$677,403	$345,476	$67,740	$47,418	$20,322	$2,492,844
Operations	$167,606	$172,790	$172,790	$88,123	$17,279	$12,095	$5,184	$635,867
Vehicle Maintenance	$263,026	$271,160	$271,160	$138,292	$27,116	$18,981	$8,135	$997,870
Container Maintenance	$87,540	$90,248	$90,248	$46,026	$9,025	$6,317	$2,707	$332,112
Total Allocated Indirect Costs excluding Depreciation	$1,175,253	$1,211,602	$1,211,602	$617,917	$121,160	$84,812	$36,348	$4,458,694
Total Allocated Indirect Depreciation Costs	$18,108	$18,668	$18,668	$9,520	$1,867	$1,307	$560	$68,696
Annual Implementation Cost Amortization	$47,984	$23,522	$12,231	$6,586	$1,317	$941	$1,505	$94,087
Total Annual Cost of Operations	**$9,416,666**	**$4,572,961**	**$2,290,343**	**$1,352,690**	**$246,605**	**$165,389**	**$270,118**	**$18,314,772**
Profit	**$988,489.80**	**$480.035**	**$240,423**	**$141,995**	**$25,887**	**$17,361**	**$28,355**	**$1,922,545**
Operating Ratio	**90.5%**	**90.5%**	**90.5%**	**90.5%**	**90.5%**	**90.5%**	**90.5%**	**90.5%**
Total Operating Costs before Pass-Through Costs	**$10,405,155.79**	**$5,052,995.90**	**$2,530,765.55**	**$1,494,685.58**	**$272,491.19**	**$182,749.94**	**$298,473.31**	**$20,237,317.27**

G. Member Agency Services - Forecast 2011 Cost of Operations

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

MEMBER AGENCY COLLECTION COSTS	Solid Waste E	Organic Materials G	Public Litter and Recycling Cans I	Venues and Events I	TOTAL
Annual Cost of Operations					
Direct Labor-Related Costs					
Wages for CBAs	$114,209	$28,554	$38,070	$9,517	$190,350
Benefits for CBAs	$35,341	$8,836	$11,780	$2,945	$58,902
Payroll Taxes	$9,502	$2,376	$3,167	$792	$15,837
Workers Compensation Insurance	$10,396	$2,599	$3,465	$866	$17,327
Total Direct Labor Related-Costs	$169,448	$42,364	$56,483	$14,121	$282,416
Direct Fuel Costs	$25,739	$6,435	$8,580	$2,145	$42,899
Other Direct Costs	$26,051	$6,513	$8,684	$2,171	$43,419
Depreciation					
- Collection Vehicles	$35,260	$8,815	$11,754	$2,938	$58,767
- Containers	$0	$0	$0	$0	$0
Total Depreciation	$35,260	$8,815	$11,754	$2,938	$58,767
Allocated Indirect Costs excluding Depreciation					
General and Administrative	$115,054	$28,764	$38,351	$9,588	$191,757
Operations	$29,348	$7,337	$9,783	$2,446	$48,913
Vehicle Maintenance	$46,055	$11,514	$15,352	$3,838	$76,759
Container Maintenance	$15,328	$3,832	$5,109	$1,277	$25,547
Total Allocated Indirect Costs excluding Depreciation	$205,785	$51,448	$68,595	$17,149	$342,977
Total Allocated Indirect Depreciation Costs	$3,171	$793	$1,057	$264	$5,284
Annual Implementation Cost Amortization	$4,032	$1,008	$1,344	$336	$6,720
Total Annual Cost of Operations	**$469,486**	**$117,376**	**$156,496**	**$39,124**	**$782,482**
Profit	**$49,283**	**$12,321**	**$16,428**	**$4,107**	**$82,139**
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%
Total Operating Costs before Pass-Through Costs	**$518,769**	**$129,697**	**$172,924**	**$43,230**	**$864,620**

SBWMA COLLECTION AGREEMENT

H. INDEXES FOR COMPENSATION ADJUSTMENT

estimated #s for example purposes only

example only

1. Worker's Comp

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Private Industry (Not seasonally adjusted, total compensation, series no. CIU2030000000000A)

	2011	2010	2009	2008	2007
Q1		110.4	108.2	106.5	103.2
Q2			108.7	107.0	104.3
Q3			109.3	107.5	105.0
Q4			109.8	107.7	105.6
Four quarters Total to Q1		438.2	430.4	421.4	
Average Index		109.6	107.6	105.4	
Factor	1.018	1.018	1.021		
Year One Adjustment Factor	**5.81%**				

see Attachment K, Table 1, D. Steps One and Two combined

2. Wages & Benefits for non-CBA Employees

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. cis201s000000000i successor to Ecs12102i ended 2005

	2011	2010	2009	2008	2007
Q1		113.1	109.8	107.6	104.3
Q2			110.6	108.4	105.1
Q3			111.5	109.1	106
Q4			112.3	109.6	106.9
Four quarters Total to Q1		447.5	436.9	425.6	
Average Index		111.9	109.2	106.4	
Factor	1.024	1.024	1.027		
Year One Adjustment Factor	**7.69%**				

see Attachment K, Table 1, B .Steps One and Two combined

3. Fuel

Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303).

	2011	2010	2009	2008	2007	2006	2005	2004
Jan		197.0	161.6	278.2	180.9	197.1	141.1	109
Feb		198.0	145.6	287.5	193.5	196.2	149.5	104
Mar		205.0	132.6	353.7	220.2	206.5	173.3	110
Apr		210.0	159.8	365.1	238.0	230.4	175.4	120
May			165.0	398.2	226.5	239.6	170.8	121
Jun			187.2	421.0	227.6	246.9	187.2	114
Jul			189.8	431.9	243.5	237.5	189.8	123
Aug			200.6	346.7	231.2	250.2	200.6	135
Sep			212.6	342.3	246.2	201.3	212.6	141
Oct			250.0	281.8	249.6	197.5	264.1	167
Nov			205.0	224.1	296.7	197.2	206.2	160
Dec			196.0	168.0	271.9	203.0	198.5	135
Total May PY to April CY		2,416.2	3,213.6	3,277.7	2,605.8	2,460.0	1,735.1	442.6
Avg		201.4	267.8	273.1	217.2	205.0	144.6	36.9
%		-24.81%	-1.96%	25.78%	5.93%	41.78%	292.02%	
Factor		0.752	0.980	1.258	1.059	1.418		
5 Year Average Index to Estimate	109.3%							
Year One Adjustment Factor	**-19.4%**							

see Attachment K, Table 1, E. S teps One and two combined

H. INDEXES FOR COMPENSATION ADJUSTMENT

estimated #s for example purposes only

example only

4. Other Costs

Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sao)

		2011	2010	2009	2008	2007
	Jan		**218.086**	211.143	211.080	202.416
	Feb		**218.631**	212.193	211.693	203.499
	Mar		**219.178**	212.709	213.528	205.352
	Apr		**219.726**	**213.240**	214.823	206.686
	May			**213.773**	216.632	207.949
	Jun			**214.308**	218.825	208.352
	Jul			**214.843**	219.964	208.299
	Aug			**215.380**	219.086	207.917
	Sep			**215.919**	218.783	208.490
	Oct			**216.459**	216.573	208.936
	Nov			**217.000**	212.425	210.177
	Dec			**217.542**	210.228	210.036
	Total May PY to April CY		2,600.8	2,581.8	2,521.3	
	Average Index		216.737	215.150	210.107	
	Factor	1.007	1.0070	1.024		
80% of:	Factor @ 80%	1.0060	1.0060	1.0190		
	Year One Adjustment Factor	**3.13%**	*@ 80%*			

see Attachment K, Table 1, F. S teps One and two combined

5. Depreciation

Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu336211336211).

	2011	2010	2009	2008	2007
Jan			217.5	204.6	204.2
Feb			217.2	204.6	204.1
Mar			216.7	206.7	203.0
Apr			215.9	209.7	204.3
May			216.4	210.3	204.5
Jun			217.0	212.3	205.8
Jul			217.5	214.7	205.9
Aug			218.1	215.2	206.0
Sep			218.6	215.2	206.2
Oct			219.2	216.2	206.2
Nov			219.7	216.8	206.2
Dec			220.3	217.8	203.9
Total			2,614	2,465	
Avg			217.8	205.4	
Factor			1.061		
Year One Adjustment Factor	**6.10%**				

Uses 12 month average to month of purchase and 12 month average to March 2008
assumes capital equipment purchased in December 2009
see Attachment K, Table 1, G & H (direct and indirect). Steps One and Two combined

SBWMA COLLECTION AGREEMENT **Attachment N**

I. CBA WAGES & BENEFITS WORKSHEET

example only

DIRECT LABOR	BASE 2008 COST				2011 Rates		
Drivers and Maintenance Personnel					*not actual*		
Route Labor	Hourly Wage Rate	Proposed FTE	OT Hrs / FTE/Yr	Annual Cost	Hourly Wage Rate	Annual Cost	
Helper	$29.30	7	260	$506,597	$ 34.25	592,183	
Driver - Tag	$29.93	0	0	$0	$ 34.25	-	
Recycling Driver	$30.55	71	370	$5,716,259	$ 35.50	6,642,461	
Commercial Driver	$30.55	42	370	$3,381,449	$ 35.50	3,929,343	**Driver Wage Increase**
Route Manager	$30.55	32	370	$2,576,342	$ 35.50	2,993,785	
Subtotal		152	1,371	$12,180,646		14,157,771	**16.23%**
Mechanics - Vehicle Maintenance							
Senior Mechanic	$30.90	10	697	$965,997	$ 35.70	1,116,055	
Preventive Maintenance Technician	$28.05	2	697	$175,380	$ 33.00	206,330	**Vehicle Mechanic Wage**
Welder	$29.70	1	697	$92,848	$ 32.00	100,039	
Shop Laborer (Utility)	$16.00	1	260	$39,520	$ 18.00	44,460	
Subtotal		14	2,352	$1,273,746		1,466,883	**15.16%**
Mechanics - Container Maintenance							
Senior Mechanic	$30.90	0	0	$0	$ 35.70	-	
Preventive Maintenance Technician	$28.05	0	0	$0	$ 33.00	-	**Container Mechanic Wage**
Welder	$29.70	4	697	$371,393	$ 32.00	400,154	
Shop Laborer (Utility)	$16.00	1	260	$39,520	$ 18.00	44,460	
Subtotal		5	957	$410,913		444,614	**8.20%**
Total		**171**	**4,681**	**$13,865,305**		**16,069,269**	

BENEFITS

not actual

	2008 Benefits Costs / month	/ hour	2011 Benefits Costs / month	/ hour	
Teamsters					
H&W	**$ 1,449.86**	$ 8.36	**$ 1,667.34**	$ 9.62	
Income Protection		$ -		$ -	
		$ -		$ -	
Total H&W	**$ 1,449.86**	$ 8.36	**$ 1,667.34**	$ 9.62	
Annual Cost per person	$ 17,398.32		**$ 20,008.07**	15.0%	
Pension	**$ 624.00**	$ 3.60	**$ 723.84**	$ 4.18	**Driver Benefits Increase**
Annual Cost per person	$ 7,488.00		$ 8,686.08	16.0%	
Total Teamster		$ 11.96		$ 13.80	**15.30%**
				15.3%	
Mechanics	/ month	/ hour	/ month	/ hour	
H&W	**$ 1,050.00**	$ 6.06	**$ 1,218.00**	$ 7.03	
Annual Cost per person	**$ 12,600.00**		**$ 14,616.00**	16.0%	
Pension	**$ 525**	$ 3.03	**$ 588**	$ 3.39	**Mechanics Benefits Increase**
Annual Cost per person	**$ 6,300**		**$ 7,059**	12.0%	
Total Mechanics		$ 9.09		$ 10.58	**16.44%**
				16.4%	

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

J. 2010 SERVICE METRICS BY MEMBER AGENCY

	2010 Metrics Summary														
	2010 Total	Atherton	Belmont	Burlingame	E Palo Alto	Foster City	Hillsborough	Menlo Park	Redwood City	San Carlos	San Mateo	North Fair Oaks	West Bay	Unincorporated - North	Unincorporated - South
SINGLE-FAMILY DWELLING															
# of Accounts															
Total Route Labor hours year															
# of route hours/year															
Total Containers in Service															
Tonnage															
COMMERCIAL & MFD															
# of Lifts per week															
Total Route Labor hours year															
# of route hours/year															
# of FTE Routes															
Tonnage															
AGENCY SERVICES															
# of Lifts per week															
Total Route Labor hours year															
# of route hours/year															
# of FTE Routes															

SBWMA COLLECTION AGREEMENT **ATTACHMENT N**

K. Detail 1 - INDIRECT COSTS, ONLY

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

Change in CBA Wages	15.16%	Increase in wages Vehicle Mechanics
Change in CBA Wages	8.20%	Increase in wages Container Mechanics
Change in CBA Benefits	16.44%	Increase in Benefits (Vehicle and Container Mechanics
Change in P/R Taxes	8.15%	Increases with wages at 8.15% of wages for Indirect Labor
Change in Series cis201s000000000i	7.69%	Increase in Wages and Benefits not represented by CBA
Change in Series ciu2030000000000a	5.81%	Increase in Workers Compensation
Change in Series wpu057303	-19.42%	Increase in Direct Fuel
80% of Change in Series cuur0000sao	3.13%	Increase in Other Direct costs
Fixed - No Change	0.00%	Indirect Depreciation - no change

Step 1 The first step is to increase the indirect costs for the prior rate year. This is done first as the accounts, lifts, pulls do not exist for indirect costs, therefore the allocated costs will be adjusted for accounts, lifts and pulls at each Line of Business Level.

	2008 Base Costs					2011 Indirect Costs Example					
COLLECTION COSTS	General and Administrative	Operations	Vehicle Maintenance	Container Maintenance	**TOTAL**	General and Administrative	Operations	Vehicle Maintenance	Container Maintenance	**TOTAL**	
Annual Cost of Operations											
Indirect Labor-Related Costs											
Wages for CBAs	$ -	$ -	$ 1,292,742	$ 335,380	$ 1,628,122	$ -	$ -	$ 1,488,760	$ 362,886	$ 1,851,647	
Benefits for CBAs	$ -	$ -	$ 301,326	$ 80,352	$ 381,678	$ -	$ -	$ 350,869	$ 93,563	$ 444,432	
Wages for non-CBAs	$ 2,361,226	$ 1,013,616	$ 244,628	$ 155,301	$ 3,774,771	$ 2,542,775	$ 1,091,550	$ 263,437	$ 167,242	$ 4,065,004	
Benefits for non-CBAs	$ 651,363	$ 225,823	$ 60,264	$ 40,179	$ 977,629	$ 701,445	$ 243,186	$ 64,898	$ 43,268	$ 1,052,797	
Payroll Taxes	$ 192,380	$ 82,697	$ 125,328	$ 39,998	$ 440,403	$ 207,236	$ 88,961	$ 142,804	$ 43,205	$ 482,207	
Workers Compensation Insurance	$ 236,084	$ 101,363	$ 153,737	$ 49,069	$ 540,253	$ 249,797	$ 107,251	$ 162,667	$ 51,919	$ 571,635	
Total Indirect Labor Related-Costs	$ 3,441,053	$ 1,423,499	$ 2,178,025	$ 700,279	$ 7,742,857	$ 3,701,253	$ 1,530,949	$ 2,473,435	$ 762,084	$ 8,467,722	
Indirect Fuel Costs	$ -	$ 51,129	$ 34,086	$ 51,129	$ 136,344	$ -	$ 41,199	$ 27,466	$ 41,199	$ 109,865	
Other Indirect Costs	$ 2,529,540	$ 36,225	$ 24,150	$ 36,225	$ 2,626,140	$ 2,608,625	$ 37,358	$ 24,905	$ 37,358	$ 2,708,245	
Indirect Costs excluding Depreciation	$ 5,970,593	$ 1,510,853	$ 2,236,261	$ 787,633	$ 10,505,341	$ 6,309,879	$ 1,609,506	$ 2,525,806	$ 840,641	$ 11,285,832	
Indirect Depreciation	$ 20,000	$ 22,907	$ 44,133	$ 78,978	$ 166,018	$ 20,000	$ 22,907	$ 44,133	$ 78,978	$ 166,018	
Total Annual Cost of Operations	**$ 5,990,593**	**$ 1,533,760**	**$ 2,280,395**	**$ 866,611**	**$ 10,671,359**	**$ 6,329,879**	**$ 1,632,412**	**$ 2,569,940**	**$ 919,619**	**$ 11,451,850**	**7.31%**
Allocation to Service Sector											
Total Indirect Costs excluding Depr.											
SFD	3,462,944	876,295	1,297,032	456,827	6,093,098	3,659,730	933,513	1,464,968	487,572	6,545,783	Data used
Commercial & MFD	2,328,531	589,233	872,142	307,177	4,097,083	2,460,853	627,707	985,065	327,850	4,401,474	in B3 -
Agency	179,118	45,326	67,088	23,629	315,160	189,296	48,285	75,774	25,219	338,575	Step 2
Total	5,970,593	1,510,853	2,236,261	787,633	10,505,341	6,309,879	1,609,506	2,525,806	840,641	11,285,832	
Variance s/ be "0"	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Indirect Depreciation											
SFD					96,290					96,290	
Commercial & MFD					64,747					64,747	
Agency					4,981					4,981	
Total					$ 166,018					$ 166,018	

SBWMA COLLECTION AGREEMENT ATTACHMENT N

K. Detail 2 - 2008 INDIRECT COSTS ADJUSTED TO 2011COSTS BY SERVICE SECTOR

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

Step 2 The next step is to update the prior year Line of Business Costs of Operations to include the increased Indirect Costs from Detail 1
The same percentage of total indirect cost will be allocated to each Line of Business (ie. Solid Waste, Recyclable Materials)

SINGLE FAMILY DWELLING

COLLECTION COSTS	2008 BASE COST: Solid Waste A	Recyclable Materials B	Organic Materials (including Holiday Trees) C	Weekly Battery and Cell Phone D	Weekly Used Motor Oil and Oil Filters D	Two On-Call Collection Events J		TOTAL
Indirect Costs excluding Depreciation and Interest								
General and Administrative	$1,108,142	$1,142,772	$1,154,315	$5,772	$5,772	$46,173		$3,462,944
Operations	$280,414	$289,177	$292,098	$1,460	$1,460	$11,684		$876,295
Vehicle Maintenance	$415,050	$428,020	$432,344	$2,162	$2,162	$17,294		$1,297,032
Container Maintenance	$146,185	$150,753	$152,276	$761	$761	$6,091		$456,827
Total Indirect Costs excluding Depreciation and Interest	$1,949,791	$2,010,722	$2,031,033	$10,155	$10,155	$81,241		$6,093,098

SINGLE FAMILY DWELLING

2011 INDIRECT COSTS: Solid Waste A	Recyclable Materials B	Organic Materials (including Holiday Trees) C	Weekly Battery and Cell Phone D	Weekly Used Motor Oil and Oil Filters D	Two On-Call Collection Events J	TOTAL	
$1,171,113	$1,207,711	$1,219,910	$6,100	$6,100	$48,796	$3,659,730	
$298,724	$308,059	$311,171	$1,556	$1,556	$12,447	$933,513	
$468,790	$483,439	$488,323	$2,442	$2,442	$19,533	$1,464,968	from Detail 1
$156,023	$160,899	$162,524	$813	$813	$6,501	$487,572	
$2,094,650	$2,160,108	$2,181,928	$10,910	$10,910	$87,277	$6,545,783	

MFD/Commercial

COLLECTION COSTS	2008 BASE COST: Cart and Bin Solid Waste E	Recyclable Materials F	Organic Materials (including Holiday G	Drop Box Solid Waste H	Recyclable Materials H	Drop Box Organic Materials H	Two On-Call Collection Events J	TOTAL
Indirect Costs excluding Depreciation and Interest								
General and Administrative	$613,771	$632,753	$632,753	$322,704	$63,275	$44,293	$18,983	$2,328,531
Operations	$155,314	$160,118	$160,118	$81,660	$16,012	$11,208	$4,804	$589,233
Vehicle Maintenance	$229,885	$236,995	$236,995	$120,867	$23,700	$16,590	$7,110	$872,142
Container Maintenance	$80,968	$83,472	$83,472	$42,571	$8,347	$5,843	$2,504	$307,177
Total Indirect Costs excluding Depreciation and Interest	$1,079,938	$1,113,338	$1,113,338	$567,802	$111,334	$77,934	$33,400	$4,097,083

MFD/Commercial

2011 INDIRECT COSTS: Cart and Bin Solid Waste E	Cart and Bin Recyclable Materials F	Organic Materials (including Holiday Trees) G	Drop Box Solid Waste H	Drop Box Recyclable Materials H	Drop Box Organic Materials H	Two On-Call Collection Events J	TOTAL	
$648,649	$668,710	$668,710	$341,042	$66,871	$46,810	$20,061	$2,460,853	
$165,455	$170,573	$170,573	$86,992	$17,057	$11,940	$5,117	$627,707	
$259,650	$267,681	$267,681	$136,517	$26,768	$18,738	$8,030	$985,065	from Detail 1
$86,417	$89,090	$89,090	$45,436	$8,909	$6,236	$2,673	$327,850	
$1,160,171	$1,196,053	$1,196,053	$609,987	$119,605	$83,724	$35,882	$4,401,474	

Agency Services

COLLECTION COSTS	2008 BASE COSTS: Solid Waste E	Materials G	Recycling Cans I	Events I	TOTAL
Indirect Costs excluding Depreciation and Interest					
General and Administrative	$107,471	$26,868	$35,824	$8,956	$179,118
Operations	$27,195	$6,799	$9,065	$2,266	$45,326
Vehicle Maintenance	$40,253	$10,063	$13,418	$3,354	$67,088
Container Maintenance	$14,177	$3,544	$4,726	$1,181	$23,629
Total Indirect Costs excluding Depreciation and Interest	$189,096	$47,274	$63,032	$15,758	$315,160

Agency Services

2011 INDIRECT COSTS: Solid Waste E		Materials G	Recycling Cans I	Events I	TOTAL	
$113,578		$28,394	$37,859	$9,465	$189,296	
$28,971		$7,243	$9,657	$2,414	$48,285	
$45,465		$11,366	$15,155	$3,789	$75,774	from Detail 1
$15,132		$3,783	$5,044	$1,261	$25,219	
$203,145		$50,786	$67,715	$16,929	$338,575	

K. Detail 3 - COST CHANGE DUE TO SERVICE LEVEL CHANGES - CURRENT YEAR TO NEXT RATE YEAR

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

Done in Rate Year One & Three, only

Step 3 The third step is to increase cost of operations by the associated increase in accounts, lifts, pulls (ie. SFD Costs are increased based on change in accounts, Commercial. MFD are increased by on the change in lifts, Agency costs based in the change in pulls)

The individual cost of operations are effected differently by the change in accounts. Labor Related Costs, Direct Fuel Costs and Other Direct Costs are effected by 100% of the change in accounts (Highlighted in Yellow)

Indirect Costs are effected by 65% of the change in accounts (Highlighted in Green)

Fixed Costs do not change with changes in accounts

	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events
	A	B	C	D	D	J
SBWMA # of accounts current year	91,401	91,401	91,401	91,401	91,401	406
SBWMA # of accounts prior year	90,461	90,461	90,461	90,461	90,461	402
Change in accounts	940.00	940.00	940.00	940.00	940.00	4.37
Percentage Change in Accounts	1.04%	1.04%	1.04%	1.04%	1.04%	1.09%
100% of Change	1.04%	1.04%	1.04%	1.04%	1.04%	1.09%
65% of Change	0.68%	0.68%	0.68%	0.68%	0.68%	0.71%
Fixed Cost - No Change						

SINGLE FAMILY DWELLING

Note - Change based on increase/decrease in Accounts

COLLECTION COSTS	2008 BASE COST & Indirect Cost adjusted to 2011							2008 Costs, except Indirect Costs, adjusted to 2011 Cost						
	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	Total	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL
	A	B	C	D	D	J		A	B	C	D	D	J	
Annual Cost of Operations														
Direct Labor-Related Costs														
Wages for CBAs	$2,367,458	$1,937,209	$1,731,113	$9,784	$9,784	$558,187	$6,613,535	$2,392,059	$1,957,339	$1,749,101	$9,886	$9,886	$564,254	$6,682,525
Benefits for CBAs	$729,836	$623,257	$543,797	$3,148	$3,148	$200,335	$2,103,521	$737,420	$629,733	$549,448	$3,180	$3,180	$202,512	$2,125,475
Payroll Taxes	$196,844	$161,219	$144,060	$814	$814	$46,469	$550,220	$198,889	$162,894	$145,557	$823	$823	$46,974	$555,960
Workers Compensation Insurance	$236,749	$193,715	$173,106	$978	$978	$55,818	$661,345	$239,209	$195,728	$174,905	$989	$989	$56,425	$668,243
Total Direct Labor Related-Costs	$3,530,887	$2,915,400	$2,592,076	$14,724	$14,724	$860,809	$9,928,621	$3,567,577	$2,945,695	$2,619,011	$14,877	$14,877	$870,165	$10,032,203
Direct Fuel Costs	$639,752	$649,594	$566,680	$3,281	$3,281	$67,533	$1,930,120	$646,399	$656,344	$572,568	$3,315	$3,315	$68,267	$1,950,208
Other Direct Costs	$353,228	$358,662	$316,775	$1,811	$1,811	$45,282	$1,077,570	$356,898	$362,389	$320,067	$1,830	$1,830	$45,774	$1,088,789
Depreciation - Collection Vehicles	$713,397	$706,263	$624,223	$3,567	$3,567	$78,492	$2,129,509	$713,397	$706,263	$624,223	$3,567	$3,567	$78,492	$2,129,509
Depreciation - Containers	$475,200	$484,704	$587,507	$2,448	$2,448	$0	$1,552,307	$475,200	$484,704	$587,507	$2,448	$2,448	$0	$1,552,307
Depreciation for Collection Equipment	$1,188,597	$1,190,967	$1,211,730	$6,015	$6,015	$78,492	$3,681,816	$1,188,597	$1,190,967	$1,211,730	$6,015	$6,015	$78,492	$3,681,816
Lease (11 Principal only) for Collection Equipment (vehicles, containers and other collection-related equipment)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Indirect Costs excluding Depreciation and Interest														
General and Administrative	$1,171,113	$1,207,711	$1,219,910	$6,100	$6,100	$48,796	$3,659,730	$1,179,024	$1,215,868	$1,228,150	$6,141	$6,141	$49,141	$3,684,464
Operations	$298,724	$308,059	$311,171	$1,556	$1,556	$12,447	$933,513	$300,742	$310,140	$313,273	$1,566	$1,566	$12,535	$939,822
Vehicle Maintenance	$468,790	$483,439	$488,323	$2,442	$2,442	$19,533	$1,464,968	$471,956	$486,705	$491,621	$2,458	$2,458	$19,671	$1,474,869
Container Maintenance	$156,023	$160,899	$162,524	$813	$813	$6,501	$487,572	$157,077	$161,985	$163,622	$818	$818	$6,547	$490,867
Total Indirect Costs excluding Depreciation and Interest	$2,094,650	$2,160,108	$2,181,928	$10,910	$10,910	$87,277	$6,545,783	$2,108,798	$2,174,698	$2,196,665	$10,983	$10,983	$87,894	$6,590,022
Total Indirect Depreciation Costs	$30,813	$31,776	$32,097	$160	$160	$1,284	$96,290	$30,813	$31,776	$32,097	$160	$160	$1,284	$96,290
Annual Implementation Cost Amortization	$39,426	$37,037	$35,842	$597	$597	$5,974	$119,474	$39,426	$37,037	$35,842	$597	$597	$5,974	$119,474
Total Annual Cost of Operations	**$7,877,353**	**$7,343,544**	**$6,937,128**	**$37,499**	**$37,499**	**$1,146,651**	**$23,379,673**	**$7,938,509**	**$7,398,906**	**$6,987,980**	**$37,779**	**$37,779**	**$1,157,850**	**$23,558,801**
Profit (Operating Ratio below)	**$826,904.45**	**$770,869.25**	**$728,206.76**	**$3,936.35**	**$3,936.35**	**$120,366.65**	**$2,454,219.82**	**$833,324.18**	**$776,680.69**	**$733,544.86**	**$3,965.70**	**$3,965.70**	**$121,542.23**	**$2,473,023.36**
% **90.5%**														
Total Operating Costs before Pass-Through Cost Allocation	**$8,704,257**	**$8,114,413**	**$7,665,334**	**$41,435**	**$41,435**	**$1,267,017**	**$25,833,893**	**$8,771,834**	**$8,175,586**	**$7,721,525**	**$41,744**	**$41,744**	**$1,279,392**	**$26,031,825**

0.77%

data in Table used as base for B1 Cost Indexed Change

	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events
	E	F	G	H	H	H	J
SBWMA # of lifts/pulls current year	1,680,838	1,156,643	265,041	4,535	1,225	313	410
SBWMA # of lifts/pulls prior year	1,647,880	1,133,964	259,844	4,446	1,201	307	402
Change in accounts	32,957.60	22,679.28	5,196.88	88.92	24.02	6.14	8.03
Percentage Change in Accounts	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
100% of Change	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
65% of Change	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Fixed Cost - No Change							

COMMERCIAL AND MULTI-FAMILY DWELLING

2008 MFD/Commercial Costs of Operations with Indirect Increase

2008 Costs, except Indirect Costs, adjusted to 2011 Cost

Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	TOTAL
E	F	G	H	H	H	J	
$3,315,513	$1,267,248	$346,462	$312,126	$45,873	$29,359	$89,973	$5,406,555
$1,054,899	$378,756	$72,760	$69,545	$14,310	$9,158	$29,528	$1,628,956
$275,755	$105,452	$28,645	$25,794	$3,818	$2,444	$7,488	$449,395
$331,546	$126,723	$34,649	$31,210	$4,587	$2,936	$8,997	$540,647
$4,977,712	$1,878,180	$482,515	$438,674	$68,588	$43,896	$135,987	$8,025,552
$809,959	$328,078	$119,301	$72,475	$14,913	$9,544	$25,050	$1,379,321
$467,350	$221,417	$60,679	$57,672	$11,840	$7,610	$14,454	$841,022
$864,904	$382,620	$118,054	$77,407	$15,890	$10,215	$26,750	$1,495,839
$230,068	$189,484	$181,727	$0	$0	$0	$7,116	$608,395
$1,094,972	$572,104	$299,781	$77,407	$15,890	$10,215	$33,865	$2,104,234
$0	$0	$0	$0	$0	$0	$0	$0
$648,649	$668,710	$668,710	$341,042	$66,871	$46,810	$20,061	$2,460,853
$165,455	$170,573	$170,573	$86,992	$17,057	$11,940	$5,117	$627,707
$259,650	$267,681	$267,681	$136,517	$26,768	$18,738	$8,030	$985,065
$86,417	$89,090	$89,090	$45,436	$8,909	$6,236	$2,673	$327,850
$1,160,171	$1,196,053	$1,196,053	$609,987	$119,605	$83,724	$35,882	$4,401,474
$17,066	$17,594	$17,594	$8,973	$1,759	$1,232	$528	$64,747
$46,529	$22,809	$11,860	$6,386	$1,277	$912	$1,460	$91,234
$8,573,761	**$4,236,234**	**$2,187,784**	**$1,271,575**	**$233,872**	**$157,133**	**$247,225**	**$16,907,584**
$900,008.04	**$444,688**	**$229,657**	**$133,480**	**$24,550**	**$16,495**	**$25,952**	$1,774,829
$9,473,768.82	**$4,680,921.60**	**$2,417,440.80**	**$1,405,055.46**	**$258,422.42**	**$173,627.53**	**$273,177.15**	**$18,682,413.77**

2008 MFD/Commercial Costs of Operations with Service level changes

2011 COST EXAMPLE

Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	TOTAL	
E	F	G	H	H	H	J		
$3,381,823	$1,292,593	$353,391	$318,369	$46,791	$29,946	$91,773	$5,514,686	
$1,075,997	$386,332	$74,215	$70,936	$14,596	$9,341	$30,118	$1,661,535	
$281,270	$107,561	$29,217	$26,310	$3,894	$2,492	$7,638	$458,383	
$338,177	$129,257	$35,341	$31,834	$4,679	$2,994	$9,177	$551,460	
$5,077,267	$1,915,743	$492,166	$447,448	$69,960	$44,774	$138,706	$8,186,063	
$826,159	$334,639	$121,687	$73,925	$15,211	$9,735	$25,551	$1,406,907	
$476,697	$225,846	$61,893	$58,825	$12,077	$7,762	$14,743	$857,843	
$864,904	$382,620	$118,054	$77,407	$15,890	$10,215	$26,750	$1,495,839	
$230,068	$189,484	$181,727	$0	$0	$0	$7,116	$608,395	
$1,094,972	$572,104	$299,781	$77,407	$15,890	$10,215	$33,865	$2,104,234	
$0	$0	$0	$0	$0	$0	$0	$0	
$657,081	$677,403	$677,403	$345,476	$67,740	$47,418	$20,322	$2,492,844	
$167,606	$172,790	$172,790	$88,123	$17,279	$12,095	$5,184	$635,867	
$263,026	$271,160	$271,160	$138,292	$27,116	$18,981	$8,135	$997,870	
$87,540	$90,248	$90,248	$46,026	$9,025	$6,317	$2,707	$332,112	
$1,175,253	$1,211,602	$1,211,602	$617,917	$121,160	$84,812	$36,348	$4,458,694	
$17,066	$17,594	$17,594	$8,973	$1,759	$1,232	$528	$64,747	
$46,529	$22,809	$11,860	$6,386	$1,277	$912	$1,460	$91,234	
$8,713,943	**$4,300,336**	**$2,216,583**	**$1,290,881**	**$237,334**	**$159,442**	**$251,202**	**$17,169,722**	
$914,723.34	**$451,417**	**$232,680**	**$135,507**	**$24,914**	**$16,737**	**$26,369**	$1,802,346	
$9,628,666.79	**$4,751,752.74**	**$2,449,262.45**	**$1,426,388.35**	**$262,247.47**	**$176,179.36**	**$277,570.84**	**$18,972,068.00**	1.55%

	Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events
				Note: SFD accounts used for Venues and events
SBWMA # of lifts/pulls current year	2,959	916	2,959	92,270
SBWMA # of lifts/pulls prior year	2,901	898	2,901	90,461
Change in accounts	58.00	18.00	58.00	1,809.00
Percentage Change in Accounts	2.00%	2.00%	2.00%	2.00%
100% of Change	2.00%	2.00%	2.00%	2.00%
65% of Change	1.30%	1.30%	1.30%	1.30%
Fixed Cost - No Change				

MEMBER AGENCY SERVICES

2008 Agency Costs of Operations with Indirect Increase

2008 Costs excpet Indirect Costs adjusted to 2011 Cost				
Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events	**TOTAL**
E	**G**	**I**	**I**	
$96,334	$24,083	$32,111	$8,028	$160,556
$30,050	$7,513	$10,017	$2,504	$50,084
$8,018	$2,004	$2,673	$668	$13,363
$9,633	$2,408	$3,211	$803	$16,054
$144,035	$36,009	$48,012	$12,003	$240,058
$31,317	$7,829	$10,439	$2,610	$52,194
$24,766	$6,192	$8,255	$2,064	$41,277
$33,233	$8,308	$11,078	$2,769	$55,388
$0	$0	$0	$0	$0
$33,233	$8,308	$11,078	$2,769	$55,388
$0	$0	$0	$0	$0
$113,578	$28,394	$37,859	$9,465	$189,296
$28,971	$7,243	$9,657	$2,414	$48,285
$45,465	$11,366	$15,155	$3,789	$75,774
$15,132	$3,783	$5,044	$1,261	$25,219
$203,145	$50,786	$67,715	$16,929	$338,575
$2,988	$747	$996	$249	$4,981
$3,910	$978	$1,303	$326	$6,517
$443,393	**$110,848**	**$147,798**	**$36,949**	**$738,989**
$46,544	**$11,636**	**$15,515**	**$3,879**	**$77,573**
$489,938	**$122,484**	**$163,313**	**$40,828**	**$816,562**

2008 Agency Costs of Operations with Service level changes

2008 Costs, except Indirect Costs, adjusted to 2011 Cost				
Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events	**TOTAL**
E	**G**	**I**	**I**	
$98,260	$24,566	$32,753	$8,188	$163,768
$30,651	$7,663	$10,217	$2,554	$51,085
$8,178	$2,045	$2,726	$682	$13,630
$9,825	$2,456	$3,275	$819	$16,375
$146,914	$36,730	$48,971	$12,243	$244,859
$31,943	$7,986	$10,648	$2,662	$53,238
$25,261	$6,316	$8,420	$2,105	$42,102
$33,233	$8,308	$11,078	$2,769	$55,388
$0	$0	$0	$0	$0
$33,233	$8,308	$11,078	$2,769	$55,388
$0	$0	$0	$0	$0
$115,054	$28,764	$38,351	$9,588	$191,757
$29,348	$7,337	$9,783	$2,446	$48,913
$46,055	$11,514	$15,352	$3,838	$76,759
$15,328	$3,832	$5,109	$1,277	$25,547
$205,785	$51,448	$68,595	$17,149	$342,977
$2,988	$747	$996	$249	$4,981
$3,910	$978	$1,303	$326	$6,517
$450,034	**$112,513**	**$150,012**	**$37,503**	**$750,061**
$47,241	**$11,811**	**$15,747**	**$3,937**	**$78,736**
$497,276	**$124,323**	**$165,759**	**$41,439**	**$828,797**

1.50%

K. Detail 4 - COST CHANGE DUE TO INDEXED COST CHANGES

EXAMPLE - FOR ILLUSTRATION PURPOSES ONLY

Increase Updated Cost of Operations for increases in Attachment K indicies (Step 4)

Change in CBA Wages	16.23%	Increase in wages - Drivers
Change in CBA Benefits	15.30%	Increase in Benefits - Drivers
Change in P/R Taxes	8.32%	Increase in P/R taxes increases at 8.32% of wages for Direct Labor
Change in Series ciu2030000000000a	5.81%	Increase in Workers Compensation
Change in Series wpu057303	-19.42%	Increase in Direct Fuel
80% of Change in Series cuur0000sa0	3.13%	Increase in Other Direct costs
Change in Series pcu336211336211	6.10%	Depreciation - up to CPI - Year One only

SINGLE FAMILY DWELLING

Note - Allocated Indirect Costs are increased for CPI in Step 1

data from B2 (Step 3)

COLLECTION COSTS	2011 COST ADJUSTED FOR SERVICE LEVEL CHANGES							2011 COST EXAMPLE (Service Level Changes and Cost Indexed Changes)						
	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL
	A	B	C	D	D	J		A	B	C	D	D	J	
Annual Cost of Operations														
Direct Labor-Related Costs														
Wages for CBAs	$2,392,059	$1,957,339	$1,749,101	$9,886	$9,886	$564,254	$6,682,525	$2,780,331	$2,275,048	$2,033,010	$11,490	$11,490	$655,842	$7,767,212
Benefits for CBAs	$737,420	$629,733	$549,448	$3,180	$3,180	$202,512	$2,125,475	$850,252	$726,088	$633,518	$3,667	$3,667	$233,499	$2,450,691
Payroll Taxes	$198,889	$162,894	$145,557	$823	$823	$46,974	$555,960	$231,324	$189,284	$169,146	$956	$956	$54,566	$646,232
Workers Compensation Insurance	$239,209	$195,728	$174,905	$989	$989	$56,425	$668,243	$253,103	$207,097	$185,064	$1,046	$1,046	$59,702	$707,059
Total Direct Labor Related-Costs	$3,567,577	$2,945,695	$2,619,011	$14,877	$14,877	$870,165	$10,032,203	$4,115,010	$3,397,518	$3,020,739	$17,159	$17,159	$1,003,609	$11,571,195
Direct Fuel Costs	$646,399	$656,344	$572,568	$3,315	$3,315	$68,267	$1,950,208	$520,864	$528,877	$461,371	$2,671	$2,671	$55,009	$1,571,462
Other Direct Costs	$356,898	$362,389	$320,067	$1,830	$1,830	$45,774	$1,088,789	$368,056	$373,719	$330,074	$1,887	$1,887	$47,205	$1,122,829
Depreciation - Collection Vehicles	$713,397	$706,263	$624,223	$3,567	$3,567	$78,492	$2,129,509	$756,914	$749,345	$662,301	$3,785	$3,785	$83,280	$2,259,409
Depreciation - Containers	$475,200	$484,704	$587,507	$2,448	$2,448	$0	$1,552,307	$504,187	$514,271	$623,345	$2,597	$2,597	$0	$1,646,998
Depreciation for Collection Equipment	$1,188,597	$1,190,967	$1,211,730	$6,015	$6,015	$78,492	$3,681,816	$1,261,101	$1,263,616	$1,285,646	$6,382	$6,382	$83,280	$3,906,407
Lease	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Indirect Costs excluding Depreciation and Interest														
General and Administrative	$1,179,024	$1,215,868	$1,228,150	$6,141	$6,141	$49,141	$3,684,464	$1,179,024	$1,215,868	$1,228,150	$6,141	$6,141	$49,141	$3,684,464
Operations	$300,742	$310,140	$313,273	$1,566	$1,566	$12,535	$939,822	$300,742	$310,140	$313,273	$1,566	$1,566	$12,535	$939,822
Vehicle Maintenance	$471,956	$486,705	$491,621	$2,458	$2,458	$19,671	$1,474,869	$471,956	$486,705	$491,621	$2,458	$2,458	$19,671	$1,474,869
Container Maintenance	$157,077	$161,985	$163,622	$818	$818	$6,547	$490,867	$157,077	$161,985	$163,622	$818	$818	$6,547	$490,867
Total Indirect Costs excluding Depreciation and Interest	$2,108,798	$2,174,698	$2,196,665	$10,983	$10,983	$87,894	$6,590,022	$2,108,798	$2,174,698	$2,196,665	$10,983	$10,983	$87,894	$6,590,022
Total Indirect Depreciation Costs	$30,813	$31,776	$32,097	$160	$160	$1,284	$96,290	$32,692	$33,714	$34,055	$170	$170	$1,362	$102,164
Annual Implementation Cost Amortization (Form A)	$39,426	$37,037	$35,842	$597	$597	$5,974	$119,474	$40,659	$38,195	$36,963	$616	$616	$6,160	$123,209
Total Annual Cost of Operations	**$7,938,509**	**$7,398,906**	**$6,987,980**	**$37,779**	**$37,779**	**$1,157,850**	**$23,558,801**	**$8,447,181**	**$7,810,337**	**$7,365,512**	**$39,869**	**$39,869**	**$1,284,520**	**$24,987,288**
Profit (Operating Ratio below)	**$833,324.18**	**$776,680.69**	**$733,544.86**	**$3,965.70**	**$3,965.70**	**$121,542.23**	**$2,473,023.36**	**$886,721**	**$819,870**	**$773,175**	**$4,185**	**$4,185**	**$134,839**	**$2,622,975**
90.5%														
Total Operating Costs before Pass-Through Cost	**$8,771,834**	**$8,175,586**	**$7,721,525**	**$41,744**	**$41,744**	**$1,279,392**	**$26,031,825**	**$9,333,902**	**$8,630,207**	**$8,138,687**	**$44,054**	**$44,054**	**$1,419,359**	**$27,610,263**

Change in CBA Wages	16.23%	Increase in wages
Change in CBA Benefits	15.30%	Increase in Benefits
Change in Series cis201s0000000000i	8.32%	Increase in P/R taxes increases at 8.32% of wages
Change in Series ciu2030000000000a	5.81%	Increase in Workers Compensation
Change in Series wpu057303	-19.42%	Increase in Direct Fuel
80% of Change in Series cuur0000sa	3.13%	Increase in Other Direct costs
Change in Series pcu336211336211	6.10%	Depreciation - up to CPI - Year One only

MULTI-FAMILY DWELLING/COMMERCIAL

Note - Allocated Indirect Costs are increased for CPI in Step 1

data from B2 (Step 3)

2011 COST ADJUSTED FOR SERVICE LEVEL CHANGES

Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	TOTAL
E	F	G	H	H	H	J	
$3,381,823	$1,292,593	$353,391	$318,369	$46,791	$29,946	$91,773	$5,514,686
$1,075,997	$386,332	$74,215	$70,936	$14,596	$9,341	$30,118	$1,661,535
$281,270	$107,561	$29,217	$26,310	$3,894	$2,492	$7,638	$458,383
$338,177	$129,257	$35,341	$31,834	$4,679	$2,994	$9,177	$551,460
$5,077,267	$1,915,743	$492,166	$447,448	$69,960	$44,774	$138,706	$8,186,063
$826,159	$334,639	$121,687	$73,925	$15,211	$9,735	$25,551	$1,406,907
$476,697	$225,846	$61,893	$58,825	$12,077	$7,762	$14,743	$857,843
$864,904	$382,620	$118,054	$77,407	$15,890	$10,215	$26,750	$1,495,839
$230,068	$189,484	$181,727	$0	$0	$0	$7,116	$608,395
$1,094,972	$572,104	$299,781	$77,407	$15,890	$10,215	$33,865	$2,104,234
$0	$0	$0	$0	$0	$0	$0	$0
$657,081	$677,403	$677,403	$345,476	$67,740	$47,418	$20,322	$2,492,844
$167,606	$172,790	$172,790	$88,123	$17,279	$12,095	$5,184	$635,867
$263,026	$271,160	$271,160	$138,292	$27,116	$18,981	$8,135	$997,870
$87,540	$90,248	$90,248	$46,026	$9,025	$6,317	$2,707	$332,112
$1,175,253	$1,211,602	$1,211,602	$617,917	$121,160	$84,812	$36,348	$4,458,694
$17,066	$17,594	$17,594	$8,973	$1,759	$1,232	$528	$64,747
$46,529	$22,809	$11,860	$6,386	$1,277	$912	$1,460	$91,234
$8,713,943	**$4,300,336**	**$2,216,583**	**$1,290,881**	**$237,334**	**$159,442**	**$251,202**	**$17,169,722**
$914,723.34	**$451,417**	**$232,680**	**$135,507**	**$24,914**	**$16,737**	**$26,369**	$1,802,346
$9,628,667	**$4,751,753**	**$2,449,262**	**$1,426,388**	**$262,247**	**$176,179**	**$277,571**	**$18,972,068**

Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	TOTAL
E	F	G	H	H	H	J	
$3,930,750	$1,502,403	$410,753	$370,045	$54,386	$34,807	$106,669	$6,409,813
$1,240,634	$445,444	$85,571	$81,790	$16,829	$10,771	$34,727	$1,915,765
$327,038	$125,000	$34,175	$30,788	$4,525	$2,896	$8,875	$533,296
$357,821	$136,766	$37,394	$33,683	$4,950	$3,168	$9,710	$583,493
$5,856,243	$2,209,612	$567,893	$516,306	$80,690	$51,642	$159,981	$9,442,366
$665,712	$269,650	$98,054	$59,568	$12,257	$7,844	$20,589	$1,133,674
$491,600	$232,907	$63,828	$60,665	$12,454	$8,005	$15,204	$884,663
$917,663	$405,959	$125,256	$82,129	$16,859	$10,838	$28,381	$1,587,085
$244,103	$201,043	$192,812	$0	$0	$0	$7,550	$645,507
$1,161,765	$607,002	$318,068	$82,129	$16,859	$10,838	$35,931	$2,232,592
$0	$0	$0	$0	$0	$0	$0	$0
$657,081	$677,403	$677,403	$345,476	$67,740	$47,418	$20,322	$2,492,844
$167,606	$172,790	$172,790	$88,123	$17,279	$12,095	$5,184	$635,867
$263,026	$271,160	$271,160	$138,292	$27,116	$18,981	$8,135	$997,870
$87,540	$90,248	$90,248	$46,026	$9,025	$6,317	$2,707	$332,112
$1,175,253	$1,211,602	$1,211,602	$617,917	$121,160	$84,812	$36,348	$4,458,694
$18,108	$18,668	$18,668	$9,520	$1,867	$1,307	$560	$68,696
$47,984	$23,522	$12,231	$6,586	$1,317	$941	$1,505	$94,087
$9,416,666	**$4,572,961**	**$2,290,343**	**$1,352,690**	**$246,605**	**$165,389**	**$270,118**	**$18,314,772**
$988,490	**$480,035**	**$240,423**	**$141,995**	**$25,887**	**$17,361**	**$28,355**	$1,922,545
$10,405,156	**$5,052,996**	**$2,530,766**	**$1,494,686**	**$272,491**	**$182,750**	**$298,473**	**$20,237,317**

Change in CBA Wages	16.23%	Increase in wages
Change in CBA Benefits	15.30%	Increase in Benefits
Change in Series cis201s0000000000i	8.32%	Increase in P/R taxes increases at 8.32% of wages
Change in Series ciu2030000000000a	5.81%	Increase in Workers Compensation
Change in Series wpu057303	-19.42%	Increase in Direct Fuel
80% of Change in Series cuur0000sa	3.13%	Increase in Other Direct costs
Change in Series pcu336211336211	6.10%	Depreciation - up to CPI - Year One only

AGENCY COSTS

Note - Allocated Indirect Costs are increased for CPI in Step 1

Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events	TOTAL
E	G	I	I	
$98,260	$24,566	$32,753	$8,188	$163,768
$30,651	$7,663	$10,217	$2,554	$51,085
$8,178	$2,045	$2,726	$682	$13,630
$9,825	$2,456	$3,275	$819	$16,375
$146,914	$36,730	$48,971	$12,243	$244,859
$31,943	$7,986	$10,648	$2,662	$53,238
$25,261	$6,316	$8,420	$2,105	$42,102
$33,233	$8,308	$11,078	$2,769	$55,388
$0	$0	$0	$0	$0
$33,233	$8,308	$11,078	$2,769	$55,388
$0	$0	$0	$0	$0
$115,054	$28,764	$38,351	$9,588	$191,757
$29,348	$7,337	$9,783	$2,446	$48,913
$46,055	$11,514	$15,352	$3,838	$76,759
$15,328	$3,832	$5,109	$1,277	$25,547
$205,785	$51,448	$68,595	$17,149	$342,977
$2,988	$747	$996	$249	$4,981
$3,910	$978	$1,303	$326	$6,517
$450,034	**$112,513**	**$150,012**	**$37,503**	**$750,061**
$47,241	**$11,811**	**$15,747**	**$3,937**	**$78,736**
$497,276	**$124,323**	**$165,759**	**$41,439**	**$828,797**

Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events	TOTAL
E	G	I	I	
$114,209	$28,554	$38,070	$9,517	$190,350
$35,341	$8,836	$11,780	$2,945	$58,902
$9,502	$2,376	$3,167	$792	$15,837
$10,396	$2,599	$3,465	$866	$17,327
$169,448	$42,364	$56,483	$14,121	$282,416
$25,739	$6,435	$8,580	$2,145	$42,899
$26,051	$6,513	$8,684	$2,171	$43,419
$35,260	$8,815	$11,754	$2,938	$58,767
$0	$0	$0	$0	$0
$35,260	$8,815	$11,754	$2,938	$58,767
$0	$0	$0	$0	$0
$115,054	$28,764	$38,351	$9,588	$191,757
$29,348	$7,337	$9,783	$2,446	$48,913
$46,055	$11,514	$15,352	$3,838	$76,759
$15,328	$3,832	$5,109	$1,277	$25,547
$205,785	$51,448	$68,595	$17,149	$342,977
$3,171	$793	$1,057	$264	$5,284
$4,032	$1,008	$1,344	$336	$6,720
$469,486	**$117,376**	**$156,496**	**$39,124**	**$782,482**
$49,283	**$12,321**	**$16,428**	**$4,107**	**$82,139**
$518,769	**$129,697**	**$172,924**	**$43,230**	**$864,620**

SBWMA COLLECTION AGREEMENT **ATTACHMENT N**

D. ATHERTON

EXAMPLE ONLY

2011 Costs

City # of accounts	2,254	2,254	2,254	2,254	2,254	6
SBWMA # of accounts	90,461	90,461	90,461	90,461	90,461	402
City Total Route Labor hours year	3,275.75	2,310.68	3,229.28	11.55	11.55	159.47
SBWMA Total Route Labor hours year	58,630.74	57,470.96	49,708.61	264.63	264.63	9,752.36
City # of route hours/year	3,125.53	2,441.15	3,164.43	12.21	12.21	159.47
SBWMA # of route hours/year	57,108.73	56,052.72	48,405.78	258.00	258.00	9,752.36
City Total Containers in Service (Accounts for example)	2,254	2,254	2,254	2,254	2,254	6
SBWMA Total Containers in Service	90,461	90,461	90,461	90,461	90,461	402
City Tonnages	1,650.41	2,035.91	4,744.95	0.56	0.56	47.54
SBWMA Tonnages	60,158.09	47,323.16	59,414.55	22.62	22.62	3,222.07

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL
	A	B	C	D	D	J	
Annual Cost of Operations							
Direct Labor-Related Costs							
Wages for CBAs	$155,340	$91,471	$132,073	$502	$502	$10,724	$390,611
Benefits for CBAs	$47,504	$29,193	$41,156	$160	$160	$3,818	$121,992
Payroll Taxes	$12,924	$7,610	$10,988	$42	$42	$892	$32,499
Workers Compensation Insurance	$14,141	$8,327	$12,023	$46	$46	$976	$35,558
Total Direct Labor Related-Costs	$229,909	$136,601	$196,240	$749	$749	$16,411	$580,659
Direct Fuel Costs	$28,507	$23,033	$30,161	$126	$126	$899	$82,853
Other Direct Costs	$20,144	$16,276	$21,578	$89	$89	$772	$58,948
Depreciation - Collection Vehicles	$41,425	$32,635	$43,297	$179	$179	$1,362	$119,077
Depreciation - Containers	$12,563	$12,814	$15,532	$65	$65	$0	$41,038
Depreciation for Collection Equipment	$53,988	$45,449	$58,828	$244	$244	$1,362	$160,115
Lease	$0	$0	$0	$0	$0	$0	$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	$29,378	$30,296	$30,602	$153	$153	$767	$91,348
Operations	$16,459	$13,507	$20,480	$74	$74	$205	$50,799
Vehicle Maintenance	$25,830	$21,196	$32,139	$116	$116	$322	$79,719
Container Maintenance	$3,914	$4,036	$4,077	$20	$20	$102	$12,170
Total Allocated Indirect Costs excluding Depreciation and Interest	$75,581	$69,035	$87,297	$364	$364	$1,396	$234,036
Total Allocated Indirect Depreciation Costs (Form 9)	$1,789	$1,468	$2,226	$8	$8	$22	$5,522
Annual Implementation Cost Amortization (Form A)	$2,225	$1,663	$2,416	$29	$29	$101	$6,464
Total Annual Cost of Operations	**$412,143**	**$293,525**	**$398,747**	**$1,610**	**$1,610**	**$20,963**	**$1,128,597**
Profit (insert Operating Ratio below)	**$43,263.60**	**$30,812.04**	**$41,857.44**	**$168.96**	**$168.96**	**$2,200.49**	**$118,471.48**
90.5%							
Total Proposed Costs before Pass-Through Cost Allocation	**$455,406**	**$324,337**	**$440,605**	**$1,779**	**$1,779**	**$23,163**	**$1,247,068**

Disposal Expese

SBWMA COLLECTION AGREEMENT

D. ATHERTON *EXAMPLE ONLY*

2011 Costs

City # of Accounts (Lifts for example)	83	122	126	0	11	0	6
SBWMA # Accounts	32,101	21,807	4,997	4,446	1,201	307	402
City Total Route Labor hours year	325.55	180.18	162.70	0.00	16.27	0.00	159.47
SBWMA Total Route Labor hours year	87,822.68	34,237.07	6,578.51	5,737.20	1,629.66	433.14	9,752.36
City # of route hours/year	296.48	176.75	154.19	0.00	15.92	0.00	159.47
SBWMA # of route hours/year	61,603.29	34,735.51	6,551.58	5,615.29	1,595.03	423.93	9,752.36
City Total Containers in Service (Lifts for example)	83	122	126	0	11	0	6
SBWMA Total Containers in Service	32,101	21,807	4,997	4,446	1,201	307	402
City Tonnages	688.41	143.91	871.18	2,290.20	0.00	0.00	47.54
SBWMA Tonnages	116,200.03	31,400.40	21,096.79	57,275.71	0.00	0.00	3,222.07

Commercial & MFD	Cart and Bin Solid Waste **E**	Cart and Bin Recyclable Materials **F**	Cart and Bin Organic Materials (including Holiday Trees) **G**	Drop Box Solid Waste **H**	Drop Box Recyclable Materials **H**	Drop Box Organic Materials **H**	Two On-Call Collection Events **J**	**TOTAL**
Annual Cost of Operations								
Direct Labor-Related Costs								
Wages for CBAs	$14,571	$7,907	$10,159	$0	$543	$0	$1,744	$34,924
Benefits for CBAs	$4,599	$2,344	$2,116	$0	$168	$0	$568	$9,795
Payroll Taxes	$1,212	$658	$845	$0	$45	$0	$145	$2,906
Workers Compensation Insurance	$1,326	$720	$925	$0	$49	$0	$159	$3,179
Total Direct Labor Related-Costs	$21,709	$11,629	$14,045	$0	$805	$0	$2,616	$50,804
Direct Fuel Costs	$3,204	$1,372	$2,308	$0	$122	$0	$337	$7,343
Other Direct Costs	$2,366	$1,185	$1,502	$0	$124	$0	$249	$5,426
Depreciation - Collection Vehicles	$4,417	$2,066	$2,948	$0	$168	$0	$464	$10,062
Depreciation - Containers	$631	$1,125	$4,862	$0	$0	$0	$118	$6,736
Depreciation for Collection Equipment	$5,048	$3,190	$7,810	$0	$168	$0	$582	$16,798
Lease	$0	$0	$0	$0	$0	$0	$0	$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	$1,699	$3,790	$17,081	$0	$620	$0	$317	$23,507
Operations	$807	$879	$4,067	$0	$172	$0	$85	$6,010
Vehicle Maintenance	$1,266	$1,380	$6,382	$0	$271	$0	$133	$9,431
Container Maintenance	$226	$505	$2,276	$0	$83	$0	$42	$3,132
Total Allocated Indirect Costs excluding Depreciation and Interest	$3,998	$6,554	$29,805	$0	$1,146	$0	$577	$42,080
Total Allocated Indirect Depreciation Costs (Form 9)	$87	$95	$439	$0	$19	$0	$9	$649
Annual Implementation Cost Amortization (Form A)	$231	$120	$288	$0	$13	$0	$25	$676
Total Annual Cost of Operations	**$36,642**	**$24,145**	**$56,197**	**$0**	**$2,398**	**$0**	**$4,394**	**$123,776**
Profit (insert Operating Ratio below)	**$3,846.43**	**$2,535**	**$5,899**	**$0**	**$252**	**$0**	**$461**	$12,993
90.5%								
Total Proposed Costs before Pass-Through Cost Allocation	**$40,488.74**	**$26,679.13**	**$62,095.79**	**$0.00**	**$2,650.18**	**$0.00**	**$4,855.43**	**$136,769.27**

SBWMA COLLECTION AGREEMENT

D. ATHERTON *EXAMPLE ONLY*

2011 Costs

City # of Lifts per year	28	27	0	2,254
SBWMA # Lifts per year (Accounts for Venues/Events)	2,901	898	156,000	90,461
City Total Route Labor hours year	42.16	40.65	0.00	82.81
SBWMA Total Route Labor hours year	1,581.41	456.46	2,122.13	4,160.00
City # of route hours/year	41.26	39.79	0.00	82.81
SBWMA # of route hours/year	1,547.80	446.76	2,069.58	4,160.00
City # of Containers (Lifts for example)	28	27	0	2,254
SBWMA # of Conainers	2,901	898	156,000	90,461

Agency	Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events	TOTAL
	E	G	I	I	
Annual Cost of Operations					
Direct Labor-Related Costs					
Wages for CBAs	$3,045	$2,543	$0	$189	$5,777
Benefits for CBAs	$942	$787	$0	$59	$1,788
Payroll Taxes	$253	$212	$0	$16	$481
Workers Compensation Insurance	$277	$231	$0	$17	$526
Total Direct Labor Related-Costs	$4,517	$3,773	$0	$281	$8,572
Direct Fuel Costs	$686	$573	$0	$43	$1,302
Other Direct Costs	$695	$580	$0	$43	$1,318
Depreciation - Collection Vehicles	$940	$785	$0	$58	$1,784
Depreciation - Containers	$0	$0	$0	$0	$0
Depreciation for Collection Equipment	$940	$785	$0	$58	$1,784
Lease	$0	$0	$0	$0	$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	$1,110	$865	$0	$239	$2,214
Operations	$782	$653	$0	$49	$1,485
Vehicle Maintenance	$1,228	$1,026	$0	$76	$2,330
Container Maintenance (using lifts for Agency Costs)	$148	$115	$0	$32	$295
Total Allocated Indirect Costs excluding Depreciation and Interest	$3,269	$2,659	$0	$396	$6,324
Total Allocated Indirect Depreciation Costs (Form 9)	$85	$71	$0	$5	$160
Annual Implementation Cost Amortization (Form A)	$107	$90	$0	$7	$204
Total Annual Cost of Operations	**$10,299**	**$8,531**	**$0**	**$833**	**$19,663**
Profit (insert Operating Ratio below)	**$1,081**	**$896**	**$0**	**$87**	**$2,064**
90.5%					
Total Operating Costs before Pass-Through Cost Allocation	**$11,380**	**$9,426**	**$0**	**$921**	**$21,727**

SBWMA COLLECTION AGREEMENT **ATTACHMENT N**
Section L, Cost Form 1: General Information
Recology San Mateo County

A. Method of Collection (e.g. manual, semi-automated, fully-automated, etc.)	
1. Single-Family Solid Waste	Fully Automated
2. Single-Family Recyclable Materials	Fully Automated
3. Single-Family Organic Materials	Fully Automated
B. Collection Vehicle Manufacturer, Model Number, and Year (for each vehicle)	
1. Single-Family Solid Waste	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body
2. Single-Family Recyclable Materials	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body
3. Single-Family Organic Materials	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body
4. Multi-Family and Commercial Solid Waste	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body. 2010 Autocar ACX-84 4 axel chasis L/S Steer only with Heil 40 cubic yard Sierra Eject Body
5. Multi-Family and Commercial Recyclable Materials	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body. 2010 Autocar ACX-84 4 axel chasis L/S Steer only with Heil 40 cubic yard Sierra Eject Body
6. Multi-Family and Commercial Organic Materials	2010 Autocar ACX-84 4 axel Chasis, Dual Drive with Heil 28 cubic yard - DP Python Eject Body. 2010 Autocar ACX-84 4 axel chasis L/S Steer only with Heil 40 cubic yard Sierra Eject Body

SBWMA COLLECTION AGREEMENT **ATTACHMENT N**
Section L, Cost Form 1: General Information
Recology San Mateo County

C. Container Manufacturer and Specifications	
1. Single-Family Solid Waste	Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
2. Single-Family Recyclable Materials	Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
3. Single-Family Organic Materials	Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
4. Multi-Family and Commercial Solid Waste	Consolidated Fabricators 14 GA. Construction/6" Roller Bearing Casters and Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
5. Multi-Family and Commercial Recyclable Materials	Consolidated Fabricators 14 GA. Construction/6" Roller Bearing Casters and Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content
6. Multi-Family and Commercial Organic Materials	Consolidated Fabricators 14 GA. Construction/6" Roller Bearing Casters and Toter EVR Advanced Rotational Moulding ANSI Standards 245.3 or greater Safety, 245.6 or greater Compatability with 30% post consumer recycled content

SBWMA COLLECTION AGREEMENT **ATTACHMENT N**

Section L, Cost Form 2: Direct Labor

Recology San Mateo County

DIRECT LABOR				
Route and Maintenance Personnel	**Total**			
	Hourly Wage Rate	Proposed FTE	OT Hrs / FTE/Yr	Annual Cost
Route Labor				
Helper	$29.30	7	260	$506,597
Driver - Tag	$29.93	0	0	$0
Recycling Driver	$30.55	71	370	$5,716,259
Commercial Driver	$30.55	42	370	$3,381,449
Route Manager	$30.55	32	370	$2,576,342
Subtotal		152	1,371	$12,180,646
Mechanics - Vehicle Maintenance				
Senior Mechanic	$30.90	10	697	$965,997
Preventive Maintenance Technician	$28.05	2	697	$175,380
Welder	$29.70	1	697	$92,848
Shop Laborer (Utility)	$16.00	1	260	$39,520
Subtotal		14	2,352	$1,273,746
Mechanics - Container Maintenance				
Senior Mechanic	$30.90	0	0	$0
Preventive Maintenance Technician	$28.05	0	0	$0
Welder	$29.70	4	697	$371,393
Shop Laborer (Utility)	$16.00	1	260	$39,520
Subtotal		5	957	$410,913
Total		**171**	**4,681**	**$13,865,305**

BENEFITS & PENSION COST		
Route and Maintenance Personnel	Per-Person Annual Benefit Cost	Per-Person Annual Pension Rate
Truck Drivers and Helpers		
Helper	$17,398.32	$7,488.00
Driver - Tag	$17,398.32	$7,488.00
Recycling Driver	$17,398.32	$7,488.00
Commercial Driver	$17,398.32	$7,488.00
Route Manager	$17,398.32	$7,488.00
Mechanics		
Senior Mechanic	$12,600.00	$6,300.00
Preventive Maintenance Technician	$12,600.00	$6,300.00
Welder	$12,600.00	$6,300.00
Shop Laborer (Utility)	$12,600.00	$6,300.00

SBWMA COLLECTION AGREEMENT **ATTACHMENT N**

Section L, Cost Form 3: Other Personnel

Recology San Mateo County

Other Personnel (Indirect Costs)		**Total** Proposed FTE
CEO/COO	G&A	0
General Manager	G&A	1
Controller	G&A	1
Office Manager	G&A	0
Operations Manager	Operations	1
Operations/Route Supervisor	Operations	6
Dispatcher	Operations	3
Container Distribution	Operations	0
Operations Clerk	Operations	2
Maintenance Supervisor	Maintenance	1
Shop Foreman	Maintenance	1
Recycling Manager	G&A	1
Community Relations Manager	G&A	0
Recycling/Public Education Coordinator	G&A	1
Customer Service Supervisor	G&A	1
Customer Service Representatives	G&A	15
Inside Sales	G&A	0
Billing and Collections Manager	G&A	1
Accounting Clerk	G&A	8
Receptionist	G&A	1
Safety Manager	G&A	1
Other: Residential/Commercial Route Auditor	Operations	4
Other: Recycling Coordinators	Operations	8
Total FTE		**57**

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 4: Capital Schedule
Recology San Mateo County

	Total			
	Quantity			
Collection Vehicles	Active	Spare	Total	Total Cost ($)
Single-Family Solid Waste	22.0	2.0	24.0	$6,420,576
Single-Family Recyclable Materials	22.0	2.0	24.0	$6,420,576
Single-Family Organic Materials	19.0	2.0	21.0	$5,618,004
Multi-Family and Commercial Solid Waste	28.0	4.0	32.0	$8,024,878
Multi-Family and Commercial Recyclable Materials	11.0	2.0	13.0	$3,443,576
Multi-Family and Commercial Organic Materials	4.0	0.0	4.0	$1,062,488
Drop Box - Solid Waste	1.8	0.4	2.2	$449,460
Drop Box - Recyclable Material	0.7	0.4	1.1	$224,730
Drop Box - Organic Material	0.7	0.4	1.1	$224,730
Member Agency Facilities - Solid Waste	1.2	0.4	1.6	$326,880
Member Agency Facilities - Recyclable Material	0.4	0.2	0.6	$122,580
Member Agency Facilities - Organic Material	0.2	0.2	0.4	$81,720
Two On-Call Clean-Up Events (SFD and MFD)	4.0	0.0	4.0	$628,380
describe			0.0	
describe			0.0	
describe			0.0	
Subtotal	**115**	**14**	**129**	**$33,048,578**

	Total			
	Quantity			
Other Vehicles	Active	Spare	Total	Total Cost ($)
Pickup Trucks	6	0	6	$206,160
Container Distribution	10	0	10	$867,336
Mobile Service Truck	4	0	4	$217,200
Other: _____			0	
Other: _____			0	
Subtotal	**20**	**0**	**20**	**$1,290,696**

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 4: Capital Schedule
Recology San Mateo County

	Total			
	Quantity			
Containers	Active	Spare	Total	Total Cost ($)
Single-Family Solid Waste	90,461	8,539	99,000	$4,752,000
Single-Family Recyclable Materials	90,461	8,539	99,000	$4,896,000
Single-Family Organic Materials	182,436	11,539	193,975	$5,875,073
Multi-Family and Commercial Solid Waste Carts	16,600	200	16,800	$756,000
Multi-Family and Commercial Recyclable Materials Carts	6,000	200	6,200	$279,000
Multi-Family and Commercial Organic Materials Carts	29,225	200	29,425	$201,428
Multi-Family and Commercial Solid Waste Bins	2,980	40	3,020	$1,615,840
Multi-Family and Commercial Recyclable Materials Bins	2,980	40	3,020	$1,615,840
Multi-Family and Commercial Organic Materials Bins	2,980	40	3,020	$1,615,840
Drop Box - Solid Waste	0	0	0	$0
Drop Box - Recyclable Material	0	0	0	$0
Drop Box - Organic Material	0	0	0	$0
Member Agency Facilities - Solid Waste	0	0	0	$0
Member Agency Facilities - Recyclable Material	0	0	0	$0
Member Agency Facilities - Organic Material	0	0	0	$0
Other: _____			0	
Other: _____			0	
Other: _____			0	
Subtotal	**424,123**	**29,337**	**453,460**	**$21,607,021**

	Total			
Other				Total Cost ($)
Shop Equipment			0	$300,000
Computer Equipment			0	$50,000
Office Furniture & Equipment			0	$50,000
Cameras for Hillsborough Vehicle (Form 26)			0	
Other: _____			0	
Other: _____			0	
Subtotal	**0**	**0**	**0**	**$400,000**
SubTotal	**424,258**	**29,351**	**453,609**	**$56,346,295**

	Total			
Startup Capital				Total Cost ($)
				$0
Misc. Start-up Capital				
Subtotal				**$0**
Total	**424,258**	**29,351**	**453,609**	**$56,346,295**

Includes all costs - sales tax, delivery, assembly, etc.

Section L, Cost Form 5: Total Cost Summary
Recology San Mateo County

Costs in 2008 Dollars	Single-Family Costs (Form 6)	Multi-Family and Commercial Costs (Form 7)	Member Agency Costs (Form 8)	Total Costs
Annual Cost of Operations				
Direct Labor-Related Costs				
Wages for CBAs	$6,613,535	$5,406,555	$160,556	$12,180,646
Benefits for CBAs	$2,103,521	$1,628,956	$50,084	$3,782,561
Payroll Taxes	$550,220	$449,395	$13,363	$1,012,978
Workers Compensation Insurance	$661,345	$540,647	$16,054	$1,218,046
Total Direct Labor Related-Costs	$9,928,621	$8,025,552	$240,058	$18,194,231
Direct Fuel Costs for Collection Vehicles	$1,930,120	$1,379,321	$52,194	$3,361,635
Other Direct Costs	$1,077,570	$841,022	$41,277	$1,959,869
Depreciation for Collection Equipment	$3,681,816	$2,104,234	$55,388	$5,841,438
Allocated Indirect Costs excluding Depreciation				
General and Administrative	$3,462,944	$2,328,531	$179,118	$5,970,593
Operations	$876,295	$589,233	$45,326	$1,510,853
Vehicle Maintenance	$1,297,032	$872,142	$67,088	$2,236,261
Container Maintenance	$456,827	$307,177	$23,629	$787,633
Total Allocated Indirect Costs excluding Depreciation	$6,093,098	$4,097,083	$315,160	$10,505,341
Total Allocated Indirect Depreciation Costs	$96,290	$64,747	$4,981	$166,018
Annual Implementation Cost Amortization	$119,474	$91,234	$6,517	$217,225
Total Annual Cost of Operations	**$22,926,987**	**$16,603,193**	**$715,574**	**$40,245,755**
Profit	**$2,406,700**	**$1,742,877**	**$75,116**	**$4,224,692**
Operating Ratio	90.5%	90.5%	90.5%	90.5%
Total Costs before Pass-Through Cost Allocation	**$25,333,688**	**$18,346,070**	**$790,690**	$44,470,447
Pass-Through Costs				
Regulatory & Agency Fees				
Disposal & Processing Fees				
Interest Expense on Agr. 8.04, 8.05 Capital (Form C)	$1,704,607	$1,226,120	$59,811	$2,990,538
Interest Expense on Implementation Cost (Form D)	$65,715	$47,268	$2,307	$115,290
Total Pass-Through Costs	**$1,770,322**	**$1,273,388**	**$62,118**	**$3,105,828**
Total Costs	**$27,104,010**	**$19,619,458**	**$852,808**	**$47,576,275**

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 6: Single Family Dwelling Cost
Recology San Mateo County

Costs in 2008 Dollars	Solid Waste A	Recyclable Materials B	Organic Materials (including Holiday Trees) C	Weekly Battery and Cell Phone D	Weekly Used Motor Oil and Oil Filters D	Two On-Call Collection Events J	TOTAL
Annual Cost of Operations							
Direct Labor-Related Costs							
Wages for CBAs	$2,367,458	$1,937,209	$1,731,113	$9,784	$9,784	$558,187	$6,613,535
Benefits for CBAs	$729,836	$623,257	$543,797	$3,148	$3,148	$200,335	$2,103,521
Payroll Taxes	$196,844	$161,219	$144,060	$814	$814	$46,469	$550,220
Workers Compensation Insurance	$236,749	$193,715	$173,106	$978	$978	$55,818	$661,345
Total Direct Labor Related-Costs	$3,530,887	$2,915,400	$2,592,076	$14,724	$14,724	$860,809	$9,928,621
Direct Fuel Costs for Collection Vehicles	$639,752	$649,594	$566,680	$3,281	$3,281	$67,533	$1,930,120
Other Direct Costs	$353,228	$358,662	$316,775	$1,811	$1,811	$45,282	$1,077,570
Depreciation for Collection Equipment	$1,188,597	$1,190,967	$1,211,730	$6,015	$6,015	$78,492	$3,681,816
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	$1,108,142	$1,142,772	$1,154,315	$5,772	$5,772	$46,173	$3,462,944
Operations	$280,414	$289,177	$292,098	$1,460	$1,460	$11,684	$876,295
Vehicle Maintenance	$415,050	$428,020	$432,344	$2,162	$2,162	$17,294	$1,297,032
Container Maintenance	$146,185	$150,753	$152,276	$761	$761	$6,091	$456,827
Total Allocated Indirect Costs excluding Depreciation and Interest	$1,949,791	$2,010,722	$2,031,033	$10,155	$10,155	$81,241	$6,093,098
Total Allocated Indirect Depreciation Costs (Form 9)	$30,813	$31,776	$32,097	$160	$160	$1,284	$96,290
Annual Implementation Cost Amortization (Form A)	$39,426	$37,037	$35,842	$597	$597	$5,974	$119,474
Total Annual Cost of Operations	**$7,732,494**	**$7,194,158**	**$6,786,233**	**$36,744**	**$36,744**	**$1,140,614**	**$22,926,987**
Profit (insert Operating Ratio below)	**$811,698.25**	**$755,187.81**	**$712,366.96**	**$3,857.15**	**$3,857.15**	**$119,733.01**	**$2,406,700.33**
90.5%							
Total Costs before Pass-Through Cost Allocation	**$8,544,192**	**$7,949,345**	**$7,498,600**	**$40,602**	**$40,602**	**$1,260,347**	**$25,333,688**

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 7: Commercial & Multi-Family Dwelling Cost
Recology San Mateo County

Form 7 - Costs for Multi-Family and Commercial Core Collection Services

Costs in 2008 Dollars	Cart and Bin Solid Waste E	Cart and Bin Recyclable Materials F	Cart and Bin Organic Materials (including Holiday Trees) G	Drop Box Solid Waste H	Drop Box Recyclable Materials H	Drop Box Organic Materials H	Two On-Call Collection Events J	TOTAL
Annual Cost of Operations								
Direct Labor-Related Costs								
Wages for CBAs	$3,315,513	$1,267,248	$346,462	$312,126	$45,873	$29,359	$89,973	$5,406,555
Benefits for CBAs	$1,054,899	$378,756	$72,760	$69,545	$14,310	$9,158	$29,528	$1,628,956
Payroll Taxes	$275,755	$105,452	$28,645	$25,794	$3,818	$2,444	$7,488	$449,395
Workers Compensation Insurance	$331,546	$126,723	$34,649	$31,210	$4,587	$2,936	$8,997	$540,647
Total Direct Labor Related-Costs	$4,977,712	$1,878,180	$482,515	$438,674	$68,588	$43,896	$135,987	$8,025,552
Direct Fuel Costs for Collection Vehicles	$809,959	$328,078	$119,301	$72,475	$14,913	$9,544	$25,050	$1,379,321
Other Direct Costs	$467,350	$221,417	$60,679	$57,672	$11,840	$7,610	$14,454	$841,022
Depreciation for Collection Equipment	$1,094,972	$572,104	$299,781	$77,407	$15,890	$10,215	$33,865	$2,104,234
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	$613,771	$632,753	$632,753	$322,704	$63,275	$44,293	$18,983	$2,328,531
Operations	$155,314	$160,118	$160,118	$81,660	$16,012	$11,208	$4,804	$589,233
Vehicle Maintenance	$229,885	$236,995	$236,995	$120,867	$23,700	$16,590	$7,110	$872,142
Container Maintenance	$80,968	$83,472	$83,472	$42,571	$8,347	$5,843	$2,504	$307,177
Total Allocated Indirect Costs excluding Depreciation and Interest	$1,079,938	$1,113,338	$1,113,338	$567,802	$111,334	$77,934	$33,400	$4,097,083
Total Allocated Indirect Depreciation Costs (Form 9)	$17,066	$17,594	$17,594	$8,973	$1,759	$1,232	$528	$64,747
Annual Implementation Cost Amortization (Form A)	$46,529	$22,809	$11,860	$6,386	$1,277	$912	$1,460	$91,234
Total Annual Cost of Operations	**$8,493,527**	**$4,153,519**	**$2,105,069**	**$1,229,390**	**$225,601**	**$151,343**	**$244,744**	**$16,603,193**
Profit (insert Operating Ratio below)	**$891,585.72**	**$436,005**	**$220,974**	**$129,052**	**$23,682**	**$15,887**	**$25,691**	$1,742,877
90.5%								
Total Costs before Pass-Through Cost Allocation	**$9,385,112.87**	**$4,589,524.20**	**$2,326,042.88**	**$1,358,442.53**	**$249,282.63**	**$167,229.67**	**$270,435.09**	**$18,346,069.88**

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 8: Agency Service Costs
Recology San Mateo County

Costs in 2008 Dollars	Solid Waste E	Organic Materials G	Public Litter and Recycling Cans I	Venues and Events I	**TOTAL**
Annual Cost of Operations					
Direct Labor-Related Costs					
Wages for CBAs	$96,334	$24,083	$32,111	$8,028	$160,556
Benefits for CBAs	$30,050	$7,513	$10,017	$2,504	$50,084
Payroll Taxes	$8,018	$2,004	$2,673	$668	$13,363
Workers Compensation Insurance	$9,633	$2,408	$3,211	$803	$16,054
Total Direct Labor Related-Costs	$144,035	$36,009	$48,012	$12,003	$240,058
Direct Fuel Costs for Collection Vehicles	$31,317	$7,829	$10,439	$2,610	$52,194
Other Direct Costs	$24,766	$6,192	$8,255	$2,064	$41,277
Depreciation for Collection Equipment	$33,233	$8,308	$11,078	$2,769	$55,388
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative	$107,471	$26,868	$35,824	$8,956	$179,118
Operations	$27,195	$6,799	$9,065	$2,266	$45,326
Vehicle Maintenance	$40,253	$10,063	$13,418	$3,354	$67,088
Container Maintenance	$14,177	$3,544	$4,726	$1,181	$23,629
Total Allocated Indirect Costs excluding Depreciation and Interest	$189,096	$47,274	$63,032	$15,758	$315,160
Total Allocated Indirect Depreciation Costs (Form 9)	$2,988	$747	$996	$249	$4,981
Annual Implementation Cost Amortization (Form A)	$3,910	$978	$1,303	$326	$6,517
Total Annual Cost of Operations	**$429,345**	**$107,336**	**$143,115**	**$35,778**	**$715,574**
Profit (insert Operating Ratio below)	**$45,069**	**$11,267**	**$15,023**	**$3,756**	**$75,116**
91%					
Total Costs before Pass-Through Cost Allocation	**$474,414**	**$118,603**	**$158,138**	**$39,534**	**$790,690**

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 9: Allocated Indirect Costs
Recology San Mateo County

Proposed Costs in 2008 Dollars	General and Administrative	Operations	Vehicle Maintenance	Container Maintenance	TOTAL
Annual Cost of Operations					
Indirect Labor-Related Costs					
Wages for CBAs	$ -	$ -	$ 1,292,742	$ 335,380	$ 1,628,122
Benefits for CBAs	$ -	$ -	$ 301,326	$ 80,352	$ 381,678
Wages for non-CBAs	$ 2,361,226	$ 1,013,616	$ 244,628	$ 155,301	$ 3,774,771
Benefits for non-CBAs	$ 651,363	$ 225,823	$ 60,264	$ 40,179	$ 977,629
Payroll Taxes	$ 192,380	$ 82,697	$ 125,328	$ 39,998	$ 440,403
Workers Compensation Insurance	$ 236,084	$ 101,363	$ 153,737	$ 49,069	$ 540,253
Total Indirect Labor Related-Costs	$ 3,441,053	$ 1,423,499	$ 2,178,025	$ 700,279	$ 7,742,857
Indirect Fuel Costs	$ -	$ 51,129	$ 34,086	$ 51,129	$ 136,344
Other Indirect Costs	$ 2,529,540	$ 36,225	$ 24,150	$ 36,225	$ 2,626,140
Allocated Indirect Costs excluding Depreciation	$ 5,970,593	$ 1,510,853	$ 2,236,261	$ 787,633	$ 10,505,341
Indirect Depreciation	$ 20,000	$ 22,907	$ 44,133	$ 78,978	$ 166,018
Total Annual Cost of Operations	**$ 5,990,593**	**$ 1,533,760**	**$ 2,280,395**	**$ 866,611**	**$ 10,671,359**

Partial Allocation for Forms 6 - 8

Total Indirect Costs excluding Depr. (to Forms 6 - 8)					
SFD	3,462,944.12	876,294.74	1,297,031.61	456,827.20	6,093,097.67
Commercial & MFD	2,328,531.39	589,232.67	872,141.94	307,176.91	4,097,082.92
Agency	179,117.80	45,325.59	67,087.84	23,628.99	315,160.22
Total	$ 5,970,593	$ 1,510,853	$ 2,236,261	$ 787,633	$ 10,505,341
Variance s/ be "0"	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Indirect Depreciation (to Forms 6 - 8)					
SFD					96,290.31
Commercial & MFD					64,746.93
Agency					4,980.53
Total					$ 166,018
Variance s/ be "0"					*$ -*

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 10: Allocated Startup Costs
Recology San Mateo County

Costs in 2008 Dollars	SFD	MFD	Member Agency	TOTAL	Annual Amortization (Year 1)
Total Contract Implementation Cost					
Personnel Costs, prior to January 1, 2011, start date					
Wages for CBAs	$ 488,099	$ 372,730	$ 26,624	$ 887,453	$ 88,745
Benefits for CBAs	$ 54,693	$ 41,765	$ 2,983	$ 99,441	$ 9,944
Wages for non-CBAs	$ 126,815	$ 96,841	$ 6,917	$ 230,573	$ 23,057
Benefits for non-CBAs	$ 19,720	$ 15,059	$ 1,076	$ 35,855	$ 3,586
Payroll Taxes	$ 47,656	$ 36,392	$ 2,599	$ 86,647	$ 8,665
Workers Compensation Insurance	$ 61,490	$ 46,956	$ 3,354	$ 111,800	$ 11,180
Total Labor Related-Costs	$ 798,473	$ 609,743	$ 43,553	$ 1,451,769	$ 145,177
				$ -	$ -
Hiring Costs	$ 118,965	$ 90,846	$ 6,489	$ 216,300	$ 21,630
				$ -	$ -
Training Materials	$ 115,500	$ 88,200	$ 6,300	$ 210,000	$ 21,000
				$ -	$ -
Truck, equipment rental	$ 38,115	$ 29,106	$ 2,079	$ 69,300	$ 6,930
				$ -	$ -
Fuel Costs	$ 22,758	$ 17,379	$ 1,241	$ 41,378	$ 4,138
				$ -	$ -
Legal	$ 11,550	$ 8,820	$ 630	$ 21,000	$ 2,100
				$ -	$ -
Consultants				$ -	$ -
Other: Facility Lease Costs	$ 11,550	$ 8,820	$ 630	$ 21,000	$ 2,100
Other: Temp Labor	$ 72,626	$ 55,460	$ 3,961	$ 132,047	$ 13,205
Other: Security	$ 5,198	$ 3,969	$ 284	$ 9,451	$ 945
Total Implementation Capital Depreciation Costs				$ -	$ -
				$ -	$ -
Total Implementation Costs (to Form 6 - 8)	**$ 1,194,735**	**$ 912,343**	**$ 65,167**	**$ 2,172,245**	$ 217,225
Interest Expense (to Form 5)				$ 656,703	$ 115,290
Total Implementation Costs	**$ 1,194,735**	**$ 912,343**	**$ 65,167**	**$ 2,828,948**	**$ 332,515**

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 11: Debt Service & Depreciation Schedule
Recology of San Mateo County

Annual Interest Cost on Contractor Supplied Equipment (Agreement 8.04, 8.05, Cost Form 4)

Year	Financed Purchase		
	Depreciation	Interest	Total
		5.5%	
1	$6,016,177	$2,990,538	$9,006,715
2	$6,016,177	$2,745,303	$8,761,480
3	$6,016,177	$2,486,236	$8,502,413
4	$6,016,177	$2,212,554	$8,228,731
5	$6,016,177	$1,923,435	$7,939,612
6	$6,016,177	$1,618,008	$7,634,185
7	$6,016,177	$1,295,351	$7,311,528
8	$6,016,177	$954,495	$6,970,672
9	$6,016,177	$594,412	$6,610,589
10	$2,200,702	$214,016	$2,414,718
TOTAL COST	**$56,346,295**	**$17,034,348**	**$73,380,643**

# Years	10

SBWMA COLLECTION AGREEMENT
Section L, Cost Form 12: Interest Schedule on Startup Costs
Recology of San Mateo County

Year	Principal Beginning Balance	Annual Amortization	Interest	Total
Interest Rate %			**5.5%**	
1	$2,172,245	$217,225	$115,290	$332,515
2	$1,955,021	$217,225	$105,836	$323,061
3	$1,737,796	$217,225	$95,849	$313,074
4	$1,520,572	$217,225	$85,298	$302,523
5	$1,303,347	$217,225	$74,152	$291,377
6	$1,086,123	$217,225	$62,377	$279,602
7	$868,898	$217,225	$49,938	$267,163
8	$651,674	$217,225	$36,797	$254,022
9	$434,449	$217,225	$22,916	$240,141
10	$217,225	$217,225	$8,250	$225,475
11	$0			$0
				$0
TOTAL COST		**$2,172,245**	**$656,703**	**$2,828,948**

ATTACHMENT P
VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Container Fork Truck)

(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	☐ Front Loader	☐ Rear Loader	
	☐ Side Loader	☐ Roll-off	
	☒ Container Delivery	☐ ½ Ton Pickup	
	☐ Flat Bed	_____ Other	
2. Material to be Collected	☐ Solid Waste	☐ Targeted Recyclables	☐ Organic Waste
	☐ Bulky Items	☐ C&D Material	X Other
3. Age of Vehicle ……..		_____	
4. New or Used Vehicle ……..	☒ New	☐ Used	
5. If Used, Date Last Rebuilt ……		_____	
6. Manufacturer and Model ……	Freightliner M2-106 W/ 6000lb Mast CBS Rotator		
7. Will the vehicles be owned, leased or other?	Owned		
8. Purchase cost of each vehicle……..	$111,358		
a. Cab and Chassis……	_____		
b. Body……	_____		
c. Engine……	_____		
d. Transmission……..	_____		
9. Color	White Cab	White Body	
10. Cab and Chassis:			
a. Cab Height ……	94”	inches	
b. Number of Axles (including Tag)……..	☒ 2	☐ 3	☐ 4
c. Overall Length With Body Mounted …...	250”	inches	

Vehicle Specifications (Container Fork Truck)

(One for each vehicle type. Two pages per form.)

11. Body:

a.	Collection Method……..	☐ Manual	☒ Automated
		☐ Semi-Automated	_____ Other
b.	Rated Capacity……..	6000 lb	cu. yd.
c.	Practical or Net Capacity……..	6000 lb	cu. yd.
d.	No. of collection Compartments……	N/A	_____
e.	Net Capacity of Each Compartment …….	N/A	_____
f.	Overall Body Length.....	139”	_____
g.	Body Height ……..	60”	inches
h.	Body Width …….....	96”	inches
i.	Used Oil Containers and Filter Rack	No	

12. Weight…… GVW 32,000 lbs. Tare 18.000 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 4 mpg

15. Emissions rating

a.	CO……	0.1	g/bhp/hr
b.	HC (total hydrocarbons)……	0.02	g/bhp/hr
c.	NO_x ……	1.09	g/bhp/hr
d.	Particulate Matter……..	0.00000	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System Yes

Vehicle Specifications (FLATBED)

(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	☐ Front Loader	☐ Rear Loader	
	☐ Side Loader	☐ Roll-off	
	☐ Container Delivery	☐ ½ Ton Pickup	
	☒ Flat Bed	_____ Other	
2. Material to be Collected	☐ Solid Waste	☒ Targeted Recyclable Materials	☐ Organic Materials
	☒ Bulky Items	☒ C&D Material	Container/Cart Delivery
3. Age of Vehicle ……..			_____
4. New or Used Vehicle……..		☒ New	☐ Used
5. If Used, Date Last Rebuilt ……			_____
6. Manufacturer and Model ……			Freightliner M2-106 24ft w 48' sidestakes
7. Will the vehicles be owned, leased or other?			Owned
8. Purchase cost of each vehicle……..			$78,268
a. Cab and Chassis……			_____
b. Body……			_____
c. Engine……			_____
d. Transmission……..			_____
9. Color		White Cab	White Body
10. Cab and Chassis:			
a. Cab Height ……		94"	inches
b. Number of Axles (including Tag)……...		☒ 2 ☐ 3	☐ 4
c. Overall Length With Body Mounted …...		399"	inches

Vehicle Specifications (FLATBED)

(One for each vehicle type. Two pages per form.)

11. Body:

a.	Collection Method……..	☒ Manual	☐ Automated
		☐ Semi-Automated	_____ Other
b.	Rated Capacity……..	8,000 lbs	cu. yd.
c.	Practical or Net Capacity……..	8,000 lbs	cu. yd.
d.	No. of collection Compartments……..	1	_____
e.	Net Capacity of Each Compartment …….	8,000 lbs	pounds
f.	Overall Body Length.....	288”	inches
g.	Body Height ……..	50”	inches
h.	Body Width …….....	96”	inches
i.	Used Oil Containers and Filter Rack……..	No	

12. Weight…… GVW 26,000 lbs. Tare 16,000 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 4 mpg

15. Emissions rating

a.	CO……	0.1	g/bhp/hr
b.	HC (total hydrocarbons)……	0.02	g/bhp/hr
c.	NO_x ……	1.09	g/bhp/hr
d.	Particulate Matter……..	0.0000	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System Yes

Vehicle Specifications (Flat Bed w/ Boom)

(One for each vehicle type. Two page per form.)

1. Type of Vehicle	☐ Front Loader	☐ Rear Loader	
	☐ Side Loader	☐ Roll-off	
	☐ Container Delivery	☐ ½ Ton Pickup	
	☒ Flat Bed	_____ Other	
2. Material to be Collected	☐ Solid Waste	☒ Targeted Recyclable Materials	☐ Organic Materials
	☒ Bulky Items	☒ C&D Material	Container/Cart Delivery
3. Age of Vehicle ……..			_____
4. New or Used Vehicle ……..		☒ New	☐ Used
5. If Used, Date Last Rebuilt ……			_____
6. Manufacturer and Model ……		Freightliner M2-106 22ft w/ HIAB 035 Knuckle Boom	
7. Will the vehicles be owned, leased or other?		Owned	
8. Purchase cost of each vehicle……..		$99,932	
a. Cab and Chassis……		_____	
b. Body……		_____	
c. Engine……		_____	
d. Transmission……..		_____	
9. Color		White Cab	White Body
10. Cab and Chassis:			
a. Cab Height ……		94”	inches
b. Number of Axles (including Tag)……..		☒ 2 ☐ 3	☐ 4
c. Overall Length With Body Mounted …...		399”	inches

Vehicle Specifications (Flat Bed w/ Boom)

(One for each vehicle type. Two page per form.)

11. Body:

a.	Collection Method……..	☒ Manual	☐ Automated
		☐ Semi-Automated	_____ Other
b.	Rated Capacity……..	6,000 lbs	cu. yd.
c.	Practical or Net Capacity……..	6,000 lbs	cu. yd.
d.	No. of collection Compartments……..	1	_____
e.	Net Capacity of Each Compartment …….	6,000 lbs	_____
f.	Overall Body Length.....	288”	_____
g.	Body Height ……..	50”	inches
h.	Body Width …….....	96”	inches
i.	Used Oil Containers and Filter Rack	_____	

12. Weight…… GVW 26,000 lbs. Tare 20,000 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 4 mpg

15. Emissions rating

a.	CO……	0.1	g/bhp/hr
b.	HC (total hydrocarbons)……	0.02	g/bhp/hr
c.	NO_x ……	1.09	g/bhp/hr
d.	Particulate Matter……..	0.0000	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System Yes

Vehicle Specifications (Shop Truck)

(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	☐ Front Loader	☐ Rear Loader	
	☐ Side Loader	☐ Roll-off	
	☐ Container Delivery	☐ ½ Ton Pickup	
	☐ Flat Bed	X Other (Shop Trucks)	
2. Material to be Collected	☐ Solid Waste	☐ Targeted Recyclable Materials	☐ Organic Materials
	☐ Bulky Items	☐ C&D Material	X Other
3. Age of Vehicle ……..		_____	
4. New or Used Vehicle ……..	☒ New	☐ Used	
5. If Used, Date Last Rebuilt …….		_____	
6. Manufacturer and Model …….	GMC 3500 HD 1-Ton w /11' Pacific Body & Lift Gate		
7. Will the vehicles be owned, leased or other?	Owned		
8. Purchase cost of each vehicle……..	$54,300		
a. Cab and Chassis……	_____		
b. Body……	_____		
c. Engine……	_____		
d. Transmission……..	_____		
9. Color	White Cab	White Body	
10. Cab and Chassis:			
a. Cab Height …….	76.3"	inches	
b. Number of Axles (including Tag)……..	☒ 2	☐ 3	☐ 4
c. Overall Length With Body Mounted …...	265"	inches	

Vehicle Specifications (Shop Truck)

(One for each vehicle type. Two pages per form.)

11. Body:

a. Collection Method…….. ☐ Manual ☐ Automated ☐ Semi-Automated X Other

b. Rated Capacity…….. 11,400 lbs cu. yd.

c. Practical or Net Capacity…….. 7,620 lbs cu. yd.

d. No. of collection Compartments…….. N/A _____

e. Net Capacity of Each Compartment ……. N/A _____

f. Overall Body Length..... 132” _____

g. Body Height …….. 44” inches

h. Body Width ……..... 96” inches

i. Used Oil Containers and Filter Rack ..... N/A

12. Weight…… GVW 11,400 lbs. Tare 5,723 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 18 mpg

15. Emissions rating

a. CO…… N/A g/bhp/hr

b. HC (total hydrocarbons)…… N/A g/bhp/hr

c. NO_x …… N/A g/bhp/hr

d. Particulate Matter…….. .01 g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System NO

Vehicle Specifications (1/2 Ton Pickup)

(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	☐ Front Loader	☐ Rear Loader	
	☐ Side Loader	☐ Roll-off	
	☐ Container Delivery	☒ ½ Ton Pickup	
	☐ Flat Bed	_____ Other	
2. Material to be Collected	☐ Solid Waste	☐ Targeted Recyclable Materials	☐ Organic Materials
	☐ Bulky Items	☐ C&D Material	X Other
3. Age of Vehicle ……..	_____		
4. New or Used Vehicle ……..	☒ New	☐ Used	
5. If Used, Date Last Rebuilt …….	_____		
6. Manufacturer and Model …….	GMC Hybrid 1500 Extended Cab		
7. Will the vehicles be owned, leased or other?	Owned		
8. Purchase cost of each vehicle……..	$34,360		
a. Cab and Chassis…….	_____		
b. Body…….	_____		
c. Engine…….	_____		
d. Transmission……..	_____		
9. Color	White Cab	White Body	
10. Cab and Chassis:			
a. Cab Height …….	73.8”	inches	
b. Number of Axles (including Tag)……...	☒ 2	☐ 3	☐ 4
c. Overall Length With Body Mounted …...	229”	inches	

Vehicle Specifications (1/2 Ton Pickup)

(One for each vehicle type. Two pages per form.)

11. Body:

a.	Collection Method……..	☐ Manual ☐ Semi-Automated	☐ Automated N/A Other
b.	Rated Capacity……..	7,100 lbs	cu. yd.
c.	Practical or Net Capacity……..	1,873 lbs	cu. yd.
d.	No. of collection Compartments……..	N/A	_____
e.	Net Capacity of Each Compartment …….	N/A	_____
f.	Overall Body Length.....	96”	_____
g.	Body Height ……..	50”	inches
h.	Body Width …….....	62.5”	inches
i.	Used Oil Containers and Filter Rack	Yes	

12. Weight…… GVW 7,100 lbs. Tare 5,227 lbs.

13. Fuel type…… … … ☐ B-20 ☒ Hybrid Gas/Electric ☐ Other

14. Fuel usage……unleaded gas ……. 22 mpg

15. Emissions rating

a.	CO……	N/A	g/bhp/hr
b.	HC (total hydrocarbons)……	N/A	g/bhp/hr
c.	NO_x ……	N/A	g/bhp/hr
d.	Particulate Matter……..	N/A	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System No

Vehicle Specifications (Front End Loader)

(One for each vehicle type. Two pages per form.)

1.	**Type of Vehicle**	☒ Front Loader	☐ Rear Loader
		☐ Side Loader	☐ Roll-off
		☐ Container Delivery	☐ ½ Ton Pickup
		☐ Flat Bed	_____ Other
2.	**Material to be Collected**	☒ Solid Waste	☒ Targeted Recyclablematerials
		☒ Organic Materials	
		☐ Bulky Items	☐ C&D Material
		_____ Other	
3.	**Age of Vehicle** ……..	_____	
4.	**New or Used Vehicle** ……..	☒ New	☐ Used
5.	**If Used, Date Last Rebuilt** ……	_____	
6.	**Manufacturer and Model** ……	Autocar ACX 84 Chassis L/S Steer with Heil 40 Cubic Yard – Sierra Eject Body	
7.	**Will the vehicles be owned, leased or other?**	Owned	
8.	**Purchase cost of each vehicle**……..	$270,000	
	a. Cab and Chassis……	_____	
	b. Body……	_____	
	c. Engine……	_____	
	d. Transmission……..	_____	
9.	**Color**	White Cab	White Body
10.	**Cab and Chassis**:		
	a. Cab Height ……	101.85” inches	
	b. Number of Axles (including Tag)……..	☐ 2 ☐ 3 ☒ 4	
	c. Overall Length With Body Mounted …...	415” inches	

Vehicle Specifications (Front End Loader)

(One for each vehicle type. Two pages per form.)

11. Body:

a.	Collection Method……..	☐ Manual ☒ Automated	☐ Semi-Automated _____ Other
b.	Rated Capacity……..	28	cu. yd.
c.	Practical or Net Capacity……..	28	cu. yd.
d.	No. of collection Compartments……..	1	_____
e.	Net Capacity of Each Compartment …….	28	cu. yd
f.	Overall Body Length.....	415”	_____
g.	Body Height ……..	120”	inches
h.	Body Width …….....	96”	inches
i.	Used Oil Containers and Filter Rack	No	

12. Weight…… GVW 57,500 lbs. Tare 37,500 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 4 mpg

15. Emissions rating

a.	CO……	0.1	g/bhp/hr
b.	HC (total hydrocarbons)……	0.02	g/bhp/hr
c.	NO_x ……	1.09	g/bhp/hr
d.	Particulate Matter……..	0.0000	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System Yes

ATTACHMENT P
VEHICLE SPECIFICATION FORMS

Vehicle Specifications (4-Axle Roll Off)

(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	☐ Front Loader	☐ Rear Loader	
	☐ Side Loader	☒ Roll-off	
	☐ Container Delivery	☐ ½ Ton Pickup	
	☐ Flat Bed	_____ Other	
2. Material to be Collected	☒ Solid Waste	☒ Targeted Recyclable Materials	☒ Organic Materials
	☐ Bulky Items	☒ C&D Material	_____ Other
3. Age of Vehicle ……..			_____
4. New or Used Vehicle ……..		☒ New	☐ Used
5. If Used, Date Last Rebuilt ……			_____
6. Manufacturer and Model ……		Autocar ACX-84 Axle Chassis L/S Steer Norcal Waste Equipment 22' Tilt Frame w/ Winch, Rear Stabilizer roller & OBrian Auto Tarp	
7. Will the vehicles be owned, leased or other?		Owned	
8. Purchase cost of each vehicle……..		$204,000	
a. Cab and Chassis……		_____	
b. Body……		_____	
c. Engine……		_____	
d. Transmission……..		_____	
9. Color		White Cab	White Body
10. Cab and Chassis:			
a. Cab Height ……		101.85"	inches
b. Number of Axles (including Tag)……..		☐ 2 ☐ 3	☒ 4
c. Overall Length With Body Mounted …...		384"	inches

Vehicle Specifications (4-Axle Roll Off)

(One for each vehicle type. Two pages per form.)

11. Body:

a.	Collection Method……..	☐ Manual	☐ Automated
		☒ Semi-Automated	_____ Other
b.	Rated Capacity……..	50	cu. yd.
c.	Practical or Net Capacity……..	50	cu. yd.
d.	No. of collection Compartments……	N/A	_____
e.	Net Capacity of Each Compartment …….	N/A	_____
f.	Overall Body Length.....	290”	_____
g.	Body Height ……..	57.75”	inches
h.	Body Width …….....	96”	inches
i.	Used Oil Containers and Filter Rack	No	

12. Weight……. GVW 54,500 lbs. Tare 30,000 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 4 mpg

15. Emissions rating

a.	CO……	0.1	g/bhp/hr
b.	HC (total hydrocarbons)……	0.02	g/bhp/hr
c.	NO_x ……	1.09	g/bhp/hr
d.	Particulate Matter……..	0.0000	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System Yes

ATTACHMENT P
VEHICLE SPECIFICATION FORMS

Vehicle Specifications (Rear End Loader)

(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	☐ Front Loader	☒ Rear Loader	
	☐ Side Loader	☐ Roll-off	
	☐ Container Delivery	☐ ½ Ton Pickup	
	☐ Flat Bed	_____ Other	
2. Material to be Collected	☒ Solid Waste	☒ Targeted Recyclable Materials	☐ Organic Materials
	☐ Bulky Items	☐ C&D Material	_____ Other
3. Age of Vehicle ……..			_____
4. New or Used Vehicle ……..		☒ New	☐ Used
5. If Used, Date Last Rebuilt …….			_____
6. Manufacturer and Model …….		Chassis-Autocar ACX 84 Body- Heil Durapack Formula 5000	
7. Will the vehicles be owned, leased or other?		Owned	
8. Purchase cost of each vehicle……..		$273,000	
a. Cab and Chassis……		_____	
b. Body……		_____	
c. Engine……		_____	
d. Transmission……..		_____	
9. Color		White Cab	White Body
10. Cab and Chassis:			
a. Cab Height …….		101.85”	inches
b. Number of Axles (including Tag)……...		☐ 2 ☐ 3	☒ 4
c. Overall Length With Body Mounted …...		364”	inches

Vehicle Specifications (Rear End Loader)

(One for each vehicle type. Two pages per form.)

11. Body:

a.	Collection Method……..	☐ Manual ☐ Automated	
		☒ Semi-Automated _____ Other	
b.	Rated Capacity……..	25	cu. yd.
c.	Practical or Net Capacity……..	25	cu. yd.
d.	No. of collection Compartments……..	1	_____
e.	Net Capacity of Each Compartment …….	25	cu. yd.
f.	Overall Body Length.....	270”	_____
g.	Body Height ……..	96”	inches
h.	Body Width …….....	96”	inches
i.	Used Oil Containers and Filter Rack	No	

12. Weight…… GVW 54,000 lbs. Tare 36,000 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 4 mpg

15. Emissions rating

a.	CO……	0.1	g/bhp/hr
b.	HC (total hydrocarbons)……	0.02	g/bhp/hr
c.	NO_x ……	1.09	g/bhp/hr
d.	Particulate Matter……..	0.0000	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher/ Triangle Kit

17. Spill Containment Kit (list all)…… Included

18. GPS/Routeware On Board Computer System Yes

Vehicle Specifications (Side Loader)

(One for each vehicle type. Two pages per form.)

1. Type of Vehicle	☐ Front Loader	☐ Rear Loader	
	☒ Side Loader	☐ Roll-off	
	☐ Container Delivery	☐ ½ Ton Pickup	
	☐ Flat Bed	_____ Other	
2. Material to be Collected	☒ Solid Waste	☒ Targeted Recyclables	☒ Organic Waste
	☐ Bulky Items	☐ C&D Material	_____ Other
3. Age of Vehicle ……..	_____		
4. New or Used Vehicle ……..	☒ New	☐ Used	
5. If Used, Date Last Rebuilt …….	_____		
6. Manufacturer and Model …….	Heil DP Python		
7. Will the vehicles be owned, leased or other?	Owned		
8. Purchase cost of each vehicle……..	$270,000		
a. Cab and Chassis…….	_____		
b. Body…….	_____		
c. Engine…….	_____		
d. Transmission……..	_____		
9. Color	White Cab	White Body	
10. Cab and Chassis:			
a. Cab Height …….	101.85” inches		
b. Number of Axles (including Tag)……...	☐ 2	☐ 3	☒ 4
c. Overall Length With Body Mounted …...	378” inches		
11. Body:			
a. Collection Method……..	☐ Manual	☒ Automated	
	☐ Semi-Automated	_____ Other	

Vehicle Specifications (Side Loader)

(One for each vehicle type. Two pages per form.)

b. Rated Capacity……..	28	cu. yd.
c. Practical or Net Capacity……..	28	cu. yd.
d. No. of collection Compartments……..…	1	_____
e. Net Capacity of Each Compartment …….	28 cu.yd	_____
f. Overall Body Length.....	284”	_____
g. Body Height ……..	103”	inches
h. Body Width …….....	96”	inches
i. Used Oil Containers and Filter Rack	Yes	

12. Weight…… GVW 58,000 lbs. Tare 35,000 lbs.

13. Fuel type…… … … ☒ B-20 ☐ Hybrid Gas/Electric ☐ Other

14. Fuel usage…… 4 mpg

15. Emissions rating

a. CO……	0.1	g/bhp/hr
b. HC (total hydrocarbons)……..	0.02	g/bhp/hr
c. NO_x …….	1.09	g/bhp/hr
d. Particulate Matter……..	0.0000	g/bhp/hr

16. Safety Features (list all)…… Fire Extinguisher & Triangle Kit

17. Spill Containment Kit (list all)…… Spill Kit Included

18. GPS/Routeware On Board Computer System Yes

ATTACHMENT Q
UNSCHEDULED SERVICES

For Rate Years Two (2012) through Ten (2020), the fixed costs specified in this Attachment, with the exception of costs for Community Drop-Off Events and Collection for Agency-Sponsored and Non-Agency sponsored Large Events (Section 5.13), shall be adjusted to reflect 100% of the one (1) year change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa0). The one (1) year change shall be calculated as the average index change between this index for May of prior year and April of current year (i.e., twelve (12) months). For Rate Years Two (2012) through Ten (2020), the costs specified in this Attachment for Community Drop-Off Events and Collection for Agency-Sponsored and Non-Agency sponsored Large Events (Section 5.13) shall be adjusted to reflect the year-over-year percentage change in Total Contractor's Compensation on Attachment N Form A - SBWMA Summary.

Unscheduled Service Category	Reference	Cost	Description of Cost
Single-Family Dwelling Backyard Collection Service	Section 5.02.A	See table below	See table below
Distance Charge for MFD and Commercial Accounts	Sections 5.02.B and 5.02.C	A – 10% of base monthly Rate B – 25% of base monthly Rate	A – 50 to 100 feet from Curbside B – 101 feet or more from Curbside
Extra Pick-up Cost for MFD and Commercial Customers	Section 5.02.B and 5.02.C	25% of the base monthly Rate for the size of Container Collected once per week	Per Collection event
Single-Family Return Trip Cost (i.e., request to provide Collection service after the regularly scheduled Collection day)	Section 5.02.A	$15.00	Per Collection event
Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase	Sections 5.03.A and 5.04.A	A – $3.00 B – $63.00 C – $69.00	A – monthly rental fee (any size Cart) B – Customer purchase of a 64 gallon Cart C – Customer purchase of a 96 gallon Cart

ATTACHMENT Q
UNSCHEDULED SERVICES

Unscheduled Service Category	Reference	Cost	Description of Cost
Universal Roll-Out for MFD and Commercial Customers	Sections 5.03.B and 5.03.C	A - $221,848.00 B - $4,772.00 C - $6,175	Cost based on providing service to one (1) Collection route of approximately 512 Accounts: A – Annual Vehicle Cost (all inclusive) B – Annual Cost of Containers C – One-time start-up charge
Additional Confidential Document Destruction Service Event	Section 5.07	$1,200.00	Per event
Additional Compost Material Delivery	Section 5.11	A – $125.00 B – $250.00	A – one-way only delivery (compost only left on-site) B – Round-trip delivery (Drop-Box left on-site)
Fee for Service On-Call Bulky Item Collection Service	Section 5.12	$81.55	Per event
Community Drop-Off Events	Section 5.13	$17,000.00	Per event targeting 5,000 households. Does not include disposal or public education expenses.
Collection for Agency-Sponsored and Non-Agency sponsored Large Events	Section 5.13	A – $3,000.00 B – $5,000.00 C – $7,500.00	A – one-day events with a projected 2,500 or fewer attendees B – one (1) or two (2) day events with a projected 2,501 to 7,500 attendees per day C – one (1) or two (2) day events with a projected 7,501 to 10,000 attendees per day

ATTACHMENT Q
UNSCHEDULED SERVICES

Unscheduled Service Category	Reference	Cost	Description of Cost
Fee to Collect Contaminated Targeted Recyclable Materials or Organic Materials Container	Section 6.03.A and 8.02.F	25% of the base monthly Rate for the size of Container Collected once per week plus $15.00	Per Collection event
Key Service	Section 8.02.B	A – $8.50 B – $9.50	Monthly cost: A – Residential Customers B – Commercial Customers
Lock purchase fee (replacement at no additional cost)	Section 8.02.B	$17.00	One-time per Account cost.
Overage Fee	Section 8.02.G	100% of the base monthly Rate	Per Collection event
Overage Bags Cost	Section 8.02.G	50% of the base monthly Rate or $8.00 minimum	Per bag
Container Cleaning Fee	Section 8.05.D	A – $50.00 B – $85.00	A – per Cart B – per Bin or Drop-Box
Dirty Cart Replacement Cost	Section 8.05.D	A – $65.00 B – $75.00 C – $85.00	A – per 32 gallon Cart B – per 64 gallon Cart C – per 96 gallon Cart

ATTACHMENT Q
UNSCHEDULED SERVICES

Backyard Collection Service Distance Costs for Single-Family Dwellings (Section 5.02.A)				
	One (1) Solid Waste Cart	**Two (2) Solid Waste Carts**	**Three (3) Solid Waste Carts**	**Four (4) Solid Waste Carts**
Distance from Curbside	**Base monthly Solid Waste Rate plus**	**Base monthly Solid Waste Rate plus**	**Base monthly Solid Waste Rate plus**	**Base monthly Solid Waste Rate plus**
0 – 50 feet	$18.00	$28.72	$57.44	$86.16
51-100 feet	$21.00	$31.72	$60.44	$89.16
101-150 feet	$24.00	$34.72	$63.44	$92.16
151 – 200 feet	$27.00	$37.72	$66.44	$95.16
201 – 250 feet	$30.00	$40.72	$69.44	$98.16
251 – 300 feet	$33.00	$43.72	$72.44	$101.16
301 feet or more	$36.00	$46.72	$75.44	$104.16

ITEM 30

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **THE CITY COUNCIL**

FROM: **JEROME GRUBER, CITY MANAGER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **RESOLUTION APPROVING A FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS AND SOLID WASTE COLLECTION SERVICES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FRANCHISE AGREEMENT**

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution approving and authorizing the City Manager to execute a Franchise Agreement for Collection Services of Recyclable Materials, Organic Materials and Solid Waste with Recology San Mateo County ("Recology" - formerly Norcal Waste Systems of San Mateo County) (referred to hereafter as the Agreement).

BACKGROUND

The provision of recycling and solid waste collection services in Town has never been competitively procured until the contractor selection process initiated by the South Bayside Waste Management Authority (SBWMA) in 2005. The SBWMA is comprised of twelve member agencies and the participation and support of Town staff in this joint powers authority has been instrumental in the competitive procurement of a new recycling, organics and solid waste collection services company.

The process to select a new service provider commenced in 2005 at a series of SBWMA related meetings. On October 26, 2006, the SBWMA Board approved the Collection Services RFP recommendations to the Member Agencies regarding future services, contract terms and competitive proposal guidelines for the RFP process. On December 13, 2006, the City Council adopted Resolution No. 06-22 which affirmed the SBWMA Board recommendations to the Member Agencies regarding future services, contract terms and the competitive procurement guidelines for the Collection Services RFP process and committed the Town's participation in the SBWMA Collection Services RFP process.

On September 19, 2007 the City Council adopted Resolution No. 07-24 approving release of the SBWMA's Collection Services RFP scope of services, proposals evaluation process and future contract terms.

On November 1, 2007 the SBWMA released the Collection Services RFP. Proposals for the new collection services were due on March 11, 2008 and the SBWMA received four responsive proposals from companies capable and qualified to provide the collection services described in the RFP.

The RFP prescribed a thorough process to evaluate the proposals using an Evaluation Team consisting of: SBWMA staff, the Monterey Regional Waste Management District Assistant General Manager, and a team of R3 consultants; and a Selection Committee comprised of SBWMA Board Members and/or Member Agency staff including Brian Ponty, City of Redwood City; Larry Patterson, City of San Mateo; Jim Hardy, City of Foster City; Peggy Jensen, County of San Mateo; Jesus Nava, City of Burlingame; and Kent Steffens, City of Menlo Park.

The Evaluation Team and Selection Committee members conducted a thorough analysis and evaluation of the four proposals. On August 28, 2008, the Selection Committee recommendation to select Recology as the future Collection Services provider was affirmed by a unanimous vote from the SBWMA Board of Directors.

On July 15, 2009, the City Council authorized staff to negotiate a contract with Recology as the future Collection Services company and return to Council with an Agreement for consideration.

ANALYSIS

The execution of the agreement with Recology San Mateo County as the new Collection Services company will mark a new era in recycling and solid waste collection for the Town. The company has considerable experience implementing the new scope of services the Town is requiring and provision of these new services will be made possible by the renovation of the Shoreway Recycling and Disposal Center (Shoreway facility) to accommodate processing of single-stream recycling.

The roll-out of new services and the renovation of the Shoreway facility will allow the Town to provide its residents and businesses a cost-effective and comprehensive array of new collection services that will result in reducing solid waste going to landfill through a reliable, customer-friendly system designed to conveniently collect common recyclable materials such as cans/bottles, paper, plastics, cardboard, old cell phones, used household batteries, used motor oil and filters, and organic materials (including yard trimmings, food scraps and soiled paper). In addition, Recology will be required to collect all of the solid waste generated in the Town; provide recycling and garbage collection services to Town-sponsored community events, provide bulky good pick ups; increase commercial recycling efforts; collect all public right-of-way litter and recycling receptacles; picking up illegally dumped trash; and deliver compost to events for residents. A description of the complete scope of services Recology will provide is included as Attachment A.

The Franchise Agreement for the new collection services that will be provided by Recology includes the following fundamental contract terms:

- The new contract will have a ten year term commencing on January 1, 2011 upon expiration of the contract with the Town's current service provider.

- The collection services will be handled with "automated" trucks thus providing a more cost-effective collection approach, ensuring higher productivity, reducing costs and resulting in significantly fewer injuries and claims related to handling recycling and refuse receptacles.
- Recycling in both the residential and commercial sectors will be substantially improved with the introduction of single-stream recycling which is significantly more convenient, thus resulting in more diversion from landfill and an increased generation of valuable commodities at Shoreway.
- The public education and outreach campaign will be a collaborative effort between Recology and the SBWMA, thus resulting in the Town's reaping the benefits of cost efficiencies associated with developing a regional campaign in lieu of a stand-alone campaign which would be more costly.
- The contract includes extensive reporting requirements which will be a great improvement in the scope and timeliness of information shared between the collection company and the Town.
- The contract includes extensive performance incentives/disincentives (Attachment B) and liquidated damages provisions (Attachment C) to ensure that anticipated performance by the company is achieved, maintained and potentially exceeded.
- The method to pay the company for services provided will be significantly simpler than the current "cost-plus" system. Adjustments to compensation in the new contract will be primarily based on predetermined published indices (Attachment D). In addition, the process to make the annual adjustments to compensation will also be brought in-house to the SBWMA, thus saving approximately $200,000 in consultant fees annually.

Next Steps

Upon adoption of the attached resolution approving the agreement and authorizing the City Manager to execute the agreement with Recology, staff will work collaboratively with Recology and the SBWMA to ensure that the public education and outreach effort is designed to address the unique requirements of Town residents and businesses. Staff will also work closely with both the current service provider and Recology to ensure a smooth transition to the new services. The City Council will be provided updates as we progress with rebuilding the Shoreway facility and the extensive planning efforts required to transition to the new services in 2011. In addition, staff will also provide periodic updates on our progress with planning the transition and the details of when and how our residents and businesses will be introduced to the new services (see Attachment E – Implementation Schedule).

CONCLUSION:

The new Collection Agreement with Recology will provide updated collection services of solid waste, green waste, organics and recyclable materials. The new services will be easier from the residents perspective as they will be able to place all recyclable materials in one container. The new services also provides and expanded recycling opportunity with organics (food scraps). Finally, the new services will include new automated collection vehicles.

ALTERNATIVES:

The City Council could request staff further negotiate the Agreement. It should be noted that Recology submitted its proposal based on a Request for Proposals that was authorized by the Town.

FISCAL IMPACT:

There is no fiscal impact on the Town General Fund due to the execution of a contract with Recology. The cost to provide the services covered in the Franchise Agreement will be paid for through rates charged to residents and businesses that receive the services (see Attachment F). The Town will continue to receive the 10% franchise fee and pass-though payment of $24,000 annually for street sweeping services.

ENVIRONMENTAL IMPACT:

The Agreement will provide for an increased level of service in the City that could potentially have some environmental impacts related to traffic, noise, pollution etc. Such matters were discussed and analyzed in a 2008 Mitigated Negative Declaration (MND) for a Use Permit in San Carlos for the improvements to the Shoreway Recycling and Disposal Center. A legal opinion has been obtained by legal counsel to the SBWMA indicating that CEQA can be complied with as to action on the Franchise Agreements for Collection Services of the Member Agencies by referring to the MND as an adequate environmental document pursuant to CEQA and CEQA Guidelines for the purposes of analysis and consideration of a Franchise Agreement for Collection Services. A copy of the MND has been on file with the City Clerk and available for review. CEQA language has been included in the Resolution approving the Franchise Agreement.

FORMAL MOTION:

I move that the City Council adopt the attached Resolution approving and authorizing the City Manager to execute a Franchise Agreement for Collection Services of Recyclable Materials, Organic Materials and Solid Waste with Recology San Mateo County.

Lisa Costa Sanders | *Jerome D. Gruber*

Lisa Costa Sanders, Deputy Town Planner | Jerome D. Gruber, City Manager

Attachments:

Resolution No. 09-39
Franchise Agreement and attachments MEMO

RESOLUTION NO. 09-39

A RESOLUTION OF THE TOWN OF ATHERTON APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS AND SOLID WASTE COLLECTION SERVICES

WHEREAS, the State of California, through California Integrated Waste Management Act of 1989, codified at Public Resources Code Section 40000, et seq.(the "Act"), found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfill disposal, has created a need to state and local agencies to enact and implement an aggressive integrated waste management program;

WHEREAS, the Act directs the California Integrated Waste Management Board (CIWMB) and local agencies to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed in landfills;

WHEREAS, the South Bayside Waste Management Authority ("Authority") is a joint powers authority between 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 West Bay Sanitary District; and the County of San Mateo ("Member Agencies");

WHEREAS, on October 26, 2006, the Authority Board approved the Collection Services Request for Proposals (RFP) recommendations to the Member Agencies regarding future services, contract terms and competitive proposal guidelines for the Authority Collection Services RFP process;

WHEREAS, on September 19, 2007, the City Council approved Resolution No. 07-24 approving the release of the Authority Collection Services RFP scope of services, proposals evaluation process and contract terms;

WHEREAS, the Authority issued the Collection Services Request for Proposals on November 1, 2007 soliciting proposals for the collection of recyclable materials, organic materials and solid waste within the jurisdictions of the Authority ("RFP Process");

WHEREAS, on March 11, 2008, the Authority received proposals from four (4) companies to provide the collection services described in the RFP;

WHEREAS, on August 28, 2008 the Authority Board approved the Authority Collection Services RFP Selection Committee recommendation to select Recology San Mateo County (formerly Norcal Waste Systems of San Mateo County) to provide collection services to the entire SBWMA service area;

WEREAS, on July 15, 2009 the City Council authorized staff to negotiate a contract with Recology San Mateo County for the future recyclable materials, organic materials and solid waste collection services provider;

WHEREAS, the services to be provided under the Franchise Agreement have been analyzed pursuant to a Mitigated Negative Declaration prepared and approved by the City of San Carlos Planning Commission in July 2008 in connection with a Use Permit granted the SBWMA for the expansion of an improvements to be made to the Shoreway Center. The Mitigated Negative Declaration is an adequate environmental document pursuant to CEQA and CEQA guidelines for the purposes of analysis and consideration of the Franchise Agreement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton hereby approves the Franchise Agreement with Recology San Mateo County for Recyclables Materials, Organic Materials, and Solid Waste Collection Services ("Agreement") attached hereto. The City Manager is hereby authorized and directed to execute the Agreement in substantially the form presented to this meeting with such non-substantive additions, clarifications and other changes as the City Manager deems necessary or advisable after consultation with the City Attorney.

* * * * * * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 21st day of October, 2009 by the following vote:

AYES: *COUNCILMEMBERS:* _____
NOES: *COUNCILMEMBERS:* _____
ABSENT: *COUNCILMEMBERS:* _____
ABSTAIN: *COUNCILMEMBERS:* _____

_____
Jerry Carlson, Mayor

ATTEST:

_____
Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

_____
Wynne Furth, City Attorney

FRANCHISE AGREEMENT

BETWEEN

TOWN OF ATHERTON

AND

RECOLOGY SAN MATEO COUNTY

FOR

RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID WASTE COLLECTION SERVICES

* * *

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FRANCHISE AGREEMENT
FOR
SOLID WASTE, RECYCLABLE MATERIALS, AND
ORGANIC MATERIALS COLLECTION SERVICES

THIS AGREEMENT is made as of this 21st day of October, 2009, by and between the TOWN OF ATHERTON, a municipal corporation ("Agency"), and RECOLOGY SAN MATEO COUNTY, a California corporation ("Contractor").

RECITALS

1. The State of California has, through enactment of the California Integrated Waste Management Act of 1989 ("Act"), determined each of the following:

   A. That management of solid waste is a shared responsibility of the State and local governments.

   B. That it is in the public interest for local governments to be authorized and required to provide adequate solid waste handling services.

   C. That the amount of solid waste generated in California, coupled with diminishing landfill space, potential adverse environmental impacts from landfilling solid waste, and the need to conserve natural resources have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program.

2. The State of California, through the Act, has directed the California Integrated Waste Management Board and all local agencies to maximize the use of feasible waste reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed of in landfills.

3. Agency is a member of the South Bayside Waste Management Authority ("Authority" or “SBWMA”), established pursuant to the California Joint Exercise of Powers Act. In November, 2007, the Authority, acting on behalf of Agency and its other members, issued a Request for Proposals to provide collection of solid waste, recyclable materials, and organic materials and related services to Agency and other members of Authority.

4. Contractor submitted a proposal to provide these services, which was evaluated by the Authority. On the basis of that evaluation, the Authority has recommended that Agency enter into an agreement with Contractor.

5. Agency has independently evaluated Contractor's proposal and has determined that Contractor has proposed to provide solid waste handling services including Collection of Recyclable and Organic Materials in a manner and on terms which are in the best interests of Agency, its residents and businesses, taking into account the qualifications and experience of Contractor and the cost of providing such services.

6. Contractor has participated in the development of this Agreement and is ready, willing and able to perform the services which the Agreement requires.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, Agency and Contractor agree as follows:

ARTICLE 1 DEFINITIONS

1.01 DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth in the definitions contained in Attachment A.

1.02 STATUTORY DEFINITIONS

Unless a term is otherwise defined in this Agreement, terms used in this Agreement shall have the same meaning as the definitions of those terms contained in the Act. In the event of a conflict between the definition of a term in the Act and in this Agreement, the definition in the Agreement shall prevail.

ARTICLE 2 REPRESENTATION AND WARRANTIES OF CONTRACTOR

Contractor represents and warrants, as of the date of this Agreement, the following:

2.01 CORPORATE STATUS

Contractor is a corporation, duly organized, validly existing and in good standing under the laws of the State of California, and is qualified to do business in the State of California.

2.02 CORPORATE AUTHORIZATION

Contractor has the authority to enter into and perform its obligations under this Agreement. The directors (and shareholders if necessary) of Contractor have taken all actions required by law, the articles of incorporation and bylaws or otherwise to authorize the execution of this Agreement.

2.03 AGREEMENT DULY EXECUTED

The persons signing this Agreement on behalf of Contractor have been authorized to do so and this Agreement constitutes a legal, valid and binding obligation of Contractor.

2.04 NO CONFLICT WITH APPLICABLE LAW OR OTHER DOCUMENTS

Neither the execution and delivery by Contractor of this Agreement, nor the performance by Contractor of its obligations hereunder (i) conflicts with, violates or will result in a violation of any existing Applicable Law; or (ii) conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing contract or instrument to which Contractor is a party or by which Contractor is bound.

2.05 NO LITIGATION

There is no action, suit, proceeding, or investigation at law or in equity, before or by any court or governmental entity, pending or threatened against Contractor, or otherwise affecting Contractor, wherein an unfavorable decision, ruling, or finding, in any single case or in the aggregate, would (a) materially adversely affect Contractor's performance hereunder, (b) adversely affect the validity or enforceability of this Agreement, or (c) have a material adverse effect on the financial condition of Contractor or the entity providing the guaranty of Contractor's performance.

2.06 FINANCIAL CONDITION

Contractor has made available to Agency information on its financial condition. Contractor recognizes that Agency has relied on this information in evaluating the sufficiency of Contractor's financial resources to perform this Agreement. To the best of Contractor's knowledge, this information is complete and accurate, does not contain any material misstatement of fact and does not omit any fact necessary to prevent the information provided from being materially misleading.

2.07 ABILITY TO PERFORM

Contractor has the expertise and professional and technical capability to perform all of its obligations under this Agreement.

2.08 CONTRACTOR'S INVESTIGATION

Contractor has made an independent investigation and analysis, the results of which are satisfactory to Contractor, of the conditions and circumstances surrounding the Agreement, its content and preparation, and the work to be performed by Contractor under the Agreement. The Agreement accurately and fairly represents the intentions of Contractor, and Contractor enters into this Agreement on the basis of that independent investigation and analysis.

2.09 STATEMENTS AND INFORMATION IN PROPOSAL

The Proposal and supplementary information submitted to the Authority and Agency do not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

ARTICLE 3 TERM OF AGREEMENT

3.01 EFFECTIVE DATE

The Effective Date of this Agreement shall be _____, 2009. [Forty (40) Days after it is signed.]

3.02 TERM

The Term of this Agreement shall begin on the Effective Date and shall end at midnight on December 31, 2020, unless earlier terminated, or extended as provided in Section 3.03. Contractor's obligation to Collect Solid Waste, Targeted Recyclable Materials and Organic Materials shall begin on January 1, 2011 at 12:01 a.m. and shall continue for the remainder of the Term.

3.03 EXTENSION OF TERM

During calendar year 2017, the Parties shall meet and confer on the possible extension of the Term.

3.04 CONDITIONS TO EFFECTIVENESS OF AGREEMENT.

A. **Obligation of Agency to Perform.** The obligation of Agency to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of each of the conditions set out below, each of which may be waived in whole or in part by Agency:

1. Accuracy of Representations. The representations and warranties made by Contractor in Article 2 shall be true and correct on and as of the Effective Date.

2. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Agreement or seeking to restrain or enjoin its performance.

3. Effectiveness of Agency's Approval. The approval of this Agreement by Agency shall have become effective, pursuant to California law, on or before the Effective Date.

4. Performance Bond. Contractor shall have provided a performance bond meeting the requirements of Section 13.03.

B. **Obligation of Contractor to Perform.** The obligation of Contractor to perform under this Agreement is subject to the satisfaction of the conditions set forth below, each of which may be waived in whole or in part by Contractor.

1. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Agreement, or seeking to enjoin its performance.

2. Effectiveness of Agency's Approval. The approval of this Agreement by Agency shall have become effective, pursuant to California law.

3. Approvals by Other Member Agencies. The governing bodies of a majority (seven) of the SBWMA's Member Agencies, collectively representing at least seventy percent (70%) of the total Revenue Requirement for 2011 shown on Attachment N Form C (i.e., $74,999,148), have also approved franchise agreements with Contractor substantially similar to this Agreement on or before October 1, 2009.

C. Notice. If either Party wishes to assert that a condition for its benefit has not been satisfied and has not been waived, it must deliver written notice to that effect to the other party on or before the Effective Date. If no such notice is received, the Agreement will become effective on the Effective Date.

D. Good Faith. Each Party is obligated to perform in good faith the actions, if any, which this Agreement requires it to perform before the Effective Date and to cooperate towards the satisfaction of the conditions set forth above.

ARTICLE 4 SCOPE OF AGREEMENT

4.01 SCOPE OF AGREEMENT

A. Through this Agreement, Agency grants to Contractor an exclusive franchise, except as provided in subsection B and in Section 4.02, to Collect the following materials in the Service Area:

1. Solid Waste generated at Residential Premises, Commercial Premises and Agency Facilities; and

2. Source Separated Targeted Recyclable Materials and Source Separated Organic Materials generated at Residential Premises.

B. Through this Agreement, Agency grants to Contractor a non-exclusive right to Collect the following materials in the Service Area:

1. Source Separated Targeted Recyclable Materials and Source Separated Organic Materials generated at Commercial Premises;

2. Major Appliances and Specialty Recyclable or Reusable Materials generated at Residential Premises;

3. Non-putrescible wastes placed in Drop Boxes.

4.02 LIMITATIONS ON SCOPE

Agency may permit the Collection, Recycling or Disposal of any of the following materials by Persons other than Contractor without seeking or securing any approval from Contractor:

A. Solid Waste, Targeted Recyclable Materials, and Organic Materials which are transported personally by the Owner or Occupant of the Premises at which they are generated (or by his or her employees) to a processing or Disposal facility;

B. Targeted Recyclable Materials and Organic Materials which are Source Separated by the Generator and donated to youth, civic, or charitable organizations;

C. Recyclable beverage containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500 *et seq*. California Public Resources Code;

D. Animal waste and remains from slaughterhouse or butcher shops, grease waste, and used cooking oil;

E. By-products of sewage treatment including sludge, sludge ash, grit, and screenings;

F. Hazardous Waste, Household Hazardous Waste, and Infectious Waste;

G. Source Separated E-Scrap and Source Separated Universal Waste;

H. Organic Materials composted at Residential and Commercial Premises;

I. Materials generated by State facilities (including public schools), provided that the Generator has arranged services with other Persons or has arranged services with the Contractor through a separate agreement;

J. The incidental removal of Solid Waste when the primary service performed is either of the following:

1. Landscaping, gardening, weed or refuse abatement, yard clean-up, or grading of a lot; or

2. Construction, remodeling, or demolition of a building or structure. Provided that in either case, all of the following conditions are satisfied:

a. The individual who transports the Solid Waste is the Person who enters the Premises and Collects the Solid Waste, loads the Solid Waste directly into the transportation vehicle (and not a can, Cart, Bin or Drop Box), and removes the Solid Waste from the Premises;

b. The Solid Waste is not stored in a Drop Box, a Container designed to be emptied by a Collection vehicle, or a Container provided by the individual performing the services;

c. The services are provided to the particular Premises on an infrequent and occasional, rather than a regular or on-going, basis;

d. The Person providing the services (including its Affiliates) does not also provide Solid Waste handling services; and

K. Solid Waste generated at Residential Premises Collected on an infrequent, unscheduled, "on-call" basis (other than On-Call Bulky Item Collection Service scheduled by Customers per Section 5.12).

4.03 GEOGRAPHIC LIMITS ON CONTRACTOR'S OPERATIONS

Contractor was established specifically to perform services for some or all of the SBWMA Member Agencies. The methodology established in this Agreement, and in those between Contractor and other Member Agencies, for adjusting Contractor's Compensation annually and allocating it among Member Agencies depends on accurate financial and accounting records. For that reason, Contractor will limit its operations to only SBWMA Member Agencies so that its annual financial reports will contain only costs and revenues associated with service to those Member Agencies.

Affiliates of Contractor may perform services for other communities in San Mateo County so long as they do not use Contractor's resources (equipment or labor) and so long as costs associated with their operations are not included in Contractor's financial statements.

ARTICLE 5 COLLECTION SERVICES

5.01 GENERAL

The work to be performed and services to be provided by Contractor includes the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the work and provide the services described, at the times and in the manner required by this Agreement. The enumeration of, and specification of requirements for, particular items of labor, supervision, equipment, materials or supplies shall not relieve Contractor of the duty to furnish all others, as may be required, whether enumerated elsewhere in the Agreement or not.

Contractor shall perform the work and provide the services pursuant to this Agreement in a thorough and professional manner so that the residents and businesses within the Agency are provided reliable, courteous, and high-quality service at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects in the manner provided in this Article, whether such other aspects are enumerated elsewhere in the Agreement or not.

Provided that this Agreement is executed on or before September 30, 2009, Contractor agrees that it will have sufficient time to take all steps necessary to provide all services described in this Article 5 commencing January 1, 2011. Contractor shall order equipment, hire employees, obtain permits and licenses, initiate public education and Recycling Blitz programs, and complete all of the steps necessary to implement an orderly transition as specified in the Implementation Plan (Attachment L).

5.02 SOLID WASTE COLLECTION

Contractor acknowledges that the Agency is committed to diverting materials from Disposal through the implementation of source reduction, reuse, Recycling, and composting programs and that the Agency may, at some time in the future, implement, in accordance with Section 15.12, new programs that may impact the overall quantity or composition of Solid Waste to be Collected by Contractor.

A. **Single-Family Dwelling (SFD)**. Contractor shall Collect Solid Waste from SFD once per week from Contractor-provided Carts. Contractor shall provide unscheduled Collection service within one (1) Business Day of Customer's request and shall be entitled to bill Customer as specified in Attachment Q. Contractor shall provide each Customer with Carts as specified in Section 8.05. Approximately one (1) month prior to distribution of SFD Solid Waste Carts, Contractor shall mail a notice to each SFD Customer indicating that the Customer will receive the default Solid Waste Cart size specified in Attachment D, unless the Customer responds to the notice (i.e., by mail, email, phone or website form) and requests an alternate Cart size by selecting the preferred size.

Contractor shall Collect Carts Curbside unless: (i) the Occupant is provided a Special Handling Service exemption; or, (ii) the Customer has requested Backyard Collection Service and has agreed to pay the premium service Rate approved by the Agency. The Rate charged by Agency shall be based on Contractor's cost as

specified in Attachment Q. In such case, Contractor shall Collect Carts from and return Carts to the alternative service location (such as the side yard or backyard) specified by the Customer.

The Contractor shall make reasonable accommodations with regard to provision and servicing of Containers (e.g., Container size and type, placement of Containers for Collection, etc.) at no additional cost to Customers who meet the Agency's Special Handling criteria. Contractor will notify all Residential Customers annually of the Special Handling and Backyard Collection Service options and submit, for approval, a draft notification to Agency thirty (30) days prior to anticipated distribution to Customers. New service recipients shall be notified upon signing up for service of the Special Handling and Backyard Collection Service options. Customers desiring Special Handling Service will be required to submit an application, in a form approved by Agency. Contractor shall review applications to determine whether the Customer meets Agency's eligibility criteria and shall provide a written response within five (5) Business Days after receipt of the application. Unless otherwise directed by Agency, Customers are eligible if they provide (i) evidence of their "handicap status" by the California Department of Motor Vehicles or (ii) evidence that no Occupant of the Residential Premises is physically able to place Carts Curbside for Collection.

B. **Multi-Family Dwellings**. Contractor shall Collect Solid Waste from Multi-Family Dwellings as frequently as scheduled by Customer, but not less than once per week. Contractor shall provide unscheduled Collection service within one (1) Business Day of Customer's request and shall be entitled to bill Customer as specified in Attachment Q. Customers must subscribe to a minimum service level of three (3) times per week Collection in order to be eligible for Collection on Saturday and/or Sunday. Contractor shall allow Multi-Family Dwelling Customers to use Carts or Bins for Solid Waste Collection that are shared by the Occupants of the Premises. Contractor shall provide one (1) or more Cart(s) or Bin(s) to such Customers as requested by Customer, provided that no less than ninety-six (96) gallons of Container capacity are provided for every five (5) dwelling units in the Multi-Family Residential complex. Contractor shall provide each Customer with a choice of one or more Carts or Bins as specified in Attachment D.

Contractor shall service Containers provided to MFD Customers that are three (3) cubic yards or less in capacity, and Drop-Boxes stored in enclosures or on private or public property within fifty (50) feet of the public right of way, if access to the Containers is paved and the slope is less than seven percent (7%). Agency will make the final determination on the slope of the access if a dispute arises between Customer and Contractor. Containers that are four (4) cubic yards or larger must be stored within fifteen (15) feet of the Curbside or brought to within fifteen (15) feet of the Curbside by Customer to be serviced by Contractor. Contractor shall provide service to Containers that are located at distances in excess of those described in this paragraph and shall be entitled to bill Customer as specified in Attachment Q.

Contractor shall give special consideration when determining the Collection location for Multi-Family Residential complexes to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an area. The designated Collection location, if disputed by Customer or Contractor, shall be determined by the Agency. Additionally, if in the Agency's opinion the location of an

existing Collection location is inappropriate, Agency may require the Customer or Contractor to relocate the Collection Containers.

C. **Commercial Premises**. Contractor shall Collect Solid Waste from Commercial Premises as frequently as scheduled by the Customer, but not less than once per week. Contractor shall provide unscheduled Collection service within one (1) Business Day of Customer's request and shall be entitled to bill Customer as specified in Attachment Q. Customers must subscribe to a minimum service level of three (3) times per week Collection in order to be eligible for Collection on Saturday and/or Sunday.

Contractor shall service Containers provided to Commercial Customers that are three (3) cubic yards or less in capacity, and Drop-Boxes stored in enclosures or on private or public property within fifty (50) feet of the public right of way, if access to the Containers is paved and the slope is less than seven percent (7%). Agency will make the final determination on the slope of the access if a dispute arises between Customer and Contractor. Containers that are four (4) cubic yards or larger must be stored within fifteen (15) feet of the Curbside or brought to within fifteen (15) feet of the Curbside by Customer to be serviced by Contractor. Contractor shall provide service to Containers that are located at distances in excess of those described in this paragraph and shall be entitled to bill Customer as specified in Attachment Q.

Specifically, the Contractor shall offer the following Collection service methodologies to Commercial Customers:

1. Individual Cart or Bin Service. Contractor shall allow each Commercial Premises to use Carts, Bins, Compactors, or Drop Boxes for Solid Waste Collection. Contractor shall provide each Customer with a choice of one (1) or more Carts or Bins as specified in Section 8.05.

2. Centralized Bin or Cart Service. Contractor shall allow each Commercial Premises to use Carts or Bins for Solid Waste Collection that are shared by the Occupants of two (2) or more adjacent Commercial Premises. In such case, Contractor shall provide one or more Carts or Bins as requested by the Customer(s) provided that no less than ninety-six (96) gallons of Container capacity is provided for every four (4) Commercial Premises. Contractor shall provide each Customer with a choice of one (1) or more Carts or Bins as specified in Section 8.05.

3. Drop Boxes and Compactors. Contractor shall allow a Customer to use a Drop Box or Compactor for Solid Waste Collection to meet the Customer's Disposal needs. In such case, Contractor shall provide Customer with a choice of Container capacities ranging from three (3) to forty (40) cubic yards (or similar sizes). Contractor shall offer Customers the option to purchase or lease Compactors through either the Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Contractor (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.

D. **Agency Facilities.** Contractor shall Collect Solid Waste from Agency Facilities as frequently as scheduled by the Agency, but not less than once per week. Agency must subscribe to a minimum service level of three (3) times per week Collection in order to be eligible for Collection on Saturday and/or Sunday. Specifically, the

Contractor shall offer the following Collection service methodologies to Agency Facilities:

1. Individual Cart or Bin Service. Contractor shall allow each Agency Facility to use Carts, Bins, Compactors, or Drop Boxes for Solid Waste Collection. Contractor shall provide each Agency Facility with a choice of one (1) or more Carts or Bins as specified in Attachment D.

2. Centralized Bin or Cart Service. Contractor shall allow each Agency Facility to use Carts or Bins for Solid Waste Collection that are shared by the Occupants of two or more adjacent Agency Facilities. In such case, Contractor shall provide one or more Carts or Bins as requested by the Agency provided that no less than ninety-six (96) gallons of Container capacity is provided for every four (4) Agency Facilities. Contractor shall provide Agency with a choice of one (1) or more Carts or Bins as specified in Attachment D for each Agency Facility.

3. Drop Boxes and Compactors. Contractor shall allow Agency to use a Drop Box or Compactor for Solid Waste Collection to meet the Agency's Disposal needs. In such case, Contractor shall provide Agency with a choice of Container capacities ranging from three (3) to forty (40) cubic yards (or similar sizes). Contractor shall offer Agency the option to purchase or lease Compactors through either the Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Contractor (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.

4. Public Street, Parks and Parking Lot Litter and Recycling Receptacles. Contractor shall Collect Solid Waste from public litter receptacles located on streets and in parking lots, and from public litter receptacles in parks that are accessible for Curbside Collection. Contractor shall also Collect Solid Waste from public Recycling receptacles in these locations, if the Recyclables have been so Contaminated as to be unacceptable at the MRF as Recyclables. Contractor shall also Collect Solid Waste that is contained in bags or boxes and placed adjacent to public litter receptacles. These Collections will be made between one (1) and seven (7) Days per week, as determined by Agency. Contractor is responsible for notifying Agency if a public litter receptacle is inoperable within twenty-four (24) hours of observing or being notified of the defect. A list of public litter receptacles is included in Attachment B. Agency shall annually be allowed to increase the number of public litter receptacles provided Collection service by an additional five percent (5%) of the total number of receptacles in service as of January 1 of each Rate Year at no additional cost. The allocation of additional public litter receptacles placed in service will accrue from year to year for the Term of this Agreement.

Contractor shall provide the Agency with the Collection services described above at the service locations, service levels and frequencies identified in Attachment B. Contractor shall provide and maintain Collection Containers for the Agency's use, with the exception of public litter (or Solid Waste) and public Targeted Recyclable Materials receptacles, which shall be provided and maintained by the Agency. Contractor shall offer the type and size of Collection Containers that Contractor provides Commercial Customers pursuant to Section 5.02.C.

Contractor may integrate Collection of Solid Waste, Targeted Recyclable Materials, and Organic Materials from Agency Facilities with other Collection services in the Service Area, provided that Contractor attributes estimated Tonnage Collected from Agency Facilities separately from other Customers upon the Agency's request.

5.03 TARGETED RECYCLABLE MATERIALS COLLECTION

Contractor shall Collect Targeted Recyclable Materials from Customers that have Source Separated the Targeted Recyclable Materials from Solid Waste and placed these materials in the Customer's Recyclable Materials Collection Container for Collection by Contractor.

In accordance with Section 15.12, the Agency may direct that Contractor modify its scope of service to include Collection of additional types of Recyclable Materials beyond those materials defined as Targeted Recyclable Materials in Attachment A. If the Agency directs Collection of additional Recyclable Materials, such Recyclable Materials shall thereafter be considered Targeted Recyclable Materials and Contractor shall not receive additional Contractor's Compensation for Collection service if the Targeted Recyclable Materials are placed by Generator in the Recyclable Materials Container unless Contractor can demonstrate that Collection of the additional material(s) requires modification to Collection routes to accommodate the additional volume of the material(s).

A. **Single-Family Dwellings.**

1. General. Once per week, Contractor shall Collect Single-Stream Targeted Recyclable Materials from SFD. Contractor shall provide each SFD Customer with one (1) Cart for Single-Stream Targeted Recyclable Materials. Contractor shall provide each Customer with a Cart specified in Attachment D, unless Customer requests an alternative Cart specified in Attachment D. Customer can rent or purchase additional Targeted Recyclable Materials Carts from Contractor and Contractor shall be entitled to bill Customer as specified in Attachment Q. Purchased Carts shall become the property of Customer. Approximately one (1) month prior to distribution of SFD Targeted Recyclable Materials Carts, Contractor shall mail a notice to each SFD Customer indicating that the Customer will receive the default Targeted Recyclable Materials Cart size specified in Attachment D, unless the Customer responds to the notice (i.e., by mail, email, phone or website form) and requests an alternate Cart size by selecting the preferred size.

   Contractor shall Collect Carts Curbside unless the Customer is provided Special Handling or Backyard Collection Service. In such case, Contractor shall Collect Carts from and return Carts to the alternative service location (such as the side yard or backyard) specified by the Customer.

2. Used Motor Oil and Used Motor Oil Filters. Contractor shall Collect Used Motor Oil and Used Motor Oil Filters placed at the Collection location by Customer for Collection in Contractor-provided or Contractor-approved Containers. Contractor shall not be required to Collect more than five (5) gallons of Used Motor Oil per Customer per Collection. Contractor shall provide up to five (5) one-gallon translucent plastic Used Oil jugs with screw-

on tops for Used Motor Oil Collection and up to five (5) six (6) mil plastic zip-close type bags for Used Motor Oil Filter Collection to SFD Customers, upon Customer's request, within five (5) Business Days of such request, at no additional cost to Customer. Information in English and Spanish, regarding the Used Motor Oil and Used Motor Oil Filter Collection program and instructions for the use and set out of the these materials shall be provided with the Used Motor Oil jugs and Used Motor Oil Filter bags. Diversion of Used Motor Oil shall be calculated with a conversion factor of one (1) gallon of Used Motor Oil equaling seven (7) pounds.

3. Household Batteries and Cell Phones. Contractor shall Collect from SFD Premises Household Batteries and Cell Phones placed on top of the Recyclable Materials Cart in Contractor-provided or Customer-provided clear zip-close or tie-close plastic bags clearly marked "Used Batteries and Cell Phones." Contractor shall empty the bag at the point of Collection and leave it to be reused by the Customer by placing it inside the Cart handle. Customers will be notified to place all Household Batteries in a clear zip-close plastic bag; tape the contacts of button cell batteries; and wrap Cell Phones in paper (for protection) prior to placing in the plastic bag. While Customers will be encouraged to follow the participation parameters, Contractor shall be required to Collect if Customers do not follow these instructions.

Contractor shall Collect Targeted Recyclable Materials from SFD on the same day that Solid Waste Collection is provided.

B. **Multi-Family Residential Premises**

1. General. Multi-Family Dwelling Customers that subscribe to Solid Waste Collection service shall be entitled to Single-Stream Targeted Recyclable Materials Collection at no additional charge, and Contractor shall provide the level of service required by Multi-Family Dwelling Customers requesting Recyclable Materials Collection services. Contractor shall provide each Multi-Family Dwelling Customer with Containers for Single-Stream Targeted Recyclable Materials Collection. At a minimum, Contractor shall provide twenty (20) gallons per week of Container capacity for Single-Stream Targeted Recyclable Materials Collection for every Multi-Family Dwelling at the Premises. Contractor shall provide each Customer with Carts or Bins as specified in Attachment D, as requested by the Customer.

Contractor shall Collect Single-Stream Targeted Recyclable Materials Generated at Multi-Family Residential Complexes at least once per week or more frequently, up to six (6) times per week, as scheduled by the Customer provided that the Generator has Source Separated the Targeted Recyclable Materials from Solid Waste and placed the materials in the appropriate Contractor-provided Container. Contractor shall Collect Single-Steam Targeted Recyclable Materials at the designated location agreed upon by Contractor and Multi-Family Dwelling Customer. The designated Collection location, if disputed by Customer or Contractor, shall be determined by the Agency. Carts and Bins may be shared by the Occupants of the Multi-Family Residential complexes. Contractor shall provide extra Carts for use in the mail room of the Multi-Family Residential complexes if requested by the Customer.

2. Personal Recycling Tote-Bag Distribution**.** Upon receipt of a request for Recycling Tote-Bags from a Multi-Family Dwelling Customer or Occupant, Agency or SBWMA, Contractor shall: (i) deliver the Recycling Tote-Bags within five (5) Business Days to the property Owner, property manager or Occupant who requested the Recycling Tote-Bags; (ii) prior to complying with (i), contact the property Owner or property manager directly by phone or in person to determine if additional Recycling Tote-Bags are needed and/or if they are interested in a site assessment of the property; (iii) upon request for a site assessment, ensure that a site assessment is done per the requirements set forth in Section 7.05. Contractor shall provide notification to Agency and SBWMA of the Day which the Tote Bags were delivered and to whom they were delivered with submittal of Contractor's monthly reports per Section 9.05. Contractor's monthly reports shall also include an inventory of Recycling Tote-Bags in stock.

3. Household Battery and Cell Phone Collection.

a. Multi-Family Residential Complexes with individual Recycling Carts for each dwelling unit. Contractor shall Collect Household Batteries and Cell Phones placed on top of the Recyclable Materials Cart in Contractor-provided or Customer-provided clear zip-close or tie-close plastic bags clearly marked "Used Batteries and Cell Phones." Customers will be notified to place all Household Batteries in a clear zip-close plastic bag; tape the contacts of button cell batteries; and wrap cell phones in paper (for protection) prior to placing in the plastic bag. While Customers will be encouraged to follow the participation parameters, Contractor shall be required to Collect the Household Batteries and Cell Phones if Customers do not follow these instructions.

b. Multi-Family Residential Complexes with shared or centrally stored Recycling Carts or Bins. Contractor shall provide one (1) or more centrally located Containers for the accumulation of Household Batteries and Cell Phones. The number and location of the Containers and the frequency of Collection shall be mutually agreed to between the Contractor and the Owner or manager of the complex. In the event the Owner or property manager requests that the materials be Collected on an on-call basis, Contractor shall provide that service at no additional cost.

4. Universal Implementation to All Customers. If requested by Agency, Contractor shall make all necessary arrangements to implement this service within one hundred and twenty (120) days and ensure the service is implemented within the time frame agreed to by Agency and Contractor. To maximize participation in the Single-Stream Targeted Recyclable Materials Collection program, the Contractor shall distribute Recyclable Materials Containers to all Multi-Family Dwelling Customers unless the Customer has notified the Contractor that they do not want to participate in the Targeted Recyclable Materials Collection program.

Prior to distribution of the Targeted Recyclable Materials Containers, the Contractor shall conduct a site assessment of each Multi-Family Residential

complex. The site assessment shall include a meeting with the Owner or property manager to describe the Single Stream Recycling Program; an evaluation of the components of the waste stream generated at the complex, identification of the volumes and types of Targeted Recyclable Materials Collected at the complex and the development of an estimate of the volume of Single Stream Targeted Recyclable Material that could be Collected at the complex. Based on the results of the site assessment, Contractor will develop an estimate of the Recycling capacity needs of the complex.

Using the information obtained from the site assessment and prior to distribution of the Targeted Recyclable Materials Containers, the Contractor shall mail each Multi-Family Dwelling Customer a notice describing the "universal" implementation of Single-Stream Targeted Recyclable Materials Collection; the number and size of Containers the Contractor plans to deliver to the Multi-Family Dwelling Complex (based on Contractor's estimate of the service volume needed for the complex with a minimum of twenty (20) gallons per week per Multi-Family Dwelling); and a description of how Customers can contact the Contractor and request additional or different sized Containers or request not to participate in the Targeted Recyclable Materials Collection program. If Contractor delivers Targeted Recyclable Materials Collection Containers to a Multi-Family Residential Complex and the Customer requests a change in the number or size of Containers or states that they do not want to participate in the Collection program, Contractor shall adjust the service level or remove the Collection Containers within ten (10) Business Days of the Customer's request. For Multi-Family Dwelling Customers that subscribe to Solid Waste Collection service during the Term of the Agreement, Contractor shall automatically deliver and service Single-Stream Recyclable Materials Collection Containers at the Multi-Family Residential Complex unless the Customer specifically refuses to participate in the Targeted Recyclable Materials Collection program.

C. **Commercial Premises**

1. General. Commercial Customers that subscribe to Solid Waste Collection service shall be entitled to Collection of Targeted Recyclable Materials at no additional charge, and Contractor shall provide the level of service required by Commercial Customers requesting Recyclable Materials Collection services. The level of service Contractor shall provide includes: Single-Stream Targeted Recyclable Materials Collection or Source Separated Collection of cardboard, mixed paper, food and recyclable beverage containers, or other Targeted Recyclable Materials in a manner that best suits the needs of the Commercial Customer.

Contractor shall Collect Single-Steam Targeted Recyclable Materials or other Source Separated Recyclable Materials Generated at Commercial Premises at least once per week or more frequently, up to seven (7) times per week, as scheduled by the Customer provided that the Generator has Source Separated the Targeted Recyclable Materials from Solid Waste and placed the materials in the appropriate Contractor-provided Container. Contractor shall Collect Targeted Recyclable Materials at the designated location agreed upon by Contractor and Customer. The designated Collection location, if disputed by Customer or Contractor, shall be determined by the Agency.

2. Collection Containers. Contractor shall allow Commercial Customers to select a Collection service method that best suits the needs of its Premises. Specifically, the Contractor shall offer the following choices to Commercial Customers:

   a. Cart service. Contractor shall allow Commercial Customers to use Carts for Targeted Recyclable Materials Collection. Contractor shall provide each Customer with a choice of one (1) or more Carts as specified in Section 8.05.

   b. Bin service. Contractor shall allow Commercial Customers to use Bins for Targeted Recyclable Materials Collection. Contractor shall provide each Customer with a choice of one (1) or more Bins as specified in Section 8.05.

   c. Shared Cart or Bin service. Contractor shall allow Commercial Customers to use Carts or Bins for Targeted Recyclable Materials Collection that are shared by the Occupants of two (2) or more Commercial Premises. In such case, Contractor shall provide one (1) or more Carts or Bins to such Premises as requested by Customer(s). In order to minimize the impact or occurrence of illegal dumping and theft of Recyclable Materials, Contractor will provide to Customer at no additional cost, locks for enclosures used to store Containers or locks for Containers and ensure the enclosures or Containers are locked after providing Collection Service. Only Contractor, Agency, and the participating Customers will be provided with a key to the enclosures and access to the Containers. The service schedule will be prominently displayed on the enclosure and any changes in service will be displayed on the enclosure by Contractor within one (1) Business Day of making the change. If the Carts or Bins are left "outside" in a designated area, each Container will be locked (keyed alike), and only Contractor staff, Agency staff, and the participating Customers will be provided with a key to access the Containers. At least once each calendar year, Contractor's route supervisor will visit each of the participating Customers with shared Containers, respond to any questions or concerns, check the areas for contamination, litter, or damage and change the lock and distribute new "keyed alike" keys to Agency staff and Customers.

   d. Drop Boxes and Compactors. Contractor shall allow Commercial Customers to use Drop Boxes or Compactors for Targeted Recyclable Materials. In such case, Contractor shall provide Customers with a choice of Container capacities as specified in Section 8.05. Contractor shall offer Customers the option to purchase or lease Compactors through Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Contractor (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.

3. Universal Implementation of Service. Upon request by Agency, Contractor shall "universally" implement Single-Stream Targeted Recyclable Materials Collection services to all Commercial Customers in the same manner as that described for Multi-Family Customers pursuant to Section 5.03.B.4.

D. **Agency Facilities**

1. General. Agency Facilities that subscribe to Solid Waste Collection service shall be entitled to Collection of Targeted Recyclable Materials at no additional charge, and Contractor shall provide the level of service required by Agency Facilities requesting Targeted Recyclable Materials Collection services. The level of service Contractor shall provide includes: Single-Stream Targeted Recyclable Materials Collection or Source Separated Collection of cardboard, mixed paper, food and recyclable beverage containers, or other Targeted Recyclable Materials in a manner that best suits the needs of the Agency Facility.

   Contractor shall Collect Single-Steam Targeted Recyclable Materials or other Source Separated Targeted Recyclable Materials Generated at Agency Premises at least once per week or more frequently, up to seven (7) times per week, as scheduled by the Agency provided that the Generator has Source Separated the Targeted Recyclable Materials from Solid Waste and placed the materials in the appropriate Contractor-provided Container. Contractor shall Collect Targeted Recyclable Materials at the designated location agreed upon by Contractor and Agency.

2. Collection Containers. Contractor shall allow Agency Facilities to select a Collection service method that best suits the needs of its Premises. Specifically, the Contractor shall offer the following choices to Member Agency Facilities:

   a. Cart service. Contractor shall allow Agency Facilities to use Carts for Targeted Recyclable Materials Collection. Contractor shall provide each Customer with a choice of one (1) or more Carts as specified in Attachment D.

   b. Bin service. Contractor shall allow Agency Facilities to use Bins for Targeted Recyclable Materials Collection. Contractor shall provide each Agency with a choice of one (1) or more Bins for each Agency Facility.

   c. Centralized Cart or Bin service. Contractor shall allow Agency Facilities to use Carts or Bins for Targeted Recyclable Materials Collection that are shared by the Occupants of two (2) or more adjacent Agency Facilities. In such case, Contractor shall provide one (1) or more Carts or Bins to such Premises as requested by Agency.

   d. Drop Boxes and Compactors. Contractor shall allow Agency Facilities to use Drop Boxes or Compactors for the Collection of Targeted Recyclable Materials. In such case, Contractor shall provide Agency with a choice of Container capacities as specified in Section 8.05. Contractor shall offer Agency the option to purchase or lease Compactors through Contractor or an outside vendor. Regular maintenance of Compactors shall be provided by Contractor (or outside vendor) as frequently as needed to keep the Compactors in good working order and functioning at high compaction levels.

3. Public Recycling Receptacles. Contractor shall Collect Recyclable Materials from public Recycling receptacles located on streets and parking lots, and from public Recycling receptacles in parks that are accessible for Curbside Collection. Contractor shall also Collect Recyclable Materials that are contained in bags or boxes and placed adjacent to public Recycling receptacles. These Collections will be made between one (1) and seven (7) Days per week, as

determined by Agency. Contractor is responsible for notifying Agency if a public Recycling receptacle is inoperable within twenty-four (24) hours of observing or being notified of the defect. A list of public Recycling receptacles is included in Attachment B.

5.04 ORGANIC MATERIALS COLLECTION

A. **Single-Family Dwelling.** Contractor shall Collect Source Separated Organic Materials from SFD once per week. Collection of Organic Materials, Targeted Recyclable Materials, and Solid Waste from the SFD shall occur on the same Day each week. Contractor shall provide each Customer with one (1) Cart to be used for storage and Collection of Organic Materials. Customer can rent or purchase additional Organic Materials Carts from Contractor and Contractor shall be entitled to bill Customer as specified in Attachment Q. Purchased Carts shall become the property of Customer. Customer will be provided the opportunity to subscribe to service levels of additional Organics Materials Carts and shall be billed in accordance with Agency-approved rates for additional Organic Materials Carts service. The Contractor shall provide each Customer a Cart as specified in Attachment D, unless the Customer requests an alternative Cart size, in which case, the Contractor shall provide an alternative Cart as specified in Attachment D. Approximately one (1) month prior to distribution of SFD Organic Material Carts, Contractor shall mail a notice to each SFD Customer indicating that the Customer will receive the default Organic Materials Cart size specified in Attachment D, unless the Customer responds to the notice (i.e., by mail, email, phone or website form) and requests an alternate Cart size by selecting the preferred size.

Contractor shall Collect Carts Curbside unless the Occupant is provided Special Handling or Backyard Collection Service. In such case, Contractor shall Collect from and return the Carts to the alternative service location (such as the side yard or backyard) specified by the Customer.

Contractor shall provide each SFD with a Kitchen Pail at the inception of Collection services. Contractor must submit Kitchen Pail specifications (including material and design specifications, colors, and identification marks) to Agency for Agency's written approval prior to submitting the order to the manufacturer. During the Term of the Agreement, Contractor shall provide, within five (5) Business Days of request by Occupant, Kitchen Pails to new SFD Customers and to SFD Customers whose Kitchen Pail is lost, stolen, damaged, or destroyed (such replacement shall be limited to one (1) per year per Customer at no additional cost). Residents will be discouraged from placing Kitchen Pail Curbside for Collection and will be instructed to deposit the contents of the Kitchen Pail into the Organic Materials Cart.

B. **Multi-Family Premises**. Multi-Family Dwelling Customers shall have the option of voluntarily subscribing to Organic Materials or Plant Materials Collection services and shall pay Contractor for such service in accordance with Agency-approved Rates. Contractor shall Collect Source Separated Organic Materials or Plant Materials from Multi-Family Residential Complexes that have subscribed to Organic Materials or Plant Materials Collection service as frequently as scheduled by Customer, but not less than once per week. Contractor shall provide each Customer with a choice of Carts or Bins as specified in Attachment D. Contractor shall Collect Organic Materials and Plant Materials at the location agreed upon by

Contractor and Customer. The designated Collection location, if disputed by Customer or Contractor, shall be determined by the Agency.

C. **Commercial Premises**. Commercial Customers shall have the option of voluntarily subscribing to Organic Materials or Plant Materials Collection services and shall pay Contractor for such service in accordance with Agency-approved Rates. Contractor shall provide Organic Materials or Plant Materials Collection service to any and all Customers requesting service. Contractor shall Collect Organic Materials or Plant Materials from Commercial Premises that have subscribed to Organic Materials or Plant Materials Collection service as frequently as scheduled by Customer, but not less than once per week.

Contractor shall allow Commercial Customers to select a Collection service method that best suits the needs of its Premises. Specifically, the Contractor shall offer to Commercial Organic Materials or Plant Materials Customers the Containers and service choices that are similar to that offered for Commercial Solid Waste Collection pursuant to Section 5.02.C.

D. **Agency Facilities**. Agency Facilities shall have the option of voluntarily subscribing to Organic Materials or Plant Materials Collection services.

Contractor shall provide Organic Materials or Plant Materials Collection service to Agency Facilities requesting service. Contractor shall Collect Organic Materials or Plant Materials from Agency Facilities that have subscribed to Organic Materials or Plant Materials Collection service as frequently as scheduled by Agency, but not less than once per week.

Contractor shall allow Agency to select a Collection service method that best suits the needs of its Facilities. Specifically, the Contractor shall offer to Agency Facilities the service choices that are similar to that offered for Commercial Solid Waste Collection pursuant to Section 5.02.C.

E. **Holiday Tree Collection**. Contractor shall annually Collect Holiday Trees from Residential Premises from December 26 through January 31. Contractor shall provide this service on the regularly scheduled Organic Materials Collection Day. Contractor will be required to Collect trees or pieces of trees, which are eight feet (8') or less in length, void of tinsel, lights, ornaments, other decorations, and metal or plastic stands (although flocked trees are acceptable) and are placed adjacent to an Organic Materials Cart. Contractor shall make accommodations and provide Collection service for Customers who are unable to cut trees into lengths of eight feet (8') or less at no additional cost to the Customer or Agency. After January 31, Contractor will be required to Collect trees placed inside an Organic Materials Cart. These Collection parameters apply to both Special Handling and Backyard Collection Service.

Contractor shall deliver a Bin or Drop Box for Holiday Tree Collection to Multi-Family Residential Complexes upon request of the Owner or property manager. Contractor shall provide this Collection service annually commencing December 26 and shall continue to provide this service as long as requests are submitted to Contractor, at no additional cost to Customer(s) or Agency. The location for delivery of the Bin or Drop Box shall be agreed upon by the Owner or property manager,

and Contractor shall remove the Bin or Drop Box, or Collect the trees loose, on the date requested by the Owner or property manager. If the use of a Bin or Drop Box is not feasible, Contractor shall Collect the uncontainerized Holiday Trees from one (1) or more designated consolidation locations (e.g., adjacent to a Solid Waste enclosure) at each Multi-Family Residential Complex as determined by the Owner or property manager. Contractor shall be required to Collect all trees or pieces of trees, which are eight feet (8') or less in length, void of tinsel, lights, ornaments, other decorations, and metal or plastic stands (although flocked trees are acceptable) and are placed in the Bin or Drop Box or at the agreed upon location. Contractor shall make accommodations and provide Collection service for Customers who are unable to cut trees into lengths of eight feet (8') or less at no additional cost to the Customer or Agency.

Prior to December of each year, Contractor shall notify all Multi-Family Dwelling Customers of this program and explain the limitations to the program, the dates of service, and any materials preparation or participation requirements, including the option to order a Bin or Drop Box, or Collect the trees loose from designated Collection locations. To encourage participation in this program, Contractor shall not charge Customers an additional fee for this service.

5.05 SINGLE-FAMILY AND MULTI-FAMILY TWICE ANNUAL ON-CALL CURBSIDE BULKY ITEM COLLECTION SERVICE

A. **General**. Contractor shall provide two (2) separate On-Call Curbside Bulky Item Collection Service events to each Single-Family Dwelling Residential Premise annually upon Owner or Occupant's request. Contractor will schedule the On-Call Bulky Item Collection Service events on the regularly scheduled Solid Waste Collection Day for Single-Family Dwellings, no more than ten (10) Business Days after the Owner or Occupant's request.

Contractor shall provide two (2) separate On-Call Bulky Item Collection Service events to each Multi-Family Residential Complex annually upon Owner's or property manager's request. Contractor will schedule the On-Call Bulky Item Collection Service events no more than ten (10) Business Days after Multi-Family Residential Complex Owner or property manager's request. Contractor will be required to accommodate the Multi-Family Residential Complex's on-site constraints to ensure convenient and safe collection events in an effort to maximize diversion and minimize environmental impacts.

Contractor shall assist Owners and property managers of Multi-Family Residential Complexes with scheduling events to effectively and efficiently provide the volume of Collection service to which the complex is entitled annually based on the number of Residential Premises at the complex. The provision of On-Call Collection of Bulky Items is not intended to encourage or permit Multi-Family Residential Premises to reduce the level of regularly scheduled Solid Waste Collection service that has been previously provided to the complex. If Contractor, in its reasonable business judgment, concludes that an Owner or property manager of a Multi-Family Residential Complex is requesting On-Call Bulky Item Collection in order to reduce its historical level of regular Solid Waste Collection service, Contractor may present a factual report to Agency in support of an application to decline further requests for On-Call Bulky Item Collection events at that complex for the remainder of the

calendar year. Agency will review the application and report and determine whether Contractor may decline all subsequent requests from that complex for that calendar year or may limit the number of On-Call Bulky Item Collection events it must provide. Until Agency makes, and notifies Contractor of, its determination, Contractor is not required to provide additional On -Call Bulky Item Collection service events to the complex in question.

Contractor will allow the scheduling of On-Call Bulky Item Collection Service events from January 2 through December 1 of each Rate Year. Contractor may provide additional On-Call Bulky Item Collection Service events for a Customer beyond two (2) per Rate Year, and shall be entitled to bill Customer as specified in Attachment Q. Contractor is required to notify Customer if they have already received the annually allocated two (2) Collection events within one (1) Business Day of Customer request. If Contractor fails to notify Customer that they have received the annually allocated two (2) Collection events, Contractor shall provide the service and is not entitled to additional Contractor's Compensation from Customer or Agency for a third or subsequent On-Call Bulky Item Collection Service event.

B. **Accepted Materials.** Residential Premises may place Solid Waste, Targeted Recyclable Materials, and/or Organic Materials for Collection with the following allowances:

1. Solid Waste, Recyclable Materials, Organic Materials – Up to two (2) cubic yards of materials per event, provided that such materials, except as set forth below have been bagged, boxed, bundled, or containerized by the Customer.
2. Major Appliances – One (1) large appliance per event (e.g., washing machine, clothes dryer, refrigerator, freezer).
3. Bulky Items – One (1) large Bulky Item per event (e.g., reusable furniture, mattresses, four tires).
4. E-Scrap – One (1) item per event (e.g., a computer, computer monitor or television).

Contractor shall reject: liquids or sludges; dirt, rock, concrete or asphalt; materials which exceed five (5) feet in length; commercial-sized refrigerators or freezers; Construction and Demolition Debris; Hazardous Waste; or Infectious Waste. Contractor may reject any individual item that weighs more than two-hundred (200) pounds (excluding Major Appliances) unless Customer has paid, or has agreed in advance to pay, an additional fee for service. Contractor may reject un-containerized Discarded Materials with the exception of Major Appliances, Bulky Items, E-Scrap and large pieces of Organic Material such as tree limbs and dimensional lumber.

C. **Recycling and Reuse.** Contractor shall Collect materials in a manner that maximizes reuse, Recycling, composting, and diversion of materials from Disposal. Contractor shall make reasonable efforts to ensure that diversion goals are met or exceeded. Disposal of materials shall be the Contractor's last option. At a minimum, Contractor shall divert from Disposal: cardboard, E-Scrap, useable furniture, Major Appliances, mattresses, Organic Materials, wood waste, and other reusable or Recyclable Materials.

D. **Handling Major Appliances.** Major Appliances, Universal Waste, and E-Scrap shall be reused, Recycled or Disposed by Contractor in accordance with requirements of Applicable Law and in accordance with the State of California Department of Toxic Substances Control and California Integrated Waste Management Board regulations. Any changes to such regulations made after the Effective Date shall be addressed as though they are a Change in Law in accordance with Section 11.05.

E. **Collection and Processing Methods.**
A Route Supervisor will visit each On-Call Bulky Item Collection location on the morning of the scheduled Collection Day to evaluate the material being placed at Curbside for Collection, and to verify that its Collection has been assigned to the proper Collection vehicle. All materials that can be handled by the SFD Single-Stream Recycling, Organic Materials, or Solid Waste route Collection vehicle would be assigned to one of these vehicles for Collection, with the goal of maximizing diversion. All Collection of Bulky Items will be assigned for Collection by a flatbed truck, and the driver will segregate items Collected according to their suitability for: (1) reuse or Recycling, and (2) Disposal, prior to their transport to the SRDC for processing. Any remaining items will be Collected by a dispatched rear-loader truck. Contractor shall utilize these procedures and vehicles in a manner that provides the maximum diversion of the material Collected from the On-Call Bulky Item Collection Service event.

5.06 AGENCY FACILITY ANNUAL ON-CALL BULKY ITEM COLLECTION SERVICE

Contractor shall provide all Agency Facilities an Annual On-Call Bulky Item Collection service event. The On-Call Bulky Item Collection Service provisions set forth in Section 5.05 shall apply to the On-Call Bulky Item Collection Service provided to Agency Facilities with the following exceptions for frequency and service level/acceptable materials.

A. **Frequency of Service.**
Contractor shall provide this service to each Agency Facility annually.

B. **Service Level/Accepted Materials.**
Agency Facilities may place for Collection, Solid Waste, Recyclable Materials, and/or Organic Materials with the following allowances:

1. Solid Waste – Contractor shall provide a six (6) cubic yard or smaller Bin upon request.

2. Recyclable Materials, Organic Materials – Up to two (2) cubic yards of materials per event, provided that such materials, except as set forth below have been bagged, boxed, bundled, or containerized by the Customer.

2. Major Appliances – One (1) large appliance per event (e.g., washing machine, clothes dryer, refrigerator, freezer).

3. Bulky Items – One (1) large Bulky Item per event (e.g., reusable furniture, mattresses, four tires).

4. E-Scrap – One (1) item per event (e.g., a computer, computer monitor or television).

Contractor shall reject: liquids or sludges; dirt, rock, concrete or asphalt; materials which exceed five (5) feet in length; commercial-sized refrigerators or freezers; Construction and Demolition Debris; Hazardous Waste; or, Infectious Waste. Contractor may reject any individual item that weighs more than two-hundred (200) pounds (excluding Major Appliances) unless Customer has paid, or has agreed in advance to pay an additional fee for service, and Contractor may reject un-containerized Discarded Materials with the exception of Major Appliances, Bulky Items, E-Scrap and large pieces of Organic Material such as tree limbs and dimensional lumber.

5.07 CONFIDENTIAL DOCUMENT DESTRUCTION SERVICE EVENT

Contractor shall provide one confidential document destruction service event in Agency annually at no additional cost to Agency or Customers. Upon receipt of a request to schedule a confidential document destruction event by Agency, Contractor shall schedule the event within ten (10) Business Days. Contractor shall provide adequate equipment and staffing necessary for the event and shall ensure full destruction of confidential documents and other materials delivered by Customers to the site of the event. Upon request from Agency, Contractor shall provide additional events and shall be compensated by Agency as specified in Attachment Q.

5.08 COLLECTION FOR LARGE VENUES AND EVENTS

Contractor shall provide Collection services, upon request, to any Venue and Event within Service Area. Specifically, Contractor shall provide, at a minimum, Solid Waste and Targeted Recyclable Materials Collection services, and shall also provide Organic Materials Collection services if one (1) cubic yard or more of Organic Material is generated per day at the Venue or Event. Contractor shall provide Collection as frequently as requested by the Agency or the Event organizer. Contractor shall provide an adequate number and type of Collection Container(s) for the Venue or Event and shall coordinate its Collection services with Agency or Event organizer. Containers shall be appropriately labeled to collect Solid Waste, Recyclable Materials or Organic Material, per the requirements specified by the SBWMA. Upon request of the Agency or the Event organizer, Contractor shall provide an adequate number of its employee(s) for each Event to ensure all Solid Waste, Recyclable Materials and Organic Materials Collection locations (i.e., Containers that are placed on-site for use by event patrons) are kept clean and uncontaminated; to empty or exchange Containers as the need arises; and to respond to overages or spills.

Within ten (10) Business Days of Contractor receiving a request to supply an Event with Solid Waste, Targeted Recyclable Materials, Organic Materials Collection services, the Contractor will either meet with or schedule a meeting with the Event organizer to discuss the Event's parameters, including location, number of people attending, type of Event, type of food being provided, and other related issues. Once parameters of the Event are determined, proper Containers will be provided by Contractor, with emphasis on recycling and diversion of the materials generated.

Contractor shall also supply and staff an information booth at each Venue and Event, upon request from Agency. In addition, Contractor shall prepare and distribute information to the public at Venues and Events describing the Collection options

available at the Venue or Event and promoting Recycling programs in the Agency, upon request from Agency. All information prepared for distribution to Venues and Events shall be approved by Agency prior to distribution. The Contractor shall report the Tonnage of material Collected at each Venue and Event to the Agency and, upon Agency request, to the Event organizer.

For Venues and Events which are required to comply with the Large Venues and Events Recycling Law, codified at Public Resources Code Section 42648 et seq., Contractor shall assist the Venue or Event organizer in preparing a Recycling plan and reporting all information required by those provisions of the law. Contractor shall be required to provide, at a minimum, the following information for each Venue or Event:

1. List of qualifying large Venues and Events in Service Area.
2. Physical and mailing address.
3. Contact name, address, phone number and email address.
4. Type of Venue or Event (e.g., museum, concert, sporting event).
5. Status of the Venue or Event written waste diversion/Recycling plan.
6. A description of the extent in which the plan has been implemented.
7. Service level provided (i.e., Solid Waste, Recyclable Materials and Organic Materials).
8. Tons disposed and diverted, by material type.
9. Description of the scope and types of diversion programs provided.
10. Other information required by law.

For Agency-sponsored Venues and Events listed in **Attachment C**, Contractor shall provide the Collection services required by this Section at no charge to the Agency or the Event organizer. Agency may add additional events to those listed in **Attachment C** or modify this list if events change during the Term. If the number of events listed in Attachment C increases during the Term, Contractor shall be entitled to receive compensation for the number of events provided service each Rate Year based on the cost for additional events specified in Attachment Q. For other Venues and Events, Contractor may charge the Venue or Event organizer at the Rates established by Agency for comparable On-Call Commercial Solid Waste and Organic Materials Collection Service. Recyclable Materials Collection service shall be provided at no additional cost to Events that subscribe to Solid Waste or Organic Materials Collection service.

5.09 ABANDONED WASTE CLEANUP COLLECTION SERVICE

Contractor shall provide abandoned waste cleanup collection service within one (1) Business Day of being notified by Agency, SBWMA, Customer, or Contractor's vehicle drivers and route supervisors of the occurrence of abandoned waste or illegal dumping, at no additional cost to Agency or Customer. If a report of abandoned waste or illegal dumping is received by Contractor from a party other than Agency, Contractor shall notify Agency of the reported location within one (1) Business Day and shall notify Agency of the estimated or actual time Contractor Collected the material or will Collect the material. This service shall require Contractor to Collect all abandoned or illegally

dumped Solid Waste, Recyclable Materials and Organic Materials. This service does not include Collection of litter or litter abatement activities.

For abandoned Recyclable Materials, Organic Materials, and Solid Waste, Contractor shall dispatch its regular route drivers to provide Collection service. For Bulky Items, Contractor shall dispatch a flatbed truck to provide Collection service. For other items including, but not limited to, Hazardous Waste, Household Hazardous Waste and Sharps, Contractor shall promptly notify Agency.

All abandoned or illegally dumped materials Collected by Contractor shall be transported to the SRDC for processing, with the exception of scrap metal, and all related diversion statistics will be included in the appropriate reports to the Agency for all materials collected. Contractor shall be allowed to transport scrap metal directly to a licensed scrap metal recycler. Contractor shall, to the greatest extent possible, deliver all reusable non-metal abandoned waste items to organizations such as Society of St. Vincent de Paul and Goodwill Industries, or other organizations as directed by Agency.

5.10 COATS FOR KIDS PROGRAM

If requested by Agency, Contractor shall implement a "Coats for Kids Program" annually at no additional cost to Agency or Customers. The program shall consist of Contractor's drivers Collecting coats from Customers on their route over a one (1) to two (2) week period during the fall, as well as from Collection Containers placed by Contractor in various public locations specified by Agency, such as libraries, City Hall and businesses. The coats collected through this program will be sorted and laundered by Contractor, and arrangements made by Contractor for distribution to a local non-profit organization, such as the Family Services Agency. Prior to the implementation of the program, Contractor shall present a detailed program plan to Agency for review and approval. All related diversion statistics will be included in the appropriate reports to the Agency.

5.11 COMPOST GIVE-AWAY

Contractor will coordinate with the Agency to host "Bring Your Own Bucket" (BYOB) giveaway of compost to residents. The BYOB compost giveaway will provide residents with free compost to enrich their gardens while also educating residents on the benefits of home composting. In addition, Contractor representatives will be on hand to distribute recycling guides and other educational material promoting waste reduction and recycling. Contractor is required to deliver to Agency thirty (30) cubic yards of compost annually in one (1) or two (2) deliveries at no additional cost. Agency shall provide Contractor ten (10) Business Days notice to deliver additional compost to Agency and Contractor shall be entitled to increase Contractor's Compensation for the Rate Year that the compost is delivered to Agency based on the costs specified in Attachment Q.

5.12 FEE FOR SERVICE ON-CALL BULKY ITEM COLLECTION

In addition to collections provided under Section 5.05 and Section 5.06, Contractor shall Collect Bulky Items from Single-Family, Multi-Family, and Commercial Customers and Agency Facilities and shall charge Customers the Rate established by Agency, which will cover the cost of service. The cost of service in 2011 is specified in Attachment Q. Contractor will schedule fee for service On-Call Bulky Item Collection service on the Customer's regularly scheduled Collection Day or a Business Day scheduled by

Contractor, no more than ten (10) Business Days after Customer's request. The fee for service On-Call Bulky Item Collection Service shall be limited to Collection of Bulky Items, Major Appliances, and E-Scrap.

When a Commercial Customer calls to request and schedule the collection of Bulky Items, Contractor shall ask the caller to describe the items to be collected, and will provide the caller with an estimate of the cost to provide the service, based on Rates established by Agency.

If Contractor determines that the volume of the described items can be accommodated in a single load on a flatbed boom truck equipped with a hydraulic-lift tailgate, Contractor shall instruct the caller to set out the items for pickup on the next regular Solid Waste Collection Day at a location where Solid Waste Collection occurs for the Customer, or at an alternative nearby location that avoids interference with regular Solid Waste, Recyclable Materials, or Organic Materials Collection service.

If Contractor determines the volume of the described items cannot be accommodated in a single load on a flatbed boom truck, Contractor shall schedule a site visit and meet with the Customer within five (5) Business Days to: (1) develop a plan for the most effective mode and location for Collection service, and (2) schedule the Collection service event.

5.13 COMMUNITY DROP-OFF EVENTS

Upon request by Agency, Contractor shall hold drop-off events at a location selected by the Agency to allow Residential Customers to drop off acceptable materials. Acceptable materials, which shall be determined by the Agency, may include one or more of the following: E-Scrap, Universal Waste, Recyclable Materials, Organic Materials, and Solid Waste.

A. General Requirements**.** Contractor shall promote, manage, staff, and operate drop-off event(s) for Residential Customers scheduled for one (1) weekend Day (i.e., Saturday or Sunday) or two (2) weekend Days upon request from Agency.

The Agency shall approve the date of the drop-off event and all advertisements or public announcements related to such event. Contractor shall promote the event by preparing Billing inserts to be included in each Customer's Bill and by advertising in a minimum of two local area newspapers as approved by the Agency.

Contractor shall manage, staff, and supervise the event. Contractor shall provide traffic control and signage; inspect materials delivered to the event; separate materials; document each material type and quantity; transport Collected materials to reuse, processing or Disposal locations; and clean up the location at the end of the event.

Contractor shall not charge Customers delivering materials to the event.

B. Accepted Materials**.** Customers may deliver and Contractor shall accept Major Appliances, Bulky Items, Source Separated Targeted Recyclable Materials, Source Separated Organic Materials, tires (i.e., four (4) per Customer, removed from rims, no commercial tires), clean unpainted wood, construction and demolition debris, Universal Waste, E-Scrap and Solid Waste. Contractor shall be allowed to reject: liquids or sludges; cement; dirt; asphalt; concrete; Hazardous Waste; or Infectious

Waste. Contractor shall not establish a limit on the volume or weight of materials that a Customer may bring for Collection.

C. Participants**.** Contractor shall verify Residents live in the Agency by reviewing a driver's license or utility bill.

D. Event Hours**.** Contractor shall accept materials from Residential Customers over one (1) weekend Day (i.e., Saturday or Sunday) or two (2) weekend Days from 8:00 a.m. to 5:00 p.m.

E. Recycling and Reuse**.** Contractor shall Collect materials in a manner that maximizes reuse, Recycling, composting, and diversion of materials from Disposal. Contractor shall make reasonable efforts to ensure that diversion goals are met or exceeded. Contractor shall separate Recyclable Materials and Organic Materials and transport such materials to the Designated Transfer and Processing Facility or an alternative processing site with advance authorization from Agency. Contractor shall coordinate with re-use vendor(s) to have a representative present at the drop-off event to accept donated clothes or other reusable items. Disposal of materials shall be the Contractor's last option.

F. Handling Major Appliances**.** Major Appliances shall be reused, Recycled, or Disposed by Contractor in accordance with requirements of Applicable Law. Any changes to such regulations made after the Effective Date shall be addressed as though they are a Change in Law in accordance with Section 11.05.

G. Scheduling Community Drop-Off Events**.** Upon request from Agency, Contractor shall promote, manage, staff, and operate community drop-off events described in this Section. If Agency exercises such right, it shall provide written notice to Contractor at least three (3) months before the first day of the requested drop-off event. The Contractor's Compensation attributable to Agency for such service shall be based on Contractor's proposed cost, provided in Attachment Q.

H. Confidential Document Destruction Service**.** If requested by Agency, Contractor shall provide confidential document destruction service at the drop off event(s). Contractor will provide adequate equipment and staffing necessary for the event and shall ensure full destruction of confidential documents and other materials delivered by Customers at the site of the event. This service will be provided by Contractor at no additional cost to the Agency or Customers.

5.14 WEEK-LONG AGENCY-WIDE BULKY ITEMS COLLECTION SERVICE EVENT

Upon request by Agency, Contractor shall hold a one (1) week-long Agency-wide Bulky Items Collection service event for Residential Customers. Agency shall select the dates of the event and provide Contractor four (4) months notice to provide this service. Contractor shall schedule these events for SBWMA Member Agencies on a first-come, first-serve basis, such that Contractor shall not be required to provide more than one (1) event any given week. The acceptable materials and participation requirements for the week-long Agency-wide Bulky Items Collection service event shall be the same as specified in section 5.05. Customers shall be provided this service on their regularly scheduled Solid Waste Collection Day. Contractor shall be entitled to increase Contractor's Compensation attributable to Agency pursuant to the costs specified in Attachment Q for the Rate Year that this service is provided with its submittal of the annual Application.

ARTICLE 6 TRANSPORTATION

6.01 TRANSPORTATION OF COLLECTED MATERIALS

Contractor shall transport and deliver all Solid Waste, Source Separated Targeted Recyclable Materials and Organic Materials Collected under this Agreement to the Designated Transfer and Processing Facility. Once Collected materials are deposited by Contractor at the Designated Transfer and Processing Facility, such materials shall become the property of SBWMA or Operator. The Contractor is not responsible for providing processing services except as provided in Section 6.04.

6.02 LIMITATIONS ON CONTAMINATION

A. **General**. The Agency is required by the Act and implementing regulations to divert a substantial portion of Solid Waste generated by residents, businesses and institutions within its Service Area from disposal at a landfill. In order to accomplish this, the Agency, through the SBWMA, is making a major investment in new recycling equipment and facilities at the Shoreway Recycling and Disposal Center. In order for that equipment to operate efficiently, the amount of Contamination in loads of Recyclable Materials, Organic Materials and Plant Materials delivered to the Shoreway Recycling and Disposal Center must be limited to specific levels. Moreover, higher levels of Contamination can make processed Recyclable Materials unmarketable or substantially reduce the price that purchasers are willing to pay. The cost that the SBWMA must charge users of the Shoreway Recycling and Disposal Center (including Agency) is directly affected by the amount of revenue generated by sales of Recyclable Materials processed by its Operator. Therefore, for both environmental and financial reasons, it is important that Contractor place a high priority on ensuring that Contamination in loads of Recyclable Materials, Plant Materials and Organic Materials delivered to the Shoreway Recycling and Disposal Center is minimized. Contractor shall work collaboratively with Agency and SBWMA to accomplish this and will implement the specific measures described in this Section and Section 6.03.

B. **Disincentive Payments Based on Quarterly Performance.** The maximum contamination levels for each category of Recyclable Materials, Plant Materials and Organic Materials are specified in Table 1:

Table 1

Material Category	Maximum Contamination Level (% by weight)
Commercial Source Separated or Targeted Recyclable Materials	8%
MFD and Commercial Plant Materials	5%
Single-Family Organic Materials	5%
Commercial Organic Materials	10%
Single-Family Targeted Recyclable Materials	20%[1]

(Rate Year One)	
Single-Family Targeted Recyclable Materials (Years Two - Ten)	TBD[2]

[1] Disincentives shall only be assessed for the last six (6) months of Rate Year One.

[2] "TBD" means "to be determined" and shall equal the arithmetic average of the Measured Contamination Levels calculated for four (4) quarters of samples of Single-Family Targeted Recyclable Materials taken pursuant to Attachment E-2 during Rate Year One (2011).

The Measured Contamination Level for each category will be determined through sampling of loads of Recyclable Materials, Organic Materials, and Plant Materials generated within the SBWMA Service Area and delivered to the Shoreway Recycling and Disposal Facility. The methodology for sampling is set forth in Attachment E-2. For purposes of assessing performance disincentives, the Contamination Level of each material category shall be the arithmetic average of the Measured Contamination Level of the samples of such material category taken during each calendar quarter pursuant to Attachment E-2. Under no circumstances shall samples taken pursuant to Section 6.02.C be used for purposes of assessing performance disincentives.

If the Measured Contamination Level for a material category in any quarter exceeds the applicable maximum Contamination Level in Table 1, Contractor shall be assessed disincentives in the amounts specified in Attachment I (Performance Incentives and Disincentives). Contractor shall remit Contamination-related disincentive payments to SBWMA quarterly, as provided in Section 9.06.

No disincentive will be assessed for exceeding the maximum Contamination Level for Single Family Targeted Recyclable Materials during the first six (6) months of Rate Year One (2011).

The maximum Contamination Level for Single-Family Targeted Recyclable Materials applicable during Rate Years Two (2012) through Ten (2020) shall be equal to the arithmetic average of the Measured Contamination Levels calculated for four (4) quarters of samples of Single-Family Targeted Recyclable Materials taken pursuant to Attachment E-2 during Rate Year One (2011). (As provided in Attachment E-2, twelve (12) such samples will be taken in each calendar quarter and forty eight (48) such samples will be taken each year, unless Contractor requests and pays for additional samples to be taken pursuant to Attachment E-2, Section 3.)

C. <u>Inspecting for Excessive Contamination in Single Loads of Recyclable Materials.</u>

The Operator will inspect loads of materials delivered to the Shoreway Recycling and Disposal Center. The Operator may set aside for sampling (i) a load of Source Separated or Targeted Recyclable Materials that appears to contain more than fifteen percent (15%) contamination, and (ii) a load of Organic

Materials that appears to exceed the applicable maximum contamination level of five percent (5%) or ten percent (10%).

When setting aside a load for sampling, the Operator will document the truck number, the date and time of delivery, and will take a photograph of the load. The methodology for sampling of single loads is set forth in Attachment E-1.

D. Supplemental Processing Fee for Excessive Contamination in Salvageable Single Loads of Recyclable Materials.

1. Material Delivered to MRF. If a load of Source Separated or Targeted Recyclable Materials is determined based on testing pursuant to Section 6.02.C to contain contamination in excess of the levels specified in Table 2, but is determined by Operator or SBWMA to be salvageable, Contractor will be required to pay SBWMA a supplemental processing fee of $25.00 per ton for the tons exceeding the maximum contamination level.

2. Material Delivered to Transfer Station. If a load of Organic Materials is determined based on testing pursuant to Section 6.02.C to contain contamination in excess of the levels specified in Table 1, but is determined by Operator or SBWMA to be salvageable, Contractor will be required to pay SBWMA a supplemental processing fee of $7.00 per ton for the tons exceeding the maximum contamination level.

Table 2

Material Category	Maximum Contamination Level (% by Weight)
Commercial Source Separated or Targeted Recyclable Materials	15%
Single Family Targeted Recyclable Materials	15%

The supplemental processing fees for Source Separated or Targeted Recyclable Materials and Organic Materials will be adjusted in subsequent years by the same percentage that the MRF Processing Fee described in Section 7.03 of the 2009 agreement between SBWMA and South Bay Recycling LLC for operation of the Shoreway Facility is adjusted each year.

E. Payment of Transportation and Disposal of Excessive Contamination in Unsalvageable Single Loads.

1. Material Delivered to the MRF. If a load of Source Separated or Targeted Recyclable Materials is determined based on testing pursuant to Section 6.02.C to contain contamination in excess of the levels specified in Table 2, and is determined by Operator or SBWMA to be unsalvageable (i.e., the entire load will be disposed of at the Designated Disposal Site), Contractor shall reimburse SBWMA for the cost of transportation and disposal of the weight of the load minus the weight of the maximum contamination level. For example, if the maximum contamination level is 15% and a 10 Ton load

is determined to contain 30% Contamination, and is unsalvageable, the Contractor will be responsible for the cost of transportation and disposal of 8.5 Tons (e.g., 10 Tons x 85% = 8.5 Tons). The transportation cost shall be the Operator's then-current cost per Ton for delivery of loads of that material to the Designated Disposal Site. The disposal cost shall be the then-current cost per Ton at the Designated Disposal Site.

2. Material Delivered to the Transfer Station. If a load of Organic Materials is determined based on testing pursuant to Section 6.02.C to contain contamination in excess of the levels specified in Table 3, and is determined by Operator or SBWMA to be unsalvageable, (i.e., the entire load will be disposed of at the Designated Disposal Site), Contractor shall reimburse SBWMA for the cost of transportation and disposal of the weight of the load. The transportation cost shall be the Operator's then-current cost per Ton for delivery of loads of that material to the Designated Disposal Site. The disposal cost shall be the then-current cost per Ton at the Designated Disposal Site.

Table 3	
Material Category	**Maximum Contamination Level (% by Weight)**
MFD and Commercial Plant Materials	5%
Single Family Residential Organic Materials	5%
Commercial Organic Materials	10%

F. Agency Directed Change in Controlling Contamination

If Agency requests or directs Contractor to reduce the number or frequency of non-collection notices, courtesy notices, non-collection events or public education and outreach activities described in Section 6.03 and sampling of individual loads from Agency pursuant to Section 6.02.C thereafter results in the imposition by SBWMA of supplemental processing fees under Section 6.02.D or transportation and disposal reimbursements under Section 6.02.E, Agency shall reimburse Contractor for such payments within thirty (30) days of receiving a request for reimbursement, together with supporting documentation (e.g., reports on sampling, and evidence of imposition of assessment by SBWMA and Contractor's payment to SBWMA).

If Agency has requested or directed Contractor to reduce the number or frequency of non-collection notices, courtesy notices, non-collection events, or public education and outreach activities described in Section 6.03, and Contractor is thereafter assessed disincentives under Section 6.02.B for exceeding a maximum contamination level on a quarterly basis, Agency shall reimburse Contractor for its proportional contribution to the excessive level of contamination. That proportional contribution shall be determined by extrapolating the results of single load sampling of Agency loads performed under Section 6.02.C during the quarter in question to the total amount of tonnage in the specific material category for which Contractor has been

assessed a disincentive. For example, samples of Commercial Recyclable Materials delivered from Agency during a quarter average 10% Contamination (i.e., in excess of the 8% maximum contamination level), the Agency will reimburse Contractor for an amount calculated as follows:

[$ per Ton disincentive payment] x [total Tons of Commercial Recyclable Material delivered from Agency during quarter] x 2% [10% - 8%]

Agency shall pay Contractor the amount due within thirty (30) days of receiving a request for reimbursement, together with supporting documentation (e.g., reports on sampling, reports on total tonnage of material in relevant category delivered from Agency, and evidence of assessment of disincentive by SBWMA and Contractor's payment to SBWMA).

6.03 CONTRACTOR METHODS OF CONTROLLING CONTAMINATION

A. **General.** Contractor shall assist in controlling Contamination levels by helping to educate Customers on acceptable and non-acceptable materials, by monitoring the contents of Collection Containers and by refusing to Collect Containers of Targeted Recyclable Materials, Plant Materials and Organic Materials that appear to exceed the maximum contamination levels in Section 6.02 Table 1, all as and to the extent set forth in this Section 6.03.

Drivers that dismount from Collection vehicles in order to empty Containers shall lift the Container lid and observe the contents. If Contamination appears to be present in excess of the applicable maximum contamination level, the driver will not empty the Container, but will instead affix a "non-collection notice." The non-collection notice shall (i) inform the Customer of the reason(s) for non-collection, (ii) include the date and time the notice was left, and (iii) describe the premium charge to Customer for Contractor to return and Collect the Container after Customer removes the contamination. The driver will document the non-collection event and a customer service representative will update the Customer's computerized account record to note the event. Upon request from Customer, Contractor shall Collect Carts that received non-collection notices within one (1) Business Day of Customer's request if the request is made at least two (2) Business Days prior to the regularly scheduled Collection day. Contractor shall be entitled to compensation for the extra Collection service event based on the costs specified in Attachment Q only if Contractor notifies Customer of the premium charge for this service at the time the request is made by Customer.

Drivers providing automated collection service shall observe, via the hopper video camera and monitor system, the contents of the Cart as it is being emptied into the vehicle. If the driver observes Contamination in excess of the applicable maximum contamination level, the driver shall affix a "courtesy notice" to the emptied Cart. The courtesy notice shall (i) inform the Customer of the observed presence of unacceptable levels of Contamination, (ii) include the date and time the notice was left, (iii) describe the premium charge to Customer for Contractor to return and Collect contaminated Containers after Customer removes the contamination. The next day on which that Customer is to receive service, the driver shall dismount the Collection vehicle, lift the lid of the Cart and visually

inspect the contents. If the driver determines that the Cart again contains excess Contamination, the Cart will not be collected. Instead, the driver will record the non-collection event in the on-board computer system and shall affix a non-collection notice to the Cart.

If a driver observes Hazardous Materials in an uncollected Container, the driver shall record that observation in the on-board computer system and also inform the route supervisor. The route supervisor shall investigate and initiate applicable action within one (1) Business Day.

Whenever a Container at a Commercial or a Multi-Family Dwelling complex Customer is not collected, Contractor shall contact the Customer on the scheduled Collection Day by telephone to explain why the Container was not collected. Whenever a Container is not Collected because of excess Contamination, a customer representative will contact the Customer to discuss, and encourage the Customer to adopt, proper materials-preparation and separation procedures.

B. **Periodic Route Audits.** Contractor shall conduct a route audit of any route from which two (2) or more loads are found based on testing pursuant to Section 6.02.C to exceed the applicable maximum contamination levels set forth in Section 6.02 Table 1 during any thirty (30) day period, as well as any other route whose loads consistently exceed the maximum contamination levels.

When a route is identified as requiring a route audit, Contractor will provide a route auditor to precede the Collection vehicle and physically examine the contents of each Container or Cart prior to emptying. The route auditor shall affix non-collection notices to at least ninety percent (90%) of all Containers that contain Contamination in excess of applicable maximum contamination levels.

Contractor shall submit a monthly route audit report within five (5) Business Days after the end of each route audit that has been conducted during the previous month. The report shall describe in detail Contractor's conduct of the audit, as well as the public education and outreach activities that it employed to encourage and facilitate changes in Customer behavior that will reduce Customers discarding Contamination in Containers designated for Recyclable Materials or Organic Materials.

The audit of a route shall continue for a period of four (4) consecutive weeks after the route has been identified as requiring an audit under the first paragraph of this Section 6.03.B.

6.04 PROCESSING OF OTHER MATERIALS

The Contractor shall be responsible for, or shall arrange for, processing, Recycling, and/or reuse of Bulky Items, Major Appliances, and Specialty Recyclable or Reusable Materials (excluding Construction and Demolition Debris) Collected pursuant to this Agreement.

ARTICLE 7 OTHER SERVICES

7.01 CUSTOMER BILLING

A. **Billing**. Contractor shall prepare and mail Bills for services provided by Contractor and shall collect Customer payments.

1. Frequency. Contractor shall Bill Single-Family Customers quarterly in amounts equal to the Rate for service for a three (3) month period (i.e., using a quarterly format), unless the Agency requests a more frequent Billing interval in which case the Contractor shall be entitled to a reasonable adjustment in its compensation related to the additional costs for the Agency-directed change in billing frequency. Contractor shall issue Single-Family Residential Bills three (3) months in advance in a manner such that one-third (1/3) of SFD Customers are Billed each month. Contractor shall bill Multi-Family Dwelling and Commercial Customers monthly in arrears in the amount equal to Customers' subscribed Rate for service for a one (1) month period.

2. Automated Billing and Payment. In an effort to reduce paper waste, Contractor shall make available to all Customers an automated Billing and payment system. This system should be website-based and allow Customers to view and pay Bills through Contractor's website. Through the Contractor's website, Customers may request to cease paper Billing and receive all bills through e-mail and/or Contractor's website. Contractor will ensure that the electronic Billing and payment website conforms to industry-standard practices for electronic commerce security. However, Contractor must ensure that these Customers are compiled in a list to ensure that Billing inserts are mailed directly.

3. Bill Format. Contractor shall Bill Customers using a Bill format (i.e., post- card Billing format or conventional envelope/insert) approved by the Agency, if Customer does not opt-out by requesting use of the automated Billing and payment system. Contractor shall promote the website-based Billing and payment system on all paper Bills sent to Customers. Agency shall have the right to revise the Billing format (e.g., size, font, frequency, etc.) and to itemize certain charges and to review the Billing procedures. Contractor shall be compensated for any cost increases that result from the Agency-directed change to the Billing format.

4. Records. Contractor shall maintain, for inspection by the Agency, copies of Customer Billings and receipts, in chronological order, for a period of three (3) years after the date of service. Contractor shall maintain those records in electronic format. SBWMA and Agency staff or representatives shall be given access to such records upon one (1) Business Day notice.

5. Rates. Agency shall establish, by resolution, Rates for the types of service provided as described in Section 11.07. Contractor shall Bill and collect at those Rates.

6. Service Stops. Contractor shall allow Customers to suspend service and Billings when the Premises are unoccupied. Single-Family Residential Customers may suspend service for a minimum of one (1) Service Day on a maximum of three (3) occasions each Rate Year. Commercial Customers may suspend service for a minimum of two (2) Service Days on a maximum of six

(6) occasions each Rate Year. Multi-Family Customers may not suspend service without prior written approval from Agency. The Billings for both Residential and Commercial Customers shall be prorated by Contractor in accordance with Customer's requests to suspend service.

B. **Delinquent Payment**. Residential Customers will be considered delinquent sixty (60) Days after start of the quarter in which the services are provided and Multi-Family Dwelling and Commercial Customers will be considered delinquent thirty (30) Days after payment is due. Contractor shall address the issue of delinquent payment as specified in Attachment H.

C. **Local Office**. Contractor shall maintain a local office in the Shoreway Recycling and Disposal Center for acceptance of in-person payment of bills. At the local office, Contractor shall accept as payment personal checks, money orders, cashiers checks, and credit cards. The local office shall be open for business from 8:00 a.m. until 5:00 p.m. Monday through Friday, exclusive of Holidays.

D. **Contractor Revenue Collection**. Contractor shall collect revenue for services described herein on behalf of the Agency. Revenues collected on behalf of the Agency or SBWMA shall be handled as described in Article 11 of this Agreement.

E. **Review of Billings**. Contractor shall review its Billings to Customers, issued pursuant to Section 7.01.A. The purpose of the review is to determine that the amount which Contractor is Billing each Customer is correct in terms of the level of service (i.e., frequency of Collection, size of Container, location of Container) being provided to such Customer by Contractor. Contractor shall review Customer accounts not less than once every three (3) calendar years for each Commercial, Multi-Family Dwelling and SFD Customer, unless Agency shall direct Contractor to do so more frequently. Contractor shall submit to Agency a written report of the status of its review annually no later than forty-five (45) Days after the end of each calendar year. The intent of this Section is for Agency to receive reports on an annual basis for one-third (1/3) of all Customer accounts, and for all Customer accounts to be reviewed every third year of the Agreement. The scope of the review and the reviewer's work plan shall be submitted to Agency for approval no later than six (6) months before the submission of the first report.

F. **Agency or SBWMA Billing Review**. Contractor acknowledges that Agency or SBWMA may perform, or cause to be performed, Billing reviews periodically. Contractor agrees to participate and cooperate with SBWMA and Agency and its agents to accomplish these reviews and conduct any data collection and report preparation that may be requested. The Contractor's full cooperation with these reviews may include, but is not limited to: allowing Agency or SBWMA staff or consultants to ride along with drivers in Collection vehicles during daily Collection operations; providing for interviews of personnel at all levels, with or without management oversight; providing reporting related to franchised operations available through Contractor's automated systems; and adjusting routing, public information, outreach, or program availability based upon the recommendations of the audit, if approved by the SBWMA or Agency.

G. **Privacy of Customer Information.** Contractor shall not distribute or sell Customer, Owner, or Occupant information such as names, addresses, and telephone

numbers to other Persons with the exception of distribution to the Agency, SBWMA, or its agents for reporting and contract compliance purposes and distribution to Contractor's Billing agent (if Contractor uses a Related Party Entity or Subcontractor for Billing purposes).

7.02 CUSTOMER SERVICE

Contractor is responsible for ensuring that all staff and Customer Service representatives (CSR) maintain a professional and courteous demeanor when in contact with Agency, SBWMA and the public. Contractor shall be responsible for all employee interactions with Customers, SBWMA, and Agency staff. Contractor is required to ensure that its Customers are consistently treated courteously and are presented with timely, responsive and thorough solutions to problems and requests for information. Contractor shall meet monthly to discuss compliance with the Customer Service standards described herein if requested by Agency.

A. Local Office

Contractor shall operate a local office at the Shoreway Recycling and Disposal Center, located at 225 Shoreway Road, San Carlos. Office hours shall be at a minimum, from 8:00 a.m. to 5:00 p.m., Monday through Friday, exclusive of Holidays. Contractor shall be responsible for ensuring that a qualified representative is available at the local office during office hours to communicate with the public and accept Bill payments from Customers. Contractor shall offer bi-lingual customer service at the local office by employing CSR's with English and Spanish language capabilities. The local office and customer service telephone number(s) shall either be a local or toll free call.

Contractor's telephone system shall adequately handle the volume of calls typically experienced on the busiest days. Contractor shall have a company representative, an answering service, or voice-mail system available for calls received during non-business hours and Holidays.

Contractor shall employ sufficient customer service staff and management practices to ensure that the Average Speed of Answer is equal to or less than thirty (30) seconds and the maximum Hold Time is ninety (90) seconds or less.

Contractor will be required to track all informational requests so that appropriate public outreach materials can be designed to target commonly asked questions. Contractor shall be responsible for promoting use of the Contractor's website for scheduling of On-Call Collection Service events and obtaining answers related to common informational requests through: (i) public education and promotion materials; and (ii) a recorded message Customers will hear while on-hold with the customer service department.

Contractor shall maintain and publicize an e-mail address whereby Customers can communicate with the Contractor's customer service staff. Contractor shall monitor the email at least once per Business Day, and ensure that a twenty-four (24) hour response time is maintained.

B. Customer Service Call Center and Staffing

Contractor is required to operate a Customer service call center that will serve as the primary telephone point of contact and information for all services. The Customer service call center hotline is required to be staffed live during regular business hours (i.e., Monday through Friday 8:00 a.m. to 5:00 p.m.) by sixteen (16) customer service representatives (includes one (1) receptionist who performs customer service activities). In addition, the Customer service call center will offer multi-lingual Customer service by employing a minimum of two (2) bilingual customer service representatives with English and Spanish language capabilities, and contracting with a service to provide bilingual capacity for other languages including Cantonese, Mandarin, and Vietnamese. Contractor shall provide immediate access to interpreters for over one-hundred and seventy-five (175) languages through the use of Language Line service, or a similar service.

C. **Website**

Contractor shall maintain and publicize an up-to-date website whereby Customers can conduct business with Contractor. Contractor is required to update the Website monthly, and more frequently if necessary. At a minimum, the website shall:

1. Allow Customers to view and pay Bills issued by Contractor, as required in Section 7.01;
2. Allow Customers to schedule services such as, but not limited to, On-Call Collection service events, On-Call Bulky Item Collections, extra Collections, service changes, temporary Drop Box service, service terminations, and service stops;
3. Provide answers to frequently asked questions including, but not limited to: proper Container set-out instructions; list of acceptable Recyclable and Organic Materials; Collection Days (in response to Customer input of service address); Billing issues, customer service telephone and e-mail contact information; and the Designated Transfer and Processing Site hours, directions, and acceptable materials;
4. Provide complete list of Agency-approved Rates for all Customers;
5. Allow Customers to file Complaints and receive from Contractor e-mail responses to Complaints;
6. Provide a link to enable Customers to email Contractor; and
7. Maintain and produce visitor logs and reporting including, but not limited to, website and individual page visitation, number of web-based Bill payments per month, number of website-submitted Complaints per month, and individual and summary Customer Complaint and resolution reporting.

D. **Customer Information System Requirements**

Contractor is required to use a Customer information system with software applications capable of documenting all correspondence and conversations, pertaining to the services specified herein, between Contractor, Customers, Occupants, Agency and SBWMA. The system shall include, at a minimum, the following data fields:

1. Date and time of Customer correspondence or contact with Contractor (e.g., phone call, email)
2. Date and time response was provided
3. Date and time resolution was provided
4. Customer's name and contact information (multiple phone numbers and email addresses)
5. Account address
6. Service address
7. Occupant address
8. Service location information including:
    a. Number of units
    b. Number, size and type of Solid Waste, Organic Materials, and Targeted Recyclable Materials Containers
    c. Collection Service Day
    d. Route number
    e. Backyard service status
    f. Special Handling Service status
    g. Bulky Item Collection history (e.g., number of annual services performed, date requested, date provided)
9. Service issue, Complaint or Inquiry
10. Time frame stipulated for Contractor to resolve issue
11. Description of Contractor's resolution of service issue or Complaint, or response to Inquiry
12. Date and time that Contractor's resolution took place
13. CSR or Contractor's employee identification code of employee inputting the Complaint or inquiry
14. CSR or Contractor's employee identification code of employee inputting the resolution

The system shall be capable of:

1. Providing real-time access to complete Customer contact history from the commencement of service in 2011;
2. Providing Agency and SBWMA the capacity to submit work orders (e.g., specifying the Inquiry, Complaint or request for service) electronically directly to Contractor using Contractor's web-based software.
3. Documenting non-Collection events including problem description and resolution;
4. Tracking non-Collection events necessary to fulfill the requirements in Section 8.02(F); and
5. Fulfilling Customer service reporting requirements as specified in Article 9.

E. **Monthly Meetings with Agency**. If requested, Contractor shall meet monthly with Agency to discuss compliance with the Customer service standards specified in this Section 7.02, Attachment I (Performance Incentives and Disincentives) and Attachment J (Liquidated Damages).

F. **Quality Assurance Program.** Each month Contractor's customer service representatives will contact by telephone a minimum of two-hundred (200) Customers within the SBWMA Service Area to inquire about their satisfaction with Contractor's Collection services. The Customers contacted will be (i) representative of different Service Sectors, (ii) distributed among Member Agencies, and (iii) randomly selected. Customer service representatives shall ask about (i) Customers' satisfaction with Solid Waste and Recyclable Materials Collection services, (ii) the number of Collection Containers the Customer has and the frequency of collections, in order to ensure that the Customer has subscribed to the appropriate level of Collection service, and (iii) Customer's suggestions for opportunities to improve service. The quality assurance program reporting requirements are specified in subsection 9.05.G.

G. **Preprogrammed Call Transfer.** Contractor shall maintain the ability to provide preprogrammed call transfer service to Agency. With this communications feature in place, when a Customer calls Contractor about an issue or concern that pertains to Agency but is not related to Collection services provided by Contractor, Contractor shall immediately transfer the phone call to the offices of Agency through a dedicated telephone line. The call transfer shall be seamless, and appear to the Customer as if Contractor were transferring the call internally.

J. **Customer Service Operations Plan**. Contractor shall annually submit its Customer service operations plan. The Customer service operations plan shall describe how Contractor uses its Norcal or Recology customer relationship management system (NCRM), linked to on-board GPS tracking system, to share real-time information between Customers, drivers, customer service representatives, managers, and SBWMA and Agency staff. The plan will provide details on how Contractor automatically detects and records information on each Customer pickup, real-time transmission of service extras, blocked cars, safety notes, and exceptions to service.

7.03 PUBLIC EDUCATION AND PROMOTION

Contractor and Agency agree that all public education activities will be a collaborative effort among the SBWMA, Agency, and Contractor. Contractor shall be responsible for ensuring that its Customers consistently receive a high level of service and responsiveness.

A. **General**. Contractor acknowledges and agrees that education and public awareness are critical and essential elements of any effort to achieve diversion. Contractor shall educate Residential and Commercial Customers on the following: (i) the benefits of source reduction, reuse, Recycling, and Composting and related program opportunities; (ii) proper handling of Hazardous Waste; (iii) specific services offered by the Contractor; and (iv) Rates for Collection services. The public education program shall include distribution of public education materials at the commencement of the Agreement; when Collection services are changed during the Term; and when new Collection services are implemented during the Term. In addition, the public education program shall include on-going education activities throughout the Term. Educational materials that Contractor must pay for, produce and distribute shall include, but not be limited to, those listed in Section 7.03 (E).

B. **Annual Public Education Plan**. On or before September 1st of each Rate Year, Contractor shall submit to Agency and SBWMA a public education plan outlining its public education activities for the coming Rate Year. Agency and SBWMA shall review and approve the plan or request modifications to the plan by October 1. Contractor shall revise and resubmit the plan to Agency and SBWMA by October 15. If Agency and SBWMA determine the plan has not been adequately revised, Contractor shall ensure its public education manager is available to meet and confer with Agency and SBWMA to ensure the plan is finalized by November 1. The plan shall list each public education piece or activity (e.g., newsletters, Bill inserts, flyers, newspaper advertisements, website enhancements, etc.) to be prepared, the purpose of the piece, the key subject(s) to be covered, and the anticipated date of issuance. In addition, the plan shall list all Events the Contractor plans to attend and the public education it intends to provide (e.g., exhibit at Earth Day Event, Chamber of Commerce meetings, etc.). During the Rate Year, Contractor shall complete all elements and tasks specified in the annual public education plan in accordance with the schedule presented in the plan unless the Agency or SBWMA has provided written approval to waive or postpone a requirement.

C. **Content and Production Requirements**. Prior to preparing public education materials, Contractor shall discuss with the Agency and SBWMA its general approach to preparing the materials and shall determine if the Agency has any Agency-specific guidelines to be followed and if the Agency wants the Contractor to work with templates prepared by SBWMA or others.

The public education materials shall emphasize use of visual/graphic images as much as practical. Furthermore, the materials shall include a clear listing of program participation parameters and targeted materials.

All public education materials shall be printed on paper containing the highest levels of recycled-content material reasonably practical.

The Contractor shall develop a multi-lingual approach to preparing all public education materials, and all public education materials shall be provided in both English and Spanish.

D. **SBWMA and Agency Responsibilities**

SBWMA shall take primary responsibility for implementation of the public education and outreach campaign that will be used to announce changes in collection services. SBWMA will fund the new services kick-off public education campaign. Development of the public education and promotion strategy and implementation schedule will be a collaborative process among Contractor, SBWMA, and Agency.

The SBWMA and Agency's responsibilities with regard to public education and promotion activities shall include, but not be limited to, the following:

1. Provision of public education to SFD, MFD, Commercial and Agency Facility Customers with a broad focus on waste prevention, reuse, and Recycling.
2. Preparation and distribution of a quarterly newsletter for all SFD and MFD Occupants.

3. Preparation and distribution of Multi-Family Dwelling toolkits for MFD complex Owners and managers.
4. Purchase of desk-side and other interior Targeted Recyclable Materials and Organic Materials receptacles for Commercial Customers.
5. Purchase of Recycling Tote-Bags for distribution to MFD complexes.
6. Preparation and distribution of an electronic newsletter for the Commercial sector and MFD complex managers.
7. Preparation and provision of outreach materials to schools.
8. Development and maintenance of SBWMA website.
9. Production of decals for Used Motor Oil jugs.
10. Upon request from Agency, produce Household Battery and Cell Phone Recycling bags.

E. **Contractor Responsibilities**

Contractor will be required to provide the following services:

1. Distribute public education and promotion materials during roll-out of the new Collection services program. This will entail distributing program literature and other promotional items with delivery of the Carts, Kitchen Pails and Bins to all Customers at inception of the new program.
2. Actively collaborate with Agency and SBWMA on the public education strategy and development of materials to support roll-out of new Collection services.
3. Distribute public education and promotion materials to new Customers during the Term.
4. Provide public education door hangers, posters and other promotional materials to Multi-Family Dwelling Customers at inception of new services and during the Term.
5. Deliver Recycling Tote-Bags to MFD complexes.
6. Deliver desk-side and other interior Targeted Recyclable Materials and Organic Materials receptacles for Commercial Customers and Agency Facilities.
7. Produce and deliver non-collection notices. The format and content of the non-collection notices must be approved in advance by Agency and SBWMA.
8. Produce and affix Targeted Recyclable Materials, Organic Materials and Solid Waste cart hangers to corresponding Carts. The format and content of the cart hangers must be approved in advance by Agency and SBWMA.
9. Affix Used Motor Oil Recycling decals to jugs for inclusion in Used Motor Oil Recycling kits.
10. Assemble and deliver Used Motor Oil Recycling kits upon request from SFD Customers. Kits must be provided to Customer within five (5) Business Days of Customer request.
11. If approved by Agency, deliver Household Battery and Cell Phone Recycling bags upon request from Customers. Bags must be provided to Customer within five (5) Business Days of Customer request.
12. Staff a booth at local public events and distribute promotional and educational materials.

13. Arrange student tours at the SRDC (in coordination with Operator); make classroom presentations upon request; provide school activities for students about the 4Rs; and provide “rainy day” DVDs to schools that educate children about waste reduction and preserving the environment.

14. Conduct presentations at community meetings, service clubs, senior centers and neighborhood associations.

15. Promote recycling and organics collection programs on the sides of Collection and Route Supervisors’ vehicles. These advertising campaigns must be approved in advance by Agency and SBWMA.

16. Each Rate Year insert with its bills, up to twelve (12) Solid Waste Bill inserts produced by SBWMA or Agency. A total of nine (9) Bill inserts are specified below.

    If Agency has specified a post card Bill format, the notices described as "Bill inserts" shall be separately mailed by Contractor. In addition, if Bills (in whatever format) are mailed at intervals that do not accommodate the timely distribution of the specified notices, notices will be separately mailed as necessary by Contractor.

17. Each Rate Year Contractor shall develop, produce and distribute the following public education and promotion materials:

    a. Annual On-Call Collection Services Collection notice (one (1) SFD Solid Waste Bill insert).

    b. Annual Holiday Tree Recycling notice (separate for SFD and MFD - two (2) Solid Waste Bill inserts).

    c. Annual “Reduce Holiday Packaging” notice (one (1) SFD and MFD Solid Waste Bill insert).

    d. Twice annual compost giveaway notice (two (2) SFD and MFD Solid Waste Bill inserts).

    e. Twice annual Commercial Recycling notice (two (2) Commercial Solid Waste Bill inserts).

    f. Annual Commercial Recycling awards notice (one (1) Commercial Solid Waste Bill insert).

    g. Non-collection notice (set-out correction notice)..

13. Contractor’s outreach and education material will place a strong emphasis on Recycling and reuse, encouraging Customers to take advantage of donation opportunities offered by local non-profit organizations such as the Society of St. Vincent de Paul, Goodwill Industries, and the Salvation Army. In addition, Contractor will promote other resources for reuse, such as the Freecycle Network™ an online resource for the free and local exchange of goods, the Resource Area for Teachers (RAFT), local schools, and other community organizations that are in need of reusable goods.

14. Contractor shall develop and distribute to all Customers a professionally produced DVD. Contractor shall work collaboratively with the SBWMA to produce a DVD using local settings, that illustrates and explains the Recyclable Materials, Organic Materials and Solid Waste Collection services provided by Contractor and Customer participation protocols and other pertinent sustainability-related information.

F. **Staffing**

Contractor will have on staff a full-time management level employee who will serve as the public education manager. Contractor must notify Agency and SBWMA within two (2) Business Days if this individual resigns or is terminated from employment. Contractor shall provide to Agency and SBWMA a current job description and resume of the public education manager.

G. **Meeting Requirements**

Upon request from Agency or SBWMA, the public education manager is required to meet quarterly, and more frequently if necessary, with Agency and/or SBWMA staff to review public education and promotion activities. In addition, the public education manager will be required to represent Contractor at all monthly SBWMA Board of Director meetings.

H. **Agency Rights**

Contractor acknowledges that the public education and promotion activities listed are critical to the success of Agency's diversion performance relative to the Act. As such, Contractor acknowledges Agency's rights to the following:

1. Contractor shall make available to Agency and SBWMA all public educational materials used by Contractor, which Agency and SBWMA shall approve prior to their use;
2. Agency and SBWMA shall retain the right to modify, expand, or reduce the minimum public education requirements;
3. Agency may require Contractor to work with a public education consultant selected by Agency or the SBWMA;
4. Agency may perform, or request that the SBWMA perform on its behalf, the public education efforts assigned to the Contractor; and
5. Agency or SBWMA may provide additional, supplemental public education materials as it deems appropriate.

I. **Reporting Requirements**

Contractor is required to prepare quarterly and annual public education activity status reports. The annual reports will in part summarize the prior twelve (12) months and also contain adjustments to current and ongoing event calendars.

J. **Service Notice**

Contractor shall periodically prepare and distribute to each Customer a notice listing Contractor's Rates for standard Collection services, Rates for other services, annual Holiday schedule, and a general summary of services required under this Agreement to be provided Customers and optional services which may be furnished by Contractor. Such notice shall be approved by the Agency prior to distribution.

7.04 COMMERCIAL RECYCLING PROMOTION PROGRAM

A. **Commercial Recycling Promotion Program Staff.** Contractor shall maintain a Commercial Recycling promotion program staff that will be primarily responsible for supporting Commercial and Multi-Family Dwelling Accounts and Agency Facilities Recycling-related Collection services. The Commercial Recycling promotion staff for the SBWMA Service Area shall consist of a minimum of the following full-time staff: eight (8) "sales" representatives (recycling coordinators), two (2) diversion auditors and one (1) supervisor (commercial recycling manager), as specified in Attachment O.

B. **Signs and Placards**. Contractor shall be responsible for preparing, distributing, and posting signs at Commercial Collection Premises that promote Targeted Recyclable Materials and Organic Materials Collection services, describe the program requirements, and identify allowable and prohibited types of materials for Collection. At a minimum, the signs or placards shall be durable and weather resistant and affixed in the Container areas. Upon request from Customer, Contractor shall provide signs and Container labeling in a second language such as, but not limited to, Spanish. Within ten (10) Business Days of a Customer's request, Contractor shall provide extra signs for use in areas such as employee training areas, break rooms, kitchens, and janitorial areas at Commercial Premises.

C. **Community Events**. At the direction of Agency or SBMWA, Contractor shall participate in and promote diversion techniques at community events and local activities. The events requiring Contractor assistance are not limited to the list of Agency-sponsored or other events contained in Attachment C. Participation includes providing educational and public outreach information and promotional giveaways in an effort to promote the Agency's waste reduction and Recycling program goals.

D. **Notification to Commercial Customers**. Immediately upon request from a new or current Customer for new or changes in service, Contractor shall notify Customer by phone or email of the Targeted Recyclable Materials and Organic Materials Collection services offered by Contractor. Such notification shall be provided in English and Spanish and shall be provided prior to finalizing a Customer's request for a subscription to new service(s).

E. **Targeted Commercial Recycling Promotion.** Contractor shall provide full on-site waste assessment and technical assistance to, at a minimum, one-hundred (100) of Agency's largest Commercial Generators (based on weekly Solid Waste generation) annually to assist in maximizing diversion. For all other Commercial Generators, Contractor shall provide technical assistance as needed or requested and visual on-site Collection Container assessments at least once every three (3) years. Contractor shall document the site assessments, the date of the assessment, the Person contacted, the Solid Waste, Source Separated or Targeted Recyclable Materials, and Organic Materials service levels at the time of the assessment, and recommended changes to service level(s). Contractor shall submit results of site assessments monthly, or upon request, provide copies of assessment data and recommendations for individual site assessments.

F. **Enclosure Specifications**. Contractor shall work with the Agency to develop standard specifications for Collection Container enclosures at Multi-Family Residential Complexes and Commercial Premises to ensure that Container enclosures have adequate space and suitable configuration to allow the Contractor to safely and efficiently service the Containers. The enclosure specifications shall require provision of adequate space for Solid Waste, Targeted Recyclable Materials, and Organic Materials Collection Containers. Contractor shall provide the enclosure specifications to the Agency on or before the Effective Date and shall update as frequently as needed or as requested by Agency.

G. **Plan Review**. Contractor shall review plans for land use or property developments, upon request of the Agency, to assess the adequacy of Container enclosure space allowances for Solid Waste, Recyclable Materials, and Organic Materials Collection Containers and the accessibility of Containers by Collection vehicles. The Contractor's review shall be completed by the Contractor's operations manager or route supervisor within ten (10) Business Days of request by Agency and receipt of the project design drawings. If site conditions warrant, the Contractor shall conduct a site visit of the proposed property to complete its evaluation. The Contractor's review shall be summarized in a letter report that states acceptability of the proposed enclosure arrangements or notes specific changes that are required to comply with the enclosure specification. The letter report shall be signed by the Person that conducted the review on behalf of the Contractor. This review shall include, but not be limited to:

1. Adequacy of the Container enclosure space to store Containers for the anticipated volume of Solid Waste, Targeted Recyclable Materials, and Organic Materials generated by a development of the size and purpose contemplated;

2. Adequacy of Container enclosure space to store Containers for Solid Waste, Targeted Recyclable Materials, and Organic Materials in a fashion that allows for the greatest possible diversion of materials; and,

3. Adequacy and accessibility of the Container enclosure space for Contractor to safely and efficiently service all Containers in the contemplated service locations taking into account the dimensions of the enclosure space, the access road dimensions, parking arrangements, pedestrian traffic, change in elevation, other site considerations, and Collection vehicle capabilities.

H. **Reporting.** Contractor shall prepare and submit reports related to the Commercial Recycling promotion program as provided in Article 9.

I. **Mandatory Commercial Recycling Assistance to Agency.** In the event Agency adopts a policy or strategy to encourage or require Recycling at Commercial and Multi-Family Dwelling Customers, Contractor shall assist Agency and SBWMA with implementing the policy or strategy. Contractor shall be required to provide Agency with prompt notification of Customers that do not comply with the policy or strategy based on the observations of Contractor's employees. Contractor shall assist the Agency and SBWMA with collecting related data from Commercial and Multi-Family Dwelling Customers and facilitating outreach and education programs focusing on encouraging participation by these Customers in the mandatory Recycling policy or strategy. Upon request from Agency, Contractor shall modify its protocol regarding use of non-collection notices pursuant to subsection 8.02.F to include Solid Waste Containers, in order to assist with implementing Agency's mandatory Commercial Recycling policy or strategy.

7.05 MULTI-FAMILY RECYCLING PROMOTION

A. **Multi-Family Dwelling Promotion.** Contractor shall provide adequate staff to work directly with Owners or property managers of Multi-Family Residential Complexes to implement the Single-Stream Targeted Recyclable Materials Collection services and to assess Customer service needs at least annually for each Multi-Family Residential Complex. The Contractor's implementation activities shall include, but not be limited to, the following tasks for each Multi-Family Residential Complex that subscribes to Single-Stream Targeted Recyclable Materials Collection services:

1. Site Assessments**.** Contractor shall meet in person with Owner or property manager to explain the Single-Stream Targeted Recyclable Materials Collection program and conduct an on-site assessment of Multi-Family Residential Complexes containing twenty (20) or more Residential units to determine the appropriate number and type of Solid Waste and Recyclable Materials Containers and the frequency of Collection. Contractor shall provide Containers for Single-Stream Targeted Recyclable Materials or Source Separated Targeted Recyclable Materials such as newspaper, cardboard, mixed paper, glass, aluminum, etc. depending on the needs of the Multi-Family Residential Complex. If practical, Contractor shall locate the Solid Waste and Recyclable Materials Containers in the same area so tenants carry materials to one location. Contractor shall also offer Recyclable Materials Carts for use in the mail area of the Premises. The site assessment shall be conducted by Contractor when Targeted Recyclable Materials Collection services are initially provided at a Multi-Family Residential Complex, and once every three (3) years thereafter.

2. Service Level Adjustments**.** Within five (5) Business Days of completing the site assessment or receiving a request from a Customer, Contractor shall adjust the Customer's service level by providing any Solid Waste or Recyclable Materials Containers needed for change in service, removing unneeded Containers, and revising the billing system to reflect the monthly Rate for the new service level. At the time new Containers are delivered or existing Containers are removed, the Contractor shall confirm that all Containers are properly labeled and shall provide public education signage for the Container areas and extra signs for public and common areas such as mail and laundry rooms, etc.

3. Preparation and Distribution of Public Education Materials**.** Contractor shall provide Owner or property manager with education materials developed by Agency or SBWMA which describe the requirements of the Recyclable Materials Collection program, including flyers, door hangers and Recycling Tote-Bags for distribution to tenants, signage for common areas such as mail rooms and laundry rooms, and move-in kits for new tenants.

B. **Notification to Multi-Family Dwelling Customers**. Upon request from a new or current Customer for new or changes in service, Contractor shall notify the Customer by mail of the Targeted Recyclable Materials and Organic Materials Collection services offered by Contractor. Such notification shall be provided in English and Spanish.

C. **Signs and Placards**. Contractor shall be responsible for preparing, distributing, and posting signs and placards at Multi-Family Dwelling Premises that promote Targeted Recyclable Materials and Organic Materials Collection services, describe the program requirements, and identify allowable and prohibited types of materials for Collection. At a minimum, these signs shall be durable, weather resistant and posted in the Container areas. Upon request of the Customer, Contractor shall provide signage and Container labeling in a second language such as, but not limited to, Spanish. Within ten (10) Business Days of a Customer's request, Contractor shall provide extra signage for use in areas such as laundry and mail rooms at Multi-Family Residential Complexes.

7.06 WASTE GENERATION/CHARACTERIZATION STUDIES

Contractor acknowledges that Agency may perform Solid Waste generation and characterization studies periodically to determine the composition and contamination levels of Collected materials. Contractor agrees to participate and cooperate with SBWMA and Agency and its agents and to accomplish studies and data collection and prepare reports, as needed, to determine weights and volumes of Solid Waste, Targeted Recyclable Materials, Plant Materials and Organic Materials and characterize materials generated, Disposed, transformed, diverted or otherwise handled/processed to satisfy requirements of the Act. Contractor shall also facilitate visual audits of Multi-Family Dwelling, Commercial and Agency Cart and Bin service accounts. The visual audits will entail tipping the contents of Customers Container on the tipping floor at the Designated Transfer and Processing Facility and visually observing and documenting the contents (without pursuing a detailed weight-based characterization study). The materials will then be processed at the Designated Transfer and Processing Facility. Contractor will be required to facilitate said visual audits at the request of Agency; however, the annual total quantity of requests for visual audits for each Service Sector shall be limited to ten percent (10%) of the total number of accounts for each Service Sector.

The SBWMA will use the Contamination Measurement Procedures set forth in Attachment E-1 and E-2, to determine the Contamination levels of single loads and quarterly Contamination Levels, respectively, of Source Separated and Targeted Recyclable Materials, Plant Materials and Organic Materials delivered to the Designated Transfer and Processing Facility.

7.07 PROGRAM EVALUATION

The Agency may require the Contractor to periodically conduct audits of the Residential and Commercial Solid Waste, Targeted Recyclable Materials, and Organic Materials Collection programs to assess one (1) or more of the following performance indicators: average volume of Targeted Recyclable Materials per set-out per Customer, average volume of Organic Materials per set-out per Customer, participation level (i.e., number of Customers setting out Containers per week), Contamination levels, etc. Contractor shall perform up to five (5) Days of route auditing at no additional cost to the Agency or Customers once per calendar year. Prior to the program evaluation audit, Agency and Contractor shall meet and discuss the purpose of the audit and agree on the method, scope, and data to be provided by the Contractor. If Agency requires more than five (5) Days of auditing for the purposes of program evaluation, the activity shall be considered an Agency-directed change in scope and handled in accordance with provisions in Section 15.12.

If the Contractor does not Collect Multi-Family Dwelling Solid Waste, Targeted Recyclable Materials, and Organic Materials using dedicated Collection vehicles, thereby precluding regular and accurate reporting of the Tonnage of Solid Waste, Targeted Recyclable Materials, and Organic Materials Collected from Multi-Family Residential Complexes, the Agency may require the Contractor to conduct a semi-annual or annual Tonnage assessment that involves separately Collecting, weighing, and reporting Multi-Family Dwelling Solid Waste, Targeted Recyclable Materials, and Organic Materials to quantify Tonnage Collected during a given week. This assessment shall be performed by Contractor at no additional cost to the Agency or Customers.

If the Agency wants to collect program data, perform field work, conduct route audits to investigate Customer participation levels and set-out volumes, and/or evaluate and monitor program results related to Solid Waste, Targeted Recyclable Materials, and Organic Materials Collected in the Agency by the Contractor, the Contractor shall cooperate with the Agency and its agent(s), which may include the SBWMA and its consultants.

7.08 PROVISION OF EMERGENCY SERVICES

Contractor shall provide emergency services at the Agency's request in the event of major accidents, disruptions, or natural calamities. Emergency services may include, but are not limited to: assistance handling, salvaging, processing, composting, or Recycling materials; or Disposing of Solid Waste following a major accident, disruption, or natural calamity. Contractor shall be capable of providing emergency services within twenty-four (24) hours of notification by the Agency or as soon thereafter as is reasonably practical in light of the circumstances. Emergency services which exceed the Contractor's obligations shall be compensated in accordance with Article 11. If Contractor cannot provide the requested emergency services, the Agency shall have the right to temporarily take possession of the Contractor's equipment for the purposes of providing emergency services in accordance with Article 12.

7.09 MFD AND COMMERCIAL RECYCLING BLITZ

Contractor has developed a comprehensive early roll-out recycling promotion plan (Recycling Blitz) that will target Multi-Family Dwelling and Commercial Customers over a six (6) month period prior to the start of Collection Services on January 1, 2011. Contractor shall offer to provide Single-Stream Targeted Materials Recycling Collection Service to Multi-Family Dwelling and Commercial Customers that are currently receiving limited or no recycling service. The promotional materials, messages and communications used by Contractor to support Recycling Blitz activities shall be developed collaboratively with the SBWMA and production of materials shall be paid for by Contractor at no additional cost to Agency or SBWMA. All promotional materials used by Contractor shall be authorized by the SBWMA.

Contractor will form a Recycling Blitz team, utilizing resources from within the Norcal organization, such as managers, recycling coordinators and operational staff of other Norcal subsidiaries, who will be recruited in one (1) to two (2) week assignments, to assist in this promotion campaign. The focus of the Recycling Blitz program will be on Customers that are either not currently recycling, or have only limited service. The Recycling Blitz team will work with Customers to expand Collection of Targeted Recyclable Materials and make recommendations for reduced Solid Waste Container

sizes and/or frequency of Solid Waste Collection service. Contractor shall work collaboratively with the SBWMA and the Agency's Previous Contractor.

Contractor projects that, as the result of undertaking this recycling promotion program, it will increase the volume of Targeted Recyclable Materials collected in the SBWMA Service Area by 9,800 annual tons starting January 1, 2011.

All Recycling tons Collected through the Recycling Blitz will be delivered by Contractor to the SRDC or to an alternate Recycling processor approved by the SBWMA. All revenue received by Contractor from an alternate recycling processor for Targeted Recyclable Materials Collected during the Recycling Blitz will be remitted by Contractor to the SBWMA. Contractor shall provide SBWMA with monthly tonnage reports of materials Collected during the Recycling Blitz.

7.10 CARBON FOOTPRINT MEASURING

Contractor shall develop and submit to Agency and SBWMA an annual climate action report. Contractor shall annually file its emissions data with the California Climate Action Registry (CCAR). The annual climate action report shall be submitted with Contractor's annual report. This report shall include: information on Contractor's emissions data filed with CCAR; a description of Contractor's carbon footprint; and, a description of Contractor's activities both planned and implemented to reduce its carbon footprint.

7.11 ENVIRONMENTAL MANAGEMENT PROGRAM

Contractor shall implement and maintain an environmental management program combining several elements to minimize the environmental impacts of its operations in the Service Area. Contractor shall provide upon request from Agency a description of topics discussed at its bi-monthly environmental team roundtable and training program meeting(s) and the semiannual corporate environmental compliance staff meetings. Contractor shall provide Agency access to its "Norcal's Environmental and Safety Tracking" (NEST) system upon request. Contractor shall provide Agency copies of its internal environmental compliance audits, third-party audits and disposition of corrective actions, within thirty (30) Days upon request from Agency.

7.12 ANNUAL ROUTE ASSESSMENT

Contractor shall conduct a route assessment of the Service Area each Rate Year. This comprehensive route assessment shall require Contractor to assess all of its Solid Waste, Targeted Recyclable Materials and Organic Materials Collection Customers over a one (1) week period during the same month each year for the Term. The assessment is intended to annually confirm and update Contractor's data related to Customer accounts, service levels and operations, including, but not limited to: (i) number of Accounts; (ii) Customer address; (iii) number and type of Containers at each Account; and (iv) Collection frequency of each Container at each Account; (v) . Bin and Cart lifts; (vi) Drop Box pulls; (vii) service stops; (viii) route hours per year; and (ix) tonnage Collected. All service level information related to lifts and pulls will be derived in part from Contractors database management system. All route labor hours shall be based on total route hours for routes exclusive to each Agency and Tonnage information shall be based on actual tons Collected. For routes that service more than one Agency, the Tonnage Collected on these routes and total route hours shall be allocated to the

respective Agencies based on the type and number of accounts and service levels attributable to each Agency.

ARTICLE 8
REQUIREMENTS FOR OPERATIONS, EQUIPMENT, AND PERSONNEL

8.01 COLLECTION HOURS AND SCHEDULES

A. **Hours of Collection**

1. Residential. Residential Solid Waste, Targeted Recyclable Materials, and Organic Materials (including all such services provided to SFD and Multi-Family Dwelling Premises) shall be Collected on weekdays (i.e., Monday through Friday) between 6:00 a.m. and 6:00 p.m. exclusive of Holidays.

2. Commercial. Commercial and Agency Facilities Solid Waste, Targeted Recyclable Materials, and Organic Materials shall be Collected on weekdays (i.e., Monday through Friday) between 3:00 a.m. and 6:00 p.m. and weekends (i.e., Saturday and Sunday) between 6:00 a.m. and 5:00 p.m., exclusive of Holidays. The Agency may restrict or require modifications to hours for Collection from Commercial Premises and Agency Facilities to resolve noise Complaints, and, in such case, the Agency Manager may restrict the allowable operating hours.

3. Commercial Exception. Collection from Commercial Premises that are two-hundred (200) feet or less from Residential Premises shall only occur between the hours of 6:00 a.m. and 6:00 p.m., Monday through Saturday and all such operations shall be in accordance with permissions provided to Contractor by Agency. The Agency may restrict or require modifications to hours for Collection from Commercial Premises and Agency Facilities to resolve noise Complaints, and, in such case, the Agency Manager may restrict the allowable operating hours.

4. Exception. In the event of an unforeseen circumstance, the Contractor may Collect materials from Residential Premises, Commercial Premises, or Agency Facilities that are two-hundred (200) feet or less from Residential Premises between the hours of 3:00 a.m. and 6:00 p.m., Monday through Saturday, upon prior written approval from the Agency Manager.

B. **Route Schedules.** Routes over which Contractor's vehicles travel to affect the Collection and transport of Solid Waste, Targeted Recyclable Materials, and Organic Materials shall be selected to minimize damage to Agency and private streets, and minimize inconvenience and disturbance to the public. The route schedules and routing maps shall be subject to the approval of Agency prior to Commencement of services. Contractor shall use due care to obey all traffic laws and prevent materials being transported from being spilled or scattered during transport.

Contractor shall be prepared to review its operations plan outlining the Collection routes, intervals of Collection and Collection times for all materials Collected under this Agreement with the Agency or its representatives at least annually. More frequent reviews may be required if operations are not satisfactory based on documented observations or reports or Complaints. If the plan is determined to inadequately address the unsatisfactory performance as documented by observations and Complaints, the Agency may direct Contractor to revise the plan

incorporating any changes into a revised plan and review said revised plan with the Agency within thirty (30) Days of the initial meeting with the Agency.

C. **Contingency Plan.** Contractor shall submit to Agency ninety (90) Days prior to Commencement Date, a written contingency plan demonstrating Contractor's arrangements to provide vehicles and personnel and to maintain uninterrupted service during breakdowns, and in case of natural disaster or other emergency, including the events described in Section 14.09.

8.02 COLLECTION STANDARDS

A. **Implementation of Services.** The Contractor's implementation of the services required by this Agreement shall occur in a smooth and seamless manner so that Customers and/or Generators do not experience disruption in Collection services when services are initiated on the Commencement Date. Contractor shall be responsible for managing implementation of new Collection services and other related services and shall do so in accordance with the Implementation Plan prepared by the Contractor and incorporated into this Agreement as Attachment L.

B. **Servicing Containers and Missed Pick-Ups**

1. General. Contractor shall Collect the contents and return each Container to the location where the Occupant properly placed the Container for Collection. Contractor shall place the Containers upright with lids properly closed and secured.

   Contractor shall use due care when handling Containers. Contractor shall not throw, roughly handle, damage, or break Containers.

   Upon Customer request, Contractor shall provide special services including: unlocking and locking Containers; accessing locked Container enclosures (e.g., with a key or combination lock); and pulling or pushing Containers to the Collection vehicle. Contractor shall provide the special services described in this paragraph upon request from Customer and Contractor shall be entitled to bill Customer as specified in Attachment Q.

2. Missed Pick-Ups**.** When notified of a missed pick-up, Contractor shall Collect the Solid Waste, Targeted Recyclable Materials, or Organic Materials on the day the notice is received, if possible, and in all cases shall Collect the missed pick-up by 6:00 p.m. of the next Business Day following receipt of the missed pick-up notification.

C. **New Customers and Change in Service Levels**. Contractor shall deliver Containers and initiate Collection services for a new Customer within five (5) Business Days of the Customer's request for service. If an existing Customer requests a change in the number or size of their Solid Waste, Recyclable Materials, or Organic Materials Containers and/or frequency of Collection, the Contractor shall deliver additional Containers and/or remove Containers and shall initiate changes in the Collection services within five (5) Business Days of the Customer's request for a change in service.

D. **Separate Collection of Materials and Allocation of Agency Materials.** Contractor shall separately Collect and segregate Solid Waste, Targeted Recyclable Materials, and Organic Materials from each other and shall not Commingle these materials at any time during the transportation or delivery of those materials to the Designated Transfer and Processing Facility. Solid Waste, Targeted Recyclable Materials, and Organic Materials Collected in the Agency, which are combined with materials Collected from other SBWMA Member Agencies, shall be allocated by Contractor to the Agency's Collection program based on volume or Tonnage using a method approved by the Agency and SBWMA. Contractor shall not collect materials from within Agency in the same Collection vehicles used to provide Collection service to non-SBWMA Member Agencies, unless provided written approval by Agency.

E. **Setout Instructions to Customer.** Contractor shall instruct Customers as to any preparation of Solid Waste, Targeted Recyclable Materials, or Organic Materials and the proper placement of Containers. If Customers are not adhering to Contractor's instructions, Contractor shall notify such Customers in writing. In cases of extreme or repeated failure to comply with the instructions, Contractor may decline to pick-up the Targeted Recyclable Materials or Organic Materials provided that Contractor leaves an adequate number of non-collection notices on the Container, as determined by the Agency, indicating the reason for refusing to Collect the material. Such notices shall also identify the steps Generator must take to recommence Collection service.

F. **Non-Collection Notices.** Contractor may choose not to Collect materials for the following reasons: (i) Source Separated or Targeted Recyclable Materials or Organic Materials do not comply with the allowable Contamination thresholds; (ii) materials contain Hazardous Waste; or (iii) the loaded weight of a Container exceeds the maximum load limit specified by the Cart manufacturer and specified in Attachment D. In such case, Contractor shall issue non-collection notices stating the reason(s) the materials were not Collected. The non-collection notice shall be affixed prominently onto the Cart to ensure that it is not inadvertently removed from Cart due to weather conditions. The non-collection notices must be protected from rain, if precipitation is present or forecasted, by placing the notice in a clear plastic bag prior to affixing to Cart.

Contractor shall document the use of non-collection notices by recording the date and time of issuance, address of service recipient, reason(s) for issuance, name of employee who issued the notice, and truck and route numbers. The notice shall conform to the requirements specified in Section 6.03.A, be at least two inches by six inches (2" x 6") in size and shall be approved by the SBWMA. The non-collection notices must identify the steps the Generator must take to recommence Collection service. In the event a Container is not collected due to excessive Contamination and Customer does not take the necessary steps to recommence Collection service, Customer shall be assessed a fee approved by Agency for Collection of the Container as Solid Waste by Contractor. This additional fee charged to Customer may include: (i) a return trip charge and (ii) a extra Solid Waste Collection charge.

Contractor shall report monthly to Agency any non-collection notices issued. Contractor shall take direction from the Agency with regard to termination or

reinstatement of service to a service recipient due to numerous non-collection notices issued to the same Customer.

G. **Collection of Excess Materials** (**Overages).** Contractor shall direct its employees to Collect an Overage on two (2) occasions each Rate Year at no additional cost to Customer. Contractor must provide a notice to Customer documenting the Overage in order to count the Overage Collection towards the allocated two (2) per Rate Year for each Customer. Customers that place an Overage for Collection for a third and subsequent events, may be assessed an Overage fee by Contractor if Contractor documents said Overage with a photograph and sends the Customer a letter within two (2) Business Days notifying them of the Overage Collected. The Overage fee billed by Contractor to Customer for a third and subsequent Overage event is specified in Attachment Q.

Contractor shall provide Customers the opportunity to subscribe to Overage Collection service, in advance, or purchase Overage bag(s) from the Contractor. Contractor shall provide Customers the opportunity to purchase Overage bags through its customer service department or electronically via Contractor's website. The Overage bag(s) shall have markings identifying it as the Contractor's Overage bag. Contractor shall mail or deliver Overage bags to Customers within three (3) Business days of Customer's request. The cost for Overage bags is specified in Attachment Q and includes all aspects of purchasing the bags, printing and distribution (i.e., mailing or direct delivery by Contractor). Customers shall also be provided the opportunity to purchase Overage bags at Contractor's local office. The quantity of Overage bags per request from Customer shall be limited to five (5) per request.

If the Agency and/or Contractor receive numerous Complaints (as determined by the Agency) from Customers regarding Customer dissatisfaction with the requirement to purchase Overage bags, the Agency reserves the right to require the Contractor to modify its Overage program to better serve its Customers and/or require the Customer to subscribe to additional Collection service.

H. **Care of Private Property.** Contractor shall not damage private property. Contractor shall ensure that its employees: (i) close all gates opened in making Collections, unless otherwise directed by the Customer, (ii) do not cross landscaped areas, and (iii) do not climb or jump over hedges and fences.

Agency shall refer Complaints about damage to private property to Contractor. Contractor shall repair, to its previous condition, all damage to private or public property caused by its employees.

Contractor shall endeavor to resolve all claims regarding damage to private property as soon as reasonably practicable following receipt thereof, made by Owners or Occupants of property served by Contractor, for damages to property including, but not limited to, Containers. In the event such damage shall have been caused by the negligence or intentional acts of Contractor, its officers, agents, or employees, Contractor shall promptly repair or replace such damaged property. The provisions of this Section 8.02.H shall not be deemed a limitation upon any other provisions of this Agreement, or any rights or remedies which may accrue to Agency by reason of Contractor's acts or omissions to act hereunder. Contractor is required to repair

damage and/or resolve claims regarding damage to property within thirty (30) Days of receipt of the Complaint.

I. **Litter Abatement**

1. Minimization of Spills. If any Solid Waste, Targeted Recyclable Materials, or Organic Materials are spilled or scattered during Collection or transportation operations, the Contractor shall promptly clean up all spilled and scattered materials. Contractor shall use due care to prevent vehicle oil, vehicle fuel, or other liquids from being spilled during Collection or transportation operations including maintenance of the Collection vehicles to minimize and correct any leaks. Contractor shall ensure that all liquid spills or leaked liquids fluids are cleaned up promptly on the same day that they occur.

   Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, emergency (e.g., combustion of material in the vehicle), accidental damage to a vehicle, or unless approved by the Agency.

2. Clean-Up. During Collection operations, the Contractor shall clean-up litter in the immediate vicinity of any Container storage area (including the areas where Containers are delivered for Collection) if Contractor's actions are the cause of the litter. Each Collection vehicle shall be equipped with protective gloves, a broom, and shovel at all times for cleaning up litter. Absorbent material shall be carried on each Collection vehicle at all times and used by Contractor for cleaning up liquid spills. The Contractor shall document and discuss instances of repeated spillage not caused by it with the Customer where spillage occurs, and Contractor shall report such instances to Agency. If the Contractor has attempted to have a Customer stop creating spillage but is unsuccessful, the Agency will attempt to rectify such situation with the Customer.

3. Covering of Loads. Contractor shall cover all open Drop Boxes with an Agency-approved cover, at the Collection location before transporting materials to the Designated Transfer and Processing Facility.

J. **Noise.** All Collection operations shall be conducted as quietly as possible and shall conform to applicable federal, State, County, and Agency noise level regulations. Contractor shall promptly resolve any Complaints of noise to the satisfaction of the Agency.

K. **Route Books and Route Maps**. For each Collection route, Contractor shall maintain a route book and route map that documents each Customer on the route, their service address, service level, and the order in which Customers shall be serviced (e.g., the order in which routes shall be driven). Contractor shall distribute new route books and route maps to its Collection vehicle drivers as frequently as necessary; and each driver shall note differences in the service levels shown in the route book, adding and subtracting Customers and service levels, as necessary. Route supervisors shall periodically check the routes to ensure that drivers are providing service in accordance with their route books. Contractor shall provide Agency with route books and maps within ten (10) Business Days of request.

L. **Change in Collection Schedule.** Contractor shall notify Agency a minimum of sixty (60) Business Days prior to a change in the Residential Collection schedule

and shall request approval of Contractor's notice to Residential Customers thirty (30) Business Days prior to a change in Service Day, unless this requirement is waived in writing by Agency. Contractor shall notify Owners and Occupants of Residential Premises not later than ten (10) Business Days prior to any change in Residential Collection operations which results in a change in the day on which Solid Waste, Targeted Recyclable Materials, and Organic Materials Collection occurs. Contractor shall not permit any Customer to go more than five (5) Business Days without service in connection with a Collection schedule change.

8.03 UNLOADING MATERIALS AT THE DESIGNATED TRANSFER AND PROCESSING FACILITY

Contractor shall be required to unload at the Designated Transfer and Processing Facility all materials from its Collection vehicles by its own personnel. Contractor shall be required to ensure that unloaded materials are properly placed in the designated areas and containers as directed by Operator and SBWMA. For example, Contractor shall be required to deposit at the Designated Transfer and Processing Facility Batteries and Cell Phones, Used Motor Oil and Used Motor Oil Filters in the containers provided by Operator and designated for storage of these materials. Contractor shall cooperate with Operator to ensure its Collection vehicles unload Solid Waste, Targeted Recyclable Materials, Organic Materials and all other Discarded Materials Collected by Contractor in the locations designated by Operator and SBWMA.

8.04 VEHICLES

A. **General.** Contractor shall provide a fleet of Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. Contractor shall have available sufficient back-up vehicles for each type of Collection vehicle used (e.g., side loader, front loader, and roll-off vehicles) to respond to mechanical breakdowns, Complaints, and emergencies. Contractor shall maintain a spare ratio of ten percent (10%) for all Collection vehicles. As of the Commencement Date, all Residential and Commercial Collection vehicles shall be new; and other vehicles such as roll-off trucks, support vehicles, and spare vehicles may be new or used. At no time during the Term shall any vehicle used to perform the services required under this Agreement exceed ten (10) years of age from the first date the vehicle was registered. Contractor shall provide Collection vehicles in accordance with the specifications contained in Attachment P.

B. **General Vehicle Specifications**

1. All vehicles used by Contractor in providing Solid Waste, Targeted Recyclable Material, and Organic Material Collection services shall be registered with the California Department of Motor Vehicles.

2. All Collection vehicles shall have leak-proof bodies designed to prevent leakage, spillage and/or overflow and shall be designed so that Collected materials are not visible.

3. All vehicles shall comply with California Environmental Protection Agency (EPA) noise emission regulations and California Air Resources Board air quality regulations and other applicable pollution control regulations.

4. All Collection vehicles shall have cameras to monitor driving and loading activities including, at a minimum: (i) back-up cameras mounted at the rear and side of the vehicle; and, (ii) a hopper camera clearly displaying the contents of the hopper prior to compaction.

5. Contractor shall be required to operate an adequate number of Collection vehicles that shall be capable of servicing hard-to-service areas and accessing long driveways in the Service Area.

6. All Collection vehicles shall be capable of unloading materials in the Designated Transfer and Processing Facility buildings taking clearance heights, especially in the MRF, into consideration.

7. All Collection vehicles shall be equipped with and utilize Routeware on-board computer system and an on-board GPS tracking device with real-time transmission to all levels of Contractor's operations.

8. All Collection vehicles shall use the biodiesel fuel blend formulated to contain the highest percentage of biofuel approved for use in Contractor's vehicles by the California Air Resources Board. Currently, the highest approved blend is B-20.

9. All Collection vehicles shall be equipped with a broom, shovel, absorbent materials, and other approved cleanup devices and materials for emergencies, or any spillage or leaks that may occur.

10. Route supervisors and management personnel shall use one-half (½) ton hybrid pickup trucks while performing services.

C. **Vehicle Identification**. Contractor's name, local telephone number, and a unique vehicle identification number designated by Contractor for each vehicle shall be prominently displayed on all four (4) sides of the vehicles, in letters and numbers with a maximum five (5) digit sequence, that are no less than two and one-half (2.5) inches in height. Contractor shall not place any other information or logo on Contractor vehicles, unless approved in writing by SBWMA. Vehicles shall be clearly labeled to indicate the materials Collected by that vehicle, specifically; "Solid Waste," "Recyclables," or "Organic Materials," as directed by SBWMA.

D. **Inventory.** Contractor shall furnish the Agency and SBWMA a written inventory of all vehicles used in providing service, and shall update the inventory annually. The inventory shall list all vehicles by manufacturer, identification number, date of acquisition, type, capacity, decibel rating, average weight of load, and average loaded axle weights.

E. **Cleaning and Maintenance**

1. General**.** Contractor shall maintain all of its properties, vehicles, facilities, and equipment used in providing service under this Agreement in a good, safe, neat, clean, and operable condition at all times.

2. Cleaning**.** Vehicles used in the Collection of Solid Waste, Targeted Recyclable Materials, and Organic Materials shall be thoroughly washed, and thoroughly steam cleaned weekly so as to present a clean appearance. Agency may inspect vehicles at any time to determine compliance with this Agreement.

Contractor shall also make vehicles available to the San Mateo County Health Department for inspection, at any frequency it requests.

3. Repainting or Refurbishing**.** Contractor shall repaint or refurbish to the satisfaction of the Agency all vehicles used in the Collection of Solid Waste, Targeted Recyclable Materials and Organic Materials within thirty (30) Business Days notice from Agency, if Agency determines that their appearance warrants painting. The cost for Agency-directed repainting shall be incurred by Contractor.

4. Maintenance**.** Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule or in accordance with California Highway Patrol standards, whichever are more stringent. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to Agency upon request. Hydraulic oil, engine oil, and other spills from Collection vehicles in the Service Area are a concern to the Agency. Contractor shall include as part of maintenance activities a process for tracking the number and nature of automotive spills (type of fluid, amount lost, failure point) and diagnosing the cause of those spills. Based on the results of the process, Contractor shall implement appropriate corrective actions to address issues that are contributing factors to vehicle spills (e.g., revise specifications for specific part failures, revise preventative maintenance schedule to address timing of failures), so that each occurrence is controlled and minimized.

5. Repair**.** Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown, hydraulic oil or engine oil leaks, or any other cause so as to maintain all equipment in a safe and operable condition. If an item of repair is covered by a warranty, Contractor shall obtain warranty performance. Contractor shall maintain accurate records of repair, which shall include the date and mileage, nature of repair and the verification by signature of a maintenance supervisor that the repair has been properly performed.

6. Storage**.** Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s) in accordance with all applicable zoning regulations.

F. **Operation**. Vehicles shall be operated in compliance with federal, State and local laws and regulations including, but not limited to, the California Vehicle Code, the regulations of the California Air Resources Board (CARB) Waste Collection Vehicle Regulations as established in the California Code of Regulations Title 13 Section 2700 et seq. and all applicable safety and local ordinances. Annually, Contractor shall provide the SBWMA and Agency with documentation of such compliance for each vehicle. For example, with regard to CARB regulations, such documentation shall demonstrate, at a minimum, the vehicle number, make, model, year, control technology used or planned, and the year that the control technology was applied or is planned to be applied. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by federal, State, or local weight restrictions on vehicles or roads.

Contractor equipment used for Solid Waste, Targeted Recyclable Materials, and Organic Materials services shall be registered with the California Department of Motor Vehicles. Equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and shall incorporate noise control features throughout the entire vehicle.

Annually, Contractor shall have each Collection vehicle weighed at the Designated Transfer and Processing Facility to determine the unloaded weight ("tare weight") of the vehicle, and the total loaded weight of each load delivered to the Designated Transfer and Processing Facility. Upon a major repair that could affect the Collection vehicle tare weight, Contractor shall have the Collection vehicle re-weighed to establish a new tare weight. Contractor shall track and make adjustments to routes to eliminate ongoing over-weights associated with individual routes.

8.05 CONTAINERS

A. **General**. Contractor shall provide all Carts, Bins, Compactors, Kitchen Pails, and Drop Boxes, as appropriate, to all Customers as part of its obligations under this Agreement. As of the Commencement Date, all Single-Family Carts and Kitchen Pails must be new while other Containers may be used. Contractor-provided Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. All Carts shall be manufactured by injection or rotational molding methods; contain post-consumer content; and meet the Cart design and performance requirements provided in Attachment D – Container Specifications. Carts provided to Customers shall have a useful life of ten (10) years as evidenced by a manufacturer's warranty or other documentation acceptable to the Agency.

All Containers with a capacity of one (1) cubic yard or more shall meet applicable federal, State, and local regulations for Bin safety; shall be covered with attached lids; and shall have the capability to be locked if required or requested by Customer or Agency.

All Containers shall be maintained in a safe, serviceable, and functional condition.

B. **Container Specifications**

1. Sizes. The Container sizes to be provided to Single-Family, Multi-Family, Commercial, and Agency Facility Customers are specified in Attachment D.
2. Color. The colors of the Containers provided to Single-Family, Multi-Family, Commercial, and Agency Facility Customers are specified in Attachment D.
3. Loading. Minimum allowable loading requirements for the Bin and Drop Box contents shall be approved by the Agency prior to purchase based on the minimum manufacturer's load limits, as specified in Attachment D.

C. **Container Labeling**. Contractor shall label each Container with white, hot-stamped lettering, and in-mold or heavy duty vinyl adhesive labels with graphics, illustrations or artwork that clearly conveys the type of materials (e.g., Solid Waste, Recyclable Materials, cardboard, mixed paper, Organic Materials, wood waste, metal, etc.) to be placed in the Container for Collection. The labeling shall be positioned on each Container so it is visible to the Customer and Collection vehicle drivers on the front

side and top. The labeling shall be durable and weather resistant to outdoor conditions and have a minimum ten (10) year lifetime.

All Containers shall prominently display information and graphics agreed upon by Agency, SBWMA and Contractor pursuant to Article 7.

Final Container labeling layout, graphics and text shall be approved by the Agency and SBWMA prior to distribution to Customers.

D. **Cleaning and Painting**. Contractor shall be responsible for steam cleaning and repainting all Containers, except Carts, to present an aesthetically pleasing clean appearance and to ensure this equipment is safely maintained and operationally sound. Contractor shall repaint all used Containers within eighteen (18) months of the Commencement Date and thereafter on an as needed basis. Upon Customer's request, Contractor shall steam clean all Solid Waste and Recyclable Materials Containers (or exchange existing Containers with clean Containers) twice annually, except Carts provided to Residential Premises, which Contractor is not obligated to clean or exchange. Contractor shall clean all Organic Materials Containers (or exchange existing Containers with clean Containers) quarterly, except Carts provided to Residential Premises, which Contractor is not obligated to clean or exchange. Contractor shall offer additional cleaning (or clean Container exchange) to Customers requesting such service and shall be entitled to bill Customers for such cleaning (or Container exchange) as specified in Attachment Q.

Contractor shall be responsible for cleaning Containers at no additional charge to Customer to ensure that nuisance or public health concerns associated with vectors are addressed within two (2) Business Days after receipt of notification of said condition.

If any Container is impacted by graffiti, Contractor shall remedy the situation within forty-eight (48) hours of being notified.

E. **Repair and Replacement.** Contractor shall repair or replace all Containers damaged by Collection operations (e.g., vehicle apparatus interface) within three (3) Business Days of being notified by Customer or observing the damaged Container. If the repair or replacement cannot be completed within three (3) Business Days, the Contractor shall notify Customer and provide a Container of the same size or larger until the original Container can be replaced.

At no additional cost, Contractor shall replace Customer Carts that have been stolen, lost, damaged or destroyed within five (5) Business Days. Contractor shall allow Customer to exchange Containers for a Container of a different size at no additional cost and shall replace Containers within five (5) Business Days of Customer request. Upon written approval from Agency, Contractor shall allow Customers to rent or purchase additional Carts and shall be entitled to bill Customers as specified in Attachment Q.

F. **Agency's Rights to Containers**. All Carts, Bins, Compactors, and Drop Boxes purchased or leased by Contractor and put into service at Customers' Premises before the first anniversary of the Commencement Date shall become property of the Agency upon expiration or early termination of this Agreement. All Carts, Bins,

Containers, and Drop Boxes purchased or leased and put into service at Customers' Premises on or after the first anniversary of the Commencement Date that have not been fully depreciated shall be available to the Agency, at the Agency's option, at their net book value.

At its sole discretion, the Agency may elect not to exercise its rights under this subsection. In such case, the Containers shall remain the property of the Contractor upon the expiration or earlier termination of this Agreement. In such case, Contractor shall be responsible for removing all Containers in service from Premises within ten (10) Business Days.

8.06 PERSONNEL

A. **General**. Contractor shall furnish such qualified drivers, mechanical, supervisory, customer service, clerical and other personnel as may be necessary to provide the services required by this Agreement in a safe, thorough, professional and efficient manner and shall provide, at a minimum, the number and type of personnel listed in Attachment O. All personnel furnished by Contractor shall be subject to the "relationship of parties" provisions of Section 15.01.

B. **Employees of Previous Contractor**. The Contractor shall offer employment to Collection vehicle drivers and helpers, mechanics, technicians, welders, and shop laborers by seniority under the Agreement who are qualified employees working under the prior franchise agreement who would otherwise become unemployed by reason of the change in contractors, provided that (i) the Contractor shall not be obligated to offer employment to more existing employees than the Contractor needs to perform the services required under this Agreement and (ii) the Contractor shall not be obligated to offer employment to existing employees that have not been employed by the Previous Contractor for at least one-hundred-twenty (120) Days immediately prior to the Commencement Date.

For the purposes of Section 8.06.B, "qualified employee" shall mean an employee who: (i) is eligible for employment under federal and state law, (ii) meets the Contractor's minimum employment standards for new employees, (iii) is in a bargaining unit covered by collective bargaining agreements between the Previous Contractor and Teamsters Local 350 or Machinists Local 1414, (iv) does not present a demonstrable danger to customers, co-workers or employees of the Agency or the Collection Contractor and (v) possesses a valid and proper commercial driver's license and California Department of Transportation medical certificate.

Contractor shall not discharge any retained workers for at least ninety (90) Days after the Commencement Date, except for cause.

Additional employees, if needed, shall be obtained by Contractor pursuant to procedures in effect under the collective bargaining agreement of the Agency's Previous Contractor that provided Solid Waste Collection services prior to the Effective Date.

Contractor shall maintain a list of the Previous Contractor's qualified employees who were not offered employment by the Contractor pursuant to this section prior to

the Commencement Date or during the two (2) months following the Commencement Date. If any positions become available during the three (3) months following the initial two (2) month contract period (i.e., from March 1, 2011 through May 30, 2011), Contractor shall offer employment to qualified employees on the list by seniority within the collective bargaining unit (if it exists). Contractor shall include this language in the collective bargaining agreements, if any such agreement exists or is negotiated.

Contractor shall pay employees who (i) are retained by Contractor pursuant to this Section 8.06 and (ii) were in bargaining units covered by collective bargaining agreements in effect as of the Effective Date between the Previous Contractor and Teamsters Local 350 or Machinists Local 1414, wages and benefits no less than those included in the collective bargaining agreements in place in 2010.

This Section 8.06.B does not apply to management and supervisory personnel, non-represented employees, or workers furnished by an employment agency operating as an independent contractor.

C. **Collective Bargaining Agreements**. This Agreement does not obligate Contractor to become a party to a collective bargaining agreement entered into by the Previous Contractor. If Contractor negotiates a new collective bargaining agreement with a union representing employees of the Previous Contractor, or an amendment to a collective bargaining agreement currently in force, either of which increases wages or benefits payable prior to October 2013 above those required by the collective bargaining agreement currently in force, the Agency is not required to include costs attributable to the increased wages or benefits in Contractor's Compensation for Rate Years One (2011) through Three (2013).

D. **Approval of Management**. Contractor recognizes the importance of establishing a successful relationship between its management and Agency and SBWMA staff. Before extending an offer of employment for the position of general manager, both initially and throughout the Term, Contractor shall provide the SBWMA with the description of the proposed position, an opportunity to review and comment upon the position description, the background, experience and qualifications of each candidate being considered for the position, and an opportunity to meet with each candidate. Contractor shall give thoughtful consideration to the SBWMA's comments on the descriptions of the proposed position and each candidate, but shall have the ultimate right to make employment decisions in its best business judgment.

If the Agency is dissatisfied with the performance of the management personnel, the Agency shall contact the general manager to discuss the employee's performance. If the Agency is dissatisfied with the general manager, the Agency shall contact the group manager to discuss the general manager's performance.

Contractor shall advise the affected management employee of any complaints made by the Agency regarding the employee's performance. The Parties shall meet and confer in good faith to address the Agency's concerns, and shall agree on a corrective course of action to be implemented immediately. Contractor agrees to consider in good faith, but shall not be bound by, any requests by the Agency to

transfer or re-assign a management employee should the Agency maintain in good faith that it can no longer work constructively with said employee.

E. **Provision of Field Supervision**. Contractor shall designate qualified employees as supervisors of field operations. The field supervisor shall devote their time in the field supervising, managing, and monitoring Collection operations for reliability, quality, efficiency, safety, and for responding to Complaints. The number of field supervisors is specified in Attachment O.

F. **Driver Qualifications**. All drivers shall be trained and qualified in the operation of Collection vehicles, and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. Contractor shall use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.

G. **Customer Service Representative Training**. Customer service representatives shall be trained on specific Agency service requirements, a minimum of once per quarter. An Agency information sheet shall be provided to each customer service representative for easy reference of Agency requirements and general Customer needs. Contractor shall provide the information sheet, training agenda, and associated documentation within five (5) Business Days of request from Agency.

H. **Safety Training**. Contractor shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment or who are otherwise directly involved in such Collection. Contractor shall train its employees involved in Collection to identify, and not to Collect, Hazardous Waste or Infectious Waste. Upon the Agency's request, Contractor shall provide a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.

I. **No Gratuities**. Contractor shall not permit its employees to demand or solicit, directly or indirectly, any additional compensation or gratuity from members of the public for Collection services or accept gratuities or compensation in exchange for additional collection services.

J. **Employee Conduct and Courtesy**. Contractor shall employ only competent and qualified personnel who serve the public in a courteous, helpful, and impartial manner. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection employees to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Contractor shall take all appropriate corrective measures. The Agency may require Contractor to reassign an employee, if the employee has conducted himself or herself inconsistently with the terms of this Agreement.

Contractor shall adopt policies and procedures consistent with State and federal law that ensure a sober and drug-free workplace. This includes strictly prohibiting unlawful manufacture, distribution, possession, or use of any controlled substance in the workplace, regardless of whether the employee is on duty at the time.

Further, the policies and procedures shall prohibit an employee from operating either Agency or Contractor equipment and vehicles (whether on or off duty) while under the influence of alcohol or drugs. The purpose of these policies and procedures is to ensure workplace safety, productivity, efficiency, and the quality of Contractor's service to Customers.

K. **Uniforms**. While performing services under this Agreement, all Contractor's employees performing field service shall be dressed in clean uniforms and shall wear visible identification that include the employee's name and/or employee number, and Contractor's name. Uniform type, style, colors, and any modifications may be subject to approval by the Agency.

8.07 HAZARDOUS WASTE INSPECTION AND HANDLING

A. **Inspection Program and Training.** Contractor is required to inspect Solid Waste, Targeted Recyclable Materials, Organic Materials, and other materials put out for Collection and may reject Solid Waste, Targeted Recyclable Materials, Organic Materials, and other materials observed to be contaminated with Hazardous Waste and not Collect Hazardous Waste put out with Solid Waste, Targeted Recyclable Materials, and Organic Materials. Contractor shall develop a load inspection program that includes the following components: (i) personnel and training; (ii) load checking activities; (iii) management of wastes; and (iv) record keeping and emergency procedures.

Contractor's load checking personnel, including its Collection vehicle drivers, shall be trained in: (i) the effects of Hazardous Substances on human health and the environment; (ii) identification of prohibited materials; and (iii) emergency notification and response procedures. Collection vehicle drivers shall inspect Containers before Collection when practical.

B. **Response to Hazardous Waste Identified During Collection.** Under no circumstances shall Contractor's employees knowingly Collect Hazardous Waste or remove unsafe or poorly containerized Hazardous Waste from a Collection Container. If Contractor determines that material placed in any Container for Collection is Hazardous Waste or other material that may not legally be accepted or safely processed at the Designated Transfer and Processing Facility or presents a hazard to Contractor's employees, or those at the Designated Transfer and Processing Facility, the Contractor shall have the right to refuse to accept such material. The Generator shall be contacted by the Contractor and requested to arrange proper Disposal. If the Generator cannot be reached immediately, the Contractor shall, before leaving the Premises, leave a non-collection notice, which indicates the reason for refusing to Collect the material and lists the phone number for the San Mateo County Household Hazardous Waste Facility, or other resources as directed by Agency. Contractor's environmental technician shall be notified to handle the issue with the Generator. The Contractor's environmental technician shall be required to guide the Generator to safely containerizing the Hazardous Waste and shall explain the Generator's options for proper disposition of such material.

If Hazardous Waste is found in a Collection Container or Collection area that could possibly result in imminent danger to people or property, the Contractor shall

immediately notify the Agency's Fire Department using the nine-one-one (911) emergency telephone number. The Contractor shall notify the Agency of any Hazardous Waste identified in Containers or left at any Premises within twenty-four (24) hours of identification of such material.

C. **Response to Hazardous Waste Identified at Designated Transfer and Processing Facility.** Contractor shall not knowingly deliver Unpermitted Material to the Designated Transfer and Processing Facility. The Operator shall use reasonable business efforts and standard industry practices to detect and discover Unpermitted Material at the facility and shall not knowingly accept Unpermitted Material. In the event that Unpermitted Material is delivered to the Designated Transfer and Processing Facility, the Operator shall be entitled to pursue whatever remedies, if any, it may have against the Generator or Person(s) bringing such Unpermitted Material to the Designated Transfer and Processing Facility provided that in no case shall the Agency be considered the Person bringing such Unpermitted Material to the Designated Transfer and Processing Facility.

Contractor acknowledges that in the event the operator identifies Unpermitted Materials in the materials delivered by Contractor before the materials are unloaded at the facility, the Operator has the right to reject the load and direct the Contractor to cause removal and Disposal of the Unpermitted Material in a safe and lawful manner, at the sole expense of the Contractor. If the Unpermitted Materials are delivered to the Designated Transfer and Processing Facility by Contractor and unloaded at the facility before their presence is detected, and the Generator cannot be identified or fails to remove the material after being requested to do so, the Contractor shall arrange for and/or pay for its proper Disposal. Contractor shall make reasonable efforts to identify and notify the Generator. The Contractor shall make a good faith effort to recover the cost of any transportation and Disposal from the Generator, and the cost of this effort, as well as the cost of Disposal shall be chargeable to the Generator, if appropriate documentation, as deemed necessary by the Agency, is provided to the Agency within five (5) Business Days of the occurrence.

In the event Contractor delivers Unpermitted Materials on a frequent or continuous basis to the Designated Transfer and Processing Facility and the Contractor refuses to provide for the proper handling and disposition of such Unpermitted Material, the Operator may provide written notice to Agency of such refusal by Contractor.

D. **Reporting, Regulations, and Record Keeping.** Contractor shall comply with emergency notification procedures required by Applicable Laws and regulatory requirements. Contractor shall notify all appropriate agencies, including the California Department of Toxic Substances Control and Local Emergency Response Providers and the National Response Center of reportable quantities of Hazardous Waste found or observed in Solid Waste, Targeted Recyclable Materials, Organic Materials, Electronic Waste, Universal Waste, and Construction and Demolition Debris anywhere within Service Area. In addition to other required notifications, if Contractor observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully Disposed of or released on any Agency property, including storm drains, streets or other public rights of way, Contractor will immediately notify the Agency and SBWMA.

All records required by regulations shall be maintained at the Contractor's Facility. These records shall include: waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records. Contractor shall maintain records showing the types and quantities, if any, of Hazardous Waste found in Solid Waste, Targeted Recyclable Materials, and Organic Materials which was inadvertently Collected from Customers within the Service Area, but diverted from landfilling.

8.08 COMMUNICATION AND COOPERATION WITH AGENCY

A. **Communications.** The Contractor's general manager shall have e-mail capabilities to enable the Agency and the Contractor's general manager to communicate via e-mail. Contractor's general manager shall respond to Agency email correspondence within twenty-four (24) hours.

B. **Monthly Meetings**. Upon request from Agency, beginning on the Commencement Date, and then on a monthly basis thereafter, Contractor shall meet with the Agency to discuss progress of each active diversion program, quality and reliability of Collection services, and compliance with the terms of the Agreement. SBWMA may attend and participate in these meetings. At each monthly meeting, the Agency, Contractor and SBWMA, if attending, shall have the opportunity to present and discuss proposed changes in service such as changing program requirements or modifying Collection methods.

C. **Inspection by Agency.** Agency shall have the right, but not the obligation, to observe and inspect all of the Contractor's operations under this Agreement. In connection therewith, Agency shall have the right to enter facilities used by Contractor during operating hours, speak to any of Contractor's employees and receive cooperation from such employees in response to inquiries. In addition, upon reasonable notice and without interference with Contractor's operations, Agency may review and copy any of Contractor's operational and business records related to this Agreement. If Agency so requests, Contractor shall make specified personnel available to accompany Agency employees on inspections and shall provide electronic copies of records stored in electronic media.

8.09 COOPERATION WITH DESIGNATED TRANSFER AND PROCESSING FACILITY OPERATOR

A. **Communications**. If requested by SBWMA, the Contractor shall meet with the SBWMA and Operator at least once each month to discuss issues related to the interaction of operations between Contractor and Operator including, but not limited to:

1. Traffic flow;
2. Vehicle weighing procedures;
3. Targeted Recyclable Materials and Organic Materials Contamination;
4. Hazardous Waste screening and safety policies;
5. Receiving hours;
6. Billing and payment of gate fees for delivery of materials;

7. Vehicle parking;

8. Employee facilities; and

9. Maintenance facilities.

The Contractor's general manager shall have e-mail capabilities to enable the Operator and the Contractor's general manager to communicate via e-mail. Contractor's general manager shall respond to the Operator's email correspondence within twenty-four (24) hours.

B. **Coordination of Hours.** Contractor shall plan its Collection routes to be compatible with the Designated Transfer and Processing Facility receiving hours, which shall be, at a minimum, Monday through Friday from 3:00 a.m. to 6:00 p.m. and Saturday and Sunday from 6:00 a.m. to 5:00 p.m. Contractor shall deliver Collected materials to the Designated Transfer and Processing Facility during the receiving hours of the Designated Transfer and Processing Facility.

C. **Compliance with Facility Rules**. Contractor shall cooperate with Operator and comply with Operator's requirements including: (i) how and where to unload Collection vehicles; (ii) respecting operations and construction of new facilities; and (iii) the Operator's Hazardous Waste exclusion program. Contractor shall also cooperate with the contamination assessment procedures specified in Attachment E. All costs charged by the SBWMA for acceptance of Contractor's materials shall be paid by Contractor. Contractor shall receive compensation for transfer and processing costs in accordance with Article 11.

8.10 BUY-RECYCLED POLICY

The Contractor shall comply with the purchasing requirements described in this Section, and shall document its on-going compliance with these requirements upon Agency request.

A. **Recycled Paper**. The Contractor shall use recycled paper for invoices, Bills, reports, and public education materials. The recycled paper shall have at least thirty percent (30%) post-consumer recycled content for uncoated paper and ten percent (10%) post-consumer recycled content for coated paper based on federal standards. Contractor shall state on all materials prepared with post-consumer recycled content the following: "Printed on Recycled Paper."

B. **Re-Refined Motor Oil**. Contractor shall be encouraged but not required to use re-refined motor oil for its Collection vehicles.

C. **Recycled Plastic**. Contractor shall purchase Carts and Kitchen Pails that contain the minimum post-consumer content as specified in Attachment D. All Carts and Kitchen Pails shall be 100% recyclable.

8.11 ANNUAL PERFORMANCE HEARING

A. **Objectives.** Agency or SBWMA may hold a public performance hearing in April or May of each Rate Year, at which time Contractor shall be present and shall participate by making a presentation and responding to questions. SBWMA shall

convene the hearing to address the positive and negative aspects of Contractor's overall performance. The purpose of the hearing may also involve discussion and review of technological, economic, and regulatory changes in Collection, waste reduction, Recycling, processing, and Disposal practices that can improve quality of service; increase waste reduction and diversion; and ensure services are being provided effectively and economically. Topics for discussion and review at the performance hearing shall include, but not be limited to: Contractor's accomplishments and compliance with various provisions of the Agreement, services provided, feasibility of providing new services, application of new technologies, Customer Complaints, possible amendments to this Agreement, developments in the Applicable Laws and regulations, new initiatives for meeting or exceeding waste reduction and Recycling goals, regulatory constraints, and Contractor performance. SBWMA and Contractor may each select additional topics for discussion at the performance hearing.

B. **Process.** Within sixty (60) Days of notification provided by Agency or SBWMA to Contractor of its intent to conduct a performance hearing, Agency or SBWMA will submit questions to Contractor pertaining to Contractor's performance and Contractor shall submit its written response within thirty (30) days. SBWMA and Contractor shall meet to discuss the questions and Contractor's response prior to submittal by Contractor. SBWMA and Contractor may request from one another information or documents related to the scheduled public hearing and SBWMA and Contractor shall provide such information promptly.

In addition to Contractor's responses to the questions submitted by SBWMA, Contractor may be required to submit a self-assessment report of Contractor's performance and information pertaining to the following:

1. Recommended Changes or New Services**.** Changes and/or new services recommended to improve Agency's ability to meet and/or exceed the Agency's waste reduction and recycling goals and those of the Act.

2. Complaint Records. The reports required by this Agreement regarding Complaints shall be used as one basis for review. Contractor may submit other relevant performance information and reports for consideration. Agency may request Contractor to submit specific information for the hearing. In addition, any Person may submit comments or Complaints during or before the hearing, either orally or in writing, and these shall be considered.

3. Action Plan. Contractor shall prepare and submit an action plan for improving and/or modifying its Collection services and other services if requested.

Not less than ten (10) Business Days prior to the scheduled hearing date, SBWMA and Contractor shall exchange any written reports and other documents that will be provided or presented at the hearing. Not less than five (5) Business Days before the scheduled hearing date, SBWMA and Contractor shall ensure their availability to discuss the content and underlying support for such reports.

SBWMA and Contractor shall attend and participate in the performance hearing. Contractor may be required to present an oral report on its performance at the performance hearing. Contractor's failure to attend and participate in the performance hearing and provide an oral presentation upon request; provide a written response to the questions or request for a self assessment report submitted

by Agency or SBWMA; or submit an action plan if requested by Agency or SBWMA may result in Liquidated Damages pursuant to Attachment J.

Within sixty (60) Days after the conclusion of each performance hearing, SBWMA may issue a report. As a result of the review, Agency may require Contractor to provide expanded or new services within a reasonable time frame and for reasonable compensation; and Agency or SBWMA may direct Contractor to take corrective actions for any performance inadequacies.

ARTICLE 9 RECORD KEEPING AND REPORTING

9.01 GENERAL

Contractor shall compile and maintain records related to its performance as necessary to develop the reports required by this Agreement. Contractor agrees to conduct data collection, record keeping, and reporting activities necessary to meet the reporting and Solid Waste program management needs of the Agency, and to comply with the Act, other Applicable Laws, and the requirements of this Agreement.

Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, Article 9 is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports. Upon written direction or approval of Agency, the records and reports required by Contractor in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Contractor shall maintain all records necessary to allow the Agency to determine Contractor's compliance with the Terms of the Agreement and compliance with the Performance Standards and Performance Incentives/Disincentives presented in this Agreement including, but not limited to, those related to the quality of Collection services and customer service and those identified in Attachments I and J. The records shall be maintained in a manner that allows for easy verification of Contractor's performance.

9.02 GENERAL RECORD KEEPING PROVISIONS

A. **General**. Contractor shall maintain records required to conduct its operations, to support requests it may make to Agency, and to respond to requests from Agency. All records shall be maintained for five (5) years after the expiration or early termination of this Agreement.

In order to set Contractor's Compensation pursuant to Article 11, it is necessary for Contractor to maintain accurate, detailed financial and operational information in a consistent format and to make such information available to the Agency in a timely fashion, and in accordance with reporting requirements specified in this Article.

B. **Inspection of Records**. Agency shall have the right to inspect or review the payroll tax reports, specific documents or records required expressly or by inference pursuant to this Agreement, or any other similar records or reports of Contractor that Agency shall deem, in its sole discretion, reasonably necessary to evaluate annual reports, compensation applications provided for in this Agreement, and Contractor's performance or other matters related to this Agreement.

The Agency, its auditors and other agents selected by the Agency, shall have the right, during regular business hours, to conduct unannounced on-site inspections and review of the records and accounting systems of Contractor and to make copies of any of Contractor's documents relevant to this Agreement. Upon request, Contractor shall arrange for records of Related Party Entities to be made available to Agency and its official representatives for review, to the extent such records are

reasonably necessary to evaluate annual reports, compensation applications, Contractor's performance, or other matters related to this Agreement.

C. **Retention of Records**. Unless otherwise herein required, Contractor shall retain all records and data required to be maintained by this Agreement for the Term plus at least five (5) years after expiration or early termination of the Agreement. Records and data shall be in a chronological and organized form and readily and easily interpreted. At the Agency's request, records and data required to be retained shall be retrieved in a timely manner (which shall not exceed more than ten (10) Business Days unless Contractor obtains prior written approval from the Agency) by Contractor and made available to the Agency.

Contractor shall maintain copies of all Billings and Billing collections (e.g., Customer payments) records or copies of Billing summary reports (that document all Billings and Billing Collections for each Customer) for five (5) years, following the date of Billings, for inspection and verification by Agency.

Records and data required to be maintained that are not specifically directed to be retained that are, in the sole opinion of the Agency, material to the determination of Contractor's Compensation or Rates or to determinination of Contractor's performance, shall be retrieved by Contractor and made available to the Agency in a timely manner (which shall not exceed ten (10) Business Days unless Contractor obtains prior written approval from the Agency). When records and data are not retained or provided by the Contractor, the Agency may make reasonable assumptions regarding what information is contained in such records and data, and such assumption(s) shall be conclusive in whatever action the Agency takes.

D. **Record Security**. Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically-maintained data and/or records shall be protected, backed up, and stored at a separate site from the original data.

9.03 RECORD KEEPING REQUIREMENTS

A. **Maintenance of Financial and Operational Records**

1. General. In order to effectuate Contractor's Compensation pursuant to Article 11, it is necessary for Contractor to maintain accurate, detailed financial and operational information in a consistent format and to make such information available to the Agency and the SBWMA in a timely fashion.

2. Contractor's Accounting Records. Contractor shall maintain accurate and complete accounting records containing the underlying financial and operating data relating to, and showing the basis for computation of, all costs associated with providing services under this Agreement. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied.

B. **Collection Service Records**

Records shall be maintained and retained by Contractor for Agency relating to:

1. Customer and Billing information including, but not limited to, the following for each Customer:

a. Names, addresses, and phone numbers of Customer, Billing contact Person, and, if appropriate, for property manager or on-site contact Person;

b. Solid Waste service level, Targeted Recyclable Materials service level, and Organic Materials service level (where service level includes the number of Containers, size of each Container, and the Collection frequency of each Container);

c. Number of tenant or living units at Multi-Family Residential Complexes;

d. Service exemptions for SFD Premises (if applicable);

e. Special services (e.g., Backyard and Special Handling Collection for SFD Premises, push/pull charges, lock/unlock charges, etc.).

Contractor's Customer and Billing system shall allow for information to be compiled easily and separately for each Service Sector.

2. Weight and volume of material Collected by type (e.g., Solid Waste, Targeted Recyclable Materials, Organic Materials). Where possible, information shall be provided separately for each Service Sector.

3. Route sheets and route maps identifying the accounts serviced by each Collection vehicle on a daily basis (e.g., detailed GPS reports).

4. Facilities, equipment and personnel used.

5. Facilities and equipment operations, maintenance and repair.

6. Tonnage of Solid Waste, Targeted Recyclable Materials, Universal Waste, and Organic Materials listed separately by materials type and Service Sector and the facility where materials were delivered (e.g., Designated Transfer and Processing Facility).

7. Monthly Overall Diversion Level, monthly SFD Diversion Level, and the monthly Commercial Diversion Level (each stated as a percentage) and calculated in accordance with Attachment I.

8. Targeted Recyclable Materials, Used Motor Oil and Used Motor Oil Filters, Household Batteries, Cell Phones and Organic Materials Collection participation and set-out rates.

9. Tonnage of materials Collected from On-Call Bulky Item Collection services described in sections 5.05, 5.06 and 5.12, community collection events as described in sections 5.13 and 5.14, and abandoned waste clean-up events described in section 5.09, reported separately by material type Collected and listing destination where materials were delivered (e.g., Goodwill Industries, Designated Transfer and Processing Facility, etc.).

10. Tonnage of Solid Waste, Recyclable Materials, and Organic Materials Collected from Venues and Events as described in Section 5.08 reported separately by material type Collected and reported separately for each Venue and Event as the total Tonnage of each material type for each Venue or Event monthly.

11. Volume of Used Motor Oil and number of Used Motor Oil Filters Collected by Contractor reported separately for each facility where materials were delivered.

C. **Other Programs Records**

Records for other programs shall be tailored to specific needs. In general, Contractor shall maintain and retain the following records:

1. Plans, tasks, and milestones; and
2. Accomplishments including activities conducted, dates, quantities of products used, produced or distributed, and numbers of participants and responses.

D. **Customer Service Records**. Daily logs of all Complaints and Inquiries shall be retained for a minimum of thirty-six (36) months. Contractor shall maintain and retain customer service center records which include, but are not limited to the following statistics.

1. Number of calls received on a daily and monthly basis;
2. Number of calls answered on a daily and monthly basis;
3. Number of abandoned (dropped) calls on a daily and monthly basis;
4. Average abandoned time (i.e., Hold Time before abandoning call)
5. Number of delayed calls (i.e., calls where caller is placed on hold before speaking with a customer service agent) on a daily and monthly basis;
6. Average Hold Time for incoming calls on a daily and monthly basis;
7. Percentage of calls answered by a Person within thirty (30) seconds on a daily and monthly basis;
8. Percentage of calls answered within three (3) minutes on a daily and monthly basis;
9. Number of e-mail responses sent from the customer service department to Customers on a monthly basis;
10. Number and percentage of Complaint and Inquiry e-mails or submissions through Contractor website that received responses before close of business on the Day received on a monthly basis;
11. Number and percentage of Complaint and Inquiry e-mails that received responses by the close of business on the Day following the receipt of the Complaint or Inquiry;
12. Number of Complaints and Inquiries received through Contractor's website on a daily and monthly basis;
13. Names of all Customer service representatives employed; and,
14. Minimum, average, and maximum number of customer service representatives employed during each month.

E. **CERCLA Defense Records**. Agency views the ability to defend against CERCLA and related litigation as a matter of great importance. For this reason, the Agency regards the ability to prove where Solid Waste Collected in the Agency area was taken for transfer or Disposal, to be matters of concern. Contractor shall maintain data retention and preservation systems which can establish where Solid Waste

Collected in the Service Area was delivered for transfer or Disposal. This provision shall survive the expiration of this Agreement.

F. **Compilation of Information for State Law Purposes.** Contractor shall compile information on amounts of Solid Waste delivered to the Designated Transfer and Processing Facility and to other locations, as well as other information which the Agency may reasonably request.

Contractor shall maintain these records for a minimum of ten (10) years after expiration or earlier termination of the Agreement. Contractor shall provide these records to Agency (upon request or at the end of the record retention period) in an organized and indexed manner rather than destroying or Disposing of them.

9.04 GENERAL REPORTING REQUIREMENTS

A. **Purpose.** Records shall be maintained and retained in forms, on media, and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

1. Evaluate Diversion performance
2. Evaluate Contractor's performance
3. Monitor Customer participation in Targeted Recyclable Materials and Organic Materials Collection programs and in other programs using several different performance measures
4. Monitor changes in the number of Customers and Customers' service levels
5. Determine needs for adjustment to programs and cost for such changes
6. Evaluate customer service and Complaints
7. Determine and set Contractor's Compensation and Rates

B. **Report Format.** Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by Agency. The Agency may review and request changes to Contractor's report formats and content and Contractor shall not unreasonably deny such requests. Contractor agrees to mail a copy of all reports to the Agency, and submit all reports by e-mail in a format compatible with the Agency's software and computers so the Agency can sort and analyze data. Contractor shall provide a certification statement, under penalty of perjury by the responsible Contractor official, that the report being submitted is true and correct to the best knowledge of such official after their reasonable inquiry.

C. **Submittal Schedule and Instructions**. Contractor shall submit monthly reports within fifteen (15) Days after the end of the reporting month. Contractor shall submit quarterly reports within thirty (30) Days after the end of the reporting quarter. Contractor shall submit annual reports within forty-five (45) Days after the end of each Rate Year.

Contractor shall submit (via mail and e-mail) all reports to the person(s) designated by SBWMA and Agency.

D. **Failure to Report**. The refusal or failure of Contractor to file any required reports, or to provide required information to Agency, or the inclusion of any materially false or misleading statement or representation by Contractor in such report shall be deemed a Contractor default as described in Section 14.01 subject to the notice and cure provisions of that section and shall subject Contractor to all remedies which are available to the Agency under the Agreement or otherwise.

E. **Accuracy of Reports**. The failure of Contractor to file accurate and timely reports, proposal(s), information or correspondence to Agency or SBWMA, or the inclusion of any inaccurate or misleading data, statement or representation by Contractor in such report(s), proposal(s), information or correspondence to Agency or SBWMA, shall be subject to Liquidated Damages as set forth in Attachment J. In addition, the inclusion of any materially false or misleading statement or representation by Contractor in such report shall be deemed a Contractor default as described in Section 14.01 subject to the notice and cure provisions of that section and shall subject Contractor to all remedies which are available to the Agency under the Agreement or otherwise.

9.05 MONTHLY REPORTS

Monthly reports shall present the information described in this Section. Each monthly report shall present the information below for that month and for each of the preceding twelve (12) months.

A. **Tonnage Information**. Contractor shall provide the Tonnage information requested below by Service Sector on a monthly and year-to-date basis. However, the Agency reserves the right to request the monthly Tonnage data by route.

1. Solid Waste. Total Solid Waste Tonnage Collected and Disposed by Service Sector.

2. Targeted Recyclable Materials Services. Total Targeted Recyclable Materials Tonnage Collected and delivered for processing by Service Sector listed separately by material type Collected (e.g., Single-Stream Recyclable Materials, Source Separated Cardboard, Source Separated Paper, Used Motor Oil, Used Motor Oil Filters, etc.).

3. Organic Materials Services. Total Organic Materials Tonnage Collected and delivered for processing by Service Sector listed separately by material type (e.g., Plant Materials, Food Scraps, or Organic Materials).

If Contractor does not separately track Multi-Family Tonnage data, Contractor shall conduct a semi-annual or annual Tonnage assessment if requested by the Agency in accordance with Section 7.06, which involves separately Collecting and weighing Multi-Family Solid Waste, Targeted Recyclable Materials, and Organic Materials to quantify Tonnage Collected during a given week.

B. **Diversion Level.** Contractor shall provide the monthly and year-to-date Calculated Overall Diversion Level, the monthly and year-to-date Residential Diversion Level, and the monthly and year-to-date Commercial Diversion Level (each stated as a percentage) calculated in accordance with Attachment I. In addition, Contractor shall present the calculations used to determine the diversion levels.

C. **Complaint, Inquiry and Service Requests Data**. Contractor shall provide information on the number of Complaints, Inquiries service requests received from Customers, Generators, or other Person by category (e.g., missed pickups, noise Complaints, scheduled On-Call Bulky Item Collection Events, Overage events, Billing concerns, property damage claims, requests for information, delivery of Recycling Tote-Bags, inventory of Recycling Tote-Bags etc.). Complaint summary, for each month and cumulative for Rate Year to date, summarized by nature of Complaint, Inquiry and service request on a compatible computer disc or other memory device approved by Agency. The categorization of Complaints, Inquiries and service requests shall be agreed-upon by the Agency, SBWMA, and Contractor prior to the Commencement Date, and shall be adjusted during the Term upon agreement between Agency, SBWMA and Contractor.

D. **Call Center Data.** Number of calls received, number of calls answered, number of dropped calls, percentage of dropped calls, Average Hold Time, percentage of calls answered in thirty (30) seconds.

E. **Monthly Gross Revenues and Fee Reports.** Pursuant to Article 10, a statement itemizing each fee paid by Contractor to Agency in the month; detailing calculation of each monthly fee amount; and stating monthly Gross Revenues, by Service Sector, for all operations conducted or permitted by this Agreement.

F. **On-Site Customer Assessments and Visual Audits.** Contractor shall report the number of and results of the site assessments and visual audits conducted for Multi-Family Dwelling, Commercial, and Agency Customers, which are required by Section 7.06.

G. **Quality Assurance Program.** Contractor shall report monthly on its implementation of this program, described in Section 7.02.F, during the prior month. The report shall include (i) name and Service Sector of each Customer contacted, (ii) date, time and length of telephone call, (iii) name of customer service representative placing call, (iv) summary of Customer's responses to questions and other information provided, and (v) follow-up actions taken, if any, in response to calls.

9.06 QUARTERLY REPORTS

Quarterly reports shall present the information described in this Section. Each quarterly report shall present the information below for the reporting months of that quarter and for each of the preceding twelve (12) months.

A. **Tonnage Information**. Contractor shall provide the Tonnage information requested below by Service Sector on a monthly and year-to-date basis. However, the Agency reserves the right to request the monthly Tonnage data by route.

1. Solid Waste. Total Solid Waste Tonnage Collected and Disposed by Service Sector.

2. Targeted Recyclable Materials Services. Total Targeted Recyclable Materials Tonnage Collected and delivered for processing by Service Sector listed separately by material type Collected (e.g., Single-Stream Targeted Recyclable Materials, Source Separated cardboard, Source Separated paper, Used Motor Oil, Used Motor Oil Filters, etc.).

3. Organic Materials Services. Total Organic Materials Tonnage Collected and delivered for processing by Service Sector listed separately by material type (e.g., Plant Materials, Food Scraps, or Organic Materials).

If Contractor does not separately track Multi-Family Tonnage data, Contractor shall conduct a semi-annual or annual Tonnage assessment if requested by Agency in accordance with Section 7.08 that involves separately Collecting and weighing Multi-Family Solid Waste, Targeted Recyclable Materials, and Organic Materials to quantify Tonnage Collected during a given week.

B. **Diversion Level.** Contractor shall provide the quarterly and year-to-date Overall Diversion Level, the quarterly and year-to-date Single-Family Diversion Level, and the quarterly and year-to-date Commercial Diversion Level (each stated as a percentage) calculated in accordance with Attachment I. In addition, Contractor shall present the calculations used to determine the Diversion Levels.

C. **Education Activities**

1. Public education materials produced and total number of each distributed.
2. Dates, times, and names of meetings or events attended.
3. Dates, times, and names of school(s) where presentations were performed.
4. Other educational activities as may be requested by Agency.

D. **Complaint. Inquiry and Service Requests Data**. Number of Complaints, Inquiries and service requests received from Customers, Generators, or other Person by category (e.g., missed pickups, noise Complaints, scheduled On-Call Bulky Item Collection Events, Overages, Billing concerns, property damage claims, requests for information, etc.). Complaint summary, for each month and cumulative for Rate Year to date, summarized by nature of Complaints on a compatible computer disc or other memory device approved by Agency.

E. **Call Center Data.** Number of calls received, number of calls answered, number of dropped calls, percentage of dropped calls, average delay time, Average Hold Time, percentage of calls answered in thirty (30) seconds, percentage of calls answered in ninety (90) seconds reported for the month.

F. **Quarterly Gross Revenues and Fee Reports.** Pursuant to Article 10, a statement itemizing each fee paid by Contractor to Agency in the quarter; detailing calculation of each monthly fee amount; and stating monthly Gross Revenues, by Service Sector, for all operations conducted or permitted by this Agreement.

G. **Determination and Payment of Liquidated Damages**. In accordance with the requirements of Section 14.07, Contractor shall provide a report that identifies any non-compliance with performance measures listed in Attachment J (except for compliance with diversion-related standards which shall be reported as part of the Contractor's annual report) and include calculation of the Liquidated Damages due. This report shall be accompanied by supporting documentation identifying either compliance with or level of non-compliance with the performance measures. Contractor may include with its report a written request to meet with Agency's Manager or his or her designee to discuss Contractor's evidence refuting the basis

for assessing Liquidated Damages pertaining to unacceptable employee behavior. In such cases, Contractor shall include with its report evidence in writing and written testimony of its employees and others relevant to the incident(s)/non-performance. Agency's Manager or his or her designee will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance. The decision of Agency's Manager or his or her designee shall be final.

H. **Account Summary.** For monthly reports following the end of each quarter (e.g., for monthly reports submitted in January, April, July, and October), provide the following account summary information in table format:

1. Number of Customers in each Rate category.
2. Total number of Residential, Commercial, and Drop Box Customers subscribing to Solid Waste, Targeted Recyclable Materials, and Organic Materials Collection service listed separately by Service Sector and material type.
3. Percentage of Customers subscribing to Targeted Recyclable Materials Collection service (listed separately for Multi-Family, Commercial, and Drop Box Customers), which shall be equal to the total number of Targeted Recyclable Materials Customers divided by the total number of Solid Waste Customers.
4. Percentage of Customers subscribing to Organic Materials Collection service (listed separately for Multi-Family, Commercial, and Drop Box Customers), which shall be equal to the total number of Organic Materials Customers divided by the total number of Solid Waste Customers.

I. **On-Site Customer Assessments and Visual Audits.** Contractor shall report the number of and results of the site assessments conducted for Multi-Family and Commercial Customers, which are required by Article 7.

J. **Summary Assessment.** Highlight significant accomplishments and problems. Identify recommendations and/or plans to improve services.

K. **Public Education Plan.** The quarterly report submitted in October of each year shall include the public education plan for the coming year pursuant to Section 7.03 of this Agreement.

L. **Hazardous Waste Records.** A summary or copy of the Hazardous Waste records required under Section 8.07.D.

M. **Operational Data.** Contractor shall provide GPS reports as requested by Agency or SBWMA. In addition, Contractor shall submit a summary of Collection route operational data including: average number of Customers and Containers serviced per route per Day for each Collection route; average number of actual both on-route and off-route hours per Day by route (distinguishing between normal and hard-to-serve routes, if appropriate); and, one-hundred (100) largest generators based on weekly Solid Waste volumes (listed in descending order) within Agency for both Commercial and Multi-Family Customers. This reporting shall include, at a minimum: the name of the Customer; the name of the business; the address of the business; the type(s) of service received (e.g. Collection of Solid Waste, Single-

Stream Targeted Recyclable Materials, Plant Materials, Food Scraps, Organic Materials, Source Separated cardboard, Source Separated paper, etc.); the volume of service received weekly measured in cubic yards; the frequency of service received measured in number of Collections per week; the diversion volume measured as total service level volume divided by Targeted Recyclables Materials and/or Organic Materials Collection volume; and, the change in service level from the prior quarter.

N. **Commercial Recycling Promotion Program Status Report**. Contractor must prepare and submit, both quarterly and annually, to Agency and SBWMA, a Commercial Recycling Program Status Report. The Commercial Recycling Program Status Report shall include, but not be limited to:

1. A summary of training and professional development activities for the Commercial Recycling Promotion and supervisory staff;

2. A description of the strategy and overall approach to attract and retain a high quality and effective Commercial Recycling Promotion Program and supervisory staff;

3. A description and status of meeting the goals and objectives for the Commercial Recycling Promotion team and how these goals and objectives are tied to the compensation incentive plan. (Contractor must explain how the stated goals and objectives will be accomplished if no compensation incentive plan is used.)

4. A description of Contractor's sales strategy for maintaining and/or expanding the existing Commercial Recycling account base and diversion levels.

5. A description of the services provided to the Commercial and Agency Facility sectors.

6. A detailed accounting of diversion statistics for the Commercial and Agency Facility sectors.

O. **Other Information.** Other information or reports that Agency may reasonably request or require be added to quarterly reporting. These requests may include, but shall not be limited to, information regarding On-Call Collection programs, Used Motor Oil and Used Motor Oil Filter Collection, and large Events and Venues Collection.

P. **Determination and Payment of Performance Incentives and Disincentives**. In accordance with the requirements of Section 11.07, Contractor shall provide with its quarterly report, a report that identifies compliance with the performance standards listed in Attachment I and includes calculation of the Performance Incentive payments and disincentive assessments due. Performance incentives (in the form of increased compensation to Contractor) will be awarded by Agency for excellent performance on aspects of Solid Waste diversion, Collection service delivery and customer service as specified in Attachment I. Performance disincentives will be assessed by Agency for substandard performance on aspects of Solid Waste diversion, Targeted Recyclable Materials contamination, Organic Materials

contamination, Plant Materials contamination, Collection service delivery and customer service specified in Attachment I.

Contractor's payment of performance disincentives related to Contamination are to be included with submittal of Contractor's quarterly report to the SBWMA. All other performance incentives and disincentives payments are to be included in Contractor's annual Rate Application and Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of performance incentive payments and disincentive assessments calculated in the Application. Performance incentives and disincentives for Overall Diversion Level, Minimum Single-Family Diversion Level, Minimum Commercial Diversion Level, Contamination, Average Speed of Answer and Ninety (90) Second Maximum Hold Time shall be calculated in aggregate for the SBWMA Service Area and Agency's share shall be proportional based on the tons of Solid Waste Collected by Contractor for Rate Year One (2011) by Previous Contractor. Performance incentives and disincentives for Single-Family Missed Pick-Up Initial Complaints and Single-Family Missed Pick-Up Collection Events shall be calculated separately for each Agency.

9.07 ANNUAL REPORTS

Annual reports shall present the information described in this Section in addition to the information required for quarterly reports pursuant to Section 9.05.

A. **Operational Information**

1. Routes by Service Sector
    a. Number of routes per Day
    b. Types of vehicles
    c. Crew size per route
    e. Number of full-time equivalent routes
    f. Number of accounts per route
    g. Total hours per Service Sector per Day and per year
    h. Average cost per route
    i. Route sheets and maps
2. Personnel
    a. Organizational chart
    b. Job classifications and number of full-time equivalent positions for each (e.g. administrative, customer service representatives, drivers, supervisors, educational staff, etc.)
    c. Annual wages by job classification including benefits
3. Productivity Statistics
    a. Number of accounts per Service Sector
    b. Number of set-outs per Service Sector
    c. Tons per route per Day by Service Sector

4. Operational Changes
    a. Number of routes
    b. Staffing
    c. Supervision
    d. Collection services
5. Equipment - An inventory of equipment in accordance with Section 8.04.D.
6. Billing - Billing review report in accordance with Section 7.01.F.

B. **Customer Account Information.** As part of the annual reporting requirement, Contractor shall make available to Agency detailed Customer account information in tabular format and in electronic format (in computer software format that is compatible with the Agency's) that includes, at a minimum, the following information for each Customer: account number; service address; Customer's name, address, and phone number; Billing contact name, Billing address, and phone number; Solid Waste, Targeted Recyclable Materials, and Organic Materials Collection service level (i.e., number of Containers, size of Containers, frequency of Collection, and Day(s) of Collection), and Rate charged. For Multi-Family Customers, the Customer account information shall also include the number of dwelling units at each Multi-Family Residential Complex.

C. **Customer Service Operations.** Contractor shall annually prepare and submit, to Agency and SBWMA, a Customer Service Operations Plan that shall include, at a minimum, the following sections:

1. Customer Service Call Center
    A. Provide the number CSR supervisory staff and describe their responsibilities.
    B. Contractor must describe its training strategy for CSR's and CSR supervisory staff.
    C. Contractor must describe its strategy and overall approach to attracting and retaining a high quality CSR staff.
2. Website
    A. Number of on-line payments made
    B. Number of On-Call Collection Services scheduled
    C. Number of On-Call Bulky Goods Collections scheduled
    D. Number of extra Solid Waste pick-ups scheduled
    E. Number of service changes requested
    F. Number of Complaints documented and resolved
3. Customer Information System
    A. Status of any changes or upgrades made to system software
    B. Description of proposed changes to system software
    C. Explanation and schedule of training activities
4. Staffing
5. Commercial customer service

D. **Related Party Entities**. Contractor agrees that all financial transactions with all Related Party Entities shall be approved in advance in writing and disclosed annually (coinciding with Contractor's annual audited financial statements referred to in this Section 9.07) to the Agency in a separate disclosure letter to the Agency. This letter shall include the following information: a general description of the nature of each transaction, or type of (for many similar) transaction, as applicable. Such description shall include for each (or similar) transaction, amounts, specific Related Party Entity, basis of amount (how amount was determined), and description of the allocation methodology used to allocate any common costs. Amounts shall be reconciled to the Related Party Entity disclosures made in Contractor's annual audited financial statements referred to in this Section.

At the Agency's request, Contractor shall provide the Agency with copies of working papers or other documentation deemed relevant by the Agency relating to information shown in the annual disclosure letter. The annual disclosure letter shall be provided to the Agency within sixty (60) Business Days of Contractor's Fiscal Year end.

E. **Contractor's Review of Billings**. Pursuant to the requirements described in Section 7.01.F, Contractor shall submit a report on its review of Billings.

F. **Determination and Payment of Liquidated Damages**. In accordance with the requirements of subsections 14.07 and 11.07.D, Contractor shall provide with its annual report, a report that identifies any non-compliance with the performance standards listed in Attachment J and includes calculation of the Liquidated Damages due. This report shall be accompanied by supporting documentation identifying Contractor's compliance or non-compliance with the specified performance standards. The report submittal shall be accompanied by a check from Contractor in the amount of the Liquidated Damages due (per Contractor's calculation and self-reporting) for the reporting period.

G. **Determination and Payment of Performance Incentives and Disincentives**. In accordance with the requirements of subsection 11.07, Contractor shall provide with its annual report, a report that identifies any non-compliance with the performance standards listed in Attachment I and includes calculation of the Performance Incentive payments and Disincentive assessments due. Performance Incentives (in the form of increased compensation to Contractor) will be awarded by Agency for excellent performance on aspects of Solid Waste diversion, Collection service delivery and customer service as specified in Attachment I. Performance disincentives will be assessed by Agency for substandard performance on aspects of Solid Waste diversion, Collection service delivery and customer service specified in Attachment I.

Payment related to Performance Incentives and Disincentives, other than those related to Contamination, are to be included in Contractor's annual Rate Application and Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of Performance Incentive payments and Disincentive assessments calculated. Performance Incentives and Disincentives shall be calculated as specified in Section 9.06.P.

9.08 EVENT-SPECIFIC REPORTING

Event-specific reports shall be submitted following the occurrence of the event as described in this Section.

A. **Report of Accumulated Solid Waste; Unauthorized Dumping.** As required by Section 7.07, Contractor shall report: (i) the addresses of any Premises at which the driver observes that Solid Waste, Targeted Recyclable Materials, and/or Organic Materials is accumulating; and (ii) the address, or other location description, at which Solid Waste, Targeted Recyclable Materials, and/or Organic Materials has been dumped in an apparently unauthorized manner. The report shall be delivered to the Agency within one (1) Business Day of such observation.

B**. Hazardous Waste.** As required by Section 8.07, the Contractor shall notify the Agency of any Hazardous Waste identified in Containers or left at any Premises within twenty-four (24) hours of identification of such material.

C. **Reporting Adverse Information**. Contractor shall provide Agency two (2) copies (one (1) to the Agency Manager, one (1) to the Agency Attorney) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating specifically to Contractor's performance of services pursuant to this Agreement, submitted by Contractor to, or received by Contractor from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board, the Securities and Exchange Commission or any other federal, State, County, or local agency, including any federal or State court. Copies shall be submitted to Agency simultaneously with Contractor's filing or submission of such matters with said agencies. Contractor's routine correspondence to said agencies need not be submitted to Agency, but shall be made available to Agency promptly upon Agency's written request.

9.09 UPON-REQUEST REPORTING

A. **Holiday Tree Services.** Within ten (10) Business Days of Agency's request, Contractor shall report the Tonnage of Holiday Trees collected at the Drop Box sites or at drop-off sites (if drop-off sites were established).

B. **Other**. The Agency reserves the right to request additional reports from the Contractor, and the Contractor shall deliver such reports within twenty-five (25) Business Days of such request provided that such information is similar in nature to the required elements of the monthly, quarterly or annual reporting requirements described in Sections 9.05, 9.06, and 9.07. If the information requested by the Agency is not typically part of the Contractor's reporting requirements described in Sections 9.05, 9.06, and 9.07, Contractor shall provide such information if the Contractor is required to maintain the information under the record-keeping requirements described in Sections 9.01, 9.02, and 9.03.

ARTICLE 10 FRANCHISE FEE AND OTHER FEES

10.01 GENERAL

The fees described in this Article shall be treated as Pass-Through Costs for the purposes of determining Contractor's Compensation and shall be recoverable through the Rates that Contractor charges to Customers. Contractor shall separately identify any of the fees established under this Article on Customer bills if directed to do so by Agency.

10.02 FRANCHISE FEE

In consideration of the exclusive franchise granted to Contractor by this Agreement, and to reimburse Agency for costs incurred in administering this Agreement, Contractor shall pay to Agency a Franchise Fee specified in Attachment M.

10.03 OTHER FEES

Agency has adopted other fees which are intended to recover the costs of services related to solid waste management, recycling, cleanliness of public streets and/or public litter and recycling containers through inclusion in solid waste/recycling collection Rates. The other fees currently in effect, or which are expected to be in effect as of January 1, 2011 are also listed on Attachment M.

10.04 TIME AND METHOD OF PAYMENT

On or before the twentieth (20^{th}) day after the end of each month, Contractor shall pay to Agency (i) the amount of the Franchise Fees due on Gross Revenues Billed during the immediate previous month, (ii) one-twelfth of any other fee established by Agency unless Agency directs a different payment schedule for such other fees.

Contractor shall provide, concurrently with the payment of fees, a statement showing the calculation of each fee, including the Gross Revenues Billed from Customers in each Service Sector for that month. The statement shall be in a format, and contain the level of detail, specified by Agency. Payments from Contractor to Agency shall be made by wire transfer or other method authorized by Agency.

If a fee is not paid on time, Contractor shall pay a late payment charge equal to two percent (2%) of the fees due for that month. In addition, Contractor shall pay an additional two percent (2%) on any unpaid balance for each thirty (30) Day period a portion of the fee due remains unpaid. Late payment charges are not included in Contractor's Compensation and may not be recovered through Rates. Changes to Contractor's Compensation to reflect increases or decreases in fees, or the addition of new fees, are not subject to the Special Compensation Review provisions in Section 11.05.

10.05 ADJUSTMENTS TO FEES; ADDITIONAL FEES

Agency may from time to time adjust the amount of the fees described in this Article and may establish other fees. Changes in the total amount of fees to be collected by Contractor and remitted to Agency shall be reflected in an adjustment to Contractor's Compensation and Rates.

ARTICLE 11 CONTRACTOR'S COMPENSATION, PASS-THROUGH COSTS, AND RATES

11.01 OVERVIEW

A. Contractor's Compensation includes three components:

1. Annual Cost of Operations. These include the cost of labor, equipment, materials and supplies, fuel, insurance, bonds, taxes, overhead and all other costs necessary to perform all the services required, in the manner required, by this Agreement, with the exception of costs identified in subsection A.3.

2. Profit. Contractor's profit is determined by applying the Operating Ratio of ninety and one-half percent (90.5%) to annual costs of operation described in subsection A.1.

3. Contractor Pass-Through Costs. These consist of costs which Contractor is obligated to pay but on which Contractor does not earn a profit and currently consist of: (i) interest; and (ii) regulatory agency fees.

B. Attachment N includes baseline financial and operational information which is used to calculate Contractor's Compensation. The Annual Costs of Operation, Profit, and Contractor Pass-Through Costs shown on Attachment N: (i) are based on Contractor's Proposal; (ii) are allocated among Member Agencies using the methodology specified in Attachment K, Section 6; and (iii) have been adjusted to reflect refinements in the scope of services and decisions by individual Member Agencies as to specific programs, levels of service or other unique factors affecting only their jurisdiction.

C. Contractor's Compensation for Rate Year One will be determined as provided in Section 11.02.A. Annually thereafter, Contractor's Compensation will be adjusted as provided in Section 11.02.B, C and D.

D. After the conclusion of each Rate Year, SBWMA will conduct a revenue reconciliation process as provided in Section 11.03. The purpose of this procedure is to reconcile Net Revenues Billed by Contractor for a Rate Year with the approved Contractor's Compensation. Adjustments to Contractor's Compensation will be made in a subsequent year to recover any excess revenue from Contractor or to compensate Contractor for a revenue shortfall.

E. However, no adjustments to Contractor's Compensation will be made for differences between Costs of Operation or Pass-Through Costs as calculated and as actually incurred, with the exception of cost differences due to changes in scope of services (Section 11.06) or as authorized by a Special Compensation Review (Section 11.05). If Contractor's actual Costs of Operation are more or less than the amounts included in the annual calculation of Contractor's Compensation, Contractor is neither entitled to an increase in compensation, nor subject to a reduction in compensation, in future Rate Years.

11.02 DETERMINATION OF CONTRACTOR'S COMPENSATION

A. **Contractor's Compensation for Rate Year One (2011)**. Contractor's Compensation for 2011 shall be determined in 2010. Costs shown on Attachment N will be adjusted to reflect changes from 2008 when Contractor submitted its Proposal, for the following factors:

- Inflation;
- Wage rates and benefits for employees covered by collective bargaining agreements;
- Capital equipment costs; and
- Customer account and service levels.

All as provided in Attachment K, Section 3.

If Contractor enters into a franchise agreement with any other Member Agency which uses a substantially different methodology for calculating Contractor's Compensation than that set forth in Article 11 and Attachments K and N of this Agreement, then (i) for purposes of calculating Contractor's Compensation under this Agreement, Contractor's costs of providing service to such other Member Agency shall continue to be calculated and allocated using the methodology set forth in Attachments K and N and (ii) Contractor's Compensation for providing service to such other Member Agency shall be as set forth in the franchise agreement between it and Contractor. Any such franchise agreement shall (i) implement the performance incentives and disincentives provided for in this Agreement and (ii) require Contractor to pay sums due to SBWMA for delivery of materials from such Member Agency to the SRDC.

B. **Contractor's Compensation for Rate Year Two (2012).** Contractor's Compensation for 2012 shall be based on Contractor's Compensation for 2011 adjusted to reflect inflation, changes in wage rates and benefits for employees covered by collective bargaining agreements.

C. **Contractor's Compensation for Rate Year Three (2013).** Contractor's Compensation for 2013 shall be based on Contractor's Compensation for 2012 adjusted to reflect inflation, changes in wage rates and benefits for employees covered by collective bargaining agreements, 2013 Customer account and service levels, and the difference between Contractor's Compensation approved for 2011 and Net Revenues Billed for 2011. <u>The adjustment for Customer account and service levels shall be the final adjustment made during the Term for those variables.</u>

D. **Contractor's Compensation for Rate Year Four (2014) and Subsequent Years.** Contractor's Compensation shall be adjusted annually, commencing with the determination of Contractor's Compensation for Rate Year Four (2014) and continuing through the remaining Term including any extension periods to reflect inflation, changes in wages and benefits for employees covered by collective bargaining agreements in effect as of the Commencement Date of this Agreement, and the difference between Contractor's Compensation approved for the prior year (e.g., 2012) and Net Revenues Billed for 2012 and similarly for subsequent years.

For Rate Year Four (2014) through the last Rate Year of the Term, no changes to Contractor's Compensation will be made to reflect actual costs or to reflect changes in Customer account and service levels.

11.03 ANNUAL REVENUE RECONCILIATION PROCESS

After completion of each Rate Year, a revenue reconciliation process will be implemented as provided in this section and described in Attachment K, Section 8.

The purpose of this process is to determine the difference between the actual Net Revenues Billed by Contractor for the preceding Rate Year and the Contractor's Compensation approved for that Rate Year.

The Contractor shall submit a report to Agency and SBWMA on or before March 31 of each Rate Year, commencing March 31, 2012.

The report shall include the following information (items) for the preceding Rate Year:

A. Gross Revenue Billed. Gross Revenue Billed is the total amount billed by Contractor to Customers for all services attributable to the Rate Year in question. The report will identify the amount attributable to each Member Agency. (In the case of agencies that bill Customers directly for some or all of the services provided by Contractor, Gross Revenue Billed will include all amounts paid to Contractor by those agencies.)

B. Payments to SBWMA. Payments to SBWMA are the amounts charged by SBWMA for delivery of materials to the Designated Transfer and Disposal Facility. They do not include payments to SBWMA pursuant to Section 6.02 for excess contamination. The report will identify the amount of these payments attributable to each Member Agency, using the methodology described in Attachment K, Section 6.

C. Payments to Agencies for Franchise Fees and other fees described in Article 10. The report will identify the amount of these payments attributable to the Rate Year in question made to each Member Agency.

D. Revenues Attributable to Unscheduled Service. Contractor is obligated to provide some services to Customers or Member Agencies on an unscheduled "on-call" or intermittent basis. A list of these unscheduled services is included as Attachment Q.

Because the amount of such services may vary from year to year and is unpredictable, the costs and revenues associated with them are not included in SBWMA's prospective calculation of Contractor's Compensation. The report shall identify the amount of billings for unscheduled or intermittent service for each Member Agency.

Net Revenue Billed equals the result obtained by subtracting the sum of items B, C and D from item A [i.e., A – (B+C+D)].

Liquidated Damages assessed by Member Agencies pursuant to Section 14.07 are not included in the revenue reconciliation process. Similarly, performance incentive

payments and performance disincentive assessments provided for in Section 11.07 are not included in the revenue reconciliation process.

The SBWMA will review the report and underlying financial data for accuracy, will confer with Member Agencies to confirm data as to each agency, and will meet with Contractor to resolve any errors or inconsistencies.

The SBWMA will incorporate its conclusions as to revenue shortfalls or revenue surpluses experienced by Contractor as to each Member Agency into its calculation of Contractor's Compensation for the following Rate Year distributed to all Member Agencies in the Fall of each year.

The revenue reconciliation process will not be conducted for the last Rate Year of the Agreement. As a result, Contractor shall not be compensated for, nor obligated to rebate, any difference between Contractor's Compensation established for that Rate Year and actual Net Revenue Billed for that Rate Year.

11.04 APPLICATION PROCESS FOR CONTRACTOR'S COMPENSATION

A. **Application Date and Content.** Contractor shall prepare and submit to Agency and SBWMA by July 1 of each year, beginning on July 1, 2010, an Application for determination of Contractor's Compensation for the next Rate Year. This Application will cover all Member Agencies and will allocate total costs to each Member Agency using the allocation methodology prescribed in Attachment K and illustrated in Attachment N. Contractor shall provide any additional information requested by the Agency or by SBWMA during its review of the Application.

B. **Review of Application.** The Application shall be reviewed by SBWMA for accuracy and consistency with the procedures for determining Contractor's Compensation specified in this Agreement as described in Attachment K. SBWMA shall share with Contractor any factual or calculation errors identified in the Application and Contractor shall have the opportunity to revise its Application.

C. **SBWMA Report on Application** As provided in Attachment K, Authority staff shall distribute, on or before September 1 of each year, a report in draft form which (i) identifies the amount of Contractor's Compensation and Pass-Through Costs allocable to Agency for the following Rate Year and (ii) provides an overall percentage increase or decrease in Agency's collection Rates which SBWMA calculates will generate Customer revenues sufficient to cover Contractor's Compensation and Pass-Through Costs.

SBWMA will take into account comments received from Agency and other Member Agencies within 10 days after distribution of the report in draft form. A final report will be presented to and considered by the SBWMA Board of Directors and approved for distribution to all Member Agencies on or before October 1 of each year. The determination of Contractor's Compensation, the estimation of Pass-Through Costs, and the allocation of costs among Member Agencies contained in the final Report shall be binding on Contractor and Agency.

11.05 SPECIAL COMPENSATION REVIEW

A. **Eligible Items**. The Contractor may apply to the Agency for consideration of a special review of Contractor's Compensation, and the Agency may initiate such a review, if one or more of the following occur and cause an increase in or decrease to Contractor's Compensation by two percent (2%) or more for the then-current Rate Year:

1. Provision of emergency services pursuant to Section 7.08.
2. Flood, earthquake, or other similar catastrophic event affecting the Agency which is beyond the control of and not the fault of the Contractor.
3. Change in Law occurring after the Effective Date.
4. Changes in the rates charged for Backyard Collection Service and/or Curbside Collection Service that alter the price differential between the two, causing Customers to migrate from one to the other, with the result of increasing or decreasing Contractor's annual cost of operation by two percent (2%) or more.

A special compensation review must be requested by Contractor, or initiated by Agency, within twelve (12) months after one of the above-described events has occurred.

B. **Ineligible Items**. A special review of Contractor's Compensation may not be initiated for any of the following reasons:

1. Increases or decreases in Contractor's cost of operations in excess of the adjustments provided through the annual adjustment mechanism described in Attachment K.
2. Growth or decline in the number of Customers or their service levels, with the exception of adjustments made when determining Contractor's Compensation for Rate Year One (2011) and Rate Year Three (2013).
3. Changes in the mix of Container sizes or frequency of Collection, with the exception of adjustments made when determining Contractor's Compensation for Rate Year One (2011) and Rate Year Three (2013).

C. **Review of Costs**. Agency shall have the right to review any and all financial and operating records of Contractor. Agency will take into account the net overall impact of the event on Contractor's costs, including reductions in cost resulting from curtailments in service levels or other factors.

D. **Submittal of Request**. Contractor must submit its request for a special review in a form and manner specified by the Agency, together with required cost and operational data. Agency will review the request and determine the amount owed, if any, to Contractor and the time period to be covered by special compensation circumstances.

E. **Burden of Justification**. In a special compensation review under this section, Contractor shall bear the burden of justifying to the Agency by substantial evidence its entitlement to continuation of current, as well as any increases in, Contractor's Compensation. If the Agency determines that the Contractor has not met its burden, it shall notify Contractor that it is prepared to deny Contractor's request for

an increase in compensation, or to proceed with a reduction in compensation. Within ten (10) days after such notice, Contractor may request a hearing before the Agency's governing body to produce additional evidence. Upon such request, the Agency shall provide a hearing before the Agency governing body.

F. **Hearing**. Based on evidence presented to it, including, that submitted by Contractor, the Agency governing body may grant some, all, or none of the requested increase in, or may reduce, Contractor's Compensation. In the event Agency denies Contractor's requested increase in whole or in part, Contractor shall have the right to present its claim to a court of competent jurisdiction.

G. **Cost of Review**. Contractor shall bear all reasonable costs incurred by Agency (including assistance provided to it by SBWMA) of a special review which it has requested up to a maximum of fifty-thousand dollars ($50,000). Costs of a review requested by Contractor may not be included in Contractor's Compensation, charged to Agency or Customers, nor included in the calculation used as rationale to initiate a special compensation review.

11.06 COMPENSATION ADJUSTMENTS FOR CHANGES IN SCOPE OF SERVICES OR SERVICE LEVELS

In the event the Agency directs a change in accordance with Section 15.12 of this Agreement, an equitable adjustment in Contractor's Compensation will be made, effective with the commencement of the change, to reflect increases or decreases, if any, in Contractor's costs. The adjustment in compensation will also reflect the corresponding change in profit. The change in Contractor's Compensation will therefore consist of the sum of (i) the incremental change to costs, and (ii) profit adjustment at the allowed operating ratio of ninety and one-half percent (90.5%).

Within forty-five (45) Days of a request by Agency to initiate a change in service, Contractor shall present a proposal to Agency containing a complete description of the following, if and to the extent applicable:

1. Collection methodology to be employed.
2. Equipment to be utilized (number of vehicles, types, capacity, age, etc.).
3. Labor requirements (number of employees by classification).
4. Type of Containers to be used.
5. Description of program publicity/education/marketing materials to be developed.
6. Estimated Tonnage to be diverted and the methodology for determining that diverted Tonnage.
7. Anticipated impacts of the change, if any, on performance incentive and disincentive measures included in Attachment I.
8. Description of end uses of Collected material.
9. Three (3) year projection of the financial impact of the program's operations in a balance sheet and operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions, giving full effect to the savings or costs to existing services and the rate impact to affected Customers.

10. Monitoring tools and quantitative measures including: cost per Ton; annual diversion; and pre-implementation as well as expected post-implementation route information including cost per route and accounts or lifts per route per Day.

11.07 RATE-SETTING PROCESS

A. **General**. The Agency shall be solely responsible for establishing and adjusting Rates as described in this Article.

B. **Annual Review Process**. The Rates shall be reviewed annually by Agency, commencing with Rate Year One (2011) and continuing through the remaining Term including any extension periods. The Agency shall adjust Rates as necessary to generate annual Gross Revenues Billed equal to Contractor's Compensation approved for the Rate Year and approved Pass-Through Costs.

If Agency elects to set rates that are below those recommended in the SBWMA report, (or delays acting to revise rates such that the recommended rates do not go into effect until after January 1), and the Revenue Reconciliation process conducted by SBWMA for that Rate Year demonstrates that Net Revenues Billed were less than the approved Contractor's Compensation contained in the SBWMA report, the Agency shall owe interest on the difference. Interest shall apply (i) to fifty percent (50%) of the difference during the Rate Year in which the shortfall in revenue occurred, and (ii) one-hundred percent (100%) of the difference during the immediately following Rate Year. The interest rate applied to both years shall be the prime rate in effect when SBWMA issued the report for that Rate Year plus one percent (1%).

C. **Rate Structure**. The Agency shall have the sole and exclusive right to change the relationship of individual Rates in comparison with other Rates and to allocate total costs among Service Sectors and Lines of Business. However, the Agency will not change the percentage difference between Rates charged for Backyard Collection Service and Curbside Collection Service that are in effect in Rate Year Three (2013) without considering Contractor's written comments regarding the proposed change. If a change in the Rates charged for these two services causes a Customer migration from one to the other which in turn increases or decreases Contractor's annual cost of operation by two percent (2%), or more, either party may initiate a special compensation review as specified in Section 11.05.

If at any time Contractor believes that a Rate not included in the Agency approved Rate schedule would be necessary or useful, Contractor shall notify the Agency and recommend establishment of such Rate. For example, if a Customer requests Collection of a fifteen (15) cubic yard Compactor five (5) times per week and the Agency-approved Rate schedule does not include this level of service, the Contractor shall recommend that the Agency establish a Rate for this level of service.

D. **Liquidated Damages**. Contractor shall pay Agency the amounts, if any, due for Liquidated Damages under Section 14.07 and Attachment J with submittal of its annual report to Agency pursuant to Section 9.07.

E. **Performance Incentives and Disincentives**. Contractor shall submit an annual report on the Performance Incentives and Disincentives detailed in Attachment I with submittal of its quarterly and annual reports to Agency and SBWMA pursuant to Section 9.06 and Section 9.07. Contractor shall pay Agency or Agency shall pay Contractor the net amount, if any, due for Performance Incentives and Disincentives calculated pursuant to section 11.07, Attachment I, and Attachment N.

Payment related to Performance Incentives and Disincentives are to be included in Contractor's Application, with the exception of Disincentive assessments calculated quarterly pertaining to Contamination which are paid directly to the SBWMA, and Contractor's Compensation for the next Rate Year will be increased or decreased by the net amount of Performance Incentive payments and Disincentive assessments calculated.

11.08 NOTICE OF RATE ADJUSTMENTS

If requested by Agency, Contractor shall provide Agency with a complete and current list of its Customer addresses within ten (10) Days of the request. In addition, if requested by Agency, Contractor shall arrange for notices (prepared by Agency) to be mailed.

11.09 POTENTIAL RATE CONSTRAINTS

The parties recognize that, as of the date this Agreement is entered into, there is no authoritative judicial determination of whether Articles 13.C and D of the California Constitution apply to charges imposed by private enterprises for Solid Waste handling and Recycling services when those charges are regulated by a local government.

The Agency will not be in default of this Agreement if (i) a majority protest prevents a proposed Rate increase from being adopted, (ii) a court rules that Rates adopted by the Agency are not consistent with Article 13.D, or (iii) an initiative reduces Rates from those in effect. After any such event, the Parties shall promptly meet and confer in good faith to consider modifications to service levels commensurate with the Rates that Contractor may legally charge.

ARTICLE 12 AGENCY RIGHT TO USE EQUIPMENT AND FACILITIES

12.01 PURPOSE

The Parties recognize (i) that frequent and continuous collection of Solid Waste, Targeted Recyclable Materials and Organic Materials is an essential public service and an important element of public health in developed communities such as Agency, and (ii) that even a temporary interruption in the Collection and transport services entrusted to Contractor may threaten the public health and safety, as well as causing serious financial harm to business operations in the Agency.

The purpose of this Article is to provide the Agency the ability to respond to such threats to the public health, safety and welfare by making use of Contractor's Facilities and equipment. This Article applies to any interruption of services, regardless of whether or not Contractor's failure to perform is excused under Section 14.09.

12.02 CONDITIONS AUTHORIZING AGENCY'S RIGHT TO USE OF FACILITIES AND EQUIPMENT

If Contractor, for any reason, fails, refuses or is unable to Collect Solid Waste, Targeted Recyclable Materials and Organic Materials at the times and in the manner required by this Agreement, and transport them to the Designated Transfer and Processing Facility, for more than two (2) Business Days, Agency may invoke this Article. Agency shall provide Contractor written notice that it intends to consider invoking this Article at a public meeting of its governing body, to be held two (2) or more Business Days from the date of the notice.

At the meeting, the governing body may invoke its rights under this Article if it determines that there has been an interruption in Collection service and that such interruption may continue, thereby threatening the public health, safety and welfare. If the governing body makes that determination, it may also determine to exercise the Agency's right to (i) perform Collection and transport services with its own personnel and/or those of other Member Agencies which have invoked this right under their Franchise Agreements with Contractor or authorize a third party to do so, and (ii) take possession of any of Contractor's property, including vehicles and other equipment used or useful in providing such services or in the Billing and collection of fees for such services (collectively "Properties").

12.03 NOTICE TO CONTRACTOR

Agency shall deliver written notice to Contractor of its determination to exercise its right to provide Collection services and to make use of Contractor's Properties to do so. Upon receipt of the notice, Contractor shall immediately take all steps necessary to make available to Agency any of its vehicles and equipment that are requested by Agency. Contractor shall also cooperate in any other way requested by Agency to assist Agency in providing Collection services on a temporary basis.

12.04 RIGHTS AND RESPONSIBILITIES OF PARTIES

Agency will be responsible for the proper use and operation of Contractor's Properties, including maintenance and repair of vehicles and equipment. Agency will defend,

indemnify and hold Contractor harmless from claims by third parties that are due solely to Agency's negligence in operating Contractor's vehicles or equipment, and not due in whole or in part to defects in the design or manufacture of the vehicles or equipment or to Contractor's failure to maintain them in good and safe operating condition.

If the interruption in service is excused under Section 14.09, Agency will pay Contractor one hundred dollars ($100) per Business Day per vehicle, which will constitute full compensation for use of all Properties. If the interruption in service constitutes a breach of contract or default, no payment is required.

Revenue received from Customers that is attributable to the period of time during which Agency provides temporary Collection service shall accrue to Agency rather than Contractor.

Agency may delegate the use and operation of any or all of Contractor's Properties to a third party.

If the interruption of Collection service is caused by a breach of contract or default by Contractor, Liquidated Damages and performance disincentives will continue to accrue until Contractor resumes the provision of Collection services in full compliance with the Agreement.

12.05 DURATION OF AGENCY'S RIGHT TO POSSESSION AND USE OF VEHICLES/EQUIPMENT

Agency may retain possession of Contractor's Properties and provide Collection services until the Contractor demonstrates to Agency's satisfaction that it is ready, willing and able to resume providing such services, or one hundred eighty (180) Days from the notice given under Section 12.03, whichever occurs first.

Agency has no obligation to exercise its rights under this Article or, having done so, to continue to provide Collection services. It may at any time, in its sole discretion, relinquish possession of Contractor's Properties to Contractor.

Contractor's Properties shall be returned to Contractor in a condition substantially the same as that which existed at the time the Agency took possession of them, ordinary wear and tear excepted.

12.06 GENERAL

The Agency's exercise of its rights under this Article, (i) does not constitute taking or damaging of property for which compensation (other than as provided in this Article) must be paid, (ii) does not exempt Contractor from its indemnity obligations under Article 13, which are meant to extend to circumstances arising under this Article, provided that Contractor is not required to indemnify Agency against claims arising from the sole negligence of Agency's employees or agents in the operation and use of Contractor's Properties during the time the Agency has sole possession of them.

The Agency's exercise of its rights under this Article does not limit its ability to seek any of the remedies available to it under Article 14.

The Agency's rights under this Article do not preclude its permanent acquisition of Contractor's vehicles and equipment used in providing service to Agency through the exercise of eminent domain.

ARTICLE 13 INDEMNITY, INSURANCE, BOND, GUARANTY

13.01 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless Agency, its officers, employees and agents (collectively, the "Indemnitees"), from and against (i) any and all liability, penalty, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature, (ii) any and all loss including, but not limited to, injury to and death of any person and damage to property, and (iii) contribution or indemnity demanded by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, its obligations under this Agreement. The foregoing indemnity shall not apply to the extent that a Claim is caused solely by the active negligence or intentional misconduct of the Indemnitees, but shall apply if the Claim is caused by the joint negligence of Contractor and other Persons, including an Indemnitee. Upon the occurrence of any Claim, Contractor shall defend (with attorneys reasonably acceptable to Agency) the Indemnitees. Contractor's duty to defend and indemnify shall survive the expiration or earlier termination of this Agreement.

13.02 INSURANCE

A. **Types and Amounts of Coverage**. Contractor shall procure from an insurance company or companies admitted to do business in the State of California, and shall maintain in force at all times during the Term, the following types and amounts of insurance:

1. Workers' Compensation and Employer's Liability. Contractor shall maintain workers' compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State of California. Contractor shall maintain employer's liability insurance in an amount not less than one million dollars ($1,000,000) per accident or disease. Contractor shall not be obligated to carry workers compensation insurance if (i) it qualifies under California law and continuously complies with all statutory obligations to self-insure against such risks; (ii) furnishes a certificate of Permission to Self Insure issued by the Department of Industrial Relations; and (iii) furnishes updated certificates of Permission to Self Insure periodically to evidence continuous self insurance.

2. Comprehensive General Liability. Contractor shall maintain comprehensive general liability insurance with a combined single limit of not less than ten million dollars ($10,000,000) per occurrence covering all claims and all legal liability for personal injury, bodily injury, death, and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, services under this Agreement.

The insurance required by this subsection shall include:

(i) Premises Operations (including use of owned and non-owned equipment);

(ii) Personal Injury Liability with employment exclusion deleted;

(iii) Broad Form Blanket Contractual with no exclusions for bodily injury, personal injury or property damage (including coverage for the indemnity obligations contained herein);

(iv) Owned, Non-Owned, and Hired Motor Vehicles;

(v) Broad Form Property Damage.

The comprehensive general liability insurance shall be written on an "occurrence" basis (rather than a "claims made" basis) in a form at least as broad as the most current version of the Insurance Service Office commercial general liability occurrence policy form (CG0001). If occurrence coverage is not obtainable, Contractor must arrange for "tail coverage" on a claims made policy to protect Agency from claims filed within four (4) years after the expiration or earlier termination of this Agreement relating to incidents that occurred prior to such expiration or termination.

3. Automobile Liability. Contractor shall maintain automobile liability insurance covering all vehicles used in performing service under this Agreement with a combined single limit of not less than ten million dollars ($10,000,000) per occurrence for bodily injury and property damage.

4. Pollution (Environmental Impairment) Liability. Contractor shall maintain pollution liability insurance coverage of not less than ten million dollars ($10,000,000) per occurrence covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this Agreement.

B. Acceptability of Insureds. The insurance policies required by this section shall be issued by an insurance company or companies admitted to do business in the State of California, subject to the jurisdiction of the California Insurance Commissioner, and with a rating in the most recent edition of Best's Insurance Reports of size category XV or larger and a rating classification of A+ or better.

C. Required Endorsements. Without limiting the generality of Sections 13.02.A and B, the policies shall contain endorsements in substantially the following form:

1. Workers' Compensation and Employers' Liability Policy.
   (a) "Thirty (30) Days prior written notice shall be given to the TOWN OF ATHERTON in the event of cancellation or non-renewal of this policy." Such notice shall be sent to:

Town of Atherton
91 Ashfield Road
Atherton, CA 94027
Attention: City Manager

(b) "Insurer waives all right of subrogation against [AGENCY] and its officers and employees for injuries or illnesses arising from work performed for [AGENCY]."

2. Comprehensive General Liability Policy; Automobile Liability Policy; Pollution Liability Policy; and Hazardous Materials Policy.

(a) "Thirty (30) Days prior written notice shall be given to the TOWN OF ATHERTON in the event of cancellation, reduction of coverage, or non-renewal of this policy." Such notice shall be sent to:

Town of Atherton
91 Ashfield Road
Atherton, CA 94027
Attention: City Manager

(b) "The Town of Atherton, its officers, employees, and agents are additional insureds on this policy."

(c) "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the [AGENCY], including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

(d) "Inclusion of the [AGENCY] as an insured shall not affect the [AGENCY]'s rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the [AGENCY] in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the company's liability as set forth in the policy beyond the amount shown or to which the company would have been liable if only one party had been named as an insured."

D. Deductibles and Self-Insured Retentions. The liability policies described in Sections 13.02.A(2) and (3) may contain a deductible or self-insured retention not to exceed $500,000 per occurrence. This amount may not be increased without Agency's prior written consent.

Contractor remains responsible for the payment of all losses and investigation, claim administration and defense expenses, including those of the Agency.

E. Delivery of Proof of Coverage. No later than ninety (90) Days before the commencement of operations which includes the Recycling Blitz, Contractor shall furnish Agency one or more certificates of insurance on a standard ACORD form substantiating that each of the coverages required hereunder is in force, in form and substance satisfactory to Agency. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall be accompanied by all required endorsements. If Agency requests, copies of each policy, together with all endorsements, shall also be promptly delivered to Agency. Contractor shall furnish renewal certificates to Agency to demonstrate maintenance of the required coverages throughout the Term.

F. Other Insurance Requirements

1. In the event performance of any services is delegated to a Subcontractor, Contractor shall require such subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the Subcontractor's employees engaged in the work. The liability insurance required by Subsection A.2 and the automobile liability policy required by subsection A.3 shall cover all Subcontractors or the Subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 13.02.

2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement, including those imposed by Section 13.01. If any claim is made by any third Person against Contractor or any Subcontractor on account of any occurrence related to this Agreement, other than claims by employees for work-related incidents, Contractor shall promptly report the facts in writing to the insurance carrier and to the Agency.

3. If Contractor fails to procure and maintain any insurance required by this Agreement, Agency may take out and maintain such insurance as it may deem proper and may require Contractor to reimburse it for the cost incurred within thirty (30) Days and/or deduct the cost from any monies due Contractor. Agency may also treat the failure as a Contractor default.

4. Agency is not responsible for payment of premiums for or deductibles under any required insurance coverages.

5. Any excess or umbrella policies shall be written on a "following form" basis.

13.03 FAITHFUL PERFORMANCE BOND

On or before the Effective Date, Contractor shall file with Agency a bond securing the Contractor's faithful performance of its obligations under this Agreement. The principal sum of the bond shall be no less than ten percent (10%) of the amount of the 2011 annual Revenue Requirement for Agency shown on Attachment N. The form of the bond shall be as set out in Attachment F. The bond shall be executed as surety by a corporation admitted to issue surety bonds in the State of California, regulated by the California Insurance Commissioner, and with a financial condition and record of service satisfactory to Agency.

The term of the bond shall be twenty-four (24) months. The bond shall be extended, or replaced by a new bond in the same principal sum (adjusted by the percentage change in the Consumer Price Index), for the same Term (i.e., twenty-four (24) months) and in the same form, bi-annually thereafter. Not less than ninety (90) Days before the expiration of the initial, or any subsequent, bond, Contractor shall furnish either a replacement bond or a continuation certificate substantially in the form attached as Attachment F, executed by the surety.

It is the intention of this section that there be in full force and effect at all times a bond securing the Contractor's faithful performance of the Agreement, throughout its Term.

13.04 ALTERNATIVE SECURITY

Agency may, in its sole discretion, allow Contractor to provide alternative security in the amount set forth in Section 13.03, in the form of (a) a prepaid irrevocable standby letter

of credit in form and substance satisfactory to Agency, approved by the Agency's Attorney and issued by a financial institution acceptable to Agency, or (b) a certificate of deposit in the name of the Agency and in a form and with a Term satisfactory to Agency, accompanied by an agreement giving Agency the right to draw on the funds deposited satisfactory to Agency and with a financial institution acceptable to Agency. Interest on the certificate of deposit will be payable to Contractor.

13.05 HAZARDOUS WASTE INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless the Indemnitees against all claims, of any kind whatsoever paid, incurred or suffered by, or asserted against Indemnitees arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Wastes released, spilled or disposed of by Contractor pursuant to this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety Code Section 25364, to defend, protect, hold harmless and indemnify Indemnitees from liability and shall survive the expiration or earlier termination of this Agreement. Notwithstanding the foregoing, Contractor is not required to indemnify the Indemnitees against claims arising from Contractor's delivery of Solid Waste, Recyclable Materials and Organic Materials to the Designated Transfer and Processing Site, or their subsequent delivery to other processing locations or the ultimate Disposal Site, unless such claims are due to Contractor's negligence or willful misconduct.

13.06 CALIFORNIA INTEGRATED WASTE MANAGEMENT ACT INDEMNIFICATION

Contractor agrees to indemnify and hold harmless the Indemnitees against all fines and/or penalties imposed by the California Integrated Waste Management Board (CIWMB) or the Local Enforcement Agency (LEA) based on Contractor's failure to comply with laws, regulations or permits issued or enforced by the CIWMB or the LEA or caused or contributed to by the Contractor's failure to perform obligations under this Agreement. This indemnity obligation is subject to the limitations and conditions in Public Resource Code Section 40059.1 but is enforceable to the maximum extent allowable by that Section. This indemnity shall survive the termination or earlier expiration of this Agreement.

13.07 GUARANTY

Concurrently with execution of this Agreement, Contractor shall furnish a Guaranty of its performance under this Agreement, in the form of Attachment G, properly executed by Recology Inc., a California corporation which owns all of the issues and outstanding common stock of Contractor.

ARTICLE 14 DEFAULT AND REMEDIES

14.01 EVENTS OF DEFAULT.

Each of the following shall constitute an event of default ("Contractor default"):

A. Contractor fails to perform its obligations under Article 5, 6 or 7 of this Agreement and its failure to perform is not cured within ten (10) Business Days after written notice from Agency.

B. Contractor fails to perform its obligations under any other Article of this Agreement and its failure to perform is not cured within ten (10) Days after written notice from Agency, provided that if the nature of the failure is such that it will reasonably require more than ten (10) Days to cure, Contractor shall not be in default so long as it promptly commences the cure and diligently proceeds to completion of the cure, and provided further that neither notice nor opportunity to cure applies to events described in subsections C through H.

C. Contractor ceases to provide Collection and transportation services for a period of two (2) Business Days for any reason within the Contractor's control, including labor unrest such as strike, work stoppage or slowdown, sickout, picketing, or other concerted job action by Contractor's employees.

D. Contractor files a voluntary petition for relief under any bankruptcy, insolvency or similar law.

E. An involuntary petition is brought against Contractor under any bankruptcy, insolvency or similar law which remains un-dismissed or un-stayed for ninety (90) Days.

F. Contractor fails to furnish a replacement bond or a continuation certificate of the existing bond not less than ten (10) Days before expiration of the performance bond, as required by Section 13.03 or fails to maintain all required insurance coverage in force.

G. Contractor fails to provide reasonable assurance of performance when required under Section 14.10.

H. A representation or warranty contained in Article 2 proves to be false or misleading in a material respect as of the date such representation or warranty was made.

14.02 RIGHT TO SUSPEND OR TERMINATE UPON DEFAULT.

A. Upon any Contractor default, Agency may terminate this Agreement or suspend it, in whole or in part. Such suspension or termination shall be effective thirty (30) Days after Agency has given notice of suspension or termination to Contractor, except that such notice may be effective in a shorter period of time, or immediately, if the Contractor default is one which endangers the health, welfare or safety of the public, such as the failure to collect Solid Waste, Recyclable Materials, or Organic Materials for the period of time specified in Section 14.01.C. Notice may be given orally in person or by telephone to the representative of Contractor designated in or under

Section 15.10 (or, if he/she is unavailable, to a responsible employee of Contractor) and shall be effective immediately. Written confirmation of such oral notice of suspension or termination shall be sent by personal delivery, facsimile, or other expedited means of delivery to Contractor within twenty-four (24) hours of the oral notification at the address shown in Section 15.09. Contractor shall continue to perform the portions of the Agreement, if any, not suspended, in full conformity with its terms.

B. Agency may also suspend or terminate this Agreement, upon the same notice provisions, if Contractor's ability to perform is prevented or materially interfered with by a cause which excuses nonperformance under Section 14.09, despite the fact that nonperformance in such a case is neither a breach nor a Contractor default.

14.03 SPECIFIC PERFORMANCE

By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service, the lead time required to effect alternative service, and the rights granted by Agency to Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and Agency shall be entitled to injunctive relief.

14.04 RIGHT TO PERFORM; USE OF CONTRACTOR PROPERTY

If this Agreement is suspended and/or terminated due to a Contractor default, Agency shall have the right to perform, by contract, in conjunction with other Member Agencies, or otherwise, the work herein or such part thereof as it may deem necessary. In the event of Contractor's default, Agency shall have the right to use any of Contractor's equipment, facilities and other property reasonably necessary for the provision of services hereunder and for the Billing and collection of fees for those services, upon the terms provided in Article 12. Agency shall have the right to continue use of such property until other suitable arrangements can be made for the provision of such services, which may include the award of a contract to another service provider.

14.05 DAMAGES

Contractor shall be liable to Agency for all direct, indirect, special and consequential damages arising out of Contractor's default. This section is intended to be declarative of existing California law.

14.06 AGENCY'S REMEDIES CUMULATIVE

Agency's rights to suspend or terminate the Agreement under Section 14.02, to obtain specific performance under Section 14.03 and to perform under Section 14.04 are not exclusive, and Agency's exercise of one such right shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies that Agency may have, including a legal action for damages under Section 14.05 or imposition of Liquidated Damages under Section 14.07.

14.07 LIQUIDATED DAMAGES

The Parties acknowledge that consistent, courteous and efficient Collection of Solid Waste, Targeted Recyclable Materials and Organic Materials is of utmost importance

and Agency has considered and relied on Contractor's representations as to its quality of service commitment in entering into this Agreement. The Parties further recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The Parties further recognize that if Contractor fails to achieve the performance standards, Agency and its residents will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of damages that Agency will suffer. Therefore, the Parties agree that the Liquidated Damage amounts listed on Attachment J represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to Agency that reasonably could be anticipated and recognition that proof of actual damages would be costly or inconvenient. By initialing the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this Liquidated Damage provision at the time that this Agreement was made.

Contractor Initial Here: _____ Agency Initial Here: _____

Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amount set forth in Attachment J.

In addition to considering the reports submitted by Contractor pursuant to Article 9, Agency may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or agents and through investigation of Customer Complaints made directly to Agency. Prior to assessing Liquidated Damages based on such observations or investigations, Agency shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all non-confidential information in the possession of Agency relating to incident(s)/non-performance. Contractor may, within ten (10) Days after receiving the notice, request a meeting with Agency's Manager or his or her designee. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. Agency's Manager or his or her designee will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of Liquidated Damages. The decision of Agency's Manager or his or her designee shall be final.

Agency's right to recover Liquidated Damages for Contractor's failure to meet the service performance standards shall not preclude Agency from obtaining equitable relief for persistent failures to meet such standards nor from terminating the Agreement for such persistent failures.

14.08 AGENCY DEFAULT

Agency shall be in default under this Agreement ("Agency default") in the event Agency commits a material breach of the Agreement and fails to cure such breach within thirty (30) Days after receiving notice from the Contractor specifying the breach, provided that if the nature of the breach is such that it will reasonably require more than thirty (30) Days to cure, Agency shall not be in default so long as Agency promptly commences the cure and diligently proceeds to completion of the cure.

In the event of an asserted Agency default, Contractor shall continue to perform all of its obligations hereunder until a court of competent jurisdiction has issued a final judgment declaring that Agency is in default.

14.09 EXCUSE FROM PERFORMANCE

A. **Force Majeure.** Neither Party shall be in default of its obligations under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to an "act of God" (including, but not limited to, flood, earthquake or other catastrophic events), war, insurrection, riot, labor unrest of other than the Party's employees (including strike, work stoppage, slowdown, sick out, picketing, or other concerted job action), or other similar cause not the fault of, and beyond the reasonable control of, the Party claiming excuse. A Party claiming excuse under this Section must (i) have taken reasonable precautions, if possible, to avoid being affected by the cause, and (ii) notify the other party in writing as provided in Subsection C.

B. **Obligation to Restore Ability to Perform.** Any suspension of performance by a Party pursuant to this Section shall be only to the extent, and for a period of no longer duration than, required by the nature of the event, and the Party claiming excuse shall use its best efforts to remedy its inability to perform as quickly as possible and to mitigate damages that may occur as result of the event.

C. **Notice.** The Party claiming excuse shall deliver to the other Party a written notice of intent to claim excuse from performance under this Agreement by reason of an event of Force Majeure. Notice required by this Section shall be given promptly in light of the circumstances, but in any event not later than five (5) Days after the occurrence of the event of Force Majeure. Such notice shall describe in detail the event of Force Majeure claimed, the services impacted by the claimed event of Force Majeure, the expected length of time that the party expects to be prevented from performing, the steps which the party intends to take to restore its ability to perform, and such other information as the other party reasonably requests.

D. **Agency's Rights in the Event of Force Majeure.** The partial or complete interruption or discontinuance of Contractor's services caused by an event of Force Majeure shall not constitute a Contractor default. Notwithstanding the foregoing: (i) Agency shall have the right to make use of Contractor's Facilities and equipment in accordance with Article 12 in the event of non-performance excused by Force Majeure; (ii) if Contractor's failure to perform by reason of Force Majeure continues for a period of thirty (30) Days or more, Agency shall have the right to immediately terminate this Agreement; (iii) if Contractor is unable to Collect and transport Solid Waste as required by this Agreement for a period of two (2) or more consecutive Business Days or for any three (3) Business Days in a seven (7) Day period as a result of Force Majeure, Agency shall have the right to make use of Contractor's property in accordance with Article 12, and (iv) if Contractor's inability to Collect and transport Solid Waste continues for two (2) Days or more from the date by which Contractor gave or should have given notice under Subsection C, Agency may terminate this Agreement.

14.10 ASSURANCE OF PERFORMANCE

If Contractor (i) persistently suffers the imposition of Liquidated Damages under Section 14.07; (ii) is the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (iii) appears in the reasonable judgment of Agency to be unable to regularly pay its bills as they become due; (iv) is the subject of a civil or criminal proceeding brought by a federal, State, regional or local agency for violation of an Environmental Law in the performance of this Agreement, or (v) performs in a manner that causes Agency to be uncertain about Contractor's ability and intention to comply with this Agreement, Agency may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as Agency may require.

ARTICLE 15 OTHER AGREEMENTS OF THE PARTIES

15.01 RELATIONSHIP OF PARTIES

The Parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by Agency and not as an officer or employee of Agency nor as a partner of or joint venturer with Agency. No employee or agent of Contractor shall be deemed to be an employee or agent of Agency. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the services performed under this Agreement, and over all Persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, Subcontractors and agents. Neither Contractor nor its officers, employees, Subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to Agency employees by virtue of their employment with Agency.

15.02 COMPLIANCE WITH LAW

In providing the services required under this Agreement, Contractor shall at all times comply with all applicable laws of the United States, the State and Agency, with all applicable regulations promulgated by federal, State, regional or local administrative and regulatory agencies, and by Agency, now in force and as they may be enacted, issued or amended during the Term, and with all permits affecting the services to be provided.

15.03 ASSIGNMENT

Contractor acknowledges that this Agreement involves rendering a vital service to Agency's residents and businesses, and that Agency has selected Contractor to perform the services specified herein based on (i) Contractor's experience, skill and reputation for conducting its operations in a safe, effective and responsible fashion, and (ii) Contractor's and the Guarantor's financial resources to maintain the required equipment and to support its indemnity obligations to Agency under this Agreement. Agency has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

A. **Agency Consent Required.** Contractor shall not assign its rights or delegate or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of Agency. Any such assignment made without the consent of Agency shall be void and the attempted assignment shall constitute a Contractor default.

B. **Assignment Defined.** For the purpose of this Section, "assignment" shall include, but not be limited to, (i) a sale, exchange or other transfer to a third party of substantially all of Contractor's assets dedicated to service under this Agreement; (ii) a sale, exchange or other transfer of outstanding common stock of Contractor to a Person who is not a shareholder as of the Effective Date which results in a change in control of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including insolvency or bankruptcy, an assignment for the benefit of creditors, a

writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor.

C. **Consent Requirements.** If Contractor requests Agency's consideration of and consent to an assignment, Agency may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by Agency unless and until Contractor has met the following requirements:

1. Contractor shall pay Agency its reasonable expenses for attorneys' fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;

2. Contractor shall furnish Agency with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;

3. Contractor shall furnish Agency with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Solid Waste/Recycling management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not been the subject of any administrative or judicial proceedings initiated by a federal, State or local agency having jurisdiction over its operations due to an alleged failure to comply with federal, State or local laws or that the proposed assignee has provided Agency with a complete list of such proceedings and their status; (iii) that the proposed assignee conducts its operations in a safe and environmentally conscientious manner, in accordance with sound Solid Waste management practices in full compliance with all federal, State and local laws regulating the Collection and Disposal of Solid Waste and all Environmental Laws; (iv) of any other information required by Agency to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

D. **No Obligation to Consider**. Agency will not be obligated to consider a proposed assignment if Contractor is in default.

15.04 SUBCONTRACTING

Contractor shall not engage any Subcontractors to perform any of the services required of it by Articles 5 or 6 of this Agreement without the prior written consent of Agency. Contractor shall notify Agency no later than ninety (90) Days prior to the date on which it proposes to enter into a subcontract. Agency may approve or deny any such request at its sole discretion. As of the Effective Date, Contractor shall contract with a consultant, approved by Agency and SBWMA, for a minimum sum of $50,000 to provide additional outreach, diversion training, Organic Materials collection program training, monitoring,

and education to Multi-Family Dwelling and Commercial Customers during Rate Year One (2011).

15.05 AFFILIATED ENTITY

Contractor will not form or use any Affiliate to perform any of the services or activities which Contractor is required or allowed to perform under this Agreement, other than as a Subcontractor approved by Agency under Section 15.04.

If Contractor enters into any financial transactions with an Affiliate for the provision of labor, equipment, supplies, services, or capital related to the furnishing of service under this Agreement, that relationship shall be disclosed to Agency, and in the financial reports submitted to Agency. In such event, Agency's rights to inspect records and obtain financial data shall extend to records and data of such Affiliate that are relevant to those specific financial transactions.

15.06 CONTRACTOR'S INVESTIGATION

Contractor has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding the Agreement and the work to be performed by it. Contractor has carefully reviewed the information in the Request for Proposals, and Addenda if any. Contractor has had the opportunity to inspect the Designated Transfer and Processing Facility and to review the permits governing its operation, as well as the Source Reduction and Recycling Element adopted by Agency. Contractor has taken such matters into consideration in agreeing to provide the services required by, for the compensation to be provided under, this Agreement.

15.07 NO WARRANTY BY AGENCY

While Agency believes that the information contained in the Request for Proposals is substantially correct, Agency makes no warranties in connection with this Agreement, including but not limited to the accuracy or completeness of the information contained in the Request for Proposals.

15.08 CONDEMNATION

Agency reserves the rights to acquire the Contractor's property utilized in the performance of this Agreement through the exercise of eminent domain.

15.09 NOTICE

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall, except as provided in Article 14, be in writing and shall either be personally delivered to a representative of the Parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to Agency:

Town of Atherton
91 Ashfield Road

Atherton, CA 94027
Attention: City Manager

If to Contractor:
Mario Puccinelli, General Manager
Recology San Mateo County
225 Shore Way
San Carlos, CA 94070

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

Contact information for Contractor's General Manager is as follows:

Mario Puccinelli, General Manager
Recology San Mateo County
225 Shore Way
San Carlos, CA 94070

Contact information for Contractor's Environmental Technician is as follows:

Christopher Gibson
Recology San Mateo County
225 Shore Way
San Carlos, CA 94070

Contractor shall promptly provide Agency the name and contact information for the above employees if there is a change during the Term.

15.10 REPRESENTATIVES OF THE PARTIES.

A. **Representatives of Agency.** References in this Agreement to "Agency" shall mean the City Council and all actions to be taken by Agency shall be taken by the City Council except as provided below. The City Council may delegate authority to the City Manager, and/or to other Agency officials and may permit such officials, in turn, to delegate in writing some or all of such authority to subordinate officers. Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

B. **Representative of Contractor.** Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Contractor in all matters related to the Agreement and shall inform Agency in writing of such designation and of any limitations upon his or her authority to bind Contractor. Agency may rely upon action taken by such designated representative as actions of Contractor unless they are outside the scope of the authority delegated to him/her by Contractor as communicated to Agency.

15.11 DUTY OF CONTRACTOR NOT TO DISCRIMINATE

In the performance of this Agreement Contractor shall not discriminate, nor permit any subcontractor to discriminate, against any employee, applicant for employment, or Customer on account of race, color, national origin, ancestry, religion, sex, age, physical disability, medical condition, sexual orientation, marital status, or other characteristic, in violation of any Applicable Law.

15.12 RIGHT OF AGENCY TO MAKE CHANGES IN SERVICES AND SERVICE LEVELS

A. Agency may, without amending this Agreement, direct Contractor to cease performing one or more types of service described in Articles 5 or 6, may direct Contractor to modify the scope of one or more such services, may direct Contractor to perform additional Solid Waste, Targeted Recyclable Materials, Organic Materials or Plant Materials handling services, or may otherwise direct Contractor to modify its performance under any other Section of this Agreement. Contractor shall promptly and cooperatively comply with such direction.

B. If such changes cause an increase or decrease in the cost of performing the services, an equitable adjustment in the Contractor's Compensation shall be made pursuant to Article 11. Contractor will continue to perform the new or changed service while the appropriate adjustment in compensation is being determined.

C. The Agency shall have the right to terminate a program if, in its discretion, the Contractor is not cost-effectively achieving the program's goals and objectives. Thereafter, the Agency may utilize a third party to perform these services if the Agency reasonably believes the third party can improve on Contractor's performance and cost effectiveness. Notwithstanding these changes, Contractor shall continue the program during the meet and confer period and, thereafter, until the third party takes over the program. This subsection C applies to programs initiated at Agency's direction after the Commencement Date that are beyond the basic scope of services described in Section 4.01.A.

15.13 TRANSITION TO NEXT SERVICE PROVIDER

At the expiration of the Term or the earlier termination of the Agreement, or upon Agency's approval of a proposed assignment, Contractor shall cooperate fully with Agency to ensure an orderly transition to any and all new service providers. Contractor shall provide, within ten (10) Days of a written request by Agency, then-current route lists, which identify each Customer on the route, its service level (number of Containers, Container sizes, frequency of Collection, scheduled Collection day), any special Collection notes, and detailed then-current Customer account and Billing information. Contractor may, but is not required to, sell Collection vehicles and containers to the next service provider.

Contractor shall upon Agency request, at least one-hundred-eighty (180) Days prior to the transition of services, attend meetings with the next service provider and with Agency and SBWMA staff and consultants to plan the recovery of Contractor's Containers and placement of the new Containers. Contractor shall perform in accordance with such plan and direct route supervisors to provide "ride-alongs" so that the new service provider's employees may ride with drivers in Collection vehicles during Collection operations. Contractor will direct its drivers and other employees to provide accurate information to the new provider about routing and Customers.

15.14 REPORTS AS PUBLIC RECORDS

The reports, records and other information submitted or required to be submitted by Contractor to Agency are public records within the meaning of that term in the California Public Records Act, Government Code Section 6250 *et seq.* Unless a particular record is exempted from disclosure by the California Public Records Act, it must be disclosed to the public by Agency upon request.

Contractor will not object to Agency making available to the public any information submitted by the Contractor, or required to be submitted in connection with the Contractor's Compensation, including but not limited to records described in Article 11.

ARTICLE 16 MISCELLANEOUS PROVISIONS

16.01 GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

16.02 JURISDICTION

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in San Mateo County.

16.03 BINDING ON SUCCESSORS

The provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the Parties.

16.04 PARTIES IN INTEREST

Nothing in this Agreement is intended to confer any rights on any Persons other than the Parties to it and their permitted successors and assigns.

16.05 WAIVER

The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision.

16.06 ATTACHMENTS

Each of the attachments, identified as Attachments “A” through “Q,” is attached hereto and incorporated herein and made a part hereof by this reference.

16.07 ENTIRE AGREEMENT

This Agreement, including the attachments, represents the full and entire agreement between the Parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

16.08 SECTION HEADINGS

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

16.09 INTERPRETATION

This Agreement shall be interpreted and construed reasonably and neither for nor against either Party, regardless of the degree to which either Party participated in its drafting.

16.10 AMENDMENT

This Agreement may not be modified or amended in any respect except by a writing signed by the Parties.

16.11 SEVERABILITY

If a court of competent jurisdiction holds any non-material provision of this Agreement to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

16.12 COSTS AND ATTORNEYS' FEES

The prevailing Party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs expended in connection with such an action from the other Party. However, each Party shall bear its own attorneys' fees.

16.13 NO DAMAGES FOR INVALIDATION OF AGREEMENT

If a final judgment of a court of competent jurisdiction determines that this Agreement is illegal or was unlawfully entered into by Agency, neither party shall have any claim against the other for damages of any kind (including but not limited to loss of profits) on any theory.

16.14 REFERENCES TO LAWS

All references in this Agreement to laws and regulations shall be understood to include such laws and regulations as they may be subsequently amended or recodified, unless otherwise specifically provided. In addition, references to specific governmental agencies shall be understood to include agencies that succeed to or assume the functions they are currently performing.

16.15 INDEMNITY AGAINST CHALLENGES TO AGREEMENT

Contractor shall indemnify, defend and hold harmless SBWMA, Agency, and its and their officers, employees and agents (collectively, the "Indemnitees") from and against any and all liability, claim, demand, action, proceeding or suit of any and every kind and description brought by a third party challenging the process by which proposals were solicited and evaluated, or this Agreement was negotiated or awarded to the extent that such liability, claim, demand, action, proceeding or suit was caused by Contractor's failure to comply with applicable law or the instructions of any indemnitee with respect to such process.

LAST PAGE OF AGREEMENT

IN WITNESS WHEREOF, Agency and Contractor have executed this Contract as of the day and year first above written.

TOWN OF ATHERTON	RECOLOGY SAN MATEO COUNTY
By: _____	By: _____
Name: Jerome Gruber	Name: Michael J. Sangiacomo
Title: City Manager	Title: President and CEO
ATTEST: _____	By: _____
Name: Theresa DellaSanta	Name: Roxanne L. Frye
Title: Deputy City Clerk	Title: Corporate Secretary

APPROVED AS TO FORM:

_____
Wynne Furth
City Attorney

ITEM 31

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **THE CITY COUNCIL**

FROM: **JEROME GRUBER, CITY MANAGER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **APPROVAL OF AN AGREMENET BETWEEN THE SBWMA AND THE CITY OF SAN CARLOS RELATED TO A LOCAL IMPACT FEE FROM THE SHOREWAY RECYCLING AND DISPOSAL CENTER**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving an agreement between the SBWMA and the City of San Carlos related to a local impact fee from the Shoreway Recycling and Disposal Center.

BACKGROUND

The Shoreway Recycling and Disposal Center (SRDC) was initially constructed in 1982 by Browning Ferris Industries (BFI/Allied Waste) pursuant to a conditional use permit (CUP) issued by the City of San Carlos. The CUP was conditioned on BFI and San Carlos entering into an agreement providing San Carlos with a "franchise fee" in order to offset impacts to that city resulting from the SRDC's location and operation. San Carlos and BFI signed a contract in 1982 which entitled San Carlos to five percent (5%) of the gate fee revenues received at the SRDC.

The SBWMA purchased the SRDC in 2000. The 1982 contract between San Carlos and BFI expired in 2004, but fees in the amount of 5% have continued to be paid to San Carlos.

The SBWMA's Joint Exercise of Powers Agreement, as amended and restated in December 2005 ("JPA Agreement"), states that San Carlos will receive a "franchise fee" from the operation of the SRDC, but does not specify the exact amount of the fee.

SBWMA has applied to San Carlos for a new CUP covering the substantial improvements planned for the SRDC. In connection with the permit application, SBWMA and San Carlos have worked together to create a new agreement (Attachment B). The SBWMA's CUP application and related CEQA documentation were approved 3-0 by the San Carlos Planning Commission on July 21, 2008.

ANALYSIS

Approval of the recommended action would continue a contractual arrangement that was put in

place at the inception of the SRDC operations in 1982, with payment of a local impact fee at the same amount (5% of gate fee revenues) as had previously been agreed upon by BFI/Allied Waste and San Carlos. The dollar amount of the fees will vary each year, but has been approximately $1.2 million per year for the last several years. The term of the agreement will run concurrently with that of the new CUP that the SBWMA is seeking.

The new agreement makes clear that the fee does not apply to revenues received by SBWMA from the sale of recyclable materials. Those revenues, approximately $12 million per year over the last few years, are used to fund SBWMA cash reserves and to offset Shoreway facility costs.

The San Carlos City Council unanimously approved the agreement at its July 14, 2008 City Council meeting. This item was approved by the SBWMA Board of Directors on July 24, 2008. The SBWMA is seeking concurrence on approval of the Agreement by two-thirds of the 12 member agencies. As of the preparation of this report, 9 member agencies have approved the agreement, thus meeting the two-thirds requirement.

CONCLUSION:
The Agreement between the City of San Carlos and the SBWMA formalizes the franchise fee payment as established in the SBWMA Joint Powers Agreement. The franchise fee at 5% is the same amount that has been historically paid to San Carlos for hosting the transfer station and recycling facility in that jurisdiction.

ALTERNATIVES:
The Agreement between San Carlos and the SBWMA is now effective as more than two-thirds of the member agencies have agreed to the Agreement. This Agreement will remain effective regardless of the Town of Atherton's action.

FISCAL IMPACT:
Approval of the agreement does not have a fiscal impact on the Town of Atherton. The San Carlos local impact fee is included in the SRDC gate fee charged for each ton of material delivered to the SRDC. Gate fees are included in the garbage service rates paid by customers in Atherton.

ENVIRONMENTAL IMPACT:
A Mitigated Negative Declaration (MND) for a Use Permit in San Carlos for the improvements to the Shoreway Recycling and Disposal Center was approved in 2008. The Agreement between San Carlos and the SBWMA for the local impact fee does not require further environmental review.

FORMAL MOTION:
I move that the City Council adopt the attached Resolution approving the Operating Agreement with South Bay Recycling, LLC (SBR) for operation of the Shoreway Recycling and Disposal Center in San Carlos.

Lisa Costa Sanders *Jerome D. Gruber*

Lisa Costa Sanders, Deputy Town Planner Jerome D. Gruber, City Manager

Attachments:

Resolution No. 09-40
Operating Agreement

RESOLUTION NO. 09-40

A RESOLUTION OF THE TOWN OF ATHERTON PROVIDING CONCURRENCE WITH THE APPROVAL OF AN AGREEMENT BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA) AND THE CITY OF SAN CARLOS PERTAINING TO THE SHOREWAY RECYCLING AND DISPOSAL CENTER

WHEREAS, the SBWMA owns a transfer station and materials recovery facility located in the City of San Carlos known as the Shoreway Recycling and Disposal Center (the SRDC facility);

WHEREAS, the SBWMA's Joint Exercise of Powers Agreement contemplates that the SBWMA and the City of San Carlos would agree upon the amount of a franchise fee that the City of San Carlos would receive from the operation of the SRDC Facility to offset impacts to the City of San Carlos;

WHEREAS, the SBWMA Board of Directors approved the new Agreement on July 24, 2008 and is seeking concurrence of two-thirds of the member agencies.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE TOWN OF ATHERTON does hereby provide concurrence with the approval of the attached Agreement between the SBWMA and the City of San Carlos pertaining to the Shoreway Recycling and Disposal Center (see Exhibit A).

* * * * * * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 21st day of October, 2009 by the following vote:

AYES: COUNCILMEMBERS: _____
NOES: COUNCILMEMBERS: _____
ABSENT: COUNCILMEMBERS: _____
ABSTAIN: COUNCILMEMBERS: _____

_____
Jerry Carlson, Mayor

ATTEST:

_____
Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

_____
Wynne Furth, City Attorney

EXHIBIT A

AGREEMENT BY AND BETWEEN CITY OF SAN CARLOS AND SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY DATED JULY 24, 2008

AGREEMENT

This Agreement ("Agreement") is entered into as of the 24th day of JULY, 2008, by and between the CITY OF SAN CARLOS, a municipal corporation ("City") and the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY, a joint powers authority established under Government Code Section 6500 *et seq.* ("Authority"), in connection with the Shoreway Recycling and Disposal Center ("SRDC Facility").

RECITALS

A. The members of the Authority are City, the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, San Mateo and Redwood City, San Mateo County and the West Bay Sanitary District.

B. The SRDC Facility is a transfer station and materials recovery facility owned by the Authority and located within the City, adjacent to U.S. Highway 101.

C. Municipal solid waste and recyclable materials collected within each of the local government agencies that are members of the Authority are delivered to the SRDC Facility for processing. Recyclable materials are recovered for sale or further processing at off-site facilities and residual wastes are delivered in large transfer trucks to the Ox Mountain Landfill.

D. The SRDC Facility was initially constructed in 1982 by Browning Ferris Industries ("BFI") pursuant to a conditional use permit issued by the City to BFI. The Authority purchased the SRDC Facility in 2000. The Authority now desires to reconstruct, expand, and otherwise improve the SRDC Facility, and as further described in Section 6 of this Agreement, has applied to City for a new conditional use permit ("New CUP") for that purpose.

E. The City and BFI entered into a "Franchise Agreement" in June 1982 which provided that BFI would pay the City five percent (5%) of the Gate Fee Revenues received by BFI for delivery of materials to the Shoreway Facility in order to, among

other things, compensate the City for impacts related to the construction and operation of the SRDC Facility within the City. The Franchise Agreement expired in 2004. Notwithstanding, its expiration, the City has continued to receive five percent (5%) of Gate Fee Revenues received at the SRDC Facility. Moreover, the Authority's Joint Exercise of Powers Agreement, as Amended and Restated in December 2005, provides in relevant part; "Monthly, SBWMA shall distribute to the City of San Carlos from funds received from Contractor (i.e., the operator of the SRDC Facility), one twelfth (1/12th) of the annual franchise fee agreed to by SBWMA and the City of San Carlos for the operation of the Facilities."

F. The purpose of this Agreement is to memorialize the agreement between the City and the Authority referred to in the Amended and Restated Joint Exercise of Powers Agreement described in Recital E, with respect to the franchise fee.

THE PARTIES AGREE AS FOLLOWS:

1. FRANCHISE FEE

A. Amount. The Authority shall pay to City an amount equal to five percent (5%) of the Gate Fee Revenue received by the Authority (or by the company which operates the SRDC Facility under contract to the Authority) for the delivery of materials to the SRDC Facility for processing and/or disposal. "Gate Fee Revenue" means funds attributable to the delivery of materials for deposit at the SRDC Facility for transfer and/or processing. Gate Fee Revenue specifically includes all gate fees paid by franchised haulers delivering materials collected within the members of the Authority, as well as gate fees paid by self-haul customers. "Gate Fee Revenue" does not, however, include any sums received by the Authority from the sale of Recyclable Materials or from the operator as liquidated damages or other payments related to inadequate performance by the operator.

B. Timing of Payments. Payments will be made monthly, on or before the fifteenth (15th) of each month. If the due date falls on a weekend or holiday, payment shall be due on the first day thereafter on which the City's business office is open. The

payment will be equal to five percent (5%) of the Gate Fee Revenue received by Authority during the calendar month immediately preceding the date payment is due.

C. Future Changes to Operations/Franchise Fee Calculation. Should the means by which charges for delivery of materials to the SRDC Facility materially change such that the franchise fee contemplated in this Agreement is significantly reduced or increased, the parties agree to meet and negotiate with each other in good faith in an effort to modify the franchise fee set forth herein in a fair and equitable manner such that their intent as set forth in this Agreement is achieved.

2. TONNAGE REPORTS

Authority will provide City quarterly with a report, prepared by the company operating the SRDC Facility, showing the total tons of materials delivered to the SRDC Facility. The report will be delivered to City concurrently with its delivery to Authority.

3. RECORDS

Authority will maintain records of its financial affairs as required by California law and the Joint Exercise of Powers Agreement. City, as a member of Authority, is entitled to inspect such records at any time. These records will include accounts of all Gate Fee Revenue received for delivery of materials to the SRDC Facility.

4. INSPECTION

The City may inspect the SRDC Facility during its normal hours of operation.

5. INDEMNITY/INSURANCE

The Authority will require in its contract with any third party for operation of the SRDC Facility that such party (a) indemnify the City to the same extent that it indemnifies the Authority against liability arising out of the operation of the SRDC Facility, and (b) name the City as an additional insured on the policies of liability insurance which the Authority will require such operator to maintain.

6. LAND USE APPROVAL

As a local governmental entity, the Authority maintains that it is not subject to City zoning or building regulations with respect to the SRDC Facility and that it is not required to obtain a conditional use permit from City for the planned reconstruction and improvement of the SRDC Facility. City disagrees with this position. Rather than dispute the issue, as a matter of comity and in the spirit of mutual respect and cooperation, the Authority has applied for such a permit. This application is not intended as, and shall not be construed to be, a waiver of the Authority's claim of immunity from City land use jurisdiction.

7. SOLE OBLIGATION

The Franchise Fee provided for in this Agreement is the sole financial obligation of Authority to City for the mitigation of impacts resulting from the location and operation of the SRDC Facility in City.

8. ASSIGNMENT

Neither party may assign this Agreement, nor any rights arising under it, without the prior written consent of the other party.

9. BINDING ON SUCCESSORS

This Agreement shall benefit, and be binding on, the successors in interest to either party, including specifically any successor in the Authority's interest in the SRDC Facility. If City wishes to record a memorandum of this Agreement to further ensure that it will be binding on any third party which purchases the SRDC Facility, the Authority will execute such a memorandum.

10. EFFECTIVE DATE

This Agreement shall be effective at such time as it is duly executed by both City and the Authority.

11. TERM

This term of this Agreement shall begin as provided in Section 10, and shall remain in force and effect so long as the New CUP is in effect.

12. NOTICE

All notices under this Agreement shall be in writing and shall be personally delivered or deposited in the United States mail first class postage prepaid, return receipt requested, addressed as follows:

TO CITY:
City of San Carlos
Attention: City Manager
600 Elm Street
San Carlos, CA 94070

TO AUTHORITY:
South Bayside Waste Management Authority
Attention: Executive Director
610 Elm Street, Suite 202
San Carlos, CA ~~94707~~ 94070

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers.

[Signatures on next page]

CITY OF SAN CARLOS

By: _____ Dated: 7-14-08

Brad Lewis, Mayor

Attest: _____

Christine Boland, City Clerk

Approved as to Form:

_____

A. Patrick ~~Munoz~~, Special Counsel

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

By: _____ Dated: July 24, 2008

Larry Patterson, Chairman

Approved as to Form:

_____

Ray E. McDevitt, Special Counsel

ATTACHMENT 1

Pages 9 and 10 of

Conditional Use Permit (CUP)

c. Operations between the hours of 6:00 p.m. and 11:00 p.m. Monday through Saturday shall be limited to operations within the transfer station and the Materials Recovery Facility. There shall be no truck traffic to or from the site between the hours of 6:00 p.m. and 2:00 a.m. the following morning. Additionally, there shall be no truck traffic on Sundays between the hours of 2:00 a.m. and 6:00 a.m. However, movement of trucks within the site during these hours is permitted.

6. Avigation Easement: Because of the project's proximity to the San Mateo Airport, SBWMA shall grant an Avigation Easement to the County of San Mateo.

7. Maximum Solid Waste Volumes: The maximum of 936,000 tons per year of solid waste may be processed through the Shoreway Environmental Center, in accordance with the Solid Waste Permit issued by the San Mateo County Environmental Health Services Division.

8. Maximum Traffic Volumes: The daily trip generation for the Shoreway Environmental Center averaged over 30 days shall not exceed the traffic volumes shown in Table 6, *Future Projected Vehicular Activity*, of the Shoreway Recycling and Disposal Center Expansion Project Draft Transportation Impact Analysis prepared by Hexagon Transportation Consultants, Inc. and dated February 11, 2008. Should the trip generation exceed these projections, the Planning Commission shall have the right to review the transportation impacts of the Shoreway Environmental Center and require additional conditions of approval to mitigate the increased traffic volumes.

9. Maintenance of Landscaping: The landscaping on the project site shall be maintained in a good and healthy condition. Any dead or dying plant materials shall be promptly replaced.

10. Sanitary Sewer Capacity Fee: Prior to issuance of any building permit, the owner/applicant must sign an agreement, to be prepared by the San Carlos City Attorney, that would require the owner/applicant to pay sanitary sewer capacity fee for any increase water consumption over the annual average water use for the fiscal years 2006/2007 and 2007/2008 in accordance with the City of San Carlos Municipal Code Chapter 13.04.

11. Lot Line Adjustment: Prior to the issuance of a building permit for either the transfer station addition or the new Materials Recovery Facility, the two parcels which make up the project site shall be combined into a single parcel by a Lot Line Adjustment. Once the Lot Line Adjustment has been properly recorded, then Condition No. 14 of the Conditional Use Permit approved on January 2, 1992 for operations on site shall be of no further force and effect.

12. Compliance with Belmont San Carlos Fire Department Requirements: Condition No. 5 of the January 2, 1992 Conditional Use Permit for the waste recover facility shall be superseded by the requirements of the Belmont San Carlos Fire Department requirements established as part of Building Permit review.

13. Conditions of Approval from Prior Conditional Use Permits: Except as noted in the conditions of approval in this Resolution, all conditions of approval for the Conditional Use Permits approved on August 22, 1977 for the operation of a solid waste transfer station, and on January 2, 1992 for a waste recovery facility remain in force and effect and are incorporated into this approval by reference.

14. Franchise Fee/Agreement: As a condition of operating the project, the applicant shall pay a franchise fee to the City of San Carlos equal to 5% of Gate Fee Revenue collected in connection with the project's operations. It is anticipated that this condition will be further memorialized by an agreement between the City of San Carlos and the SBWMA which shall be in effect at all times that the project is in operation. The agreement shall provide: (1) that "Gate Fee Revenue" means funds attributable to the delivery of materials for deposit at the SRDC Facility for transfer and/or processing, and includes all gate fees paid by franchised haulers delivering materials collected within

Jurisdictions which are members of the South Bay Waste Management Authority (SBWMA), as well as gate fees paid by self-haul customers, and (2) that "Gate Fee Revenue" does not include any sums received by the SRDC Facility from the sale of Recyclable Materials or funds paid (if any) by the operator of the SRDC Facility to the SBWMA as liquidated damages or other payments to SBWMA related to inadequate performance by the operator of the Facility.

15. **Acceptance of Conditions:** The applicant shall provide a letter by 5:00 p.m. on July 30, 2008, indicating acceptance of this CUP and all of its conditions, and as a condition of this Amendment to the Conditional Use Permits, its signature on such letter shall be deemed acceptance of all conditions of this permit by the SBWMA.

16. **Indemnity and Separation Clauses:** The applicant shall defend, indemnify and hold harmless the City of San Carlos, its agents, officers, consultants, and employees from any claim, action or proceeding against the City or its agents, officers, consultants, or employees, to attack, set aside, void, or annul, in whole or in part, the City's approval of this Amendment to the Conditional Use Permits.

PASSED AND ADOPTED as a Resolution of the City of San Carlos Planning Commission at a regular meeting thereof held on the 21st day of July, 2008, by the following vote:

AYES, COMMISSIONERS: Phillips, Iwasa, Shugart

NOES, COMMISSIONERS: _____

ABSTAIN: _____

ABSENT: Divney

Chair, San Carlos Planning Commission

ATTEST:

Deborah Nelson, Planning Manager

ATTACHMENT 2

Table of Member Agency Actions to Date

SBWMA MEMBER AGENCY ACTIONS

Agency	San Carlos Agreement
Redwood City	**Approved 7-0** (9/8/08)
San Mateo	**Approved 5-0** (11/17/08)
Foster City	**Failed 2-3** (10/6/08) **Scheduled for Reconsideration** (7/20/09)
Menlo Park	**Approved 5-0** (2/24/09)
San Carlos	**Approved 5-0** (10/13/08)
East Palo Alto	**Approved 3-1** (1/20/09)
Belmont	**Approved 5-0** (8/12/08)
San Mateo County	**Approved 5-0**
Hillsborough	**No Action Taken** (7/13/09)
West Bay Sanitary District	**No Action Taken** (6/22/09)
Atherton	TBS
Burlingame	Scheduled for (7/20/09)

TBS: To be scheduled

ATTACHMENT 3

October 6, 2008 Staff Report

STAFF REPORT

TO: Mayor and Members of the City Council

VIA: James C. Hardy, City Manager

FROM: Ramon Towne, Director of Public Works
Laura Galli, Assistant Engineer

DATE: September 15, 2008 -- TABLED TO OCTOBER 6, 2008

SUBJECT: AGREEMENT BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA) AND THE CITY OF SAN CARLOS PERTAINING TO THE SHOREWAY RECYCLING AND DISPOSAL CENTER

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution providing concurrence with the approval of an agreement between the South Bayside Waste Management Authority (SBWMA) and the City of San Carlos pertaining to the operation of the Shoreway Recycling and Disposal Center (SRDC) located in the City of San Carlos.

EXECUTIVE SUMMARY

At the July 24, 2008 meeting, the SBWMA Board of Directors voted to approve an agreement between the SBWMA and the City of San Carlos for the continued payment of fees to the City of San Carlos in an amount of five percent (5%) of the gate fee revenues earned at the SRDC. The SBWMA is seeking an affirmative vote of two-thirds of the member agencies within the SBWMA to approve the agreement and continue the payment of five percent (5%) of the SRDC gate revenues to the City of San Carlos.

BACKGROUND

The SRDC (formerly the San Carlos Transfer Station), located on Shoreway Road in San Carlos, was initially constructed in 1982 by Browning Ferris Industries (BFI) pursuant to a conditional use permit (CUP) issued by the City of San Carlos. The CUP was conditioned on BFI and the City entering into an agreement providing the City with a "franchise fee" to compensate the City for impacts related to the SRDC's location and operation within the City of San Carlos. The City of San Carlos and BFI executed a contract in 1982 which entitled the City to five percent (5%) of the gate fee revenues received at the SRDC.

After purchasing the SRDC in 2000, the SBWMA took over the responsibility for payment of the fees to the City of San Carlos. In 2004, the 1982 contract between the City of San Carlos and BFI expired, but fees in the amount of five percent (5%) of the gate fee revenues continued to be paid to the City of San Carlos by the SBWMA.

The SBWMA's Joint Exercise of Powers Agreement, as amended and restated in December 2005 ("JPA Agreement"), states that the City of San Carlos shall receive a franchise fee from the operation of the SRDC. However, the JPA Agreement does not specify the exact amount of the fee.

The SBWMA had applied to the City of San Carlos for a CUP covering the substantial improvements planned for the SRDC. In connection with the permit application and the associated CEQA documentation, SBWMA staff and the City of San Carlos worked together to develop the new agreement, which includes the specified fee of five percent (5%) of the gate fee revenues received to be paid to the City of San Carlos by the SBWMA. The new agreement clarifies that the fee does *not* apply to revenues received by SBWMA from the sale of recyclable materials. The term of the agreement will run concurrently with that of the new CUP.

The City Council of San Carlos unanimously approved the agreement at its July 14, 2008 Council meeting. The SBWMA's CUP application and related CEQA documentation was approved 3-0 by the City of San Carlos Planning Commission on July, 21, 2008. In addition, the agreement was approved based on a 10-0 vote by the SBWMA Board of Directors on July 24, 2008.

ANALYSIS

Payment by the SBWMA to the City of San Carlos would compensate the City for impacts related to the SRDC's location and its operation within the San Carlos City limits. The recommended action continues a contractual arrangement that has been in place since the inception of the SRDC operations in 1982, with payment of a fee based on the same amount (5%) of gate fee revenues as had previously been agreed upon by BFI (now Allied Waste) and the City of San Carlos.

The Agreement has been approved by the City of San Carlos and the SBWMA. The SBWMA is seeking concurrence with approval of the Agreement by two-thirds of the Member Agencies.

Fiscal Impact

The City of Foster City's concurrence with the approval of the agreement between the SBWMA and the City of San Carlos will provide for the continued payment of fees in the amount of five percent (5%) of gate fee revenue from the SRDC. The dollar amount of the fees will vary each year but has been approximately $1.2 million per year for the past several years. The SBWMA's annual budget contains a specific line item for these fees. The amount included in the adopted Fiscal Year 2008/2009 budget is $1,273,433.

Attachments: Resolution (Intentionally not attached)
Attachment 1—Agreement between the SBWMA and the City of San Carlos (Intentionally not attached)

South Bayside Waste Management Authority [SBWMA] and Foster City Staff to Negotiate a Franchise Agreement for Solid Waste, Recyclable Material and Organic Material Collection Services."

CITY RESOLUTION NO. 2008-95 APPROVING, AUTHORIZING, AND DIRECTING THE ISSUANCE OF REVENUE OBLIGATIONS BY THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY [SBWMA], AND DIRECTING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE PROJECT FINANCING OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER (SRDC). MINUTE ORDER NO. 1110. TABLED FROM SEPTEMBER 15.

City Manager Hardy presented the staff report. This item was tabled from the regular meeting of September 15, 2008.

Hilary Gans, SBWMA Facility Operations Contract Manager, gave a presentation and answered questions.

Kevin McCarthy, SBWMA Executive Director, answered questions.

Kim Nakahara representing Bank of America addressed the City Council and answered questions.

Donald Gambelin, Allied Waste Services, 5801 Koll Center Parkway, Pleasanton, addressed the City Council.

Discussion ensued.

Motion by Councilmember Koelling, seconded by Councilmember Kiesel, and carried 3-2-0, Vice Mayor Kiramis and Councilmember Wykoff voted "No," to adopt City Resolution No. 2008-95, "A Resolution of the City Council of the City of Foster City Approving, Authorizing and Directing the Issuance of Revenue Obligations by the South Bayside Waste Management Authority [SBWMA], and Directing Certain Related Actions in Connection with the Project Financing of the Shoreway Recycling and Disposal Center (SRDC)."

Minute Order No. 1110 was adopted by consensus of the City Council directing staff to provide regular updates regarding the status of issuance of the revenue bonds as well as the cost and project financing for the Shoreway Recycling and Disposal Center.

CITY RESOLUTION PROVIDING CONCURRENCE WITH THE APPROVAL OF AN AGREEMENT BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY [SBWMA] AND THE CITY OF SAN CARLOS PERTAINING TO THE SHOREWAY RECYCLING AND DISPOSAL CENTER. TABLED FROM SEPTEMBER 15.

City Manager Hardy presented the staff report. This item was tabled from the regular meeting of September 15, 2008.

Discussion ensued.

A motion by Councilmember Koelling and seconded by Mayor Frisella failed, 2-3-0, with Councilmember Kiesel, Vice Mayor Kiramis, and Councilmember Wykoff voting "No" to adopt a City resolution providing concurrence with the approval of an agreement between South Bayside Waste Management Authority (SBWMA) and the City of San Carlos pertaining to the Shoreway Recycling and Disposal Center.

COMMUNICATIONS

CITY/DISTRICT WARRANT OF DEMANDS. NO ACTION TAKEN.

ITEM 32

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **THE CITY COUNCIL**

FROM: **JEROME GRUBER, CITY MANAGER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **RESOLUTION APPROVING THE OPERATIONS AGREEMENT WITH SOUTH BAY RECYCLING, LLC (SBR) FOR OPERATION OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER IN SAN CARLOS**

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution approving the Operating Agreement with South Bay Recycling, LLC (SBR) for operation of the Shoreway Recycling and Disposal Center in San Carlos.

BACKGROUND

The operation of the Shoreway facility has never been competitively procured until initiation of the contractor selection process by the South Bayside Waste Management Authority (SBWMA) in 2005. The SBWMA is comprised of twelve member agencies and the participation and support of Town staff in this joint powers authority has been instrumental in the competitive procurement of a new Shoreway facility operator.

The process to select a new facility operator commenced in 2005 at a series of SBWMA related meetings. On September 19 2007 the Council adopted Resolution No. 07-24 approving release of the SBWMA's Facility Operations Services RFP scope of services, proposals evaluation process and future contract terms.

On November 1, 2007 the SBWMA released the Facility Operations Services RFP. Proposals for the new operations services were due on March 4, 2008 and the SBWMA received seven responsive proposals from companies capable and qualified to provide the facility operations services described in the RFP.

The RFP prescribed a thorough process to evaluate the proposals using an Evaluation Team consisting of: SBWMA staff, and SloanVazquez consulting firm; and a Selection Committee comprised of Member Agency Board Members including Larry Patterson, City of San Mateo; Mark Weiss, City of San Carlos; Jim Porter, County of San Mateo and SBWMA staff Kevin McCarthy and Hilary Gans.

On July 24, 2008 the SBWMA Board voted 10-0 to short list two of the seven companies; Hudson

Baylor Corp. and SBR, for final negotiations to select a Shoreway facility operator.

A lengthy short-list evaluation period ensued from August 2008 through March 2009 in which the Evaluation and Selection Committees issued two reports, one dated January 15, 2009 and the other March 16, 2009, culminating in a recommendation to select SBR.

On April 23, 2009, the SBWMA Board voted 10-2 to approve the selection of SBR and directed staff to negotiate a final Operations Agreement and bring back that Agreement for Board approval with such Board approval then subject to approval by at least two-thirds of the Member Agencies. The Board approved motion also stated that if staff could not successfully negotiate a contract with SBR then staff begins negotiations with Hudson Baylor Corporation.

Also, on April 23, 2009 staff was given direction to discuss with SBR during contract negotiations the potential use of County of San Mateo Vocational Rehabilitation Services (VRS) workers as MRF sorters. Such VRS workers were previously utilized by BFI as MRF sorters but such an arrangement was discontinued in 2007 due to Allied companywide legal concerns regarding the classification of these workers as temporary workers and the need to offer benefits.

The VRS programs helps local residents with employment barriers and disabilities attain their maximum vocational potential through vocational training. Additional information about VRS can be found at http://www.co.sanmateo.ca.us/smc/department/home/0,,15587225_18152561_20763708,00.html.

On July 23, 2009 the SBWMA Board approved 11-0 the Operations Agreement and authorized and directed the Executive Director to distribute full and complete copies of the Agreement executed on behalf of the Authority and on behalf of South Bay Recycling, LLC, to each Member Agency upon receipt of the Guaranty executed by the two corporate members of South Bay Recycling, LLC. Provided, however, that the Agreement shall not become effective unless and until at least eight (8) of the Member Agencies approve the Agreement as provided in Section 7.1.1 of the SBWMA First Amended and Restated Joint Exercise of Powers Agreement, on or before November 30, 2009..

ANALYSIS

The attached Operations Agreement remains substantially unchanged from the Operations Agreement adopted by Council on September 19, 2007 for its inclusion in the Facility RFP process. However, the Agreement was amended to address the following key items:

- Inclusion of any commitments from SBR in their March 4, 2008 proposal and follow-up correspondence that were above and beyond the original RFP requirements or draft Agreement language. For example, SBR offered to purchase and operate a sort line in the Transfer Station at a cost not to exceed what we currently pay for offsite transportation and processing of C&D materials. This language has now been captured in Section 5.18.E.

- Use of VRS workers. Section 5.11.N. includes language regarding the use of such workers and the Authority endorsing the use of such workforce.

- Exceptions SBR took to the original draft Agreement related to moisture content and

material
contamination. Attachment 11-C, Moisture Measurement, addresses excessive moisture issues. Material contamination (i.e., contamination levels in loads of franchised materials delivered by the collection contractor) is addressed in Section 7.06 and Attachments 2E and 2H.

- Key items discussed during the short-list negotiation process, including a price assurance mechanism, liquidated damages and charges that can be imposed, self haul diversion guarantees, and critical implementation milestones. The price assurance mechanism can be found in Attachment 11-B. Liquidated damages are addressed in Section 11.07 and Attachment 10. The self haul diversion guarantees and details on self haul diversion are in Sections 5.18, and 7.08; and Attachments 3, 4 and 19. Critical implementation milestones are addressed in an implementation and operations plan found in Attachment 4.

- Changes in compensation and cost forms. Sections 7 and 8 and Attachments 12A, 12B, 12C,12D, 13A, and 13B address how SBR is compensated. Notably, Attachment 12C was added to address compensation specific to interim operations, as opposed to full-scale operations as originally envisioned in the Facility Operations RFP, due to expected delays in the completion date of the MRF and Transfer Station improvements. Attachment 12D contains SBR's final cost forms.

SBR also is no longer responsible for installation of the single stream processing equipment. The SBWMA is separately negotiating the purchase and installation of the equipment with an equipment vendor.

The SBWMA is seeking concurrence on approval of the Agreement by two-thirds of the 12 member agencies. As of the preparation of this report, 8 member agencies have approved the agreement, thus meeting the two-thirds requirement.

CONCLUSION:

The new Operating Agreement with South Bay Recycling will provide updated processing services of solid waste, green waste, organics and recyclable materials. The new processing service will enable single stream recycling collection, which is easier from the residents' perspective and will increase recycling material tonnage.

ALTERNATIVES:

The Operating Agreement between the SBWMA and SBR is now effective as more than two-thirds of the member agencies have agreed to the Agreement. This Agreement will remain effective regardless of the Town of Atherton's action.

FISCAL IMPACT:

There is no fiscal impact on the Town General Fund due to the approval of a contract with SBR. The cost to provide the services covered in the Operations Agreement are included in the collection rates approved by the Town for residential and commercial accounts. SBR's actual projected 2011 costs are expected to below Allied Waste's projected future costs and thus should result in a slight

decrease in collection rates.

The total cost for SBR to operate the Shoreway facility will be $14.32 million a year. For comparison purposes only, Allied's projected compensation to operate the Shoreway facility for 2009 is $17.1 million. . Both the SBR and Allied figures are exclusive of disposal costs.

ENVIRONMENTAL IMPACT:

The Operating Agreement requires the Authority to renovate the Shoreway facility. In 2008, a Mitigated Negative Declaration (MND) was prepared and approved for a Use Permit in San Carlos for the improvements to the Shoreway Recycling and Disposal Center. A legal opinion has been obtained by legal counsel to the SBWMA indicating that CEQA can be complied with as to action on the Operating Agreement by referring to the MND as an adequate environmental document pursuant to CEQA and CEQA Guidelines for the purposes of analysis and consideration of a Operating Agreement. A copy of the MND has been on file with the City Clerk and available for review. CEQA language has been included in the Resolution approving the Franchise Agreement.

FORMAL MOTION:

I move that the City Council adopt the attached Resolution approving the Operating Agreement with South Bay Recycling, LLC (SBR) for operation of the Shoreway Recycling and Disposal Center in San Carlos.

Lisa Costa Sanders *Jerome D. Gruber*

Lisa Costa Sanders, Deputy Town Planner Jerome D. Gruber, City Manager

Attachments:
Resolution No. 09-41
Operating Agreement

RESOLUTION NO. 09-41

A RESOLUTION OF THE TOWN OF ATHERTON APPROVING THE AGREEMENT FOR THE OPERATION OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER

WHEREAS, the State of California, through California Integrated Waste Management Act of 1989, codified at Public Resources Code Section 40000, et seq.(the "Act"), found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfill disposal,,, has created a need to state and local agencies to enact and implement an aggressive integrated waste management program;

WHEREAS, the Act directs the California Integrated Waste Management Board (CIWMB) and local agencies to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed in landfills;

WHEREAS, the SBWMA is a Joint Powers Agency (JPA) organized under the Joint Exercise of Powers Act by cities and other local government agencies in San Mateo County (the "Member Agencies"), each of which oversees the collection of solid waste and recyclable materials within its jurisdiction;

WHEREAS, the SBWMA owns and oversees the operation of the Shoreway Recycling and Disposal Center in San Carlos ("Shoreway Center"). The recycling and material recovery operations conducted at the Shoreway Center are an integral components of each of the Member Agencies' Source reduction and Recycling Elements, which have in turn been incorporated into san Mateo County's Integrated Waste Management Plan;

WHEREAS, the Member Agencies, acting in coordination with each other and the Authority, are planning to expand the recycling operations within each of their jurisdictions through a variety of measures, including the institution of "single stream: recycling;

WHEREAS, in order to prepare for this anticipated increase in the amount of recyclable materials, and to improve the ability of the Shoreway Center to recover recyclable materials from solid waste delivered to it, the SBWMA is planning a substantial renovation and expansion of the facilities at the Shoreway Center;

WHEREAS, one of the anticipated improvements is the installation of a new system designed specifically for sorting and recovering recyclable materials from single stream collection programs. The new system has been recommended by the Contractor, is to be installed by the manufacturer-vendor within the Materials Recovery Facility at the Shoreway Center, and operated by the Contractor;

WHEREAS, on November 1, 2007 the SBWMA issued a request for Proposals for a qualified contractor to operate the Shoreway Center, transport recyclable materials to various specialized processors and transport residual solid waste to the Ox Mountain Landfill;

WHEREAS, South Bay Recycling, LLC (SBR) submitted a Proposal which, in the judgement of the staff of Authority, represented the greatest value to the Authority, its Member Agencies and their residents and businesses. On July 23, 2009, the SBWMA approved the Operations Agreement with SBR as the operator of the Shoreway Center;

WHEREAS, the services to be provided under the Operations Agreement have been analyzed pursuant to a Mitigated Negative Declaration prepared and approved by the City of San Carlos Planning Commission in July 2008 in connection with a Use Permit granted the SBWMA for the expansion of an improvements to be made to the Shorway Center. The Mitigated Negative Declaration is an adequate environmental document pursuant to CEQA and CEQA guidelines for the purposes of analysis and consideration of the Operating Agreement.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE TOWN OF ATHERTON approved the Agreement for Operation of the Shorway Recycling and Disposal Center between the SBWMA and South Bay recycling, LLC ("Agreement") Exhibit A hereto. .

* * * * * * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 21st day of October, 2009 by the following vote:

AYES:	*COUNCILMEMBERS:*	_____
NOES:	*COUNCILMEMBERS:*	_____
ABSENT:	*COUNCILMEMBERS:*	_____
ABSTAIN:	*COUNCILMEMBERS:*	_____

_____
Jerry Carlson, Mayor

ATTEST:

_____
Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

_____
Wynne Furth, City Attorney

AGREEMENT FOR OPERATION OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
AND
SOUTH BAY RECYCLING, LLC

July 2009

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AGREEMENT FOR THE OPERATION
OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER

THIS AGREEMENT is made and entered into as of this 30th day of July 2009, by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (the "Authority"), and SOUTH BAY RECYCLING, LLC, a California limited liability company (the "Contractor").

RECITALS

1. The State of California, through the California Integrated Waste Management Act of 1989, codified at Public Resources Code Section 40000, *et seq.* (the "Act"), found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfill disposal, has created a need for state and local agencies to enact and implement an aggressive integrated waste management program.

2. The Act directs the California Integrated Waste Management Board and local agencies to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed in landfills.

3. The Authority is a joint powers agency organized under the Joint Exercise of Powers Act by cities and other local government agencies in San Mateo County (the "Member Agencies"), each of which oversees the collection of solid waste and recyclable materials within its jurisdiction.

4. The Authority owns and oversees the operation of the Shoreway Recycling and Disposal Center in San Carlos ("Shoreway Center"). The recycling and materials recovery operations conducted at the Shoreway Center are an integral component of each of the Member Agencies' Source Reduction and Recycling Elements, which have in turn been incorporated into San Mateo County's Integrated Waste Management Plan.

5. The Member Agencies, acting in coordination with each other and the Authority, are planning to expand the recycling operations within each of their jurisdictions through a variety of measures, including the institution of "single stream" recycling, i.e., the collection of commingled recyclables in a single, wheeled container.

6. As a result of these new and expanded recycling programs within its Member Agencies, the Authority anticipates that the amount of recyclable materials, including organic materials, delivered to the Shoreway Center will increase.

7. In order to prepare for this anticipated increase in the amount of recyclable materials, and to improve the ability of the Shoreway Center to recover recyclable materials from solid waste delivered to it, the Authority is planning a substantial renovation and expansion of the facilities at the Shoreway Center.

8. One of the anticipated improvements is the installation of a new system designed specifically for sorting and recovering recyclable materials from single stream collection programs. The new system has been selected by the Contractor, is to be installed by the manufacturer-vendor within the Materials Recovery Facility at the Shoreway Center, and operated by the Contractor.

9. On November 1, 2007, the Authority issued a Request for Proposals to select the new recyclable materials processing equipment, operate the Shoreway Center, transport recyclable materials to various specialized processors and transport residual solid waste to the Ox Mountain Landfill.

10. On March 4, 2008, Contractor submitted a Proposal which, in the judgment of the staff of the Authority, represented the greatest value to the Authority, its Member Agencies and their residents and businesses. On April 23, 2009, on the recommendation of its Facility Operations Contractor Selection Committee, the Board of Directors selected Contractor as the Operator of the Shoreway Center and directed the Authority's Executive Director to negotiate a final agreement with Contractor.

11. On July 23, 2009, the Authority's Board of Directors approved this Agreement and recommended that each of the Authority's Member Agencies also approve it before the Effective Date.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.01 DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement will have the meanings specified in Attachment 1.

ARTICLE 2 TERM OF AGREEMENT

2.01 EFFECTIVE DATE

The Effective Date of this Agreement shall be November 30, 2009.

2.02 TERM

The Term of the Agreement shall begin on the Effective Date and shall end at midnight on December 31, 2020, unless extended as provided in Section 2.03. Contractor's obligation to operate the Shoreway Center shall commence January 1, 2011.

2.03 OPTION TO EXTEND TERM

The Authority may extend the Term for one (1) or more periods of one (1) year, up to a maximum of three (3) years (i.e., until December 31, 2023), on the same terms and conditions. If Authority wishes to extend the Term it shall deliver a written notice to Contractor at least six (6) months before the expiration of the then-current Term, specifying the number of additional years by which it wishes to extend the Term. If the Authority initially elects to extend the Term for less than three (3) years, it may subsequently elect to extend the Term in increments of one or two years, up to a total of three years.

2.04 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

A. The obligation of Authority to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of each and every one of the conditions set out below:

1. Accuracy of Representations. The representations and warranties made by Contractor in Article 3 of this Agreement shall be true and correct on and as of the Effective Date, and a certification to that effect dated as of the Effective Date shall be delivered by Contractor to Authority on the Effective Date.

2. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Agreement or seeking to restrain or enjoin its performance.

3. Sale of Bonds. The Authority shall have sold bonds, certificates of participation, or other such instruments, or shall have secured a loan, in the amount of $56.5 million, and received the proceeds thereof.

4. Effectiveness of Authority's Approval. Authority's approval of this Agreement shall have become effective, pursuant to California law, on or before the Effective Date, through the action of eight or more Member Agencies' City Councils or other governing bodies approving this Agreement.

5. Contract with Equipment Manufacturer. Authority shall have entered into a contract with Bulk Handling Systems for the fabrication, delivery, installation and warranty service of the equipment described in Attachment 2-A for a price and on terms and conditions acceptable to Authority.

6. Performance Bond. The Contractor shall have delivered a Performance Bond meeting the requirements of Section 10.03.

The Authority may, in its sole discretion, waive the satisfaction of conditions described in paragraphs 1, 2, 5 and 6 of this Section.

B. The obligation of Contractor to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of the following condition, which may be waived by Contractor:

1. Contract with Equipment Manufacturer. Authority shall have entered into a contract with Bulk Handling Systems for the fabrication, delivery, installation and warranty service of the equipment described in Attachment 2-A.

If this condition is not satisfied or waived by Contractor by the Effective Date, this Agreement shall be void and have no force or effect.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF CONTRACTOR

3.01 CORPORATE STATUS

Contractor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California, and is qualified to do business in the State of California. It has the corporate power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

3.02 CORPORATE AUTHORIZATION

Contractor has the authority to enter into and perform its obligations under this Agreement. The Board of Managers of Contractor (and the Members, if necessary) have taken all actions required by law, its articles of organization, its operating agreement or otherwise to authorize the execution of this Agreement. The persons signing this Agreement on behalf of Contractor have authority to do so.

3.03 STATEMENTS AND INFORMATION IN PROPOSAL

The Proposal submitted to Authority by Contractor and information submitted to Authority supplementary thereto, on which Authority has relied in entering into this Agreement does not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

3.04 NO CONFLICT WITH APPLICABLE LAW OR OTHER DOCUMENTS

Neither the execution and delivery by Contractor of this Agreement, nor the performance by Contractor of its obligations hereunder (i) conflicts with, violates or will result in a violation of any existing Applicable Law; or (ii) conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing contract or instrument to which Contractor is a party, or by which Contractor or either of its Members is bound.

3.05 NO LITIGATION

There is no action, suit, proceeding, or investigation at law or in equity, before or by any court or governmental entity, pending or threatened against Contractor, or otherwise affecting Contractor, wherein an unfavorable decision, ruling, or finding, in any single case or in the aggregate, would materially adversely affect Contractor's performance hereunder, or which, in any way, would adversely affect the validity or enforceability of this Agreement, or which would have a material adverse effect on the financial condition of Contractor or either of its Members.

3.06 FINANCIAL CONDITION

Contractor has made available to Authority information on its financial condition and that of its Members. Contractor recognizes that Authority has relied on this information in evaluating the sufficiency of Contractor's financial resources to perform this Agreement and of its Members to guarantee that performance. To the best of Contractor's knowledge, this information is complete and accurate, does not contain any material misstatement of fact, and does not omit any fact necessary to prevent the information provided from being materially misleading.

3.07 EXPERTISE

Contractor has the expertise and professional and technical capability to perform all of its obligations under this Agreement and is ready, willing and able to so perform.

ARTICLE 4 INSTALLATION OF NEW MRF EQUIPMENT

4.01 GENERAL

Contractor has recommended that the Authority purchase the equipment described in Attachment 2-A and illustrated on Attachment 2-C. This recommendation has been made based on Contractor's analysis of the types and volumes of Recyclable Materials expected to be delivered to the MRF after the Member Agencies initiate a single stream collection process, the Authority's goals for materials recovery as incorporated in this Agreement, and the site constraints of the MRF as it is planned to be reconstructed as shown on Attachment 2-B. Contractor has had the opportunity to provide input to the design process and is satisfied that its recommendations on equipment and operational aspects have been incorporated in the design of the MRF building shown on Attachment 2-B and in the plans and specifications included in the Request for Proposals for Construction dated March 9, 2009, as modified by the document entitled "SBR Building Modifications with Budget Effect on SBWMA 070209" dated July 2, 2009. Contractor has assured the Authority that the equipment recommended will process single stream Recyclable Materials as specified and required in Attachment 2-E (MRF equipment performance specification), with the composition described in the system's acceptance test set forth in Attachment 2-F and will produce materials that meet the product quality standards set forth in Attachment 2-G.

4.02 PURCHASE OF MRF EQUIPMENT

The Authority intends to execute a contract with Bulk Handling Systems on or before November 1, 2009 to purchase the MRF equipment. Contractor will, upon request, assist the Authority in negotiating the terms and conditions of the contract with Bulk Handling Systems.

4.03 INSTALLATION OF MRF EQUIPMENT

The equipment will be installed by Bulk Handling Systems and is intended to operate as shown on the drawings contained in Attachment 2.

Contractor has represented to Authority that the equipment, installed as shown on Attachment 2-C, will achieve the product quality standards as described in Attachment 2-G.

Upon request by Authority, Contractor will arrange for a technically qualified representative to be on site at least five (5) days per week during the installation of the equipment to observe the installation and to advise the Authority. Currently, the parties expect the equipment installation process will require about 35 weeks, will begin in April 2010, and be completed in December 2010.

4.04 SYSTEMS ACCEPTANCE TEST

Upon completion of the installation, the Contractor shall immediately start up and operate the MRF equipment for a shakedown period of no less than 10 days and no more than 20 days prior to commencing the acceptance test.

The acceptance test will be conducted as provided in Attachment 2-F.

The Authority will accept the equipment and allow Contractor to commence full-scale operation of the MRF when the equipment as installed has satisfied the standards of performance contained in Attachment 2-F (which include achieving the product quality

standards contained in Attachment 2-G), as well as any other performance representations made by the equipment manufacturer to the Authority in the contract referenced in Section 4.02.

4.05 DELAY IN ACCEPTANCE

If the acceptance test is not completed within 20 days after the end of the shakedown period, Contractor will be responsible for additional costs which may be incurred by Authority in arranging for Recyclable Materials to be transported to and processed at a different location, as well as for decreased revenue from sales of Recyclable Materials.

The Contractor is responsible to pay the Authority only for those added transportation and processing costs and reduced commodity revenues arising from management and supervisory failures, failure to operate the system according to the manufacturer's operating protocol, or the inefficiency of the Contractor's sorters and equipment operators which may cause the acceptance test period to extend beyond 20 days.

ARTICLE 5 OPERATION OF SHOREWAY CENTER

5.01 SCOPE OF WORK – GENERAL

The work to be performed by Contractor includes the furnishing of all labor, supervision, equipment, materials, supplies and all other items necessary to perform the services required under this Agreement in a thorough, workmanlike and efficient matter, so that users of the Shoreway Center are provided reliable, courteous and high-quality services at all times. The enumeration of, and specification of requirements for, particular items of labor, supervision, equipment, materials or supplies shall not relieve Contractor of the duty to furnish all others that may be required to be provided under this Agreement by Contractor, whether enumerated or not.

Contractor shall perform all work in accordance with Attachment 3, all provisions of which are incorporated herein whether or not such provisions are specifically referred to in any other section of this Agreement.

5.02 IMPLEMENTATION PLAN

The parties recognize that substantial planning and preparation will be required to ensure successful initiation of operations by Contractor on January 1, 2011, and full-scale MRF operations in February 2011 and full-scale Transfer Station operations in March 2011. To that end, Contractor has prepared a detailed implementation plan addressing the steps Contractor will take, and the schedule on which it will take them, to prepare for commencement of operations on January 1, 2011. The implementation plan covers Contractor's schedule for hiring and training of personnel, acquiring necessary vehicles and equipment, installing and testing of the new sorting equipment, etc., and is included in the Implementation and Operating Plan attached as Attachment 4.

Contractor shall diligently adhere to the implementation plan and shall meet periodically, whenever the Authority requests, to review and report on progress. No changes will be made to the schedule without the Authority's prior written approval. Failure to adhere to the implementation plan, including its schedule, shall constitute a breach of this Agreement which, if uncured, shall constitute a default under Section 11.01.

The specific plans and other materials required to be submitted by the implementation plan are subject to the Authority's review and approval. To the extent reasonably practicable, the Authority will take actions, make decisions, and provide directions to Contractor in accordance with the schedule and time allowances set forth in Attachment 4, so as not to delay Contractor's adherence to the implementation plan schedule.

5.03 SHOREWAY CENTER FACILITY OPERATIONS - GENERAL

Contractor recognizes that the Authority and its Member Agencies are committed to recycling materials that have in the past been disposed in landfills. Contractor shall operate the Transfer Station, Materials Recovery Facility (MRF), Buy-back / Drop-off Center and related facilities to allow for the convenient and efficient management of Solid Waste and recovery of Recyclable Materials, and Organic Materials, including Plant Materials. The Contractor's overall approach to operation of the scale house, the Transfer Station, the MRF, the Public Buy-Back/Drop-Off Center, and the transportation of materials from the Shoreway Center to the Designated Disposal Site and Designated Processing Facilities is included in the Implementation and Operating Plan attached as Attachment 4. Also included is Contractor's interim operating plan describing its operations during the period from the Commencement Date to full-scale operation of the MRF.

Contractor shall receive and accept all Solid Waste, Recyclable Materials, Organic Materials (including Plant Materials), Construction and Demolition Debris, E-waste, and U-Waste delivered to the Shoreway Center by:

A. The Member Agencies and their Collection Contractor(s).

B. The general public and businesses located within, or outside of, the Service Area (i.e., the combined jurisdictions of the Member Agencies).

C. Commercial haulers doing business within the Service Area.

D. Other haulers approved by the Authority.

Neither the Contractor nor an Affiliated Company may bring materials from outside the Service Area without prior written approval of the Authority.

5.04 DAYS AND HOURS OF OPERATION

Contractor shall operate the Shoreway Center every day of the year, except Thanksgiving, Christmas and New Years Day.

The hours during which the Contractor may conduct operations at the Shoreway Center are:

Monday through Saturday:	2:00 a.m. to 11:00 p.m.
Sunday:	6:00 a.m. to 6:00 p.m.

Operations between the hours of 6:00 p.m. and 11:00 p.m. Monday through Saturday shall be limited to operations within the Transfer Station and the MRF.

There shall be no truck traffic to or from the Shoreway Center between the hours of 6:00 p.m. and 2:00 a.m. the following morning. Additionally, there shall be no truck traffic to or from the Shoreway Center between 2:00 a.m. and 6:00 a.m. on Sundays.

The Center shall be open to the public only between 6:00 a.m. and 6:00 p.m. seven days a week.

5.05 USE OF THE SHOREWAY CENTER

A. Contractor's Use of Shoreway Center. Subject to the limitations imposed by this Agreement, including Attachment 5, Contractor shall have the right to use the Shoreway Center (including the administrative, maintenance and repair areas) every day of the year. The Authority will furnish office and interior space painted and carpeted, but Contractor is responsible for providing at its expense all office equipment, furniture, and supplies for areas it will occupy. No lease or other property interest is created by this Agreement.

B. Authority's Use of Shoreway Center.

1. The Authority shall have priority to the use of the upstairs conference room in the MRF building and visitor viewing area in the Transfer Station building, but will cooperate with Contractor in scheduling use of these areas. The Authority will provide, at its expense, telephones and other communications equipment, furniture, computers, office supplies and moveable partitions.

2. The Authority shall also have access to and the right to make reasonable use of common areas in the buildings, including lobbies, hallways, restrooms and eating areas. The Authority shall endeavor to use these areas in a manner that does not interfere with Contractor's use of them.

3. Finally, five (5) parking spaces in the visitor parking area in front of the west entrance to the Transfer Station will be reserved for use of Authority staff and invitees.

C. Collection Contractor's Use of Facilities and Areas. The parties anticipate that Member Agencies will enter into franchise agreements with a Collection Contractor. The Authority will allow the Collection Contractor to make use of the Shoreway Center, as described in this section and Attachment 5. The Collection Contractor will have the exclusive right to occupy and use the northeast parcel of the Shoreway Center designated "Collections Yard/Collections Operations Area" on Attachment 5, as well as the buildings and facilities located in this area. The Collection Contractor shall also have exclusive use of approximately 21,130 square feet of office space designated as "Existing Admin" on Attachment 5, together with the adjacent parking area.

D. Shared Use Areas. In addition, there are areas of the Shoreway Center that Contractor and the Collection Contractor will need to share. The areas of shared utilization include: entry/exit access roads; the fueling area; a bay in the smaller maintenance building which Contractor may use; and the parking area behind the Transfer Station. The Collection Contractor shall have priority to use of fueling facilities; Contractor shall cooperate with the Collection Contractor in the use of other shared areas in order to minimize interference with its operations. If there is a dispute between the Contractor and the Collection Contractor over the shared use areas, the Authority will make a determination as to the extent of use by each, which determination shall be final and binding on each.

Each contractor using the Shoreway Center will pay for costs associated with its use. In cases in which there is a single meter (e.g., water and sewer), the costs will be allocated as the Contractor and the Collection Contractor agree. If they are unable to agree, the Authority will make a determination, which determination shall be final and binding on each.

E. Other Contractors Temporarily On Site. Contractor is aware that upon the Commencement Date, (1) a general civil construction contractor will be working at the Shoreway Center, and (2) a separate supplier/contractor will be installing recycling equipment in the MRF. Contractor will conduct its operations so as to avoid interfering with the work of either of these contractors.

5.06 PERMITS

A. The Authority will obtain those new permits and renew those existing permits listed as its responsibility on Attachment 6.

B. If new operating permits and approvals (or amendments to the permits and approvals obtained by the Authority) become necessary by virtue of Contractor's operations or changes in operations, Contractor shall obtain them. The Authority will assist the Contractor in obtaining permits provided that the operations which give rise to the need for them are in compliance with this Agreement. Contractor shall submit a draft of all applications for operating permits (and for subsequent renewals or modifications thereof) to the Authority for its review and approval prior to filing an application with the permitting agency(ies). Contractor shall keep the Authority fully informed at all times on the status of all permit applications. Contractor shall apply for permits in its own name or in the name of the Authority, as directed by the Authority. Contractor shall not agree to permit terms and conditions on any permit which is to be issued in the name of the Authority without the prior written consent of the Authority.

Contractor shall provide copies of all permits issued in Contractor's name and originals of all permits issued in the Authority's name (and any renewals or amendments) to the Authority promptly and in any case within five (5) working days of their receipt.

C. The Contractor will notify the Authority of all changes in permit status, involvement by other regulatory agencies, accidents, and operational changes that reasonably could materially affect operations at, or the movement of materials into/out of, the Shoreway Center. Contractor shall comply with the terms of all licenses, permits and approvals governing the Shoreway Center, including any which may require modifications to its operating procedures. Contractor will comply with the terms and conditions contained in the use permit and any and all other entitlements (and any and all amendments thereto) issued by the City of San Carlos for the Shoreway Center.

D. Contractor shall be solely responsible for paying, and shall pay, any fines or penalties imposed by governmental agencies for Contractor's noncompliance with permit terms.

5.07 HAZARDOUS WASTE EXCLUSION PROGRAM

A. Contractor shall develop, maintain, update implement and comply with a hazardous waste exclusion program plan (HWEP), the requirements of which are described in Attachment 7. Should additional measures be required to be incorporated into the HWEP to comply with changes in law or regulations, Contractor shall incorporate, implement and comply with such additional measures. Contractor shall arrange for the safe and lawful temporary storage and disposal of such waste in an appropriate location separate from the U-waste and E-waste materials collected at the Buyback / Drop-off center.

As a part of the HWEP, the Contractor shall inspect outbound loads of materials that are transported to the Designated Disposal Site or to Designated Processing Facilities. If the Disposal Site or a Processing Facility rejects a load because it contains materials that should have been removed under the HWEP, the Contractor shall notify the Authority immediately and manage the disposal of the load in a safe and lawful manner, at its sole expense.

B. Contractor shall remove and arrange for proper, safe and lawful disposal of CFCs and compressor oils from appliances delivered to the Shoreway Center, as well as switches containing mercury. Contractor shall arrange and pay for the proper, safe and lawful disposal of hazardous wastes that are recovered from the inspection and/or the processing of incoming loads to the Transfer Station and MRF and for the Recycling of White Goods whenever feasible.

5.08 HAZARDOUS MATERIALS GENERATED FROM CONTRACTOR'S OPERATIONS

The Contractor shall be responsible for, and shall pay, all costs of transporting, treating and/or disposing of any hazardous materials generated by the Contractor's operations at the Shoreway Center. Contractor shall ensure that all hazardous materials and wastes are properly stored on site. Cleanup costs for any on-site contamination that is the result of the Contractor's activities shall be the sole responsibility of, and shall be paid in full by, the Contractor.

5.09 EQUIPMENT

The Authority will furnish stationary equipment listed on Attachment 8-A. Contractor shall provide all other equipment required to perform, in a safe and efficient manner, the services required by this Agreement, including equipment listed on Attachment 8-B.

A. All equipment supplied by the Contractor to perform services under this Agreement shall be new and fully functioning at the commencement of this Agreement and shall comply with all representations and warranties, as well as applicable laws and regulations.

B. All transfer vehicles shall be capable of loading at the Shoreway Center and unloading at the Designated Disposal Site and Processing Facilities by equipment in use at the Disposal Site and Processing Facilities.

C. The number of transfer vehicles and other types of equipment listed on Attachment 8-B is based on the throughput of materials at the level anticipated during the first year of full operation. The parties recognize that tonnage processed through the Shoreway Center may change over time and that an increase in tonnage processed through the Shoreway Center could require the Contractor to supply additional equipment. The Contractor shall add, and shall exclusively pay the costs of, all equipment needed to operate the Shoreway Center, process any increase in tonnage and achieve the Diversion Program Guarantees, without any increase in the Contractor's compensation.

D. Whenever there is a material change in the number, type or composition of equipment, the Contractor shall provide written notification to the Authority.

E. The Authority will not supply any shop equipment except those items listed on Attachment 8-A. The Authority will not supply any parts inventory. The Contractor is responsible to provide sufficient equipment and parts inventory for both stationary equipment and rolling stock to support continuous operation of the Shoreway Center.

5.10 AUTHORITY RIGHT TO PURCHASE CONTRACTOR'S EQUIPMENT

The Authority shall have the right, but not the duty, to purchase any or all equipment owned by Contractor at the expiration or earlier termination of this Agreement, at its net book value as shown on Contractor's audited financial statements (which shall be no greater than the purchase price less accumulated depreciation claimed by Contractor on its federal income tax returns). Within thirty (30) days of the commencement of operations, the Contractor shall deliver to the Authority properly signed documents necessary or appropriate for the Authority to secure its purchase options. As new or replacement equipment is purchased, similar documentation covering the equipment shall be provided by Contractor.

Upon the Authority's exercise of its option to purchase, Contractor will sign and deliver bills of sale or other documents reasonably requested by Authority to evidence the transfer of title to all equipment purchased.

If Contractor wishes to lease (rather than purchase) the equipment which it is to furnish, each lease shall provide that the lessor will, if requested, consent to its assignment to the Authority without charge upon the expiration or earlier termination of this Agreement and further shall provide adequate mechanisms for the Authority to acquire title to equipment if desired.

5.11 PERSONNEL

A. Contractor shall furnish such qualified drivers, operators, sorters, mechanical, supervisory, clerical and other personnel as may be necessary to provide the services required by this Agreement in a safe, thorough, professional and efficient manner. The minimum number of workers to be provided in each job classification shall be as shown on Attachment 9.

B. Contractor shall offer employment to qualified employees of the Previous Contractor who would otherwise become unemployed by reason of the change in contractors, provided that (1) the Contractor shall not be obligated to offer employment to more existing employees than the Contractor needs to perform the services required under the Agreement, and (2) the Contractor shall not be obligated to offer employment to workers who have not been employed at the Shoreway Center by the Previous Contractor for at least one-hundred-twenty (120) days immediately prior to the Commencement Date.

For purposes of this subsection B, the term "qualified employee" means an employee who (1) is eligible for employment under federal and state law, (2) meets the Contractor's minimum employment standards for new employees, (3) has not been convicted of a crime that is related to the job or job performance, (4) is in a bargaining unit covered by collective bargaining agreements between the Previous Contractor and Teamsters Local 350 or Machinists Local 1414 and (5) does not present a demonstrable danger to customers, co-workers or employees of the Authority or the Collection Contractor. The term "qualified employee" does not include management or supervisory personnel, non-represented employees, or workers furnished by an employment agency operating as an independent contractor.

C. Contractor shall not discharge any workers employed pursuant to subsection B for at least ninety (90) days after the Commencement Date, except for cause.

D. Contractor shall maintain a list of the Previous Contractor's qualified employees who were not offered employment by the Contractor pursuant to Section 5.11 B prior to the Commencement Date (January 1, 2011) or during the two (2) months following the Commencement Date. If any positions become available during the three (3) months following the initial two (2) month operation period (i.e., from March 1, 2011 through May 30, 2011), Contractor shall offer employment to qualified employees on the list by seniority within the collective bargaining unit (if it exists).

E. Contractor shall pay employees who (1) are retained by Contractor pursuant to this Section 5.11 and (2) were in bargaining units covered by collective bargaining agreements in effect as of the Effective Date between the Previous Contractor and Teamsters Local 350 or Machinists Local 1414, wages and benefits no less than those included in the collective bargaining agreements in place in 2010.

F. This Agreement does not obligate Contractor to become a party to a collective bargaining agreement entered into by the Previous Contractor

G. Contractor shall adopt policies and procedures consistent with State and federal law that ensure a sober and drug-free workplace. This includes strictly prohibiting unlawful manufacture, distribution, possession, or use of any controlled substance in the workplace, regardless of whether the employee is on duty at the time. Further, the policies and procedures shall prohibit an employee from operating either Authority or Contractor equipment and vehicles (whether on or off duty) while under the influence of alcohol or drugs. The purpose of these policies and procedures is to ensure workplace safety, productivity, efficiency, and the quality of Contractor's service to customers.

H. Contractor shall be responsible for providing sufficient training to all workers so that they can perform the work in a safe and competent manner and are thoroughly familiar with the work which the Contractor is required to perform and the standards it is required to meet under this Agreement.

I. If the Authority determines that workers provided by a particular independent contractor or party working on behalf of the Contractor prove persistently unsatisfactory, the Authority may require that Contractor either secure workers through a different independent contractor or hire competent workers directly.

J. Contractor shall ensure that all Contractor's employees, while performing services under this Agreement, shall be dressed in clean uniforms and shall wear visible identification that includes the employee's name and/or the employee's number, and Contractor's name. Uniform type, style, colors, and any modifications may be subject to approval by the Authority.

K. The parties recognize that tonnage processed through the Shoreway Center will change over time and that an increase in tonnage could require additional personnel. The Contractor shall add, and shall exclusively pay the costs of, all such additional personnel as needed to operate the Shoreway Center, process any increase in tonnage and achieve the Diversion Program Guarantees, without any increase in the Contractor's compensation. Whenever there is a material change in the number or composition of personnel, the Contractor shall provide written notification to the Authority.

L. Before extending an offer of employment for the position of general manager of the Shoreway Center, both initially and throughout the Term, Contractor shall provide the Authority with the description of the proposed position, an opportunity to review and comment upon the position description, the background, experience and qualifications of each candidate being considered for the position, and an opportunity to meet with each candidate. Contractor shall give thoughtful consideration to the Authority's comments on the descriptions of the proposed position and each candidate, but shall have the ultimate right to make employment decisions in its best business judgment.

M. Contractor shall, at the Authority's request, ensure that one or more of its Members' officers will be available and present onsite at the Shoreway Center to assist in Contractor's initial transition and thereafter to oversee Contractor's operations for a three-month period beginning one month prior to full-scale operations.

N. The Contractor is considering obtaining workers for MRF sorting through the San Mateo County Human Services Agency, Vocational Rehabilitation Services (VRS). The Authority endorses this approach and encourages Contractor to pursue it. The MRF sorter complement shown in Attachment 9 and the MRF labor costs shown in Attachment 12-B are based on the use of workers and supervisors provided by the County VRS. The actual costs in 2011 will be determined by a contract to be entered into between the Contractor and the County Human Services Agency. Contractor shall furnish a copy of the final contract between it and the County Human Services Agency before executing it. The Authority's review of the contract is to ensure that the number of workers to be furnished and the annual payment to the County are consistent with the assumptions included in Attachments 9 and 12-A.

O. Notwithstanding subsection A above or any other language in this agreement or attachments to the contrary, Contractor may, commencing in 2012 (1) reduce the number of workers at the Transfer Station below the number shown on Attachment 9 if in the previous 6 consecutive month period the number of Tons delivered to the Transfer Station is less than an annual average of 357,725 and/or (2) reduce the number of workers at the MRF below the number shown on Attachment 9 if in any previous 6 consecutive month period the number of Tons delivered to the MRF and Buyback Center is less than an annual average of 74,022.

The reduction in operational personnel should approximate the percentage reduction in tonnage.

Employees classified as Management and Administration may not be reduced below the number shown on Attachment 9.

A reduction in personnel permitted by this subsection will not increase or decrease the cost per Ton otherwise established pursuant to Sections 7.03 and 7.04. Nor will it affect the Revenue Guarantee established in Section 7.07.

Such a reduction in operational personnel shall not change the Contractor's obligations to perform under this Agreement.

5.12 WEIGHING

A. Contractor shall operate and maintain the scale system at the Shoreway Center. Weighing operations shall be conducted in accordance with standards and procedures set forth in Attachment 3.

B. Contractor shall furnish all hardware (including computers, cabling and terminals), software, and all other items necessary to generate, at a minimum, all the reports contained in Attachment 15. The software shall have the capabilities described in Attachment 3. Contractor shall obtain the Authority's prior written approval of the specific hardware and software proposed to be furnished and used by the Contractor pursuant to this paragraph.

C. Contractor shall provide the Authority with licenses, documentation and training necessary or useful for the Authority to operate the computers and software during and upon expiration or earlier termination of the Agreement.

D. Radiation monitoring equipment is used at the entrance to the Shoreway Center to identify loads containing radioactive waste. Contractor shall operate the equipment and respond to alerts by contacting the Authority and local regulatory agencies as required by law.

5.13 COLLECTION OF FEES

The Authority has the sole and exclusive authority to establish rates and fees charged to users of the Shoreway Center and to modify them from time to time. Contractor shall collect fees established by the Authority from all Self-Haul Customers who use the Shoreway Center. Contractor shall keep complete and accurate records of all fees collected, shall keep safe all monies and funds collected, and shall make all payments to the Authority as provided in Section 8.04.

5.14 VEHICLE TURNAROUND GUARANTEE

Contractor shall operate the Shoreway Center so that:

A. Collection vehicles of Member Agencies and their Collection Contractor(s) are:

1. processed through the scale house operation in no more than five (5) minutes per vehicle, measured from the vehicle's entry into the scale house vehicle queue, and

2. are able to unload and depart from the Shoreway Center in no more than fifteen (15) minutes from the time they leave the scale house unless a collection vehicle breaks down and causes a traffic back-up beyond Contractor's control.

B. Self-haul customers do not wait more than fifteen minutes (15) to be processed by the scale and assigned a place to dump.

Should Contractor fail to meet the maximum turnaround time, Liquidated Damages shall be assessed in the amounts stated in Attachment 10.

5.15 OWNERSHIP OF SOLID WASTE

Once materials are delivered to the Shoreway Center, ownership shall transfer directly from the deliverer to Contractor.

Materials which are transported to a Designated Processing Facility or the Disposal Site shall become the property of the owner or operator of the Designated Processing Facility or Disposal Site once they have been delivered by Contractor, subject to any regulations of the owner/operator related to unacceptable materials.

5.16 MARKETING OF RECYCLABLE MATERIALS

A. General. Contractor shall use its best efforts in marketing and promoting the sale of all Recyclable Materials to obtain the highest prices available under prevailing conditions in the relevant market, whether foreign or domestic. Contractor will exert at least the same effort in marketing the Recyclable Materials from the Shoreway Center as it does in marketing materials which it markets for its own account as principal or as an agent/broker for any third party. Except as set forth in Attachment 11B, Contractor shall not use, sell to, or broker through an Affiliate in the marketing of Recyclable Materials without notifying the Authority in writing and receiving approval from the Authority in writing. Contractor shall not use any artifice, business structure or other attempt to evade this requirement.

B. Materials Marketing Plan. The Materials Marketing Plan (Attachment 11A), describes Contractor's strategy for optimizing revenues from the sale of Recyclable Materials recovered at the Shoreway Center. The Materials Marketing Plan includes (1) the commodity purchasers to which Contractor anticipates marketing each of the major categories of materials to be recovered at the Shoreway Center; (2) the methods Contractor will use to (a) determine the reliability of prospective purchasers in terms of timely pickup, credit worthiness, prompt payment, rejection of materials and/or filing of claims, and other commercial considerations, and (b) ensure that recovered materials are handled in an environmentally sound manner and devoted to an end use involving the creation or manufacture of new products; (3) the maximization of revenues from the State of California Department of Conservation for materials that have a California Redemption Value. Contractor shall implement the Materials Marketing Plan. Attachment 11B describes the methods by which Contractor will provide assurance to the Authority that revenues Contractor receives from sale of materials (particularly those sold to Potential Industries, Inc., an Affiliate) are consistent with market prices.

C. Reporting. Contractor shall submit, concurrently with the quarterly report described in Section 9.05, a report on materials marketing including a summary of Contractor's marketing efforts during the preceding quarter, the quantity (in tons) of material sold; total revenues billed and received; quantity and price data disaggregated by type and grade of materials; transportation method including contact information for carriers used

to transport materials from the Shoreway Center to the buyers' location or unloading point; and information on ultimate market destinations.

D. No Partnership. The Parties intend and hereby agree that their relationship shall be that of independent contractors with respect to the marketing of Recyclable Materials. Nothing contained herein shall be construed to create any employment, partnership, joint venture, co-ownership or agency relationship between the Parties, and Contractor shall not by any action allow any presumption to arise that a relationship of partnership exists between the Parties.

5.17 AUTHORITY'S RIGHT TO PERMIT OTHERS TO PROVIDE SERVICES

The Authority may direct the Contractor to perform additional services as provided in Section 12.13. If the Contractor and Authority cannot agree on terms and conditions for such additional services within one-hundred twenty (120) days from the date on which the Authority first requests a proposal from Contractor to perform such services, the Authority may, in addition to its other rights under this Agreement, permit a third party or parties other than Contractor to provide such services. Contractor will provide such third party or parties all such access to and use of the Shoreway Center and Authority-owned equipment as necessary for such third party or parties to perform all such additional services. The Authority's rights under this section are in addition to those under Section 9.05.J.

5.18 SELF-HAUL MATERIALS

A. **Self-haul Materials**. The Contractor shall implement a Self-Haul Diversion Plan as detailed in Attachment 19. The Contractor shall identify, and segregate for Diversion, materials from the categories below:

1. Bunker Program materials (inert materials such as dirt, concrete, asphalt, and other)
2. Self-haul Organic materials (plant materials, food scraps)
3. Self-haul C&D materials (wood, concrete, insulation, roofing, metals, drywall)
4. Recyclable Materials (paper, bottles and cans, metals)
5. Other recoverable materials (tires, carpet, carpet padding, foam, plastics)
6. Other materials approved by the Authority.

B. **Weighing of All Self-haul Materials**. Contractor shall ensure that Self-haul materials will be dumped and kept separate from Collection Contractor materials at the Transfer Station... All outbound loads of diverted Self-haul materials will be weighed before leaving the Transfer Station or at a State certified scale located at a Designated Processing Facility and the outbound tonnage will be recorded and reported in the Self-haul Diversion Report. Self-haul materials intended for disposal do not need to be weighed separately from Solid Waste at the Transfer Station provided that Contractor shall provide accurate, separate and complete weights of the Self-haul materials to the Authority.

C. **Self-haul Diversion**. Contractor's satisfaction of the Self-haul Diversion obligation will be calculated based on diverted tons of Self-haul material shipped to a Designated Processing Facility. Alternatively, Contractor may sort Self-haul materials onsite and into segregated materials streams, and may market segregated Self-haul materials directly to a buyer that is approved in advance by the Authority.

Self-haul materials shipped from the Shoreway Center by the Contractor for disposal or for any other use at a landfill shall not be considered diverted tons, unless the

Authority approves, in writing and in advance, a beneficial landfill use for diverted tons. Loads rejected by an off-site processor because of contamination will not count towards Self-haul Diversion and the Contractor shall pay all costs of managing rejected loads.

D. **Self-haul Diversion Report**. Contractor shall provide the Authority a Self-haul Diversion Report including the following information: the amount of Self-haul material received, the weight all Self-haul materials processed on-site or transported to the Designated Site, the method of materials processing, and the weight and disposition of all materials Diverted. The Contractor shall provide the report monthly (no later than 15 days after the end of each month) in a format to be approved by the Authority.

E. **Optional Transfer Station Processing System.** On or before June 30, 2010, Contractor shall submit to the Authority a proposal to install a materials processing system in the Transfer Station. The system is to be capable of accepting and efficiently processing Self-haul construction/demolition debris (wood, concrete, insulation, roofing, metals, drywall, dirt and other inerts) and Organic Materials (including Plant Materials and wood waste). The system shall be capable of operating at a cost per Ton (including capital costs amortized as provided in Attachment 12) which is equal to or less than the current total cost of transporting construction and demolition debris to the existing off-site facility used by the Authority and the payment to the operator of that facility for processing. The proposal shall include plans and specifications for the equipment, cost forms showing estimates for design, equipment purchase, installation and operation, and a detailed operational plan.

The Authority will carefully evaluate the proposal, but is under no obligation to approve it nor arrange for or permit the installation of such a processing systems.

The Contractor is responsible for the cost of preparation and submission of the proposal and will not receive any additional payment for it.

5.19 OTHER OPERATING PROCEDURES AND STANDARDS

Contractor shall conduct its operations in accordance with the requirements of the California Integrated Waste Management Board in effect (as codified in Title 14 and Title 27 of the California Code of Regulations) as of the Effective Date and as they may be changed from time to time.

ARTICLE 6 TRANSPORTATION OF MATERIALS.

6.01 GENERAL

Contractor shall use due care to prevent materials being transported from being spilled or scattered during transport. If any materials are spilled, Contractor shall at its sole expense clean up all spilled materials, whether on private or public property.

6.02 TRANSPORTATION OF SOLID WASTE

Contractor shall transport and deliver to the Designated Disposal Site all Solid Waste that is not recycled or reused. No Solid Waste may be disposed of at any location other than the Designated Disposal Site without written consent from the Authority.

6.03 TRANSPORTATION OF HAZARDOUS SUBSTANCES

Contractor shall provide or arrange for transportation and delivery to an appropriately permitted disposal facility of any Hazardous Substances that are not discovered by the Contractor through the hazardous waste exclusion program (HWEP) or which are rejected by the operator of the Designated Disposal Site or any designated Processing Facility.

6.04 TRANSPORTATION OF RECYCLABLE MATERIALS

A. Single Stream Recyclable Materials. Contractor shall provide or arrange for transportation and delivery of all Single Stream Recyclable Materials to a purchaser, a licensed recycling facility, or a person who will use the materials in a process or product and will not dispose or use them at a landfill.

B. Transfer Station Materials. Contractor shall provide or arrange for transportation to a Designated Processing Facility of Organic Materials, C&D materials, and other Recyclable Materials delivered to and recovered at the Transfer Station. These materials shall be prepared and delivered in a condition and form which meet the Designated Processing Facilities' specifications and receiving requirements.

C. E-Waste, U-Waste, and Appliances. Contractor shall supply storage containers for, and arrange for the transportation of, E-Waste, U-Waste, appliances and other materials that may be added to the list of Buy Back/Drop-off Center material. At the request of the Authority, Contractor will pay the cost of transporting these materials. The handling/disposal costs incurred by Contractor for the use of outside vendors in the transportation and processing of special wastes collected in the Buy back/Drop-off Center (e.g., Electronic waste, Universal waste, and batteries, oil, and paint collected from Customers as part of the services to Member Agencies) and for the handling and processing of appliances will be reimbursed as a Pass-Through Cost.

6.05 PARKING AND MAINTENANCE OF TRANSFER VEHICLES

Contractor shall park empty Transfer Vehicles at the Shoreway Center in the area(s) designated for this purpose shown on Attachment 5. Transfer Vehicles containing Solid Waste shall be parked in areas that prevent liquids that have come in contact with Solid Waste and/or Recyclable Materials from entering the storm water system. In addition, Contractor shall use due care generally to prevent liquids that have come in contact with Solid Waste and/or Recyclable Materials from entering the storm water system.

6.06 ALTERNATIVE FUELS PLAN

Contractor will use B20 biodiesel to fuel all vehicles used (1) at the Shoreway Center and (2) to transport materials from the Shoreway Center to the Designated Disposal Site and Designated Processing Facilities.

ARTICLE 7 COMPENSATION TO CONTRACTOR

7.01 GENERAL

The payments provided for in Sections 7.02, 7.03, 7.06, 7.08 and 7.09 and the share of Revenues provided in Section 7.07 are the full, entire and complete compensation due to Contractor for furnishing all labor, equipment, materials and supplies and all other things necessary to perform all of the services required by this Agreement in the manner and at the time prescribed, and for fulfilling all of its obligations under this Agreement, including but not limited to observing the installation of the new sorting equipment in accordance with Article 4, the operation of the Shoreway Center in accordance with Article 5, and the transportation of materials in accordance with Article 6. The compensation provided for in this Article includes all costs for the items mentioned above and also for all taxes, insurance, bonds, overhead, profit and all other costs necessary or appropriate to perform the services in accordance with this Agreement.

7.02 REIMBURSEMENT OF PROJECT MANAGEMENT COSTS RELATED TO MRF SORTING EQUIPMENT INSTALLATION

The Authority will reimburse the Contractor for project management costs actually and reasonably incurred during the Equipment Manufacturer's installation of the MRF sorting equipment for a fixed fee of Two Hundred Seventy Six Thousand Four Hundred Sixty Two Dollars ($276,462). The foregoing amount will be adjusted by 80% of the percentage change in *Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa)* between the Effective Date and the date that the equipment is installed and ready for the shake down period and acceptance test per Section 4.04.

This amount is the full compensation for all Contractor's costs associated with supervising the installation of the equipment, including coordination with the Equipment Manufacturer and the Authority's architects, engineers and construction contractor during installation.

The obligation to reimburse Contractor for these costs accrues upon the equipment's successful completion of the acceptance tests and the Authority's review and approval of Contractor's request for reimbursement. The amount due will be paid within thirty (30) days thereafter.

7.03 BASIC COMPENSATION – GENERAL

Contractor's Basic Compensation consists of three components, related to three separate processes performed by Contractor.

A. Transfer Station Payment. The amount of this payment is calculated by multiplying the number of Tons of material delivered to and processed at the Transfer Station by the per Ton Transfer Station Fee then in effect. The Transfer Station Fee is $9.71 per Ton.

B. Recyclable Materials Processing Payment. The amount of this payment is calculated by multiplying the number of Tons of Recyclable Materials delivered to and processed at the MRF by the per Ton MRF Fee then in effect. The MRF Fee is $67.36 per Ton.

C. Transportation Payment. The amount of this payment is calculated by multiplying the number of Tons of materials transported from the Shoreway Center to the

Designated Disposal Site, and the Designated Processing Facilities for inerts, Construction and Demolition Debris, Plant Materials and Organics by the number of one-way standard miles from the Shoreway Center to the Disposal Site or Processing Facility and by the applicable Transportation Fee then in effect. The Transportation Fees for the five types of materials are $1.007 per Ton/Mile for Solid Waste, $1.043 per Ton/Mile for inerts, $0.688 per Ton/Mile for C&D debris, $0.614 per Ton/Mile for Plant Materials, and $0.745 per Ton/Mile for Organics. Tons delivered to the Designated Disposal Site do not include MRF residue.

7.04 ADJUSTMENT OF PROPOSED FEES TO RATE YEAR ONE (2011) AND MODIFICATION DURING INTERIM OPERATIONS

For Rate Year One, the parties expect to make a cost adjustment based on various cost indices. In addition, since the full-scale operation of the MRF will not occur until February 2011, the MRF Fee will be subject to a one-time modification.

A. Adjustment. The parties expect that the costs underlying the fees described in Section 7.03.A, B and C will change between the date of this Agreement and the year in which they will first be paid (2011).

The Authority will adjust the Transfer Station Fee, the MRF Fee, and the five Transportation Fees in October 2010, following the procedure described in Attachment 12-A and illustrated in Attachment 12-B, after receipt of Contractor's application described in Section 7.12.

The fees, as so adjusted, will be paid during Rate Year One (2011), as earned.

B. Modification for a Part of Rate Year One (2011). Since full-scale operation of the MRF and Transfer Station are not expected to occur until February and March, respectively, of Rate Year One, the Basic Compensation will need to be modified to reflect the reduced scale of operations. During this interim operations period, Contractor will be paid Basic Compensation as provided in Attachment 12-C. Once the MRF and Transfer Station are fully operational, the Basic Compensation, adjusted as described in subsection A above, will be paid during the remainder of Rate Year One, as earned.

7.05 ADJUSTMENT OF BASIC COMPENSATION IN SUBSEQUENT RATE YEARS

The Authority will adjust the Transfer Station Fee, the MRF Fee, and the five Transportation Fees in October 2011 and in October of each subsequent year during the Term, following the procedure described in Attachment 13-A and illustrated in Attachment 13-B.

The fees, as so adjusted, will be paid during the immediately following Rate Year, as earned.

7.06 SUPPLEMENTAL PROCESSING FEES

A. Materials Delivered to MRF. If Contractor elects, or if the Authority directs Contractor, to process loads of Recyclable Materials delivered to the MRF by the Collection Contractor which contain more than fifteen percent (15%) contamination, Authority will pay Contractor a supplemental fee to cover the additional cost of processing this material. The amount of this supplemental fee will be $25 per ton (applied to all tons over fifteen percent (15%) contamination) in Rate Year One. It will be adjusted in subsequent years by the same percentage as that used to adjust the MRF Fee described in Section 7.03.B.

B. Materials Delivered to the Transfer Station. If Contractor elects, or if the Authority directs Contractor, to process loads of Plant Materials and Organics delivered to the Transfer Station by the Collection Contractor which contain more than the applicable maximum contamination level, but do not exceed that level by more than five percent (5%), Authority will pay Contractor a supplemental fee to cover the additional cost of processing this material. The amount of this supplemental fee will be $7 per Ton (applied to all Tons over the maximum contamination level) in Rate Year One. It will be adjusted in subsequent years by the same percentage as that used to adjust the Transfer Station Fee described in Section 7.03.A.

7.07 RECYCLING REVENUES; GUARANTEE AND SHARING OF REVENUES

A. Revenue Guarantee - General. Contractor will pay Authority one hundred percent (100%) of Revenue earned from the sale of Recyclable Materials monthly until it has paid Revenue equal to the Revenue Guarantee then in effect. If Revenue earned from the sale of Recyclable Materials is less than the Revenue Guarantee in any year, Contractor will pay Authority, within 60 days after the end of that Rate Year, the difference between the Revenue Guarantee and the Revenue actually earned and paid by Contractor to Authority.

"Revenue" for the purposes of this Section 7.07 means the amounts due Contractor from the sale of Recyclable Materials (prices based on terms being FOB Shoreway Center except for glass, in which case sales revenue will be based on the delivered price less cost of transport).

B. Revenue Guarantee in Rate Year One.

1. General. Subject to the adjustment described in subsection B.2 and the proration described in subsection B.3, the Revenue Guarantee for Rate Year One is Six Million Five Hundred Thousand Dollars ($6,500,000).

2. Adjustment of 2011 Revenue Guarantee. The Revenue Guarantee is based on tonnage projected by the SBWMA for calendar year 2011 (74,022 Tons). The Revenue Guarantee will be adjusted (up or down) proportional to the actual tonnage of Recyclable Materials delivered to the MRF and Buy Back Center in 2011. For example, if the actual tons delivered in 2011 are 77,723, the Revenue Guarantee for 2011 will be increased by 5.0% to Six Million Eight Hundred Twenty Five Thousand Dollars ($6,825,000). No subsequent adjustments to the Revenue Guarantee will be made.

3. Temporary Proration of Revenue Guarantee. The MRF is not expected to be operational until the Spring of Rate Year One. The Revenue Guarantee will be prorated one time, during Rate Year One (2011). The proration will not reduce the expected baseline tonnage for Rate Year One (74,022 Tons) but will be applied to the Revenue Guarantee. Once the MRF equipment has been tested by Contractor and accepted by Authority, the Authority will calculate the number of days that the MRF is capable of full operation for the balance of Rate Year One (2011).

As an example:

Revenue Guarantee -	$6,500,000	
First day MRF is fully operational -	April 1	
Number of days operational -	275	(April 1 - December 31)
Proportion of year operational -	75%	(275 days/365 days)

Prorated Revenue Guarantee = $4,875,000 (75% x Revenue Guarantee)

C. Revenue Guarantee During Rate Year Two and Thereafter.

The Revenue Guarantee for all rate years after Rate Year One will be equal to the dollar amount calculated under subsection B.2 above.

D. Sharing of Revenues.

1. General. As an incentive to Contractor to maximize both the quantity and quality of materials recovered and successfully marketed for recycling, Contractor will be entitled to twenty five percent (25%) of the Revenue from the sale of Recyclable Materials delivered to or recovered at the Shoreway Center in excess of the Revenue Guarantee. Once the Contractor's payment of Revenue from the sale of Recyclable Materials equals the Revenue Guarantee, for the balance of that Rate Year, Revenue will be divided between the Authority and the Contractor as provided in Section 7.07.D.2 and 3.

2. Minimum Share. The Contractor is entitled to a minimum of twenty five percent (25%) of Revenue earned and received from the sale of Recyclable Materials. Commencing with the month immediately following the month in which Contractor has paid the Authority the Revenue Guarantee, Contractor will be entitled to retain twenty five percent (25%) of Revenue received thereafter in that Rate Year, paying the Authority seventy five percent (75%) of Revenue monthly. Contractor's entitlement to twenty five percent (25%) of a portion of the Revenue paid to Authority in the month in which the Revenue Guarantee was attained will be determined and paid within 60 days after the end of the Rate Year.

3. Increased Share. As a further incentive for Contractor to maximize recovery of Recyclable Materials at the MRF, the Contractor's share of Revenues (in excess of the Revenue Guarantee) will be increased as provided in this subsection 3.

Materials not recovered at the MRF will be sent to the Transfer Station for transport to the Designated Disposal Site. Commencing with the first Rate Year in which full-scale sorting operations are continuous (expected to be 2012), the MRF residue generation rate will be calculated. The MRF residue generation rate is the percentage obtained by dividing the total Tons of material sent from the MRF to the Transfer Station during the Rate Year by the total Tons of material delivered to the MRF.

For any Rate Year in which the MRF residue generation rate is less than ten percent (10%), the Contractor's percentage share of Revenues in excess of the Revenue Guarantee will be increased as follows:

MRF RESIDUAL GENERATION	INCREASE IN COMMODITY SHARE
10%>	no increase
9.0% - 9.9%	1% increase (becomes 26%)
8.0% - 8.9%	2% increase (becomes 27%)

7.0% - 7.9%	3% increase (becomes 28%)
6.0% - 6.9%	4% increase (becomes 29%)
5.0% - 5.9%	5% increase (becomes 30%)
4.0% - 4.9%	6% increase (becomes 31%)
<3.9%	7% increase (becomes 32%)

The amounts due the Contractor pursuant to Section 7.07.D.3 will be calculated annually on a Rate Year basis, and paid as provided in Section 8.08.

7.08 DIVERSION GUARANTEE.

A. Transfer Station Diversion Program. As an incentive to Contractor to Divert Self-haul materials from disposal, the Contractor's Compensation may be adjusted (decreased) based on its performance in diverting from the Disposal Facility, material delivered to the Transfer Station by self-haul customers. The Contractor has guaranteed the diversion of a minimum of 30,000 Tons annually (the "Minimum Self-Haul Diversion Guarantee"). The 30,000 Tons per year Minimum Self-haul Diversion Guarantee amount shall not include Self-haul Plant Materials (Self–haul Diversion shall be equal to the annual Tons of Diverted Self-haul materials less the Tons of Diverted Self-haul Plant Materials). If Contractor fails to achieve the Minimum Self-Haul Diversion Guarantee in any Rate Year, the Contractor will pay the Authority (through the rate structure) Seventy Dollars ($70.00) for each Ton below 30,000 Tons.

If the Contractor does not meet the Minimum Self-Haul Diversion Guarantee, the Authority may require Contractor to prepare and submit a plan detailing the changes in equipment, personnel and/or practices that Contractor will employ to achieve the Minimum Self-Haul Diversion Guarantee.

The amounts due Authority pursuant to Sections 7.08.A will be calculated annually on a Rate Year basis, and paid as provided in Section 8.08.

If the Authority approves the Optional Transfer Station Processing System. described in Section 5.18.E, then the parties will mutually agree on a reduction in, or elimination of the requirements in subsection A.

B. MRF Residual . As an incentive to Contractor to increase recovery efficiency at the MRF, the Contractor will be responsible for paying (a) the amount charged at the Designated Disposal Site for accepting and disposing of residue from the MRF (the current tip fee at Ox Mountain is $33.24 per Ton), and (b) the Transportation Fee per Ton/Mile attributable to delivering MRF residue to the Disposal Site. The cost of disposal of MRF residue will be deducted monthly from the MRF Payment provided in Section 7.03.B. Materials in a load that constitute contamination in excess of the applicable limitation, as identified by an audit of that load, are not counted as residue for purposes of this section or Section 7.07.D.3.

7.09 REIMBURSEMENT OF PASS-THROUGH COSTS

Contractor will pay the following costs and will be reimbursed by Authority with no allowance for overhead or profit:

- Interest paid on loans to acquire capital equipment per the debt service schedule provided by the Contractor.
- Payments to Buy Back Center customers for CRV and scrap value.
- Permit and regulatory fees (which do not include penalties or fines).
- Recycling of E-Waste, U-Waste and HHW from the Drop-Off Center, White Goods and CFCs (including transportation), unless paid directly by the Authority.

7.10 RECONCILIATION OF SELF-HAUL GATE FEE COLLECTIONS

It is not feasible to weigh loads delivered to the Transfer Station by Self-Haul Customers. For that reason, the Authority charges such Customers on a volumetric (cubic yard) basis.

Studies conducted for the Authority have established that the ratio of volume to weight of Self-Haul material is 2.76 to 1 (i.e., 2.76 cubic yards will weigh one Ton), on average over the course of a year. Individual loads will vary and the ratio will also vary seasonally.

The Authority pays Contractor and the Disposal Facility operator on a per Ton basis and relies on the Gate Fees to contribute revenues to payments due Contractor. Therefore, it is important that Contractor accurately measure loads of Self-Haul Waste since under measurements will result in under collection of Gate Fees.

On an annual basis, the Authority will calculate the amount of Tons of Self-Haul Waste delivered to the Transfer Station through the mass balance formula shown on Attachment 14. That tonnage will be converted to cubic yards using the 2.76 to 1 ratio. The Authority will then compare the total Gate Fees collected and remitted by Contractor to the expected Gate Fee revenue, using the formula shown on Attachment 14. If that calculation shows that Contractor collected less Gate Fee revenue than indicated, it will pay the difference to the Authority, as provided in Section 8.08.

7.11 ADJUSTMENTS FOR SPECIAL CIRCUMSTANCES

A. The Contractor may apply to the Authority for an adjustment to one or more of the fees provided for in Section 7.03, and the Authority may initiate such a review, if any of the following events occur, provided that the event will increase or decrease Contractor's component costs of operation by an amount that is two percent (2%) or more of the total fees earned under Section 7.03 during the immediately preceding Rate Year and provided further that the costs will not be otherwise recovered through the per ton and per ton mile fees provided in Section 7.03:

   (1) A flood, earthquake, other acts of nature or other similar catastrophic events outside the control of Contractor that physically damage the Shoreway Center.

   (2) A change in law occurring after the Effective Date that requires a change in operations.

   (3) A community emergency which requires Contractor to provide increased or different services.

   (4) The annual average Single Family Targeted Recyclable Materials contamination level exceeds ten percent (10%) for two consecutive years or more. The annual average Single Family Targeted Recyclable Materials contamination level will be calculated on the basis of the arithmetic average of the measured contamination

level for Single Family Targeted Recyclable Materials in eight (8) consecutive quarterly sampling events conducted in accordance with the methodology described in Attachment 2-H.

B. A change in the scope of services directed by the Authority pursuant to Section 12.13 will be considered a basis for an adjustment in compensation whether or not it will increase or decrease Contractor's component costs by two percent (2%) or more.

C. If the Contractor requests, or the Authority initiates, a special review of the Contractor's compensation, the Authority shall have the right to review the financial and operation records of the Contractor and Affiliated Entities that it determines are reasonably necessary to conduct such special review.

D. Contractor shall bear the burden of justifying to the Authority by substantial evidence its entitlement to continuation of current, as well as any increases in, Contractor's compensation for special circumstances. If the Authority determines that the Contractor has not met its burden, it shall notify Contractor that it is prepared to deny Contractor's request for an increase in compensation, or to proceed with a reduction in compensation. The Contractor may request a hearing to produce additional evidence. Upon such request, the Authority shall provide a hearing before the Authority's Board of Directors. In the event the Authority's Board of Director's denies Contractor's request, Contractor shall have the right to present its claim in a court of competent jurisdiction.

7.12 APPLICATION FOR ANNUAL ADJUSTMENT IN BASIC COMPENSATION

A. Application Date and Content. Contractor shall prepare and submit to the Authority by July 1 of each year, an application for adjustment of the elements of Basic Compensation for the next Rate Year. The first application will be due on July 1, 2010 for Rate Year One (2011). The application will adjust the Transfer Station Fee, the MRF Fee and the Transportation Fees following the methodology prescribed in Attachment 12-A (for Rate Year One) and Attachment 13-A (for subsequent Rate Years). It will substantially follow the format of Attachment 12-B (for Rate Year One) and Attachment 13-B (for subsequent Rate Years) with such modifications as the Authority may approve in advance, in writing.

B. Review of Application. The Authority staff will review the application for completeness, accuracy and consistency with the procedures described in Attachments 12-A and 13-A and the format illustrated in Attachments 12-B and 13-B. The Authority staff will bring to the Contractor's attention any factual or calculation errors, omissions or other discrepancies in the application which come to their attention. Contractor shall provide any additional information requested by Authority staff during the review of the application, shall meet with Authority staff, at the Shoreway Center, to discuss the application, and shall make revisions to the application necessary for it to be complete, accurate and consistent.

C. Report to Authority Board of Directors. On or before September 1 of each year, Authority staff shall submit a report to the Authority Board of Directors recommending the adjustments, if any, to the elements of Contractor's Basic Compensation for the next Rate Year. The Authority Board of Directors will take action on the recommendation at a public meeting held on or before October 31. All changes to the elements of Contractor's Basic Compensation must be approved by the Board of Directors.

ARTICLE 8 PAYMENT PROCEDURES

8.01 BASIC COMPENSATION

The Basic Compensation provided for in Section 7.03 will be paid monthly in arrears, with the first payment earned as of January 31, 2011. The Authority will make each payment within fifteen (15) days after it receives from Contractor a timely and complete monthly statement required by Section 8.07.

8.02 SUPPLEMENTAL PROCESSING FEES

Any fees earned by Contractor under Section 7.06 will be paid monthly in arrears, concurrently with payment of the Basic Compensation due under Section 8.01.

8.03 PASS THROUGH COSTS REIMBURSEMENT

The interest reimbursement provided for in Section 7.09 will be made monthly in accordance with the debt service schedule provided by Contractor until the principal amount of the loan(s) approved by the Authority is paid. The interest rate on capital equipment will be adjusted as part of the compensation adjustment process for Rate Year One only, based on a market based on the change in the interest rate on United States Treasury 10-year notes between March 2008 (3.5%) and July 2010, based on official United States Treasury data." If Contractor incurs other costs which are reimbursable under Section 7.09, it shall include these costs, together with information sufficient to substantiate the amount and purpose of each expense, in the monthly statement required by Section 8.07 due the month immediately following the month in which the cost was incurred. The Authority will pay the cost reimbursements due concurrently with payment of the Basic Compensation due under Section 8.01.

8.04 GATE FEES FOR PUBLICLY HAULED WASTE

Contractor will pay to Authority (by wire transfer or otherwise as Authority may direct) the amount of all Gate Fees collected from Persons delivering Self-Hauled Materials to the Transfer Station. Such payments will be made no less often than bimonthly, but possibly as frequently as daily. These payments will be reflected in the monthly statement from Contractor required by Section 8.07.

8.05 REVENUE FROM SALE OF RECYCLABLE MATERIALS

Contractor will pay to the Authority (by wire transfer or otherwise as Authority may direct) all Revenue earned from third parties for the sale of Recyclable Materials delivered to or recovered at the Shoreway Center until the annual Revenue Guarantee, or the Prorated Revenue Guarantee for 2011 as determined by Section 7.07.B, has been remitted. Thereafter, Contractor shall pay to Authority seventy five percent (75%) of such Revenue, unless otherwise adjusted by Section 7.07.D.3. Such payments will be made on or before the fifteenth (15th) day of each month based on sales during the immediately preceding month. These payments will be reflected in the monthly statement from Contractor required by Section 8.07.

The Revenues received by Contractor from the sales of Recyclable Materials are held in trust for the benefit of the Authority and such Revenues shall be disbursed only as provided in this Agreement and shall not be subject to levy or attachment or lien by or for any creditor of Contractor. Contractor shall account for all such Revenues, when and as

received, separately and apart from all other money, funds, accounts or other resources of Contractor.

8.06 DISPOSAL AND TRANSPORTATION COST OF MRF RESIDUE

The amount, in Tons of materials delivered to the MRF that are transported to the Disposal Facility and which, under Section 7.08.B are the responsibility of Contractor, will be separately reported in the monthly statement required by Section 8.07. The Authority will adjust (reduce) the amount of the Basic Compensation due Contractor each month by the amount calculated as provided in Section 7.08.B.

8.07 MONTHLY CONTRACTOR'S STATEMENT

A On or before the fifteenth (15th) day of each month, Contractor shall submit to Authority a statement showing amounts due to Contractor and Authority under Sections 8.01 through 8.06. The statement shall include at least the following information, all of which shall be for the immediately preceding month:

1. the amount (in Tons) of Recyclable Materials delivered to the MRF during each day of the preceding month by each of the Member Agencies and/or their Collection Contractor(s);
2. the amount (in Tons or cubic yards, whichever is applicable) of Recyclable Materials delivered to the Buyback/Dropoff Center during each day of the preceding month;
3. the amount (in Tons) of Recyclable Materials recovered by Contractor from all materials delivered to the Transfer Station;
4. the amount (in Tons) of Recyclable Materials sold by type and grade, and the total sales price, transportation costs and commodity revenues net of transportation costs;
5. a daily accounting showing the following information for each sales transaction:
    - date of sale;
    - type of material sold and grade, if applicable;
    - quantity of material sold;
    - unit price;
    - total revenue due from sale;
    - name and address of purchaser; and
    - a copy of the sales invoice, sales contract or other document evidencing transfer of title.
6. weight and volume of Solid Waste, Plant Materials, Organic Materials, inerts, and Construction and Demolition Debris entering the Shoreway Center by the hauler type (Collection Contractor(s) by Member Agency), commercial haulers, self haul, public, and other)(by type of vehicle);
7. weight and volume of all Solid Waste, Plant Materials, Organics Materials, inerts, and Construction and Demolition Debris leaving the Shoreway Center;

8. weight and volume of all materials moving between the buildings and operations on the Shoreway Center site (e.g. between the MRF building, Transfer Station building and Buyback center) (by material type);

9. mass balance accounting of all materials that enter and leave the Shoreway Center so that all inbound tons equal outbound / shipped materials less inventory (by material type);

10. location to which all Solid Waste, Plant Materials, Organics Materials, and Construction and Demolition Debris received by the Facilities were delivered for transfer, processing, ultimate use or disposal;

Contractor shall utilize the appropriate reporting forms in Attachment 15.

B. Undisputed sums will be paid by Contractor and Authority within fifteen (15) days from the date the Authority receives the statement.

C. Authority may request additional information regarding a report within thirty (30) days from receipt. Such request shall be in writing and shall describe the information requested with reasonable specificity. Contractor shall furnish the requested information to Authority within thirty (30) days from the date of the request. Authority shall notify Contractor within thirty (30) days after receipt of the initial report and payment, or within thirty (30) days after receipt of the additional information if such information is requested, of any dispute as to the accuracy of the report and the amount of the payment.

8.08 ANNUAL CALCULATION AND RECONCILIATIONS

Adjustments to Contractor's Compensation may be due for one or more of the following:

A. Shortfall of Recycling Revenue Guarantee (Section 7.07.A)

B. Additional share of Recycling Revenue over Revenue Guarantee for MRF Residue control (Section 7.07.D.3)

C. Minimum Self-Haul Diversion Guarantee (Section 7.08.A)

D. Reconciliation of Self-Haul Gate Fee Collections (Section 7.10)

The Authority will calculate the amounts, if any, due from Contractor and will provide Contractor with its calculations and supporting information on or before January 31 of each Rate Year. If Contractor requests, Authority shall meet with Contractor during the month of February to discuss the calculations, will attempt to answer any questions that Contractor may have, and will endeavor to resolve objections that Contractor may have.

Contractor shall pay the amount due, as initially calculated or as subsequently adjusted by Authority, within thirty (30) days after receiving the Authority's initial calculation.

8.09 LIQUIDATED DAMAGES

Liquidated damages will be paid by Contractor as provided in Section 11.07.

ARTICLE 9 CONTRACTOR RECORDS/REPORTING

9.01 TONNAGE RECORDS

In addition to the financial records required under Article 8, Contractor shall compile monthly tonnage summary records whose format and content have been approved by the Authority. Reports shall be submitted to the Authority by the fifteenth (15th) day of the immediately following month. The Authority may require more frequent reporting of Tonnage.

9.02 CERCLA DEFENSE RECORDS

The Authority views the ability to defend against CERCLA and related litigation as a matter of great importance. For this reason, the Authority regards the ability to prove where Solid Waste Collected in the Authority Service Area was taken for Disposal, as well as where it was not taken, to be matters of significant importance. Therefore, Contractor shall maintain data retention and preservation systems that can establish where Solid Waste was transferred and disposed of.

All records required under this Agreement shall be maintained for each year of the Term and for three years beyond the expiration or earlier termination of the Agreement. At the end of that period, Authority reserves the right to take physical possession of these records.

9.03 PROVISION OF RECORDS TO THE AUTHORITY

In the event Contractor's services are terminated before expiration of the Term, Contractor shall provide to the Authority all records required by this Agreement within thirty (30) days of discontinuing service. Records shall be in chronological order, in an organized form, and readily and easily interpreted.

9.04 REPORTS AND SCHEDULES

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

A. determine and set rates and evaluate the financial efficiency of operations;

B. evaluate past and expected progress towards achieving goals and objectives of the Act and the Authority;

C. determine needs for program adjustments; and,

D. evaluate customer service and complaints.

Either the Authority or Contractor may propose report formats that are responsive to the objectives of and audiences for each report. The format of each report shall be approved by the Authority. Contractor agrees to submit all reports on computer discs or in electronic format compatible with the Authority's software and computers at no additional charge, if requested by the Authority. Contractor will provide a certification statement, under penalty of perjury, by the responsible Contractor official, that the report being submitted is true and correct to the best knowledge of such official.

Quarterly Reports shall be submitted within thirty (30) calendar days after the end of the calendar quarter. Annual reports shall be submitted within thirty (30) calendar days after

the end of the calendar year. Failure to submit reports in the prescribed timeframe will result in the assessment of liquidated damages as stated in Attachment 10.

Quarterly and Annual Reports will summarize all information, tonnage, events, activities and changes in operations as required in Article 3. However, the reporting for all tonnage will be on a monthly basis and data will be totaled and presented on a monthly basis in the Reports.

All reports shall be submitted to:

South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Attention: Executive Director

9.05 QUARTERLY REPORT REQUIREMENTS

The information listed below and in Attachment 15 shall be the minimum reported for each service. The report format will be developed jointly by Contractor and Authority and include the following:

A. Weight and volume of all materials (by material type) entering the Shoreway Center from Member Agencies;

B. Weight and volume of Solid Waste, Organic Materials, and Recyclable Materials (by material type) entering the Shoreway Center by the hauler type (Collection Contractor(s), commercial haulers, self haul, public, and other)(by type of vehicle);

C. Weight and volume of all Solid Waste, Organics Materials, Recyclable Materials (by material type) leaving the Shoreway Center;

D. Weight and volume of all materials moving between the buildings and operations on the Shoreway Center site (e.g. between the MRF building, Transfer Station building and Buyback center) (by material type);

E. Mass balance accounting of all materials that enter and leave the Shoreway Center so that all inbound tons equal outbound / shipped materials less inventory (by material type);

1. The percentage of materials diverted by material type, category (Residential, Commercial, Self haul) and operation (MRF, Transfer Station, Bunker Program, Buyback/drop off center and other), and residual from MRF operations.

2. Location to which all Solid Waste, Organics Materials, and Recyclable Materials, received by the Facilities was delivered for transfer, processing, sale, ultimate use or disposal;

3. Recyclable Materials commodity sales value (by material type);

4. Changes to facilities, equipment and personnel used;

5. Changes to facilities and equipment operations, maintenance and repair;

6. Reporting incidence of accidents involving either employees or customers of the facilities;

7. Documentation of hazardous spills and removals shipment, and ship manifesting;

8. Other information or reports that the Authority may reasonably request or require.

F. Determination and Payment of Liquidated Damages. Contractor shall provide a report that identifies any non-compliance with performance measures listed in Attachment 10 (except for compliance with standards which shall be reported as part of the Contractor's annual report) and include calculation of the Liquidated Damages due. This report shall be accompanied by supporting documentation identifying either compliance with or level of non-compliance with the performance measures. The report submittal shall be accompanied by a check from the Contractor in the amount of the Liquidated Damages due (per Contractor's calculation and self-reporting) for the reporting period.

G. Programs. For each program, provide activity-related and narrative reports on goals, milestones, and accomplishments. Contractor shall describe problems encountered, actions taken and any recommendations to facilitate progress.

H. Summary Assessment. Contractor shall provide a summary assessment of the overall materials handling systems from Contractor's perspective relative to financial and physical status of the Shoreway Center. Contractor shall assess how well the program is operating in terms of efficiency, economy and effectiveness relative to meeting all the goals and objectives of this Agreement. Contractor shall provide recommendations and plans to improve operations, which highlight significant accomplishments and problems. Contractor shall document changes on a monthly basis and include monthly documentation in the quarterly reporting.

I. Meet and Confer with Authority. Beginning on the Commencement Date, and on a quarterly basis thereafter, Contractor shall meet with the Authority to describe the services performed at the Shoreway Center and the progress of each active Diversion Program. Contractor shall document the results of the programs on a monthly basis, including the tonnage diverted by material type, the end use or processor of the diverted materials and the cost per ton for transporting and processing each type of material and other such information requested by the Authority necessary to evaluate the performance of each program.

J. Addition and Changes to Programs. The Authority shall have the right to terminate a program if in its sole discretion the Contractor is not cost effectively achieving the program's goals and objectives. Prior to such termination, the Authority shall meet and confer with Contractor for a period of up to 90 days to resolve the Authority's concerns. Thereafter, the Authority may utilize a third party to perform these services if the Authority reasonably believes the third party can improve on Contractor's performance and/or cost. Notwithstanding these changes, Contractor shall continue the program during the meet and confer period and, thereafter, until the third party takes over the program.

9.06 ANNUAL REPORT REQUIREMENTS

The Annual Report shall be in the form of the Quarterly Reports and shall provide the same type of information as required pursuant to Section 9.05 summarized for the preceding four quarters. The Annual Report shall also include a complete inventory of equipment used to provide all services, and a list of Contractor's personnel used to operate the Shoreway Center.

9.07 INSPECTION OF RECORDS

The Authority, and its agents selected by the Authority, shall have the right, during regular business hours, to conduct unannounced on-site inspections of the records and

accounting systems of Contractor and to make copies of any documents relevant to this Agreement.

9.08 RETENTION OF RECORDS

Records and data required to be maintained that are specifically directed to be retained shall be retrieved by Contractor and made available to the Authority upon request.

Records and data required to be maintained that are not specifically directed to be retained that are, in the sole opinion of the Authority, material to the rate setting or to a determination of Contractor's performance under this Agreement, shall be retrieved by Contractor and made available to the Authority upon request.

Records and data required to be maintained that are not specifically directed to be retained and that are not material to a rate setting and/or not required for the determination of Contractor's performance do not need to be retrieved by Contractor. In such a case, however, the Authority may make reasonable assumptions regarding what information is contained in such records and data, and such assumption shall be conclusive in whatever action the Authority takes.

9.09 ADVERSE INFORMATION

A. Reporting Adverse Information. Contractor shall provide the Authority two copies (one to the Authority Executive Director, one to the Authority Legal Counsel) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating specifically to Contractor's performance of services pursuant to this Agreement, submitted by Contractor to, or received by Contractor from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board, the Securities and Exchange Commission or any other federal, state or local agencies, including any federal or state court. Contractor shall also notify the Authority of any criminal charges for violation of any federal or state environmental law or antitrust law or for fraud or similar matters initiated hereafter against any management employee of Contractor or its affiliates that have direct or indirect responsibility for administration of Contractor's performance of services under this Agreement. Copies shall be submitted to the Authority simultaneously with Contractor's filing or submission of such matters with said agencies. Contractor's routine correspondence to said agencies need not be routinely submitted to the Authority, but shall be made available to the Authority promptly upon the Authority's written request.

B. Failure to Report. The refusal or failure of Contractor to file any required reports, or to provide required information to the Authority, or the inclusion of any materially false or misleading statement or representation by Contractor in such report shall be deemed a breach of this Agreement, and shall subject Contractor to all remedies available to the Authority, including Liquidated Damages as shown on Attachment 10.

ARTICLE 10 INDEMNITY, INSURANCE, PERFORMANCE BOND, GUARANTY

10.01 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless Authority, its officers, employees and agents, (collectively the "Indemnitees") from and against (1) any and all liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature, (2) any and all loss including but not limited to injury to and death of any person and damage to property, and (3) claims for contribution or indemnity claimed by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, its obligations under this Agreement. The foregoing indemnity shall not apply to the extent that the Claim is caused solely by the negligence or intentional misconduct of Authority, its officers, employees or agents, but shall apply if the Claim is caused by the joint negligence of Contractor or other persons, including any of the Indemnitees. Upon the occurrence of any Claim, Contractor, at Contractor's sole cost and expense, shall defend (with attorneys reasonably acceptable to Authority) the Indemnitees. Contractor's duty to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

10.02 INSURANCE

A. Types and Amounts of Coverage. Contractor shall procure from an insurance company or companies licensed to do business in the State of California and shall maintain in force at all times during the Term the following types and amounts of insurance:

1. Workers' Compensation and Employer's Liability. Contractor shall maintain workers' compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State of California. Contractor shall maintain employer's liability insurance in an amount not less than One Million Dollars ($1,000,000) per accident or disease. Contractor shall not be obligated to carry workers compensation insurance if (i) it qualifies under California law and continuously complies with all statutory obligations to self-insure against such risks; (ii) furnishes a certificate of Permission to Self Insure issued by the Department of Industrial Relations; and (iii) furnishes updated certificates of Permission to Self Insure periodically to evidence continuous self insurance, at least ten (10) days before the expiration of the previous certificate.

2. Comprehensive General Liability (and Automobile Liability). Contractor shall maintain comprehensive general liability insurance with a combined single limit of not less than Ten Million Dollars ($10,000,000) per occurrence and Twenty Million Dollars ($10,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death, and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, services under this Agreement.

   The insurance required by this subsection shall include:

   - Premises Operations (including use of owned and non-owned equipment);

- Products and Completed Operations (including protection against liability resulting from use of Recyclable Materials by another person);
- Personal Injury Liability with employment exclusion deleted;
- Broad Form Blanket Contractual with no exclusions for bodily injury, personal injury or property damage (including coverage for the indemnity obligations contained herein);
- Owned, Non-Owned, and Hired Motor Vehicles;
- Broad Form Property Damage.

The comprehensive general liability insurance shall be written on an "occurrence" basis (rather than a "claims made" basis) in a form at least as broad as the most current version of the Insurance Service Office commercial general liability occurrence policy form (CG0001). If occurrence coverage is not obtainable, Contractor must arrange for "tail coverage" on a claims made policy to protect Authority from claims filed within four years after the expiration or termination of this Agreement relating to incidents that occurred prior to such expiration or termination. Any excess or umbrella policies shall be on a "following form" basis.

3. Pollution Liability. Contractor shall maintain pollution liability insurance with limits in an amount of not less than Ten Million Dollars ($10,000,000) per occurrence and annual aggregate covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this Agreement.

4. Hazardous Materials Storage and Transport. Contractor shall maintain insurance coverage of not less than Ten Million Dollars ($10,000,000) for personal injury, bodily injury and property damage arising out of the sudden and accidental release of any hazardous materials or wastes during storage at facilities operated by Contractor or transport of such materials by vehicles owned, operated or controlled by Contractor in the performance of the services required under this Agreement.

5. Physical Damage. Contractor shall maintain comprehensive (fire, theft and collision) physical damage insurance covering the vehicles and equipment used in providing service to Authority under this Agreement, with a deductible or self-insured retention not greater than One Hundred Thousand Dollars ($100,000). Notwithstanding the foregoing, Contractor shall be allowed to self-insure for physical damage to its vehicles provided Contractor provides adequate audited financial information to Authority and Authority is reasonably satisfied that Contractor has the financial net worth to cover any losses.

B. Acceptability of Insureds. The insurance policies required by this section shall be issued by an insurance company or companies admitted to do business in the State of California, subject to the jurisdiction of the California Insurance Commissioner, and with a rating in the most recent edition of Best's Insurance Reports of size category XV or larger and a rating classification of A+ or better.

C. Required Endorsements. Without limiting the generality of Sections 10.02.A and B, the policies shall contain endorsements in substantially the following form:

Workers' Compensation and Employers' Liability Policy.

"Thirty (30) days prior written notice shall be given to the South Bayside Waste Management Authority (SBWMA) in the event of cancellation or non-renewal of this policy. Such notice shall be sent to:

SBWMA
610 Elm Street, Suite 202
San Carlos, CA 94070
Attention: Executive Director

"Insurer waives all right of subrogation against SBWMA and its officers and employees for injuries or illnesses arising from work performed for SBWMA."

Comprehensive General Liability Policy; Environmental Liability Policy; Hazardous Materials Policy.

- "Thirty (30) days' prior written notice shall be given to the South Bayside Waste Management Authority (SBWMA) in the event of cancellation, reduction of coverage, or non-renewal of this policy. Such notice shall be sent to:

  SBWMA
  610 Elm Street, Suite 202
  San Carlos, CA 94070
  Attention: Executive Director

- "South Bayside Waste Management Authority (SBWMA), its officers, employees, and agents, are additional insureds on this policy."

- "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the South Bayside Waste Management Authority, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

- "Inclusion of the South Bayside Waste Management Authority as an insured shall not affect the SBWMA's rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the SBWMA in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the company's liability as set forth in the policy beyond the amount shown or to which the company would have been liable if only one party had been named as an insured."

Physical Damage Policy.

- Notice of cancellation, reduction in coverage or non-renewal, as provided in Subsection C.2(a).
- Cross liability endorsement, as provided in Subsection C.2(d).
- Waiver of subrogation against Authority.

D. Delivery of Proof of Coverage. No later than ninety (90) days before the commencement of operations (i.e., on or before October 1, 2010), Contractor shall furnish Authority one or more certificates of insurance on a standard ACORD form substantiating that each of the coverages required hereunder are in force, in form and substance satisfactory to Authority. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall be accompanied by all required endorsements. If Authority requests, copies of each policy, together with all endorsements, shall also be promptly delivered to Authority.

Contractor shall furnish renewal certificates to Authority to demonstrate maintenance of the required coverages throughout the Term.

E. Other Insurance Requirements

1. In the event performance of any services is delegated to a subcontractor, Contractor shall require such subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the subcontractor's employees engaged in the work. The liability insurance required by Subsection 10.02.A.2 shall cover all subcontractors or the subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 10.02.

2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement, including those imposed by Section 10.01. If any claim is made by any third person against Contractor or any subcontractor on account of any occurrence related to this Agreement, Contractor shall promptly report the facts in writing to the insurance carrier and to the Authority.

3. If Contractor fails to procure and maintain any insurance required by this Agreement, Authority may take out and maintain, at Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any monies due Contractor. Alternatively, the Authority may treat the failure as a Contractor Default.

4. Authority is not responsible for payment of premiums for or deductibles (which must be approved in writing and in advance by Authority) under any required insurance coverages.

10.03 FAITHFUL PERFORMANCE BOND

On or before the Effective Date, Contractor shall deliver to Authority a bond securing the Contractor's faithful performance of its obligations under this Agreement. The principal sum of the bond shall be Two Million Dollars ($2,000,000). The form of the bond shall be as set out in Attachment 16. The bond shall be executed as surety by a corporation admitted to issue surety bonds in the State of California, regulated by the California Insurance Commissioner and with a financial condition and record of service satisfactory to Authority.

The term of the bond shall be not less than twenty-four (24) months, or until November 1, 2011, whichever occurs first. The bond shall be extended, or replaced by a new bond in the same principal sum (adjusted by the percentage change in the Consumer Price Index All Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-San Jose Metropolitan Area between July 2009 and July 2011), for the same term (i.e., twenty-four (24) months) and in the same form, bi-annually thereafter. Not less than

ninety (90) days before the expiration of the initial bond, the Contractor shall furnish either a replacement bond or a continuation certificate substantially in the form attached as Attachment 16, executed by the surety.

It is the intention of this Section that there be in full force and effect at all times a bond securing the Contractor's faithful performance of the Agreement, throughout its Term.

10.04 ALTERNATIVE SECURITY

Authority may, in its sole discretion, allow Contractor to provide alternative security in the amount set forth in Section 10.03, in the form of (a) a prepaid irrevocable standby letter of credit in form and substance satisfactory to Authority and approved as to form by the Authority's Legal Counsel and issued by a financial institution acceptable to Authority, or (b) a certificate of deposit in the name of the Authority with a term satisfactory to Authority, with a financial institution acceptable to Authority, and approved as to form by Authority's Legal Counsel.

10.05 HAZARDOUS WASTE INDEMNIFICATION

Contractor shall indemnify, defend with Counsel approved by the Authority, protect and hold harmless the Indemnitees against all claims, of any kind whatsoever paid, incurred or suffered by, or asserted against Indemnitees arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Wastes at any place where Contractor stores or disposes of Hazardous Wastes pursuant to this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety Code Section 25364, to defend, protect, hold harmless and indemnify Indemnitees from liability.

10.06 INTEGRATED WASTE MANAGEMENT ACT INDEMNIFICATION

Contractor agrees to indemnify and hold harmless the Indemnitees against all fines and/or penalties imposed by the California Integrated Waste Management Board (CIWMB) or the Local Enforcement Agency (LEA) (a) based on Contractor's failure to comply with laws, regulations or permits issued or enforced by the CIWMB or the LEA; (b) caused or contributed to by the Contractor's failure to perform obligations under this Agreement. This indemnity obligation is subject to the limitations and conditions in Public Resource Code Section 40059.1 but is enforceable to the maximum extent allowable by that Section.

10.07 GUARANTY

Concurrently with the execution of this Agreement, Contractor shall deliver to Authority a Guaranty in the form attached as Attachment 17, properly executed by its Members: Community Recycling and Resource Recovery, Inc. and Potential Industries, Inc.

ARTICLE 11 DEFAULT AND REMEDIES

11.01 EVENTS OF DEFAULT

Each of the following shall constitute an event of default ("Contractor Default"):

A. Contractor fails to perform any of its obligations under Sections 4.03 and 4.04 of Article 4 or Articles 5 and 6 of this Agreement and its failure to perform is not cured within ten (10) days after written notice from the Authority, provided that neither notice nor opportunity to cure applies to events described in subsections C through H.

B. Contractor fails to perform any of its obligations under any other provision of this Agreement and its failure to perform is not cured within fifteen (15) days after written notice from the Authority, provided that if the nature of the breach is such that it will reasonably require more than fifteen (15) days to cure, Contractor shall not be in default so long as it promptly commences the cure and diligently proceeds to completion of the cure, and provided further that neither notice nor opportunity to cure applies to events described in subsections C through H.

C. Contractor ceases to provide Shoreway Center operations or Solid Waste/Recyclable Materials transportation services for a period of two (2) consecutive business days for any reason within the Contractor's control, including labor unrest such as strike, work stoppage or slowdown, sickout, picketing, or other concerted job action by Contractor's employees or others.

D. Contractor files a voluntary petition for relief under any bankruptcy, insolvency or similar law.

E. An involuntary petition is brought against Contractor under any bankruptcy, insolvency or similar law which remains undismissed or unstayed for ninety (90) days.

F. Contractor fails to furnish a replacement bond or a continuation certificate of the existing bond not less than ninety (90) days before expiration of the performance bond, as required by Section 10.03 or fails to maintain all required insurance coverages in force.

G. Contractor fails to provide reasonable assurance of performance when requested by the Authority under this Agreement.

H. A representation or warranty contained in Article 3 proves to be false or misleading in a material respect as of the date such representation or warranty was made.

I. Contractor makes any other material misrepresentation to the Authority in discharging any of its obligations under this Agreement.

11.02 RIGHT TO SUSPEND OR TERMINATE UPON DEFAULT

A. Upon any Contractor Default, the Authority may terminate this Agreement or suspend it, in whole or in part. Such suspension or termination shall be effective thirty (30) days after the Authority has given notice of suspension or termination to Contractor, except that such notice may be effective in a shorter period of time, or immediately, if the Contractor Default is one which endangers the health, welfare or safety of the public, such as the failure to process Solid Waste or Recyclable Materials and arrange for their prompt disposal or recovery. Notice may be given

orally in person or by telephone to the representative of Contractor designated in or under Section 12.10 (or, if he/she is unavailable, to a responsible employee of Contractor) and shall be effective immediately. Written confirmation of such oral notice of suspension or termination shall be sent by personal delivery, facsimile, or other expedited means of delivery to Contractor within twenty-four (24) hours of the oral notification at the address shown in Section 12.09. Contractor shall continue to perform the portions of the Agreement, if any, not suspended, in full conformity with its terms.

B. The Authority may also suspend or terminate this Agreement, upon the same notice provisions, if Contractor's ability to perform is prevented or materially interfered with by a cause which excuses nonperformance under Section 11.09, despite the fact that nonperformance in such a case is neither a breach nor a Contractor Default.

11.03 SPECIFIC PERFORMANCE

By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service and the lead time required to effect alternative service, the remedy of damages for a breach hereof by Contractor is inadequate and Authority shall be entitled, without limitation on any other remedy or right, to injunctive relief and specific performance of Contractor's obligations under this Agreement.

11.04 RIGHT TO PERFORM; USE OF CONTRACTOR PROPERTY

If this Agreement is suspended and/or terminated due to a Contractor Default, the Authority shall have the right to perform, by contract or otherwise, the work herein or such part thereof as it may deem necessary. In the event of Contractor's Default, Authority shall have the right to use any of Contractor's equipment, facilities and other property reasonably necessary for the provision of services hereunder and for the billing and collection of fees for those services and of revenues from the sale of Recyclable Materials. Authority shall have the right to continue use of such property until other suitable arrangements can be made for the provision of such services, which may include the award of a contract to another service provider.

11.05 DAMAGES

Contractor shall be liable to Authority for all direct, indirect, special and consequential damages arising out of Contractor's Default. This section is intended to be declarative of existing California law.

11.06 AUTHORITY'S REMEDIES CUMULATIVE

Authority's rights to suspend or terminate the Agreement under Section 11.02, to obtain specific performance under Section 11.03, and to perform and use property under Section 11.04 are not exclusive, and shall not be construed as a limitation on any of the Authority's other rights or remedies, and the Authority's exercise of one such right shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies that the Authority may have, including a legal action for damages under Section 11.05 or imposition of liquidated damages under Section 11.07.

11.07 LIQUIDATED DAMAGES

The Parties acknowledge that efficient, consistent, and courteous operations of the Shoreway Center is of utmost importance and the Authority has considered and relied on Contractor's representations as to its quality of service commitment in entering into

this Agreement. The Parties further recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The Parties further recognize that if Contractor fails to achieve the performance standards identified in Attachment 10, the Authority will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of damages that the Authority will suffer. Therefore, the Parties agree that the liquidated damage amounts listed on Attachment 10 represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the Authority that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

Contractor Initial Here: _____ Authority Initial Here: _____

Contractor agrees to pay (as liquidated damages and not as a penalty) the amount set forth on Attachment 10.

The Authority may determine the occurrence of events giving rise to liquidated damages based upon any or all of the following: Contractor's reporting pursuant to Article 9 of this Agreement; the observation of the Authority's or Contractor's employees, agents or representatives; and/or through investigation and/or reports by any third party or parties.

The Authority may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement.

Contractor shall pay any liquidated damages assessed by the Authority within ten (10) days after they are assessed.

The Authority's right to recover liquidated damages for Contractor's failure to meet the service performance standards shall not preclude Authority from obtaining equitable relief for persistent failures to meet such standards nor from terminating the Agreement for such persistent failures.

Notwithstanding any other provision of this Agreement, if this Paragraph 11.07, Attachment 10, or any provision or requirement contained in either, is set aside or invalidated by a court for any reason, the provision and/or requirement that is set aside or invalidated shall be severed from the rest of this Agreement, and the Authority shall reserve and be entitled to any and all other rights and remedies available under this Agreement, law and equity.

11.08 AUTHORITY DEFAULT

The Authority shall be in default under this Agreement ("Authority Default") in the event the Authority commits a material breach of the Agreement and fails to cure such breach within thirty (30) days after receiving notice from the Contractor specifying the breach, provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, the Authority shall not be in default so long as the Authority promptly commences the cure and diligently proceeds to completion of the cure.

In the event of an asserted Authority Default, Contractor shall continue to perform all of its obligations hereunder until a court of competent jurisdiction has issued a final judgment declaring that the Authority is in default.

11.09 EXCUSE FROM PERFORMANCE

A. Force Majeure. Neither party shall be in default of its obligations under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to an "act of God" (including, but not limited to, flood, earthquake or other catastrophic events that have taken place at or in close proximity to the Shoreway Center), war, insurrection, riot, labor unrest of other than the party's employees (including strike, work stoppage, slowdown, sick out, picketing, or other concerted job action), or other similar cause not the fault of, and beyond the reasonable control of, the party claiming excuse. A party claiming excuse under this Section must (1) have taken reasonable precautions, if possible, to avoid being affected by the cause, and (2) notify the other party in writing as provided in Subsection C. This Section 11.09 A shall not apply to, nor shall it excuse any failure to satisfy or perform an obligation arising from, any "act of God," catastrophic event, war, insurrection, riot, labor unrest or similar cause that does not directly and immediately impact or affect Contractor's operations at the Shoreway Center. Indirect impacts and effects from such events and/or causes at remote locations and times are not intended to be included as "acts of God" or an event of Force Majeure under this Section 11.09.

B. Obligation to Restore Ability to Perform. Any suspension of performance by a party pursuant to this Section shall be only to the extent, and for a period of no longer duration than, required by the nature of the event, and the party claiming excuse shall use its best efforts to remedy its inability to perform as quickly as possible and to mitigate damages that may occur as result of the event.

C. Notice. The party claiming excuse shall deliver to the other party a written notice of intent to claim excuse from performance under this Agreement by reason of an event of Force Majeure. Notice required by this Section shall be given promptly in light of the circumstances, but in any event not later than five (5) days after the occurrence of the event of Force Majeure. Such notice shall describe in detail the event of Force Majeure claimed, the services impacted by the claimed event of Force Majeure, the expected length of time that the party expects to be prevented from performing, the steps which the party intends to take to restore its ability to perform, and such other information as the other party reasonably requests.

D. Authority's Rights in the Event of Force Majeure. The partial or complete interruption or discontinuance of Contractor's services caused by an event of Force Majeure shall not constitute a Contractor Default. Notwithstanding the foregoing: (i) the Authority shall have the right to make use of Contractor's facilities and equipment in the event of non-performance excused by Force Majeure; (ii) if Contractor's failure to perform by reason of Force Majeure continues for a period of thirty (30) days or more, the Authority shall have the right to immediately terminate this Agreement; (iii) if Contractor is unable to process and dispose of Solid Waste or arrange for recovery of Recyclable Materials as required by this Agreement for a period of two (2) or more consecutive days or for any three (3) days in a seven (7)-day period as a result of Force Majeure, the Authority shall have the right to make use of Contractor's property, and (iv) if Contractor's inability to process and dispose of Solid Waste or arrange for recovery of Recyclable Materials continues for ten (10) days or more from the date by which Contractor gave or should have given notice under Subsection C, the Authority may terminate this Agreement.

11.10 ASSURANCE OF PERFORMANCE

If the Authority in its reasonable judgment determines that Contractor (1) has repeatedly incurred liquidated damages under Section 11.07; (2) is the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (3) appears to be unable to regularly pay its bills as they become due; (4) is the subject of a civil or criminal proceeding brought by a federal, state, regional or local agency for violation of laws, regulations or permits in the performance of this Agreement, or (5) performs in a manner that causes uncertainty about Contractor's ability and intention to comply with this Agreement, the Authority may, at its option and in addition to all other rights and remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the Authority may require.

ARTICLE 12 OTHER AGREEMENTS OF THE PARTIES

12.01 RELATIONSHIP OF PARTIES

The parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by Authority and not as an officer or employee of the Authority nor as a partner of or joint venturer with the Authority. No employee or agent of Contractor shall be deemed to be an employee or agent of Authority. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the services performed under this Agreement, and over all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Contractor nor its officers, employees, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to Authority employees by virtue of their employment with Authority.

12.02 COMPLIANCE WITH LAW

In providing the services required under this Agreement, Contractor shall at all times comply with all applicable laws of the United States, the State, the City of San Carlos and with all applicable regulations promulgated by federal, state, regional or local administrative and regulatory agencies now in force and as they may be enacted, issued or amended during the Term, and with all permits affecting the services to be provided.

12.03 ASSIGNMENT

Contractor acknowledges that this Agreement involves rendering a vital service to Authority's residents and businesses, and that Authority has selected Contractor to perform the services specified herein based on (i) the experience, skill and reputation of Contractor's Members for conducting their operations in a safe, effective and responsible fashion, and (ii) the financial resources of Contractor's Members to maintain the required equipment and to support Contractor's indemnity obligations to Authority under this Agreement. Authority has relied on each of these factors, among others, in choosing Contractor to perform the services to be provided by Contractor under this Agreement.

A. Authority Consent Required. Contractor shall not assign its rights or delegate or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of Authority. Any such assignment made without the consent of Authority shall be void and the attempted assignment shall constitute a Contractor Default.

B. Assignment Defined. For the purpose of this Section, "assignment" shall include, but not be limited to, (i) a sale, exchange or other transfer to a third party of substantially all of Contractor's assets dedicated to service under this Agreement; (ii) a sale, exchange or other transfer of a membership interest in Contractor to a person who is not a Member as of the Effective Date which results in a change in control of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including insolvency or bankruptcy, an assignment for the benefit of creditors, a writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or

contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor. The term "assignment" also includes (1) any change in the identity of the members of the Contractor, (2) the sale or other transfer of substantially all of the assets of any member of the Contractor (including in the context of a bankruptcy or other insolvency proceeding or an assignment for the benefit of creditors), and (3) any event that results in a change of voting power, as defined in California Corporations Code, with respect to the persons who exercise such voting power in a member of Contractor on the date of this Agreement, other than a transfer to members of such person's immediate family.

C. Consent Requirements. If Contractor requests Authority's consideration of and consent to an assignment, Authority may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by Authority unless and until Contractor has met the following requirements:

1) Contractor shall pay Authority its reasonable expenses for attorneys' fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;

2) Contractor shall furnish Authority with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;

3) Contractor shall furnish Authority with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of solid waste/recycling management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not been the subject of any administrative or judicial proceedings initiated by a federal, state or local agency having jurisdiction over its operations due to an alleged failure to comply with federal, state or local laws or that the proposed assignee has provided Authority with a complete list of such proceedings and their status; (iii) that the proposed assignee conducts its operations in a safe and environmentally conscientious manner, in accordance with sound waste management practices in full compliance with all federal, state and local laws regulating the handling and transfer of waste and recyclable materials and all Environmental Laws; (iv) of any other information required by Authority to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

D. No Obligation to Consider. Authority will not be obligated to consider a proposed assignment if Contractor is in default.

12.04 SUBCONTRACTING

Contractor shall not engage any subcontractors to perform any of the services required of it by Articles 5 or 6 of this Agreement without the prior written consent of Authority. Contractor shall notify Authority no later than ninety (90) days prior to the date on which it proposes to enter into a subcontract. Authority may approve or deny any such request in its sole discretion.

12.05 AFFILIATED ENTITY

Contractor will not form or use any Affiliate to perform any of the services or activities which Contractor is required or allowed to perform under this Agreement, other than as a subcontractor approved by Authority under Section 12.04.

If Contractor enters into any financial transactions with an Affiliate for the provision of labor, equipment, supplies, services, or capital related to the furnishing of service under this Agreement, or for the purchase of Recyclable Materials, that relationship shall be disclosed to Authority, and in the financial reports submitted to Authority. In such event, Authority's rights to inspect records and obtain financial data shall extend to such Affiliate.

12.06 CONTRACTOR'S INVESTIGATION

Contractor has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding the Agreement and the work to be performed by it. Contractor has carefully reviewed the information in the Request for Proposals, and Addenda if any. Contractor has had the opportunity to inspect the Shoreway Center to review the permits governing its operation and the Authority's plans for its expansion and reconstruction. Contractor has had the opportunity to inspect the Designated Disposal Site, as well as the processing facilities which currently process materials from the Shoreway Center, and the contracts between the Authority and the owners/operators of each. Contractor has also had the opportunity to review audited financial statements of the current operator of the Shoreway Center. Contractor has taken such matters into consideration in agreeing to provide the services required by, for the compensation to be provided under, this Agreement.

12.07 NO WARRANTY BY AUTHORITY

While Authority believes that the information contained in the Request for Proposals is substantially correct, Authority makes no warranties in connection with this Agreement, including but not limited to the accuracy or completeness of the information contained in the Request for Proposals. The Authority expressly disclaims any warranties, express or implied, as to the merchantability or fitness for any particular purpose of Recyclable Materials delivered to the Shoreway Center.

12.08 CONDEMNATION

Authority reserves the rights to acquire the Contractor's property utilized in the performance of this Agreement through the exercise of eminent domain.

12.09 NOTICE

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall, except as provided in Section 11.02, be in writing and shall either be personally delivered to a representative of the parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to Authority: South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Attention: Executive Director

If to Contractor: SOUTH BAY RECYCLING, LLC

9189 DeGarmo Avenue

Sun Valley, CA 91352

Attention: John Richardson

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

Routine, day-to-day communications between the parties may be exchanged in a manner and between subordinate employees as the designated representatives of each party identified in Section 12.10 may agree.

12.10 REPRESENTATIVES OF THE PARTIES

A. Representatives of Authority. References in this Agreement to "Authority" shall mean the Authority Board of Directors and all actions to be taken by Authority shall be taken by the Authority Board of Directors except as provided below. The Authority Board of Directors may by formal action taken at an open meeting of the Board of Directors delegate authority to the Executive Director and may permit the Executive Director, in turn, to delegate in writing some or all of such authority to subordinate officers. Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

B. Representative of Contractor. Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Contractor in all matters related to the Agreement and shall inform Authority in writing of such designation and of any limitations upon his or her authority to bind Contractor. Authority may rely upon action taken by such designated representative as actions of Contractor unless they are outside the scope of the authority delegated to him/her by Contractor as communicated in writing to Authority.

12.11 DUTY OF CONTRACTOR NOT TO DISCRIMINATE

In the performance of this Agreement Contractor shall not discriminate, nor permit any subcontractor to discriminate, against any employee, applicant for employment, or user of the Shoreway Center on account of race, color, national origin, ancestry, religion, sex, age, physical disability, medical condition, sexual orientation, marital status, or other characteristic, in violation of any applicable federal or state law.

12.12 RIGHT TO INSPECT CONTRACTOR OPERATIONS

Authority shall have the right, but not the obligation, to observe and inspect all of the Contractor's operations under this Agreement. In connection therewith, Authority shall have the right to enter facilities used by Contractor during operating hours (and to enter the Shoreway Center at any time), speak to any of Contractor's employees and receive cooperation from such employees in response to inquiries. In addition, upon reasonable notice and without interference with Contractor's operations, Authority may review and copy any of Contractor's operational and business records related to this Agreement. If Authority so requests, Contractor shall make specified personnel available to

accompany Authority employees on inspections and shall provide electronic copies of records stored in electronic media.

12.13 RIGHT OF AUTHORITY TO MAKE CHANGES

Authority may, without amending this Agreement, direct Contractor to cease performing one or more types of service described in Articles 4, 5, or 6, may direct Contractor to modify the scope of one or more such services, may direct Contractor to perform additional solid waste handling services, or may otherwise direct Contractor to modify its performance under any other Section of this Agreement. Contractor shall promptly and cooperatively comply with such direction.

If such changes cause an increase or decrease in the cost of performing the services, or an increase or decrease in the amount of Revenue earned from the sale or other transfer of materials delivered to the Shoreway Center, an equitable adjustment in the Contractor's compensation shall be made pursuant to Section 7.11. Contractor will continue to perform the new or changed service while the appropriate adjustment in compensation is being determined.

12.14 TRANSITION TO NEXT SERVICE PROVIDER

At the expiration of the Term or the earlier termination of the Agreement, or upon Authority's approval of a proposed assignment, Contractor shall cooperate fully with Authority to ensure an orderly transition to any and all new service providers. Contractor shall provide, within ten (10) days of a written request by Authority, then-current accounting records and billing information. Contractor may, but is not required to, sell operations rolling stock, vehicles and equipment to the next service provider.

Contractor shall, at least 180 days prior to the transition of services, attend meetings with the next service provider and with Authority and Authority staff and consultants to plan for the transition to the new Contractor. Contractor shall perform in accordance with such plan and direct personnel to provide operations and transition assistance. Contractor will direct its employees to provide accurate information to the new provider about operations, customers and vendors of the facility.

12.15 REPORTS AS PUBLIC RECORDS

The reports, records and other information submitted or required to be submitted by Contractor to Authority are public records within the meaning of that term in the California Public Records Act, Government Code Section 6250 et seq. Unless a particular record is exempted from disclosure by the California Public Records Act, it must be disclosed to the public by Authority upon request.

Contractor will not object to Authority making available to the public any information submitted by the Contractor, or required to be submitted in connection with the Contractor's compensation, including but not limited to records described in Article 9.

12.16 DESTRUCTION OF PREMISES

If the facilities at the Shoreway Center are destroyed or damaged (by fire, earthquake or other similar event) so that operations as contemplated in this Agreement are impossible or commercially infeasible, Authority has the right, but no obligation, to repair or rebuild the facilities.

Authority will notify Contractor promptly (no later than 120 days after destruction or damage occurs) whether or not it will repair and rebuild the facilities.

If Authority elects not to repair and rebuild, this Agreement shall terminate 30 days after Authority notifies Contractor of that decision.

If Authority elects to repair and rebuild, then until reconstruction is sufficiently completed for Contractor to resume operations, the obligations of Contractor to perform and the obligations of Authority to pay compensation will both be abated or modified in a commercially reasonably and equitable manner reflecting, for example, the ability of Contractor to resume partial operations, and the compensation appropriately due for doing so.

ARTICLE 13 MISCELLANEOUS AGREEMENTS

13.01 GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

13.02 JURISDICTION

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the parties agree that this Agreement is made in and will be performed in San Mateo County.

13.03 BINDING ON SUCCESSORS

The provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the parties.

13.04 PARTIES IN INTEREST

Nothing in this Agreement is intended to confer any rights on any Persons other than the parties to it and their successors and permitted assigns.

13.05 WAIVER

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision.

13.06 ATTACHMENTS

Each of the Attachments, identified as Attachments “1” through “19,” is attached hereto and incorporated herein and made a part hereof by this reference.

13.07 ENTIRE AGREEMENT

This Agreement, including the Attachments, represents the full and entire agreement between the parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

13.08 SECTION HEADINGS

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

13.09 INTERPRETATION

Each party has participated in the preparation of this Agreement with the assistance of legal counsel to the extent desired. Accordingly, this Agreement shall be interpreted and construed reasonably and neither for nor against either party

13.10 AMENDMENT

This Agreement may not be modified or amended in any respect except by a writing signed by the parties.

13.11 SEVERABILITY

If a court of competent jurisdiction holds any non-material provision of this Agreement to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

13.12 COSTS AND ATTORNEYS' FEES

The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs expended in connection with such an action from the other party. However, each party shall bear its own attorneys' fees.

13.13 INDEMNITY AGAINST CHALLENGES TO AGREEMENT

Contractor shall indemnify, defend and hold harmless Authority, and its officers, employees and agents (collectively, the "Indemnitees") from and against any and all liability, claim, demand, action, proceeding or suit of any and every kind and description brought by a third person challenging the process by which Proposals were solicited and evaluated, or this Agreement was negotiated or awarded. Contractor's financial obligation under this section is limited to the expenditure of fifty thousand dollars ($50,000).

13.14 NO DAMAGES FOR INVALIDATION OF AGREEMENT

If a final judgment of a court of competent jurisdiction determines that this Agreement is illegal or was unlawfully entered into by Authority, neither party shall have any claim against the other for damages of any kind (including but not limited to loss of profits) on any theory.

13.15 REFERENCES TO LAWS

All references in this Agreement to laws and regulations shall be understood to include such laws and regulations as they may be subsequently amended or recodified, unless otherwise specifically provided. In addition, references to specific governmental agencies shall be understood to include agencies that succeed to or assume the functions they are currently performing.

IN WITNESS WHEREOF, Authority and Contractor have executed this Agreement as of the day and year first above written by their duly authorized officers.

SOUTH BAY RECYCLING, LLC
("Contractor")

By Its Board of Managers

Name:_____
(Appointed By Community Recycling and Resource Recovery, Inc.)

Name:_____
(Appointed By Potential Industries, Inc.)

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

By: _____
Chair, Board of Directors

ATTEST:

_____
Secretary

APPROVED:

_____
Executive Director

APPROVED AS TO FORM:

_____
Legal Counsel

ATTACHMENT 1 - DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement will have the meanings specified in this Attachment.

Acceptable Material(s)/ Targeted Recyclable Materials

"Acceptable Material(s)/Targeted Recyclable Materials" means the following items delivered to the Shoreway Center co-mingled or separated: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, office paper, paperboard, paper egg cartons, telephone books, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard; paper milk cartons; glass containers of any color (including brown, blue, clear, and green glass containers); aluminum (including food and beverage containers and foil; small pieces of scrap metal weighing less than 10 pounds and fitting into the Recyclable Materials collection container (excluding chain, cable, wire, banding, hand tools, and automotive parts); steel, tin or bi-metal containers; plastic containers (i.e., all plastic containers stamped with the Society for the Plastics Industry (SPI) code #1 through #7; and plastics that are not stamped but clearly can be identified as PET, HDPE, and PP). For Single-Family and Multi-Family Premises, Acceptable Recyclable Materials shall also include Used Motor Oil, Used Motor Oil Filters, Household Batteries, and Cell Phones.

Act

"Act" means the California Integrated Waste Management Act of 1989 (AB 939) Public Resources Code, Section 40000 et seq.

Affiliate

"Affiliate" means a Person which is related to Contractor by virtue of direct or indirect ownership interest or common management. An Affiliate includes a Person in which Contractor owns a direct or indirect ownership interest, a Person which has a direct or indirect ownership interest in Contractor and/or a Person which is also owned, controlled or managed by any Person which has a direct or indirect ownership interest in Contractor. Also called "Affiliated Company."

Authority

"Authority" means the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY, formed under the California Joint Exercise of Powers Act by the Member Agencies.

Agreement

"Agreement" means this Agreement, including the attachments.

Applicable Law

"Applicable Law" means all federal, State, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirements of any governmental agency having jurisdiction over the processing, transportation, and Disposal of Solid Waste, Recyclable Materials, Organic Materials and other materials covered by this Agreement that are in force on the Effective Date and as they may be enacted, issued or amended during the Term.

Basic Compensation

"Basic Compensation" means the payments to Contractor provided by Section 7.03.

Board of Directors

"Board of Directors" means the Authority board of directors.

Bunker Program

"Bunker Program" means the transfer station area and program designated for Self-haul Customers to deposit separated materials for recycling. Materials targeted for the Bunker Program include but are not limited to concrete, dirt, aggregate, carpet and carpet padding.

Buyback/Drop-off Center

"Buyback/Drop off Center" means the area at the Shoreway Center designated to receive Recyclable Materials from Self-Haul Customers for fee or payment. Also called the "Public Recycling Center."

Cell Phones

"Cell Phones" means all telephones used for mobile or cellular communications including batteries used to power cell phones.

Change in Law

"Change in Law" means any of the following events or conditions which has a material and adverse effect on the performance by the Parties of their respective obligations under this Agreement:

a. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation, on or after the Effective Date, of any Applicable Law; or

b. The order or judgment of any governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Authority, or of the Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute such a willful or negligent action, error or omission or lack of reasonable diligence.

Collection Contractor

"Collection Contractor" means the company under contract with one or more Member Agencies to collect Solid Waste, Organic Materials and Recyclable Materials and deliver them to the Shoreway Center.

Commencement Date

"Commencement Date" means the date specified in Section 2.02 when the Contractor is to begin operating the Shoreway Center.

Construction and Demolition Debris

"Construction and Demolition Debris" means materials resulting from construction, renovation, remodeling, repair, or demolition operations on any residential, commercial or other structure or pavement. Also called “C&D.”

Contamination

“Contamination” means materials that are delivered to the MRF and that accompany Acceptable Materials but which are not an Acceptable Material.

Contractor

"Contractor" means South Bay Recycling, LLC, a California limited liability company.

Contractor’s Compensation

"Contractor’s Compensation" means the monetary compensation to be received by Contractor in return for providing services in accordance with this Agreement, as described in Article 7.

Contractor’s Proposal

“Contractor’s Proposal” means the proposal submitted by Contractor and received on March 4, 2008 by the Authority in response to the November 1, 2007 Request for Proposals, and certain supplemental written materials (written responses to addenda and written correspondence submitted during the short list negotiation phase between July 25, 2008 and April 22, 2009).

County

“County” means the County of San Mateo.

Day

“Day” means calendar day unless otherwise specified.

Designated Disposal Site

"Designated Disposal Site" means the facility or facilities utilized for the landfill Disposal of Solid Waste, which shall be the Ox Mountain Sanitary Landfill near Half Moon Bay, unless and until the Authority designates a different or additional site.

Designated Processing Facility(ies)

“Designated Processing Facility” means one of the off-site facilities designated by the Authority as the location(s) for processing of Construction and Demolition Debris, Plant Materials, Organics and other fractions of the waste stream delivered to the Shoreway Center not delivered to the Designated Disposal Site.

Disposal

"Disposal" means the ultimate disposition of Solid Waste by Contractor at the Designated Disposal Site.

Disposal Agreement

“Disposal Agreement” means the agreement dated as of January 1, 2005 between the Authority and the operator of the Ox Mountain Sanitary Landfill.

Diversion

"Diversion" means the processing and recycling of materials received at the Shoreway Center for purposes other than Disposal.

Effective Date

"Effective Date" means the date identified in Section 2.01.

Electronic Waste (or E-Waste)

"Electronic Waste" or "E-Waste" means "Covered Electronic Wastes" as defined in Act (Section 42463 of Public Resources Code) including discarded electronic equipment such as, but not limited to, television sets, computer monitors, central processing units (CPUs), laptop computers, and peripherals (e.g., external computer hard drives, computer keyboards, computer mice, and computer printers).

Environmental Laws

"Environmental Laws" means all federal and State statutes, County, city and Authority ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC §6902 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances Control Act, 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the California Toxic Substances Control Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

Executive Director

"Executive Director" means the executive director of the Authority.

Federal

"Federal" means pertaining to the national government of the United States.

Food Scraps

"Food Scraps" means a subset of Organic Materials including: (i) all kitchen and table food waste, and animal or vegetable waste that attends or results from the storage, preparation, cooking or handling of foodstuffs, (ii) paper waste contaminated with Food Scraps, and (iii) biodegradable plastic food service ware.

Gate Fees

"Gate Fees" means the amounts, set by the Authority, to be collected from Self-Haul Customers by the Contractor and remitted to the Authority.

Generator

"Generator" means any Person whose act or process produces Solid Waste, Recyclable Materials, or Organic Materials, or whose act first causes Solid Waste to become subject to regulation.

Guarantors

"Guarantors" means the two corporations which are Members of Contractor and which have guaranteed Contractor's performance of the Agreement.

Guaranty

"Guaranty" means the document to be executed by the Guarantors in the form of Attachment 17.

Hazardous Substance

"Hazardous Substance" shall mean any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated there under to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable Federal, State or local Environmental Laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyls ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

Hazardous Waste

"Hazardous Waste" means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or in any future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the US Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated there under.

HHW

"HHW" means Household Hazardous Waste.

Holidays

"Holidays" means New Year's Day, Thanksgiving Day, and Christmas Day.

Holiday Trees

"Holiday Trees" means trees targeted for diversion that were purchased and used in celebration of Christmas and other holidays in December and January.

Household Batteries

"Household Batteries" means disposable or rechargeable dry cells (e.g., A, AA, AAA, B, C, D, 9-volt, button-type) commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, nickel metal hydride, alkaline, mercury, mercuric oxide, silver oxide, zinc oxide, nickel-zinc, nickel iron, lithium, lithium ion, magnesium, manganese, and carbon-zinc batteries, but excluding automotive lead acid batteries.

Implementation and Operation Plan

"Implementation and Operation Plan" means Contractor's plan set forth in Attachment 4.

Including

"Including" means including but not limited to.

Infectious Waste

"Infectious Waste" means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments that are identified in State Health and Safety Code Section 25117.5.

Liquidated Damages

"Liquidated Damages" means the amounts owed by Contractor to the Agency for failure to meet specific standards of performance as described in Section11.07.

Materials Marketing Plan

"Materials Marketing Plan" means Contractor's plan included in Attachment 11.

Materials Recovery Facility (MRF)

"Materials Recovery Facility" and "MRF" each mean the building at the Shoreway Center where Recyclable Materials are processed, sorted or separated for the purposes of recovering reusable or Recyclable Materials.

Member Agencies

"Member Agencies" means the following jurisdictions: 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.

Members

"Members" means the two corporations which own and control the Contractor as of the date of this Agreement. The Members are Community Recycling and Resource Recovery, Inc. and Potential Industries, Inc.

Minimum Self-Haul Diversion Guarantee

"Minimum Self-Haul Diversion Guarantee" means the amount of Self-haul materials that are to be Diverted from total inbound Self-haul tons, as provided in Section 7.08.

Operating Cost

"Operating Cost" means those costs actually incurred by Contractor, reasonably necessary to perform under this Agreement, and not otherwise specifically excluded in this Agreement.

Organic Materials

"Organic Materials" means materials that will decompose and/or putrefy. Organic Materials include Plant Materials such as green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small wood pieces, other types of organic yard waste, Food Scraps, paper, paper contaminated with Food Scraps, biodegradable plastic food service ware, pieces of unpainted and untreated wood, and pieces of unpainted and untreated wallboard.

Party(ies)

"Party(ies)" refers to the Authority and Contractor, individually or together.

Pass-Through Cost

"Pass-Through Cost" means a cost to which no element of overhead, administrative expense, or profit is added, such that the specific amount of such cost is included without modification in the calculations or reports prepared in implementing this Agreement.

Person

"Person" means any individual, firm, company, association, organization, partnership, corporation, trust, joint venture, the United States, the State, the County, towns, cities, or special purpose districts.

Plant Materials

"Plant Materials" means a subset of Organic Materials consisting of grass cuttings, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees (not more than six (6) inches in diameter and five (5) feet in length), and similar materials. Plant Materials does not include materials not normally produced from gardens or landscape areas, such as brick, rock, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil, and painted or treated wood products.

Previous Contractor

"Previous Contractor" means the company responsible for operating the Shoreway Center as of the date of this Agreement, i.e., Republic Waste Services, Inc.

Rates

"Rates" means the monetary amounts to be charged to Customers by Contractor.

Rate Year

"Rate Year" means the twelve-month period, commencing January 1 of one year and concluding December 31 of the same year, for which Contractor's Compensation is calculated.

Recycling

"Recycling" means the process of sorting, cleansing, treating and reconstituting materials that would otherwise be disposed of at a landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused or reconstituted products.

Recyclable Materials

"Recyclable Materials" means discarded materials that can be re-used, remanufactured, reconstituted, or recycled.

Related Party Entity

"Related Party Entity" means any Affiliate which has a financial transaction with Contractor pertaining to this Agreement.

Request for Proposals (RFP)

"Request for Proposals" means the document released by the Authority in November 2007 inviting proposals to operate the Shoreway Center and including the following addenda which Contractor acknowledges receiving: Addendum One, issued November 1, 2007; Addendum Two, issued January 4, 2008; Addendum Three, issued January 25, 2008; Addendum Four, issued January 29, 2008; Addendum Five, issued February 1, 2008; Addendum Six, issued February 29, 2008.

Residue or Residual

"Residue" means any unmarketable material that results from the processing of materials received at the MRF.

Revenue

"Revenue" means any and all compensation in any form earned by Contractor from the sale or other transfer of Recyclable Materials, Organic Materials and other materials delivered to the Shoreway Center.

Revenue Guarantee

"Revenue Guarantee" means the minimum dollar amount identified in Section 7.07 which Contractor is obligated to pay Authority for a Rate Year, irrespective of the amount of Revenue earned in that Rate Year.

SBWMA

"SBWMA" means the Authority.

SBWMA Service Area

"SBWMA Service Area" means the geographic area within and, where applicable, outside the Member Agencies' combined jurisdictional boundaries wherein the Member Agencies exercise franchising authority for the collection of Solid Waste, Recyclable Materials, and Organic Materials, as those boundaries are currently drawn or as they may be changed through annexations or the addition of new Member Agencies.

Self-Haul / Self-Haul Customer(s)
"Self-Haul / Self-Haul Customer(s)" means materials, and Customer(s) that haul these materials to the Shoreway Center, other than the Collection Contractor(s).

Shoreway Center

"Shoreway Center" means the Shoreway Recycling and Disposal Center owned by the Authority, located at 225 and 333 Shoreway Road, San Carlos, California. The Shoreway Center contains the Transfer Station and the MRF. The Shoreway Center is also referred to as the "SRDC," "Facility," and "Shoreway Environmental Center."

Single-Stream Recyclable Materials

"Single-Stream Recyclable Materials" shall mean Recyclable Materials which have been commingled by the Generator and placed in a container for the purposes of collection.

Solid Waste

"Solid Waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, as defined in California Public Resources Code Section 40191. For the purposes of this Agreement, "Solid Waste" does not include abandoned vehicles and parts thereof, Hazardous Waste or low-level radioactive waste, medical waste, Source Separated Recyclable Materials, Source Separated Plant Materials, or Source Separated Organic Materials.

Source Separated

"Source Separated" means materials which otherwise would become Solid Waste, but which have been segregated by the Generator, such as Recyclable Materials or Organic Materials, for the purpose of reuse, Recycling, or composting, to be collected by the Collection Contractor.

State

"State" means the State of California.

Subcontractor

"Subcontractor" means a Person which has entered into a contract with the Contractor for the performance of work that is necessary for the Contractor's fulfillment of its obligations under this Agreement.

Term

"Term" means the Term of this Agreement.

Ton (or Tonnage)

"Ton (or Tonnage)" means a unit of measure for weight equivalent to 2,000 pounds where each pound contains 16 ounces.

Targeted Recyclable Materials

"Targeted Recyclable Materials" means Acceptable Material(s).

Transfer Station

"Transfer Station" means the building located at the Shoreway Center whose primary purpose is to effect the transfer of Solid Waste from collection vehicles to Transfer Vehicles for more efficient delivery to the Designated Disposal Site.

Universal Waste (or U-Waste)

"Universal Waste," or "U-Waste," means all wastes defined by Title 22, Subsections 66273.1 through 66273.9 of the California Code of Regulations. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and Electronic Waste.

Unpermitted Materials

"Unpermitted Materials" mean wastes or other materials that the Shoreway Center is not permitted to receive, including Hazardous Waste and Hazardous Substances.

Used Motor Oil

"Used Motor Oil" means used motor oil from automobiles and other light duty vehicles which are collected from cars at Residential Premises by the Collection Contractor.

Used Motor Oil Filter

"Used Motor Oil Filter" means a used motor oil filter from automobiles and other light duty vehicles which is collected from Residential Premises by the Collection Contractor.

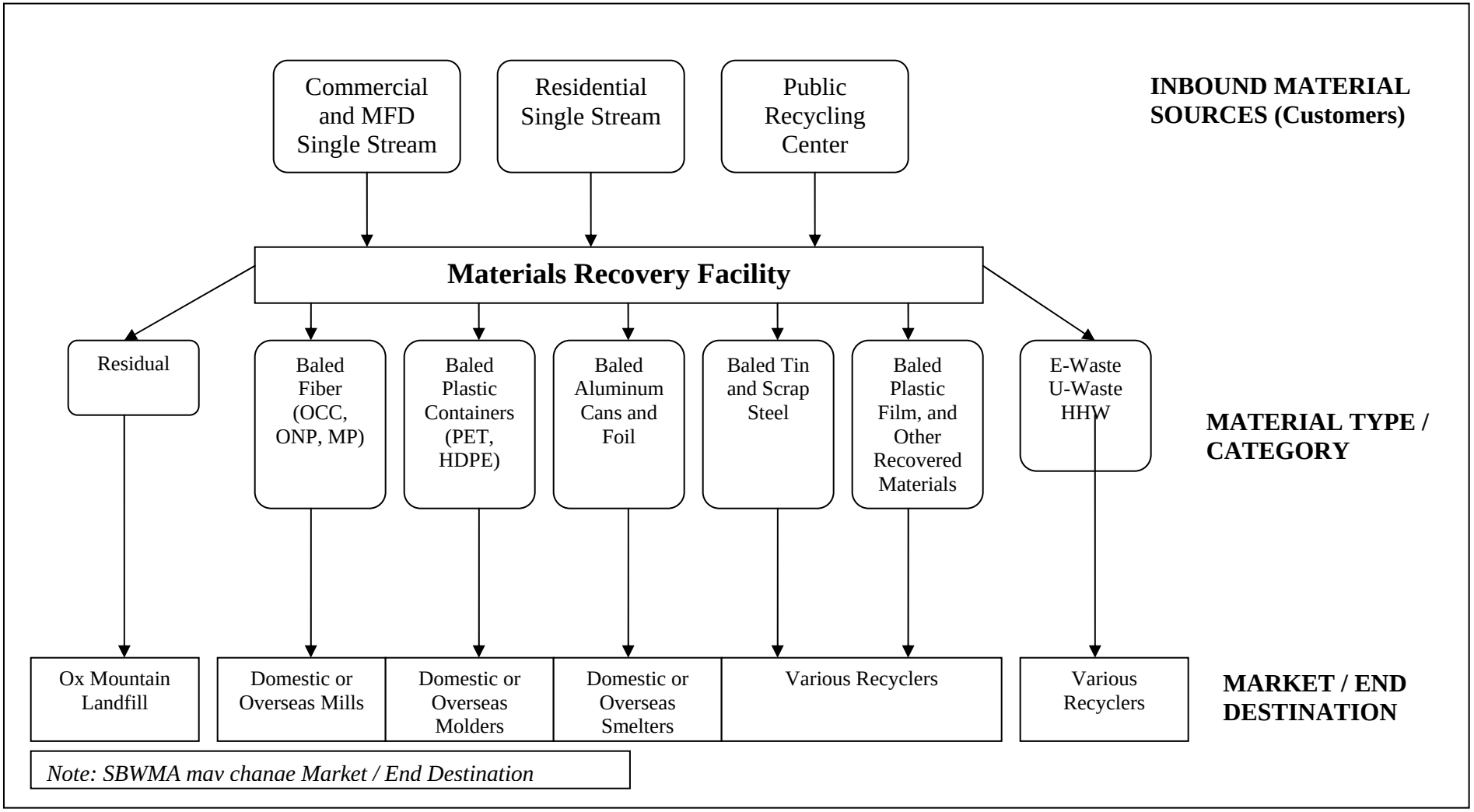
Transfer Vehicles

"Transfer Vehicles" mean the truck and trailer units used to transport Solid Waste from the Shoreway Center to the Designated Disposal Site or other material to Designated Processing Facilities.

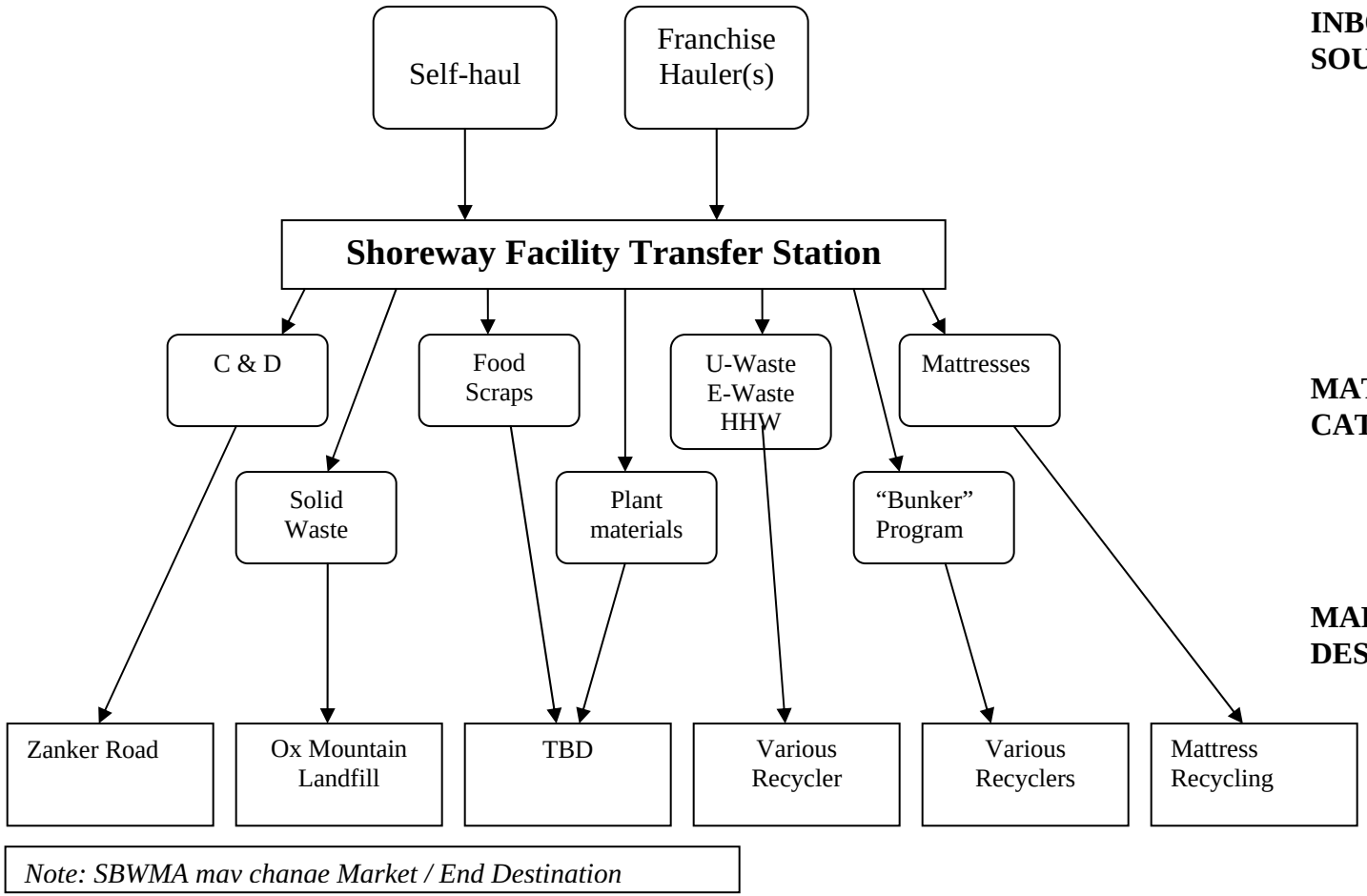
White Goods

"White Goods" means refrigerators, stoves, hot water heaters, and similar large appliances.

Attachment 2-D.2
MRF Materials Flow Diagram



Attachment 2-D
Shoreway Facility Transfer Station Materials Flow Diagram



ATTACHMENT 2E

Contamination Measurement Methodology: Single Loads

MEASURED CONTAMINATION LEVELS

The Contractor is expected to successfully process individual loads delivered to the Shoreway Center that do not contain contamination in excess of the following percentages by weight of load.

Table 1

Materials Delivered to MRF	
• Single Family Residential Targeted Recyclable Materials	15%
• Commercial and Multi-Family Residential Targeted Recyclable Materials	15%
Materials Delivered to Transfer Station	
• Commercial and Multi-Family Residential Plant Materials	5%
• Commercial Organic Materials	10%
• Single Family Residential Organic Materials	5%

If visual inspection of a load causes Contractor to suspect that it contains contamination in excess of the foregoing levels (Table 1), it may direct that the load be set aside for sampling in accordance with the methodology specified for single load measurement in this Attachment 2-E.

If upon visual inspection of an inbound load, the Contractor believes it exceeds the contamination threshold percentage, it will isolate the load and immediately contact a designated representative from both the Collection Contractor and the Authority prior to conducting any contamination sampling. Representatives of the Collection Contractor and the Authority will be provided the opportunity to inspect the isolated load within four (4) hours of being notified by the Contractor. If the Collection Contractor or the Authority is interested in observing the sampling and testing of the load, the Contractor will schedule time for sampling that is within eight (8) hours of having provided notification.

If the measured contamination level for the load, as determined by the methodology set out in this Attachment 2-E, does not exceed the contamination level above in Table 1, then Contractor (1) shall process the load as required by the Agreement, and (2) shall be responsible for the cost of the contamination measurement procedure.

If a load delivered to the MRF exceeds the 15 percent level above in Table 1, but the Contractor considers it to be salvageable (or if the Authority directs that it be processed), then the Contractor shall process it and will be entitled to the supplementary processing fee provided for in Section 7.06.A for all Tons above the allowable level of contamination.

If a load delivered to the Transfer Station exceeds the maximum contamination level in Table 1 by five percent (5%) or less, then the load shall be processed and Contractor will be entitled to the supplementary processing fee provided for in Section 7.06.B for all Tons above the allowable level of contamination.

If a load delivered to the MRF is determined to contain contamination in excess of the levels specified in Table 1, and is determined by the Authority to be unsalvageable, it is to be delivered to the Designated Disposal Site by the Contractor. For this load, the Contractor will be paid the Transfer Station fee per Section 7.03.A and the Transportation Payment per Section 7.03.C for Solid Waste. The Contractor will not be paid the MRF Fee per Section 7.03.B for this load.

If a load delivered to the Transfer Station exceeds the applicable maximum contamination level above by more than five percent (5%) it is to be delivered to the Designated Disposal Site by the Contractor. For example, if the maximum contamination level is five percent (5%), then a load which contains eleven percent (11%) or more of contamination is to be disposed.

In addition, if the measured contamination level in a load selected by Contractor to be set aside for sampling exceeds the applicable maximum contamination level, then the Authority will be responsible for the cost of the measurement procedure.

CONTAMINATION MEASUREMENT METHODOLOGY

This Attachment presents the methodology for quantifying the Contamination Level of single load(s) of Recyclable Materials Collected in the Service Area and delivered to the Designated Transfer and Processing Facility by the Collection Contractor.

This Attachment is organized into the following six (6) sections:

1. **Objectives**–describes the purpose of the methodology.
2. **Sampling rationale**–defines which loads will be sampled.
3. **Sampling allocation**–describes the number of samples required to provide a sufficient level of accuracy in findings.
4. **Test procedures**–describes sampling and sorting activities for each load.
5. **Sorting categories**-describes the sorting categories.
6. **Calculations**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. sample *data collection forms*
3. *equipment list*

1. Objectives

This methodology is designed to estimate the Contamination Level (as a percentage by weight of the entire load) in an individual load from five (5) inbound material types Collected in the Service Area. These material streams are listed below and described further in Section 3.

- Commercial Source Separated and Targeted Recyclable Materials
- Commercial Organic Materials
- Commercial Plant Materials
- Single-Family Targeted Recyclable Materials
- Single-Family Organic Materials

The methodology described herein is intended to produce consistent and statistically reliable estimates of the Contamination Level of individual loads from above material streams. In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

2. Sampling rationale

Loads may be selected for sampling when observation of the load by AUTHORITY or Facility Operator indicates that it may exceed the allowed Contamination Level. A statistical sampling process will be used to determine the Measured Contamination Level in individual loads.

3. Sampling allocation

Approximately five (5) samples, each weighing approximately one hundred and fifty (150) pounds, are required from an individual load in order to calculate the Measured Contamination Level with a sufficient level of accuracy for every material stream except Commercial Organic Materials. Because of the variability typically found in loads of

Commercial Organic Materials, approximately fifteen (15) samples of two hundred (200) pounds are required for sampling to achieve the specified level of accuracy.

The recommended numbers of samples are based on the following factors:

1) An analysis of the composition variability among samples that were sorted during waste characterization studies of similar waste streams and programs in other West Coast communities.

2) A agreement on the acceptable level of accuracy.

Table 1 indicates the statistical confidence intervals (error ranges) at the ninety percent (90%) confidence level that are expected to result from characterizing five (5) samples per load, or fifteen (15) samples per load in the case of Commercial Plant Materials.

Table 1: Samples per Load and Results

Material stream	Estimated sample weight	Number of samples	Expected statistical error range
Commercial Source-Separated and Targeted Recyclable Materials	150 lbs.	5	4%
Commercial Organic Materials	200 lbs.	15	7%
Commercial Plant Materials	150 lbs.	5	1%
Single-Family Targeted Recyclable Materials	150 lbs.	5	2%
Single-Family Organic Materials	150 lbs.	5	1%

The error ranges shown above shall be interpreted as follows. When the calculation method described below provides the Measured Contamination Level of a load, the estimate will be expressed in terms of percent by weight of the entire load. The error range around the estimate reflects a percent by weight of the entire load. Thus, if the Measured Contamination Level for a given material stream is five percent (5%), plus or minus one percent (1%), then ninety percent (90%) confidence that the Contamination is between four percent (4%) and six percent (6%) of the entire load is achieved.

It is expected that a two (2) person crew can obtain, sort, and weigh five (5) samples in a five (5) to seven (7) hours period.

4. Test procedures

Test procedures are broken down in to the following steps, which shall be used by AUTHORITY, or a third party designated by the AUTHORITY.

- Safety training and staff coordination
- Sampling and sorting area designation
- Sample selection
- Sample sorting
- Sample disposal
- Data management

These steps are described in more detail following the definitions of roles. Each step is the responsibility of a specific person or group of people as follows:

- ***sampling crew manager***—responsible for selecting samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- ***sampling crew***—responsible for sorting samples.
- ***facility manager***—responsible for coordinating with the *sampling crew manager*.
- ***tipping floor staff***—responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- ***loader operator(s)***—responsible for segregating the selected the load from other loads in the designated sampling and sorting area.

Safety training and staff coordination

When the *sampling crew manager* and the *sampling crew* arrive at the Designated Transfer and Processing Facility they will participate in any required safety training and put on all required personal protective equipment (see the *equipment list* shown in Appendix 3). The *sampling crew manager* will also walk through the process of extracting samples from the designated load with both the *loader operator(s)* and the *tipping floor staff*.

Sampling and sorting area designation

With the input of the *tipping floor staff* and the *loader operator(s)*, the *sampling crew manager* and *sampling crew* will set up in the designated sampling and sorting area near the tipping floor. The sorting area should be in a location near the load to be sampled and from which the loader can safely remove samples after sorting.

Sample selection

Five (5) cells will be randomly selected for sampling using a random number generator for all material streams except commercial organics. Fifteen (15) cells will be selected for the commercial organics material stream.

The *sampling crew manager* will assist the *loader operator* in locating the appropriate cell for each sample using the sample cell map in Figure 1 below.

After the loader has extracted the material in the selected cell, the *sampling crew manager* will guide the loader to a designated tarp. Using visual cues the *sampling crew manager* will ensure the *loader operator(s)* deposits the proper quantity of material on the tarp. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket cannot collect.

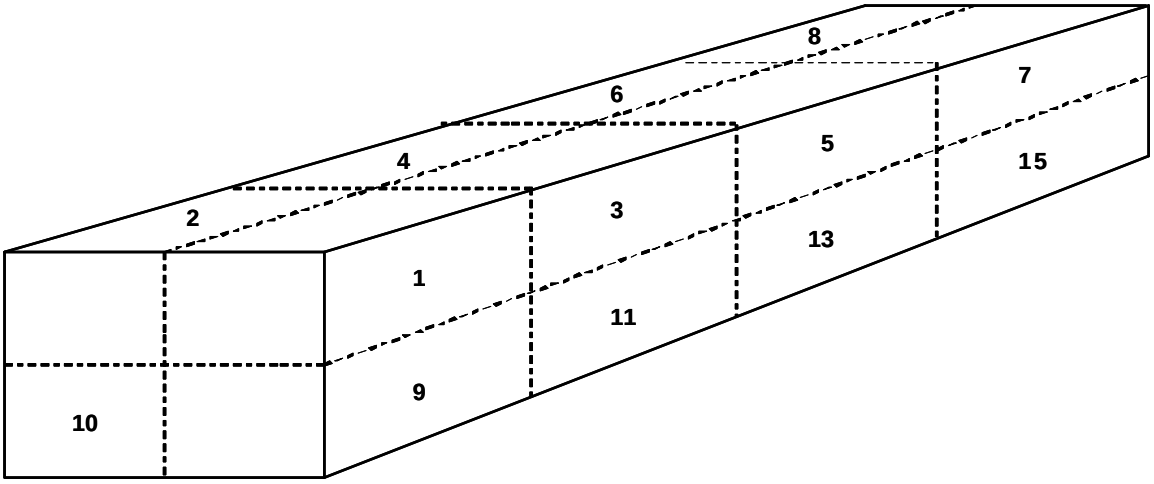
Pulling the tarp is a basic test used to estimate sample weight.[1] If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it

[1] Samples of Commercial Source-Separated and Targeted Recyclable Materials, Single-Family Targeted Recyclable Materials, and Commercial Plant Materials shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Single-Family Organic Materials shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.

is determined that a sample is too light it may be increased by removing or adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted but samples must be prevented from mixing with each other and with other material on the tipping floor. The *sampling crew manager* will place a unique sample placard on each sample for a photograph and, if the sample is not immediately sorted, for later identification. The placard is marked with a unique sample identification number and additional information (such as the date) used to identify loads in photographs and correlate load net weights with sample details. Each placard will be coded according to its corresponding sampling population (e.g., 'RSS-1' indicates the first load of Residential single-stream recycling). Each load will be photographed individually with the sample placard visible and legible.

Figure 1: Sixteen (16) cell grid



Sample sorting

The sample idenfication number, as designated by the placard, will be recorded on the tally form (see Appendix 2 for an example of this form.) The sample will be moved into the designated sorting area. Next, the *sampling crew* will sort the Contamination materials, as defined in Appendix 1, out of the load and into sort containers. The *sampling crew* will then weigh the Contamination materials while the *sampling crew manager* records the weights on the tally form. The remainder of the load–all acceptable items–will be put into containers, weighed, and recorded on the tally form. The *sampling crew manager* is responsible for monitoring the homogeneity of material in each container and ensuring the accuracy of the sorting process. At the end of each sampling day the *sampling crew* will comply with any *tipping floor staff* directions regarding cleaning the designated sampling and sorting area and storing sampling and sorting supplies.

Sample disposal

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* will move the sorted material to a location where it is safe and convenient for the loader to remove.

Data management

At the end of each sampling day, the *sampling crew manager* will review all forms for accuracy and completeness. Any issues shall be resolved immediately while the day's work is still fresh in the mind. To ensure the tally forms are not lost before inputting the data into an electronic form, copies shall be made of all completed forms and copies will be kept in a place separate from the originals. One copy of the forms will be mailed or hand delivered to the person inputting the data into an electronic form.

The appendices cover calculations, data collection forms, and an equipment list for this study.

5. Sorting categories

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

1) Contamination
2) Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials

6. Calculations

Estimates of Contamination and Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials will be calculated using a method that gives equal weighting or "importance" to each sample within a given stream. Confidence intervals (error ranges) will be calculated based on assumptions of normality in the composition estimates.

In the descriptions of calculation methods, the following variables will be used:

- i denotes an individual sample.
- j denotes the material type.
- c_j is the weight of the material type j in a sample.
- w is the weight of an entire sample.
- r_j is the composition estimate for material j (r stands for *ratio*).
- a denotes a region of the state (a stands for *area*).
- s denotes a particular sector or subsector of the waste stream.
- n denotes the number of samples in the particular group that is being analyzed at that step.

Estimating the Composition

The following method will be used to estimate the composition of waste belonging to the Commercial Source-Separated and Targeted Recyclable Materials, Commercial Organic

Materials, Commercial Plant Materials, Single-Family Targeted Recyclable Materials, and Single-Family Organic Materials streams.

For a given stream, the composition estimate denoted by r_j represents the ratio of the component's weight to the total weight of all the samples in the stream. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given stream and dividing by the sum of the total weight of waste for all of the samples in that stream, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \qquad (1)$$

where:

- c = weight of particular component
- w = sum of all component weights
- for i = 1 to n, where n = number of selected samples
- for j = 1 to m, where m = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

	Sample 1	**Sample 2**	**Sample 3**
Weight (c) of carpet	5	3	4
Total Sample Weight (w)	80	70	90

$$r_{Carpet} = \sum \frac{5+3+4}{80+70+90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05, or 5 percent (5%). In other words, 5 percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\mathrm{Var}(r_j) \approx \left(\frac{1}{n}\right)\left(\frac{1}{\overline{w}^2}\right)\left(\frac{\sum_i \left(c_{ij} - r_j w_i\right)^2}{n-1}\right) \qquad (2)$$

where:

$$\overline{w} = \frac{\sum_i w_i}{n} \qquad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm \left(z\sqrt{\mathrm{Var}(r_j)}\right) \qquad (4)$$

where z = the value of the z-statistic (1.645) corresponding to a 90 percent (90%) confidence level.

Appendix 1: Methodology checklist

Roles and responsibilities

- **sampling crew manager—**responsible for selecting samples, working with Facility staff and the sampling crew, quality control, and compliance with Facility regulations.
- **sampling crew—**responsible for sorting samples.
- **Facility manager—**responsible for coordinating with the sampling crew manager, AUTHORITY, and drivers.
- **tipping floor staff—**responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- **loader operator(s)—**responsible for segregating the selected load from other loads in the designated sampling and sorting area.

- **Advanced preparation**
  - *Project manager:*
    - Contact *facility manager*
      - Ask *facility manager* to update the following employees with the sampling plan:
        - *Loader operator(s)*
        - *Tipping floor staff*
      - Request safety expectations
      - Schedule safety training
      - Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)
    - Obtain safety gear (Appendix 3)
      - Check safety gear
    - Obtain sorting equipment (Appendix 3)
      - Check sorting equipment
    - Print tally sheets (Appendix 2)
      - Print on "Rite in the Rain" all-weather paper
  - *Sampling crew* and *sampling crew manager*
    - Review material list
    - Review data collection forms
    - Review unique site requirements

- **Arrival at Facility**
  - *Sampling crew:*
    - Arrive at Facility ahead of schedule
    - Participate in any required safety training
    - Don safety gear
  - *Sampling crew manager:*
    - Arrive at Facility ahead of schedule
    - Reviews logistics and expectations with MRF manager
    - Participate in any required safety training
    - Don safety gear

- **Tipping floor coordination**
  - *Sampling crew manager:*
    - Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
      - *Loader operator(s)* can visually communicate with sampling crew
      - *Loader operator(s)* can safely remove sorted loads
      - Approximately twenty (20) feet by twenty (20) feet
    - Explain and walkthrough the sampling process with both the *tipping floor staff* and the *loader operator(s)*
      - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
      - Explain that the *sampling crew manager* is responsible for identifying the portion of the load that the *loader operator(s)* will sample
      - Explain the appropriate samples size. Samples of Commercial Source-Separated and Targeted Recyclable Materials, Single-Family Targeted Recyclable Materials, and Commercial Plant Materials shall weigh between one hundred and twenty five (125) pounds and one hundred and seventy five (175) pounds. Samples of Commercial Organic Materials and Single-Family Organic Materials shall weigh between one hundred and seventy five (175) pounds and two hundred and twenty five (225) pounds.
      - Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin
  - *Sampling crew*:
    - Set up designated sampling sorting area
      - Sorting table
      - Baskets
      - Digital scale(s)

- **Sample collection**
  - *Tipping floor staff*:
  - *Sampling crew manager*:
    - Direct *loader operator(s)* to pre-selected sampling cell
    - Direct *loader operator(s)* to designated tarpaulin
    - Signal *loader operator(s)* with tipping instructions
    - Pull tarp to test for appropriate sample weight
    - Place placard in the load
    - Photograph load
      - Placard should be visible and legible
    - Wrap and segregate load until ready to sort
  - *Loader operator(s):*
    - Pinch/scoop sample, as directed by the *sampling crew manager*
    - Tip sample on designated tarpaulin, as directed by the *sampling crew* manager
  - *Sampling crew*:
    - May assist *sampling crew manager* at any point

- **Sample sorting**
  - *Sampling crew*:

- Move the sample into the designated sampling/sorting area
- Sort the sample
  - Sort Contamination materials into designated baskets
- Assist the *sampling crew manager* with weighing the baskets
- Assist the *sampling crew manager* with weighing the remainder material

- *Sampling crew manager*:
  - Record the sample ID onto the tally sheet
  - Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
  - Sort the sample
    - Sort all Contamination material into designated baskets
  - Weigh baskets containing Contamination materials, and record weights on the tally sheet
    - Ensure homogeneity of materials
  - Weigh remainder material and record weights on the tally sheet
    - Ensure all Contamination materials are removed

- **Sample disposal**
  - *Sampling crew manager* and *sampling crew*:
    - Dispose of all materials in a designated disposal area
  - *Loader operator(s)*:
    - Remove disposed materials when it is safe and convenient

- **Data management**
  - *Sampling crew manager*:
    - Review all forms for accuracy and completeness
      - Tally sheet(s)
  - *Project manager*:
    - Check all forms for accuracy and completeness
      - Tally sheet(s)
    - Copy all data forms
      - Store copies separate from the originals
    - Download pictures from camera
    - Provide copies of data for electronic input
    - Ensure data entry is checked for accuracy

Appendix 2: Data collection forms

Appendix consists of copies of each of the following two (2) data collection forms:

- sampling placard
- tally sheet

Figure 2: Example Sampling placard

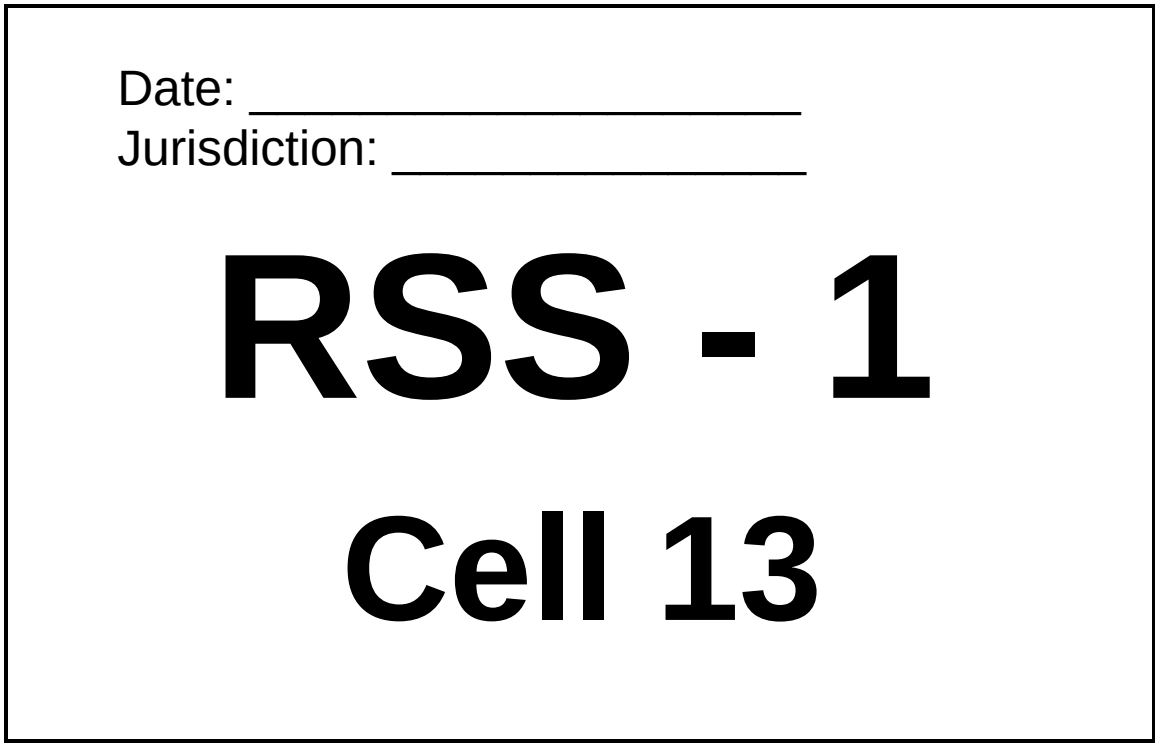


Figure 3: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling

RethinkWaste
South Bayside Waste Management Authority

						DATE:		SAMPLE ID:	
CONTAMINANTS	Container 1								
	Container 2								
	Container 3					SAMPLING POPULATION:		SAMPLE WEIGHT:	
	Container 4								
	Container 5								
	Container 6					TIME:		TRUCK NO.:	
	Container 7								
	Container 8								
	Container 9					LOAD NO.:		CELL NO.:	
	Container 10								
ACCEPTABLE	Container 1								
	Container 2								
	Container 3					NOTES:			
	Container 4								
	Container 5								
	Container 6								
	Container 7								
	Container 8								
	Container 9								
	Container 10								

Appendix 3: Equipment list

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

Sorting equipment:

- Approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to two hundred (200) pounds, accurate to one-tenth (1/10) of a pound)
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- data collection forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

Safety equipment:

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments

ATTACHMENT 2- F
MRF Equipment Acceptance Test Procedures

General Testing Requirements

The purpose of MRF Equipment Acceptance Test is to verify that the MRF processing system, as designed and manufactured, is capable of operating at the performance levels required under the Agreement. The Contractor shall be responsible to perform the start-up and acceptance test of the MRF processing system to demonstrate compliance with all requirements of the Equipment Acceptance Test.

During Equipment Acceptance Test, the Contractor shall operate the processing system in accordance with staffing levels specified in Attachment 9, and according to the specified method of operation described in the Contractor's Implementation and Operations Plan in Attachment 4. For the purposes of the Equipment Acceptance Test, the Contractor shall not operate MRF processing system in any manner which is inconsistent with the Contractor's Implementation and Operations Plan, nor shall the Contractor utilize additional personnel above and beyond those specified in the Attachment 9, to achieve the Equipment Acceptance Test. The required sorters must be properly trained, and work efficiently to achieve industry standard number of sort picks per minute.

Acceptance Test Process

The Equipment Acceptance Test will be conducted over three (3) consecutive operating days. The operating day shall be eight (8) hours in duration inclusive of scheduled break periods (e.g. lunch, break, and scheduled clean-up). The start-time, break-time, end-time will be predetermined by the Contractor and approved by the Authority. The processing system run-time during the Equipment Acceptance Test, will be equal to time the system is running and does not include scheduled break-times. Each operating day, the Contractor is allowed thirty (30) minutes of unscheduled downtime. Equipment stoppages that are not equipment related shall not be regarded as system downtime.

The following data will be recorded during the Equipment Acceptance Test:

1. The individual and aggregate weights of all Process Materials (product and residual) generated during the Equipment Acceptance Test.
2. Start-time, break-time, stop-time, downtime, and total run-time.
3. Logs of all maintenance, repairs, and adjustments to processing system performed by the Contractor during each test period.
4. General observations about the processing system's performance during the test period.

Process Materials

The Process Materials for the Equipment Acceptance Test shall be commercial and residential materials as collected by the Collection Contractor within the SBWMA service area If the test is conducted prior to SBWMA residential single stream material being available for the test, the Process Materials will be prepared at the Shoreway facility by: (i) importing single stream materials from a Bay Area location that has similar demographics to the SBWMA's area; or (ii) by mixing the collected source separated fiber and container streams collected from inbound curbside route trucks.

Process Materials shall be clean, not have excessive moisture nor be unduly compacted. Ninety-five percent (95%) by weight of Process Materials shall consist of Targeted Recyclable Materials consisting of approximately 45% ONP, 15% Mix Paper, 15% OCC, 1.5% Ferrous Metal, 1.5% PET, 1% HDPE natural, 1% HDPE color, 0.5% Mixed Rigid Plastic, 0.4% Aluminum cans, 12% glass, and 1% mixed metals.

System Processing Rate

The processing system shall meet the following system processing rates:

a) System will maintain an average processing rate of ≥30 tons per hour of comingled residential single stream Process Material.
b) System will maintain an average process rate of ≥15 tons per hour of the commingled commercial single stream Process Material.

The hourly processing rate will be determined by dividing the total amount of Process Material (the aggregate weight all products and residual collected after the run) over the three (3) day testing period by the total number of run hours.

Product Quality Test

The Product Quality Test will be conducted simultaneously with the Equipment Acceptance Test. During the test period all Process Materials shall be processed and recovered in accordance with the processing system design, and all resulting products shall be deposited in their designated containers (or bales). At the conclusion of each operation day, total tonnage of each product type will be recorded.

The Authority or designee shall sample each of the recycled products streams from each of the system outputs according to the procedures specified in Attachment 2-E Materials Sampling and Testing Procedure. Each of the MRF products must meet or exceed the Product Quality Standards in Attachment 2-G.

System Residual Generation

Residual will be collected from all points of generation within the processing system and be aggregated into a container for sampling. To determine the percentage of Residual generated by the processing system, the aggregate weight of Residual for the operating day will be compared to the total tons of Processed Material run for the day. The Residual shall be less than ten percent (10%) by weight. Less than two percent (2%) by weight of the residual shall be composed of whole pieces of recyclable material.

Materials that fall to the floor can be collected by the Contractor and re-run during the Equipment Acceptance Test. Any materials remaining on the floor at the conclusion of the Equipment Acceptance Test will be considered Residual (except for materials that are delivered to the floor as intended in the processing system design).

System Acceptance

The processing system shall be deemed to be accepted after it meets the requirements in this Equipment Acceptance Test. If any individual requirement is not met, then the processing system will not be accepted until that requirement is met. The Authority may choose to remove an Equipment Acceptance Test requirement if it determines that an individual requirement of the Equipment Acceptance Test has no negative economic impact to the Authority and Contractor. The system may also be accepted by the authority if after considering all elements of the Acceptance Test criteria, there is not a net negative economic effect to the Authority and Contractor.

Attachment 2-G
Product Quality Standards

The following Product Quality Standards are to be followed by the Contractor at all times to ensure that there is effective recovery of materials and that quality products are produced by the single-stream processing system and marketed by the Contractor. All measurements of percentage in the Product Quality Standards are by weight and the samples for testing the Product Quality Standards (unless otherwise noted) will be randomly selected from product prepared by the Contractor for sale. The sampling and testing procedure to determine if the Product Quality Standards have been met by the Contractor are described in Attachment 2-E, Materials Sampling and Testing Procedure.

ONP and OCC Products

At a maximum, no more than twenty-five percent (25%) of the newspaper (ONP) and old corrugated containers (OCC) fed into the Processing System will be recovered in the mixed paper product. Residual will not contain greater than two percent (2%) ONP or OCC products (defined as whole or intact sheets of fiber and does not include shredded, torn, wet, or soiled paper).

Container Glass Product

Glass product sold by the Contractor will have less than ten percent (10%) non-glass contamination consisting of fiber and metals of a size less than or equal to two inches (2") measured in any one direction.

Aluminum Product

At a minimum, ninety-nine and a half percent (99.5%) of the aluminum cans fed into the processing system shall be recovered as Product and shall contain not more than 0.2% by weight non-aluminum contamination. Not more than 0.2% by weight of the aluminum cans fed into the processing system shall be disposed as Residual.

PET Product

At a minimum, ninety-eight (98%) of the PET bottles fed into the process system shall be recovered as PET product. PET product shall contain less than two percent (2%) contaminants. Not more than one percent (1%) by weight of PET containers fed into the processing system shall be disposed as Residual. Dirty, obscured, clumped and interlocked materials; bottles with liquid content in excess of ten percent (10%); or with labels covering more than fifty (50%) of the bottle will be excluded from samples taken for determining the Product Quality Standard unless they are otherwise recovered.

HDPE Product

At a minimum, ninety-eight (98%) of the HDPE containers fed into the process system shall be recovered as HDPE product. HDPE product shall be sorted into natural and colored and each product shall contain less than two percent (2%) contaminants. Not more than one percent (1%) by weight of HDPE containers that are fed into the processing system shall be disposed as Residual. Dirty, obscured, clumped and interlocked materials; bottles with liquid content in excess of ten percent (10%); or with labels covering more than fifty percent (50%) of the bottle will be excluded from test samples taken for determining the Product Quality Standard unless they are otherwise recovered.

ATTACHMENT 2H
Contamination Measurement Methodology: Quarterly Sampling

This Attachment presents the methodology for quantifying the Contamination Level in five (5) distinct Recyclable Materials streams Collected from Service Area by the Collection Contractor.

This Attachment is organized into the following six (6) sections:

1. **Objectives**–describes the purpose of the methodology.
2. **Sampling rationale**–presents key sample groupings for the methodology, based on the Agency and material stream.
3. **Sampling allocation and calendar**–describes the number of samples required to provide a sufficient level of accuracy in findings and outlines a schedule that provides representative and sufficient data to meet quarterly and annual sampling goals.
4. **Field procedures**–describes sampling activities for each sorting day.
5. **Sorting categories**–describes the sorting categories.
6. **Use of the calculation tool**

Appendices 1 through 3 consist of:

1. *methodology checklist*
2. sample *data collection forms*
3. *equipment list*

1. Objectives

This methodology is designed to estimate the Contamination Level (as a percentage by weight of the entire load) in an individual load from any of five (5) Recyclable Materials streams Collected in the Service Area as follows:[1]

- Commercial Source-Separated and Targeted Recyclable Materials
- Commercial Organic Materials
- Commercial Plant Materials
- Single-Family Targeted Recyclable Materials
- Single-Family Organic Materials

The methodology described herein is intended to produce consistent and statistically reliable estimates of the Contamination Level in the five (5) specified material streams.

[1] For the purposes of this methodology, a Contamination material is a material placed in a Recyclable Materials Container that is not an acceptable material for that specific Collection service. An example is an aluminum can placed in an Organic Materials Cart.

In addition, the methodology is designed to require the minimum necessary organizational time and financial investment.

2. Sampling rationale

Load samples shall be collected from each of the five (5) specified material streams. The sampling plan considers the participating AUTHORITY Member Agencies as a single source of materials generation. Material streams originating from the Service Area will be considered as separate sampling populations. A total of forty-eight (48) samples shall be collected from each sampling population to achieve the desired level of statistical accuracy. In certain cases, an individual Agency may be selected for focused sampling when there is reason to believe that material coming from that Agency exceeds the established maximum Contamination Level.

3. Sampling allocation and calendar

Approximately forty-eight (48) samples are required per sampling population to achieve the desired accuracy to reflect the Contamination Levels over a one (1) year timeframe. The forty-eight (48) samples can be sorted in single sampling events; however, this preferred sorting frequency shall reflect collecting and sorting twelve (12) samples in each of four (4) calendar quarters to capture seasonal variations.

The recommended numbers of samples are based on the following factors:

1) An analysis of the composition variability among samples that were sorted during waste characterization studies of similar waste streams and programs in other west coast communities.
2) An agreement on the acceptable level of accuracy

Table 1 indicates the statistical confidence intervals (error ranges) at the ninety percent (90%) confidence level that are expected to result from characterizing twelve (12) samples per quarter and forty-eight (48) samples per year with respect to each material stream.

Table 1: Samples per Load and Results

		Quarterly samples and results		Annual samples and results	
Material stream	**Estimated sample weight**	**Number of samples**	**Approximate statistical error range**	**Number of samples**	**Approximate statistical error range**
Commercial Source-Separated and Targeted Recyclable Materials	150 lbs	12	3%	48	1.5%
Commercial Organic Materials	200 lbs	12	8%	48	4% to 5%
Commercial Plant Materials	150 lbs	12	1%	48	0.5%
Single-Family Targeted Recyclable Materials	150 lbs	12	2%	48	1%
Single-Family Organic Materials	150 lbs	12	1%	48	0.5%

The error ranges shown above shall be interpreted as follows. When the calculation method described below provides the Measured Contamination Level in a material stream, the estimate will be expressed in terms of percent by weight of the entire material stream. The error range around the estimate reflects a percent by weight of the entire material stream. Thus, if the Measured Contamination Level in a given material stream is five percent (5%), plus or minus one percent (1%), then ninety percent (90%) confidence that the Contamination Level is between four percent (4%) and six percent (6%) of the total material stream is achieved.

It is expected that a two (2) person crew can collect, sort, and weigh approximately twelve (12) samples in an eight (8) to ten (10) hour period, assuming a constant supply of samples is available. Therefore, two (2) sorters working approximately five (5) days per quarter will collect and sort the desired number of samples to assess all five (5) material streams, assuming there are enough inbound loads during that time period to provide the desired number of samples.

To capture seasonal variations, sampling events will be conducted during each of the four (4) calendar quarters. In addition, sampling events will be scheduled to avoid days during and immediately following major holidays, and will be scheduled within each quarter to match as closely as possible with a single collection cycle for Contractor.

4. Field Procedures

The field procedures are described in the following nine (9) steps, and shall be followed by the applicable party (i.e., Contractor, Operator, AUTHORITY, or a third party designated by the AUTHORITY).

- Advanced preparation for regularly scheduled testing

- Arrival at Facility for regularly scheduled testing
- Scale house coordination
- Tipping floor coordination
- Load selection
- Sample collection
- Sample sorting
- Sample disposal
- Data management

The above field procedures or steps are described in more detail following the explanation of roles. Each step is the responsibility of a specific person or group of people as follows:

- ***sampling crew manager—***responsible for selecting samples, working with Operator and the *sampling crew*, quality control, and compliance with Facility regulations.
- ***sampling crew—***responsible for sorting samples.
- ***MRF manager—***responsible for coordinating with the *sampling crew manager*.
- ***scale house staff—***responsible for selecting vehicles, distributing sample placards, and directing drivers towards the sampling area.
- ***tipping house staff—***responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- ***loader operator(s)—***responsible for segregating the selected load from other loads in the designated sampling and sorting area.
- ***project manager—***responsible for managing the sampling process.
- ***facility manager—***responsible for managing day-to-day operations at the Designated Transfer and Processing Facility
- ***Contractor-***- responsible for informing the scale house staff of load origin and type and for passing sample placards to the sampling crew manager

Advanced preparation for regularly scheduled testing

Before each sampling day, the *sampling crew manager* will contact the *MRF manager* and require the *MRF manager* to remind the *scale house staff*, *tipping house staff*, *loader operator(s)*, *Contractor*, and all other affected staff of the sampling plan. The *project manager* will also require the *facility manager* to provide the site's safety standards and disclose if any additional safety training will be required on site. In addition, the *project manager* will obtain and inspect all safety equipment and all sorting equipment (see list of supplies in Appendix 3), and develop and print all daily sampling quotas, vehicle selection sheets, placards, and tally sheets prior to beginning each sampling event. See Appendix 2 for sample forms.

Contractors, AUTHORITY staff and/or third parties will meet all requirements of and receive formal training in the safety requirements of the Facility.

Arrival at Facility for regularly scheduled testing

The *sampling crew* and *sampling crew manager* will arrive at the Designated Transfer and Processing Facility prior to the agreed upon start time to participate in any required safety training and to put on all required personal protective equipment. Before the start time, the *sampling crew manager* will also cover logistics with the *MRF manager*, as well as any needs and expectations for the study period (regardless of the amount of advance communication conducted.)

Scale house coordination

The *sampling crew manager* will speak with the *scale house staff* to explain the basic objectives of the study and provide the *scale house staff* with a copy of the vehicle selection sheet, as well as sampling placards to identify selected loads (see Appendix 2 for examples of field forms.) The *sampling crew manager* will ensure the *scale house staff* understands the needs of the study throughout the day, allowing the *scale house staff* to plan for transitions such as scheduled breaks and shift changes. Additionally, the *sampling crew manager* will provide the scale house staff with a means of contacting the sampling crew manager throughout the day.

The *scale house staff* is responsible for selecting vehicles using the vehicle selection sheet, provided by the *sampling crew manager*. The *scale house staff* will also distribute sampling placards to the *Contractor*.

Tipping floor coordination

With the input of the *MRF manager* and the *loader operator(s)*, the *sampling crew manager* will determine locations for two (2) designated sampling/sorting areas on or near the tipping floors. There will be one designated sampling/sorting area on the Organic Materials tipping floor and one area on the recyclables tipping floor. These sampling/sorting areas will be in a location in which the *sampling crew* can identify designated loads entering the tipping area, the *loader operator(s)* can visually communicate with the *sampling crew*, and the *loader operator(s)* can safely remove samples after sorting.

Once the *sampling crew manager* has determined the locations, the *sampling crew* will set up the designated sampling/sorting areas. The *sampling crew manager* will then walk through the process of extracting samples from selected loads with both the *loader operator(s)* and the *tipping house staff*.

Load selection

When a target Collection vehicle arrives at the Designated Transfer and Processing Facility, the *scale house staff* will confirm the material stream and origin of the load (e.g., Single-Family Targeted Recyclable Materials from the north geographic area). The *scale house staff* will copy the sample cell number from the Collection vehicle selection form onto the appropriate sample placard and provide the placard to the driver. A cell number represents the location within a load from which a sample will be extracted and is defined by the map in Figure 1. Additionally, the *scale house staff* will record the load's net weight on the vehicle selection sheet.

The *scale house staff* will instruct the driver to place the placard in a highly visible place at the front of the truck (e.g., on the dashboard), and will direct the driver where to unload.

The placard is the signal to the *sampling crew* that a load selected for sampling has arrived. The placard is marked with a unique sample identification number and additional information used to randomly select cells, identify loads in photographs, and correlate net weights with sample details. Each placard will be coded according to its corresponding sampling population (e.g., 'O-S-01' indicates a load of Single-Family Organic Materials from the south geographic area).

Sample collection

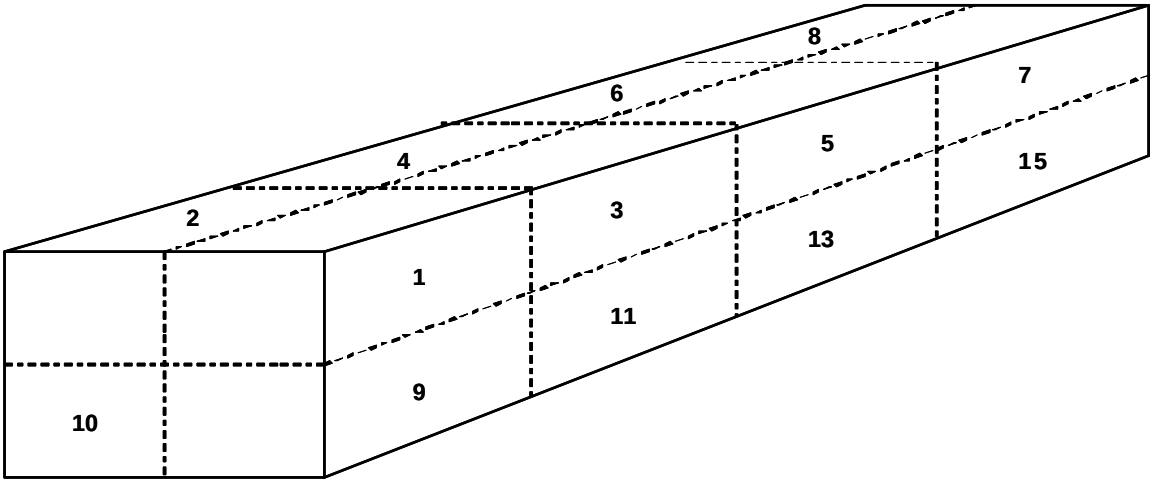
The *tipping house staff* will direct the driver to empty the entire truckload of material in an elongated pile on a designated dumping area. To the extent possible, this area shall be clean and the unloaded material shall be segregated from other loads on the tipping floor. The location of the unloading area may change during any given day.

The *sampling crew manager* will collect the placard from the *Contractor* and, once the load is emptied, will assist the *loader operator(s)* in locating the appropriate cell for the sample, as noted on the sample placard, using the map shown in Figure 1. The *loader operator(s)* will then extract the material in the selected cell. The *sampling crew manager* will guide the *loader operator(s)* to a designated tarpaulin, and will ensure that the proper quantity of material (one-hundred and twenty five (125) to two hundred and twenty five (225) pounds, depending on the material stream) is unloaded on the tarpaulin. A shovel may be used to add material from the bottom of the cell to ensure the sample includes some heavy and small material that the loader bucket failed to collect.

Pulling the tarpaulin taught is a basic test used to estimate sample weight. If it is determined that a sample is too heavy it may be lightened by removing vertical slices from the sample. If it is determined that a sample is too light it may be increased by adding more material. It is important to add or remove all material in the slice from the top to bottom, to ensure that both small, heavy, and loose materials and large, light, and bagged materials are added or removed.

Samples can be queued and stored on tarps until sorted, but samples shall be kept separate. The *sampling crew manager* will place the sample placard on its respective sample for a photograph and, if the sample is not immediately sorted, wrap the sample in its tarpaulin for later sampling. The *sampling crew manager* will photograph each load individually with the sample placard visible and legible.

Figure 1: Sixteen (16) Cell Grid



Sample sorting

The *sampling crew manager* will record the sample identification number, as designated by the placard, on the tally form (see Appendix 2 for an example of this form).

The *sampling crew* will move the sample into the designated sampling/sorting area. The *sampling crew* and the *sampling crew manager* will sort the Contamination materials, as defined in Section 5, out of the load and into designated sort receptacles. The *sampling crew* will then weigh the Contamination materials and the *sampling crew manager* will record the weights on the tally form. The remainder of the load–all acceptable items–will be put into receptacles, weighed, and recorded by the *sampling crew manager* on the tally form.

The *sampling crew manager* is responsible for monitoring the homogeneity of material in each receptacle and ensuring the accuracy of the sorting process. For increased efficiency, the *sampling crew manager* shall be responsible for either pre-programming the scale with the receptacle tare weights, or recording the receptacle tare weights for subtraction later. At the end of each sampling day the *sampling crew* and *sampling crew manager* must comply with any Facility directions regarding cleaning the designated sampling/sorting area and storing sampling and sorting supplies.

Sample disposal

After the weight of all material in each sample is recorded on the tally sheet, the *sampling crew* and the *sampling crew manager* will move the sample to a location where it is safe and convenient for *the loader operator(s)* to remove.

Data management

At the end of each sampling day, the *sampling crew manager*, Contractor and AUTHORITY shall review all forms for accuracy and completeness to ensure timely resolution of any disputes or issues that may arise. The *sampling crew manager* will collect the vehicle selection sheets from the *scale house staff* and ensure that net weights have been recorded for each selected load.

To ensure the vehicle selection and tally forms are not lost before inputting the data into an electronic form, the *sampling crew manager* will make copies of all completed forms

and will keep the copies in a separate place from the originals. The *sampling crew manager* will ensure a copy of the form is delivered within one (1) day to the person inputting the data into an electronic form.

5. Sorting categories

All loads identified for sorting shall be sorted and weighed into the following two (2) categories:

1) Contamination
2) Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials

6. Calculations

Estimates of Contamination and Targeted Recyclable Materials, Source-Separated Targeted Recyclable Materials, Organic Materials, or Plant Materials will be calculated using a method that gives equal weighting or "importance" to each sample within a given stream. Confidence intervals (error ranges) will be calculated based on assumptions of normality in the composition estimates.

In the descriptions of calculation methods, the following variables will be used:

- *i* denotes an individual sample.
- *j* denotes the material type.
- c_j is the weight of the material type *j* in a sample.
- *w* is the weight of an entire sample.
- r_j is the composition estimate for material *j* (*r* stands for *ratio*).
- *a* denotes a region of the state (*a* stands for *area*).
- *s* denotes a particular sector or subsector of the waste stream.
- *n* denotes the number of samples in the particular group that is being analyzed at that step.

Estimating the Composition

The following method will be used to estimate the composition of waste belonging to the Commercial Source-Separated and Targeted Recyclable Materials, Commercial Organic Materials, Commercial Plant Materials, Single-Family Targeted Recyclable Materials, and Single-Family Organic Materials streams.

For a given stream, the composition estimate denoted by r_j represents the ratio of the component's weight to the total weight of all the samples in the stream. This estimate will be derived by summing each component's weight across all of the selected samples belonging to a given stream and dividing by the sum of the total weight of waste for all of the samples in that stream, as shown in the following equation:

$$r_j = \frac{\sum_i c_{ij}}{\sum_i w_i} \qquad (1)$$

where:

- c = weight of particular component
- w = sum of all component weights
- for i = 1 to n, where n = number of selected samples
- for j = 1 to m, where m = number of components

For example, the following simplified scenario involves three samples. For the purposes of this example, only the weights of the component *carpet* are shown.

	Sample 1	**Sample 2**	**Sample 3**
Weight (*c*) of carpet	5	3	4
Total Sample Weight (*w*)	80	70	90

$$r_{Carpet} = \sum \frac{5+3+4}{80+70+90} = 0.05$$

To find the composition estimate for the component *carpet*, the weights for that material are added for all selected samples and divided by the total sample weights of those samples. The resulting composition is 0.05, or 5 percent (5%). In other words, 5 percent (5%) of the sampled material, by weight, is *carpet*. This finding is then projected onto the stratum being examined in this step of the analysis.

The confidence interval for this estimate will be derived in two (2) steps. First, the variance around the estimate will be calculated, accounting for the fact that the ratio included two (2) random variables (the component and total sample weights). The variance of the ratio estimator equation follows:

$$\mathrm{Var}(r_j) \approx \left(\frac{1}{n}\right)\left(\frac{1}{\overline{w}^2}\right)\left(\frac{\sum_i \left(c_{ij} - r_j w_i\right)^2}{n-1}\right) \qquad (2)$$

where:

$$\overline{w} = \frac{\sum_i w_i}{n} \qquad (3)$$

(For more information regarding Equation 2, please refer to *Sampling Techniques, 3rd Edition* by William G. Cochran [John Wiley & Sons, Inc., 1977].)

Second, precision levels at the 90 percent (90%) confidence level will be calculated for a component's mean as follows:

$$r_j \pm \left(z\sqrt{\mathrm{Var}(r_j)}\right) \qquad (4)$$

where *z* = the value of the *z*-statistic (1.645) corresponding to a 90 percent (90%) confidence level.

Appendix 1: Methodology checklist

Roles and responsibilities

- ***sampling crew manager*—**responsible for selecting samples, working with Facility staff and the *sampling crew*, quality control, and compliance with Facility regulations.
- ***sampling crew*—**responsible for sorting samples.
- ***MRF manager*—**responsible for coordinating with the *sampling crew manager*, AUTHORITY, and drivers.
- ***scale house staff*—**responsible for selecting vehicles, distributing sample placards, and directing drivers towards the sampling area.
- ***tipping house staff*—**responsible for identifying loads potentially contaminated beyond the acceptable threshold, creating a designated sampling and sorting area, and ensuring segregation of selected loads in that area.
- ***loader operator(s)*—**responsible for segregating the selected load from other loads in the designated sampling and sorting area.
- ***project manager*—**responsible for managing the sampling process.
- ***facility manager*—**responsible for managing day-to-day operations at the Designated Transfer and Processing Facility.
- ***Contractor-***- responsible for informing the scale house staff of load origin and type and for passing sample placards to the sampling crew manager.

- **Advanced Preparation**
  - *Project Manager*
    - Contact *MRF manager*
      - Confirm study dates
      - Ask *MRF manager* to update the following employees with the sampling plan:
        - *scale house staff*
        - *loader operator(s)*
        - *tipping house staff*
        - *Contractor*
        - Any other affected staff
      - Share study quotas
      - Request expected traffic volumes
      - Request safety expectations
      - Schedule safety training
      - Ask if there are any circumstances that may affect the study (i.e., weather, animals, site construction, etc.)
    - Obtain safety gear (Appendix 3)
      - Check safety gear
    - Obtain sorting equipment (Appendix 3)
      - Check sorting equipment
    - Develop and print daily sampling quotas (Appendix 2)
    - Develop and print vehicle selection sheets (Appendix 2)

- Print tally sheets (Appendix 2)
  - Print on “Rite in the Rain” all-weather paper
- *Sampling crew* and *sampling crew manager*
  - Review material list
  - Review field forms
  - Review study requirements
  - Review unique site requirements
  - Review quotas

- **Arrival at Facility**
  - *Sampling crew:*
    - Arrive at Facility ahead of schedule
    - Participate in any required safety training
    - Don safety gear
  - *Sampling crew manager:*
    - Arrive at Facility ahead of schedule
    - Reviews logistics and expectations with MRF manager
    - Participate in any required safety training
    - Don safety gear

- **Scale House Coordination**
  - *Sampling crew manager:*
    - Explain the basic objective of the study to the *scale house staff*
    - Explain the responsibilities of the *scale house staff*
    - Explain the needs of the study despite breaks and shift changes
      - Encourage *scale house staff* to plan transitions for breaks and shift changes
    - Provide *scale house staff* with vehicle selection sheet
    - Discuss expected vehicle traffic
      - Ask *scale house staff* if this is reasonable
    - Provide *scale house staff* with sampling placards
    - Provide *scale house staff* with sampling crew manager’s cell phone number

- **Tipping Floor Coordination**
  - *Sampling crew manager:*
    - Designate a designated sampling/sorting area on each tipping floor (2) with input from tipping floor staff and loader operator(s), meeting the following criteria:
      - *sampling crew* can see selected loads entering the tipping floor area
      - *Loader operator(s)* can visually communicate with sampling crew
      - *Loader operator(s)* can safely remove sorted loads
      - Approximately twenty (20) feet by twenty (20) feet
    - Explain and walkthrough the sampling process with both the *tipping house staff* and the *loader operator(s)*
      - Explain how trucks with placards are samples
      - Explain that samples must be dumped in a clean area, separate from other loads (called a designated dumping area)
      - Explain that the *sampling crew manager* is responsible for collecting the placard and responsible for identifying the portion of the load that the *loader operator(s)* will sample

- Explain that each sample is between one hundred and twenty five (125) and two hundred and twenty five (225) pounds
- Explain that the *sampling crew manager* will be responsible for guiding the *loader operator(s)* to the appropriate tarpaulin
- Note: Explanation will need to be repeated for each designated sorting area

- *Sampling crew*:
  - Set up designated sampling sorting area one
    - Sorting table
    - Baskets
    - Digital scale(s)
  - Set up designated sampling sorting area two
    - Sorting table
    - Baskets
    - Digital scale(s)

- **Sample Collection**
  - *Tipping house staff*:
    - Direct load to a designated dumping area
  - *Sampling crew manager*:
    - Collect placard from *Contractor*
    - Direct *loader operator(s)* to pre-selected sampling cell
    - Direct *loader operator(s)* to designated tarpaulin
    - Signal *loader operator(s)* with tipping instructions
    - Pull tarp to test for appropriate sample weight
    - Place placard in the load
    - Photograph load
      - Placard should be visible and legible
    - Wrap and segregate load until ready to sort
  - *Loader operator(s):*
    - Pinch/scoop sample, as directed by the sampling crew manager
    - Tip sample on designated tarpaulin, as directed by the *sampling crew manager*
  - *Sampling crew*:
    - May assist *sampling crew manager* at any point

- **Sample Sorting**
  - *Sampling crew*:
    - Move the sample into the designated sampling/sorting area
    - Sort the sample
      - Sort Contamination materials into designated baskets
    - Assist the *sampling crew manager* with weighing the baskets
    - Assist the *sampling crew manager* with weighing the remainder material
  - *Sampling crew manager*:
    - Record the sample identification number onto the tally sheet
    - Assist the *sampling crew* in moving the sample into the designated sampling/sorting area
    - Sort the sample
      - Sort Contamination materials into designated baskets
    - Weigh Contamination baskets and record weights on the tally sheet
      - Ensure homogeneity of materials

- Weigh remainder material and record weights on the tally sheet
  - Ensure all Contamination materials are removed

- **Sample Disposal**
  - *Sampling crew manager* and *sampling crew*:
    - Dispose of all materials in a designated disposal area
  - *Loader operator(s)*:
    - Remove disposed materials when it is safe and convenient

- **Data Management**
  - *Sampling crew manager*:
    - Collect vehicle selection sheets from the *scale house staff*
    - Review all forms for accuracy and completeness
      - Vehicle selection sheet(s)
      - Tally sheet(s)
  - *Project Manager*
    - Check all forms for accuracy and completeness
      - Vehicle selection sheets(s)
      - Tally sheet(s)
    - Copy all data forms
      - Store copies separate from the originals
    - Download pictures from camera
    - Provide copies of data for electronic input
    - Ensure data entry is checked for accuracy

Appendix 2: Example Data collection forms

Appendix 2 consists of copies of each of the following three (3) data collection forms

- Collection vehicle selection sheet
- sampling placard
- tally sheet

Figure 2: Example Collection Vehicle selection sheet

Vehicle Selection Sheet
SBWMA: Contamination Sampling

RethinkWaste
South Bayside Waste Management Authority

Sampling Date: June 25, 2009
1st Load Arrives At: 9:00:00 AM
Notes: Betty working at scale house, helped with sampling before.

Truck No.	Load No.	ETA	Sampling Population	Sample ID	Sample Cell	Vehicle Type	Number of samples	Net Weight (pounds)	Notes
2238	1	9:00	CSS - N	CSS-1	3	FL	1		
1318	1	9:00	RSS - S	RSS-1	8	FL	1		
1310	1	10:30	CO - E	CO-1	4	FL	1		
2305	2	12:00	CO - W	CO-2	2	FL	1		
1227	1	13:00	CSS - E	CSS-2	1	FL	1		
1313	1	13:00	RO - E	RO-1	9	FL	1		
1308	1	13:30	CGW - N	CGW-1	7	FL	1		
2240	1	14:00	CGW - N	CGW-2	1	FL	1		
2243	2	14:00	RO - W	RO-2	7	FL	1		
1317	2	15:30	CSS - N	CSS-3	2	RO	1		
Multi Sample Loads									
1319	2	15:30	CGW - E	CGW-3&4	6,13	FL	2		
1309	2	15:30	RSS - N	RSS-2&3	9,1	FL	2		
CONTINGENCY SAMPLES									
1316	1	11:30	RSS - N		7	FL	1		
2244	2	11:30	RO - W		14	FL	1		

Any Additional Samples or notes?

Figure 3: Example Sampling placard

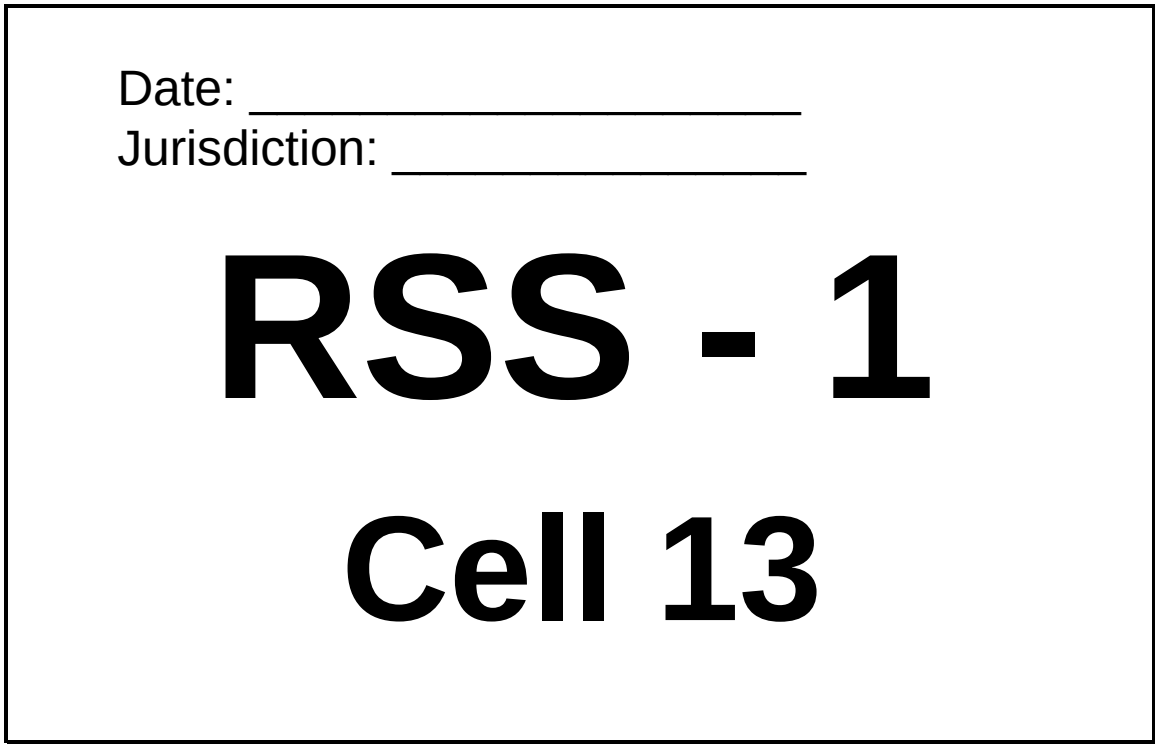


Figure 4: Example Tally sheet

South Bayside Waste Management Authority: Contamination Sampling

RethinkWaste
South Bayside Waste Management Authority

						DATE:		SAMPLE ID:	
CONTAMINANTS	Container 1								
	Container 2								
	Container 3					SAMPLING POPULATION:		SAMPLE WEIGHT:	
	Container 4								
	Container 5								
	Container 6					TIME:		TRUCK NO.:	
	Container 7								
	Container 8								
	Container 9					LOAD NO.:		CELL NO.:	
	Container 10								
ACCEPTABLE	Container 1								
	Container 2								
	Container 3					NOTES:			
	Container 4								
	Container 5								
	Container 6								
	Container 7								
	Container 8								
	Container 9								
	Container 10								

Appendix 3: Equipment list

Appendix 3 provides a list of equipment necessary for all sampling and sorting activities. Extra safety equipment should be available to ensure the safety of observers or others at the sorting site.

Sorting equipment:

- approximately twenty (20) identical sorting containers (e.g. laundry baskets or five (5) gallon buckets)
- square point shovels
- rakes
- push brooms
- digital scale, battery powered (weigh up to four hundred (400) pounds, accurate to one-tenth (1/10) of a pound)
- spare batteries for the scale
- fifteen (15) to twenty (20) ten (10) foot by twelve (12) foot or similar size tarps
- clipboards
- field forms printed on Rite in the Rain paper
- permanent markers
- mechanical pencils
- tape measures
- utility knives, scissors
- duct tape
- ten (10) to fifteen (15) Carts
- ten (10) to fifteen (15) plastic receptacles
- four (4) metal eight (8) foot by twelve (12) foot tables
- one (1) metal work desk with drawer
- erasable placards and markers
- digital camera with extra flash card
- moisture probe
- six (6) special pallets with solid tops
- three (3) six cubic yard Bins
- three (3) three cubic yard Bins

Safety equipment:

- dust masks (N-95 or better)
- safety glasses
- hearing protection
- steel-toed work boots
- puncture resistant gloves
- glove liners (latex or nitrile)
- leather work gloves
- reflective safety vests (Brite Lime)
- hard hats
- safety/medical kit
- fire extinguisher
- disinfecting soap, paper towels, antiseptic towels
- water
- rubber aprons or Tyvek protective garments

ATTACHMENT 3

GENERAL OPERATING STANDARDS AND PROCEDURES

1. GENERAL OPERATING STANDARDS AND SERVICES TO BE PROVIDED

A. Inspection of Loads. The Contractor will inspect all inbound materials at the time of dumping to ensure that the load does not contain any hazardous materials or other materials that are not accepted at the Shoreway Center. .

B. Ownership of Materials. Once the vehicles have dumped and the trucks have left the Shoreway Center, the ownership and responsibility for the proper management of the materials resides with the Contractor. The Contractor remains responsible for the materials until the Designated Disposal Site, Designated Processing Facility, or materials buyers take ownership. The AUTHORITY assumes no ownership or responsibility for the proper management of materials at the Shoreway Center.

C. Contractor's Use of Premises. Contractor shall use the Shoreway Center only for the processing of Solid Waste, Organic Materials, and Recyclable Materials delivered under this Agreement and for directly related support purposes. The Contractor will not bring-in or cause to be brought-in, other materials to the Shoreway Center without prior written approval of the AUTHORITY.

D. Tipping Area. Contractor will keep the MRF and transfer station tip areas open and clear of piles to the extent necessary so that safety and material tipping is optimized.

E. Vehicle Turnaround. Contractor will be required to maintain operating efficiency within the transfer station, MRF and Public Recycling Center to ensure customers and other vehicles are able to dump materials quickly and in accordance with the Vehicle Turnaround Guarantee as described in Article 5.14.

F. Off-site Impacts. Contractor will operate the Shoreway Center to minimize the off-site impacts (e.g., litter, odor, traffic, noise) of the Shoreway Center operations. Correction of off-site impacts that result from the operations of the Shoreway Center by the Contractor will be the responsibility of the Contractor. Contractor will make every effort to prevent vehicles from stacking onto Shoreway Road. If vehicles stack off the Shoreway Center property, the Contractor is responsible for providing personnel to control traffic and ensure that through-traffic on Shoreway Road is not impeded.

G. Care of Shoreway Center. Contractor will use the structures and operate the facilities in such a way that minimizes Shoreway Center and equipment wear.

H. Safety Plan. The Contractor will implement the Safety Plan, included as Attachment 18 (including specific safety protocols for all Shoreway Center workers, drivers of commercial vehicles, customers and site visitors), implement a training program, maintain an on-going schedule for safety review meetings with mandatory attendance by all regular employees (as well as periodic trainings for new-hires or temporary workers), and maintain documentation of the Safety Plan activities.

I. Additional Materials Processing. The AUTHORITY may want to recycle additional materials beyond those specified in this Agreement. At the request of the AUTHORITY, the Contractor (within 60 days) shall propose a plan for the processing and marketing additional materials targeted for recycling. The plan shall include projected labor, equipment and space requirements, and an analysis of costs and revenues related to the recycling effort. The AUTHORITY may accept, reject or modify any such plan and Contractor shall be entitled to compensation for implementing the plan as agreed to by the Parties.

J. Coordination with Collection Contractor. Contractor will work closely and coordinate with the Collection Contractor to ensure that on-site traffic flows smoothly and efficiently, that inbound materials are delivered to the proper location on the Shoreway Center property, and that materials delivered to the Shoreway Center are of acceptable quality.

K. Signage. The AUTHORITY will post signs at the Shoreway Center to control traffic and to inform users of the Shoreway Center of pertinent information (e.g., regulations, hours of operation, material types accepted, rates charged, and a local telephone number to call for information or in case of emergency). Contractor shall maintain and repair these and other on-site signs. Contractor shall not post any signs without the prior written consent of the AUTHORITY.

L. Traffic Control. Contractor shall be responsible for the safe control and direction of traffic once it enters the Shoreway Center. Contractor will ensure that on-site traffic is controlled and directed so that vehicles move around the site in a safe and efficient manner. Contractor shall make optimal use of queuing lanes and unloading spaces and shall operate and park vehicles so as not to impede on-site traffic flow.

M. Control of Blowing Debris. Contractor shall sweep daily (1) all areas within the Shoreway Center, and (2) Shoreway Road, collecting all debris in these areas. Debris so collected shall be disposed of at the Shoreway Center.

N. Vector Control. Contractor shall conduct the operation of the Shoreway Center in such a manner as to ensure that conditions are unfavorable for production of rodents or insects. In the event that rodent or insect activity becomes apparent to the Local Enforcement Agency or the AUTHORITY, supplemental vector control measures shall be initiated by Contractor, as directed by the Local Enforcement Agency and/or the AUTHORITY.

O. Odor, Dust and Noise Control. Contractor shall control odor and dust at the Shoreway Center by use of installed dust and odor control systems in place at the transfer station.

P. Fire Control. Prior to commencing operations at the Shoreway Center, Contractor shall submit a fire control/handling plan for the Shoreway Center and obtain approval from the AUTHORITY.

Q. Personnel. Contractor is required to provide sufficient numbers of qualified and trained staff necessary for operating the Shoreway Center, transporting of materials, recovering and marketing recyclables, and other obligations necessary to operate the Shoreway Center. The initial number of employees and workers dedicated by the Contractor for operations at the Shoreway Center is shown in Attachment 9, Staffing Plan.

There will be at least one employee of the Contractor (or a designated sub-contractor or security company) physically in attendance at the Shoreway Center at all times, whether or not the Shoreway Center is operating or open.

During the hours of 6 a.m. to 5 p.m., seven (7) days a week, there will be a manager or lead worker who is the representative of Contractor on-site. At all other times, there will be a supervisory employee designated as emergency coordinator who will be on-call. Employees who are on-site (and the AUTHORITY staff) will be instructed how to contact this emergency coordinator.

R. Training of Personnel. Contractor shall provide adequate operational and safety training for all of its employees who are involved in performing operations at the Shoreway Center.

S. Equipment. Contractor is required to purchase, lease, or otherwise procure, all rolling stock, materials, and supplies necessary for operating the Shoreway Center, transporting solid wastes, recovering and marketing recyclables, and performing all other obligations under this Agreement. All equipment provided by Contractor for use at the Shoreway Center shall be new off-road and on-road rolling stock (i.e., loaders, forklifts and tractor trailers). Six months prior to the commencement of services by the Contractor, the Contractor shall submit to AUTHORITY a list of the equipment for use at the Shoreway Center and in the transfer of materials, including manufacturer, model number, description, etc.

1) All equipment shall comply with all applicable federal, state, and local laws, including (1) U.S. Department of Transportation: Federal Motor Vehicle Safety Standards; Federal Motor Carrier Safety Regulations; Interstate Motor Carrier Noise Emissions Standards, (2) U.S. Environmental Protection Agency: Control of Air Pollution from New Motor Vehicles and New Motor Vehicle Engines, and (3) Bay Area Air Quality Management District.

2) All tractors and transfer trailers (individually and in combination) shall comply with the applicable laws. Tractors and transfer trailers shall be painted in a uniform color scheme approved by the AUTHORITY and shall prominently display an AUTHORITY service mark (logo), the design and placement of which are subject to AUTHORITY approval.

3) Contractor shall furnish backup, substitute or replacement equipment necessary to continue uninterrupted operations, transfer and disposal when equipment regularly in service is inoperable or unavailable.

4) Contractor shall use blade guards and rubber tires on all mobile equipment operated in and around the tipping floor of the MRF and transfer station and shall use due care in their operation to avoid damaging the tipping floor.

5) Contractor shall follow manufacturers' guidelines for equipment use and equipment manufacturers warranties. Any costs that arise from voided equipment warranties (voided as a result of the Contractor not providing proper equipment care as specified by the manufacturer) will be the responsibility of the Contractor.

T. Cleaning. Contractor shall maintain all properties, facilities and equipment used in providing service under this Agreement in a safe, clean, neat and operable condition at all times. Tractors and transfer trailers shall be thoroughly washed

on the exterior at least once every week and thoroughly cleaned with pressurized hot water at least once per year. Building office areas shall be cleaned daily. Work areas within buildings and structures shall be swept daily and washed twice weekly. The refuse transfer truck loading area shall be cleaned and swept at the end of each operating day. Transfer station tunnels will be washed daily and all materials and debris will be cleaned from the tunnels. Tunnel sumps will be maintained so that no standing water is present within the transfer station tunnels. The transfer and MRF buildings shall be thoroughly cleaned inside and out with water at least once per year and once immediately prior to expiration of the Term of this Agreement.

Solid Waste may not be left on the tipping floor for more than 24 hours or as otherwise required by regulatory agencies. Solid Waste shall be removed to the Designated Disposal Site within 48 hours after its delivery to the Shoreway Center or as directed by the LEA. Wastes shall not be disposed of into storm drains, or into sanitary sewers without proper pretreatment that meets regulatory requirements.

U. Establishment of Vehicles' Tare Weights. Before the commencement of service, Contractor shall provide the AUTHORITY with a copy of its standard methodology for determining tare weights for AUTHORITY's review and approval. Contractor shall modify its standard methodology if requested to do so by AUTHORITY. Before the commencement of service, the Contractor shall weigh each Collection Contractor vehicle, which may be used to deliver Materials to the Shoreway Center, to determine their unloaded ("tare") weights. Vehicles to be weighed include, but are not limited to, front, side and rear loaders, roll-off trucks, street sweepers, recycling trucks, pickup trucks, vans and trucks and trailers. In addition, during the same period of time, Contractor shall weigh each transfer trailer. The tare weight of each vehicle shall be provided to the AUTHORITY and Collection Contractor along with the vehicle number within thirty (30) days after each vehicle is weighed. Contractor shall be responsible for coordinating the weighing of vehicles with AUTHORITY, the Member Agencies and their Collection Contractor.

1. When additional or replacement vehicles are placed into service by the AUTHORITY, other Member Agencies or their Collection Contractor and when the Member Agencies change their Collection Contractor, the Contractor shall promptly weigh such additional and replacement vehicles and the vehicles of the new Collection Contractor and provide the tare weights to the AUTHORITY within thirty (30) days after the vehicles are weighed.

2. Contractor shall conduct random or specific re-weighing of all vehicles if requested in writing by AUTHORITY of all vehicles delivering materials to the Shoreway Center or delivering materials to the Designated Disposal Site and Processing Facilities. Vehicles shall be reweighed by Contractor, at AUTHORITY's request, within one (1) week after AUTHORITY delivers a written request to do so. Adjusted tare weights shall be furnished to the AUTHORITY within thirty (30) days after re-weighing.

V. Painting. Contractor's vehicles shall be repainted and/or refurbished so that they present an acceptable appearance in the opinion of the AUTHORITY. The frequency of painting shall be on an as-needed basis but no less than once every 4 years. The type of paint, color and method of application shall be submitted to the AUTHORITY for review and approval prior to commencement of repainting work.

W. Maintenance and Repair.

1) AUTHORITY's Obligations. The AUTHORITY shall maintain in good condition the roofs, structural portions and exterior walls (but not plate glass, glass windows, window frames, doors and door frames, which are the responsibility of the Contractor), and paved areas, unless such maintenance and repair becomes necessary in whole or in part due to acts of Contractor, in which case the Contractor shall pay AUTHORITY the reasonable cost of such maintenance or repair.

   a) AUTHORITY shall pay for repairs or replacement to stationary equipment when the expense of the repair or replacement (a single item not a combination of items) exceeds a dollar cost (total of labor, parts and materials) over $10,000. For example, if there is an equipment repair that exceeds $10,000 in cost (including labor, parts, and materials), the Contractor is to pay for the repair expenses up to $10,000; and the AUTHORITY shall pay the repair or replacement cost in excess of $10,000.

   b) The AUTHORITY shall repair or replace at its sole expense, if and when necessary, the Shoreway Center tipping floor areas, unless the repair is the result of damage caused by improper use or negligence by the Contractor.

2) Contractor's Obligations. Contractor shall keep and maintain in good, safe condition and repair the Shoreway Center, appurtenances and every part thereof, including without limitation the stationary equipment, such as conveyors, MRF processing equipment, balers, shredders and screens; plumbing and sewage facilities; mechanical, electrical, lighting, heating, ventilating and air conditioning systems; fire and dust suppression systems; fuel storage and dispensing facilities; scales, and all personal property furnished by Contractor including vehicles. Contractor shall repair any damage to any facilities caused by the actions of its employees, subcontractors or other agents.

   Contractor shall perform periodic maintenance on all stationary equipment in accordance with applicable manufacturer's specifications and schedules so as to maintain in force any manufacturer's/vendor's warranties. AUTHORITY will assist Contractor in securing manufacturer's/vendor's repair and replacement of equipment due under warranties (if any) provided to AUTHORITY in connection with the purchase of stationary equipment.

   Contractor shall be responsible for securing replacement parts (and for maintaining an inventory of spare parts) for all stationary equipment and for facilities which the Contractor is required to maintain and repair. During periods that warranties are in effect for equipment, Contractor shall use only parts supplied by the original equipment manufacturers to replace worn or

damaged parts. Non-OEM parts may only be used after applicable warranties have expired or unless the Contractor obtains in advance written approval to do so from the SBWMA.

The AUTHORITY shall reimburse Contractor for the cost of repairs to the AUTHORITY-owned Harris HRB Centurion baler, unless AUTHORITY performs a full rebuild of the baler prior to the Commencement Date. If the baler is rebuilt by the AUTHORITY, Contractor shall be responsible for necessary repairs consistent with the treatment of new stationary equipment.

X. Alterations. The Contractor shall not make any alterations to the facilities or equipment owned by AUTHORITY without AUTHORITY's prior written consent. In order to obtain such consent, Contractor shall submit to the AUTHORITY plans and specifications, or other form of description as required by AUTHORITY, prior to commencing any alteration. If Contractor performs any alteration work prior to receiving AUTHORITY approval, AUTHORITY may require Contractor to remove all such work at Contractor's sole expense and restore the Shoreway Center or equipment to its prior condition.

Y. Wastewater Disposal. The Contractor shall ensure that wastewater collected in the Shoreway Center's sumps (from Solid Waste, wash-down operations, etc.) meets the standards for discharge to the Water Pollution Control Plant.

Z. Landscape Maintenance. Contractor shall regularly maintain (e.g. water, weed, prune and repair) all landscaped areas within the Shoreway Center property so that they present a neat and attractive appearance to the satisfaction of the AUTHORITY. Contractor shall replace all plant materials (trees, bushes, etc.) which are damaged or killed by Contractor's operations with plant materials of the same type, unless a different type is approved in advance by the AUTHORITY.

AA. Complaints about Operation of Shoreway Center. All complaints about the operation or maintenance of the Shoreway Center shall be directed to the person designated as General Manager by Contractor. The General Manager shall compile a log of all complaints brought to his or her attention or that of his or her staff, indicating the date and time the complaint was received; the name, address and telephone number of the party making the complaint; and the action taken to address and solve the issue related to the complaint. Each month Contractor shall send to AUTHORITY a copy of the log of complaints for the previous month.

BB. Tours of Shoreway Center. Contractor will coordinate with the AUTHORITY and work cooperatively to provide community services such as tours, education about recycling and Shoreway Center operations. Upon a request with 24-hour notice by the AUTHORITY, Contractor shall provide tours of the Shoreway Center. Such tours shall not unreasonably disrupt Shoreway Center operations and Contractor shall not be required to conduct such tours more frequently than once per week. AUTHORITY shall not be charged for labor, overhead, overtime, or any other costs associated with any such tours. Contractor shall distribute Shoreway Center brochures to participants on the tours.

CC. Customer Courtesy. Contractor shall ensure that its employees deal with members of the public in a courteous and professional manner.

DD. Destruction of Premises. If the Shoreway Center is totally or partially destroyed from a risk covered by insurance in effect at the time, AUTHORITY shall restore the Shoreway Center structures to substantially the same condition immediately prior to destruction, provided that AUTHORITY's obligation hereunder is limited to the amount of insurance proceeds it receives. Such destruction shall not terminate this Agreement. If the Shoreway Center or buildings are totally or partially destroyed by a risk not covered by insurance then in effect, AUTHORITY shall have the election to terminate this Agreement or to restore the premises, such election to be made within a reasonable time after the destruction occurs.

EE. Records Retention. Contractor will maintain accurate and complete records according to the records retention policy for all Shoreway Center operations. Records shall be made available to the AUTHORITY for purposes of monitoring the Contractor's services.

Contractor is responsible for maintaining all records related to the reporting requirements, regulatory requirements, financial data, scale transactions, and all other items mentioned in the Agreement. Before the end of the term of the Agreement, the Contactor will transfer the ownership of this information in its entirety to the AUTHORITY.

FF. Spill Response Plan. Contractor shall provide kits for cleanup of spills of hazardous materials on the Shoreway Center. Contractor shall implement the Spill Response component of the Hazardous Waste Exclusion Program and take all necessary steps to comply with applicable local, State, or Federal regulations.

GG. Material Composition Study. Contractor shall assist the AUTHORITY in conducting materials composition study of materials delivered to the Shoreway Center. Surveys will be conducted at the AUTHORITY's expense not more frequently than once every quarter. The procedure for the study and the content of the report shall be furnished by the AUTHORITY six weeks prior to conducting the survey. The AUTHORITY will reimburse the Contractor for all direct costs (without profit) for performing the study.

2. SCALE HOUSE OPERATION

A. During the Shoreway Center receiving hours, the scale house will be continuously attended and the Shoreway Center opened to receive incoming materials.

B. Contractor will provide all maintenance, calibration, testing and operation of the scales; provide a licensed weigh master for operating the scales; and ensure all scale transactions are recorded through a direct link to a centralized computer recording and billing system for tracking all transactions. All such scales and weighing equipment shall be kept in good and accurate condition operating at the standards of accuracy and reliability specified in Title 4 California Code of Regulations Division 9. Contractor shall request that the California Department of Food and Agriculture, Division of Measurement Standards, inspect all scales and weighing equipment at least once per year. In addition, Contractor shall check the accuracy of scales using appropriate methods (for example by weighing the same load on two scales) when requested by the AUTHORITY, but not more than once per week. If a scale or weighing equipment is found to be measuring inaccurately and the errors are outside the tolerances allowed in Title

4 California Code of Regulations, Division 9, Contractor will promptly repair or recalibrate it to ensure accurate operation.

C. The software proposed for use by the Contractor will meet the approval of the AUTHORITY and must be accessible through an internet connection from off-site locations by authorized AUTHORITY staff.

D. After AUTHORITY approval of the software, the Contractor shall be solely responsible for operation of the scale house computers and software.

E. The AUTHORITY shall install cameras in the scale house (and other areas of the Shoreway Center). The cost of the installation and maintenance of the cameras shall be borne by the AUTHORITY. Camera equipment and recordings will be maintained by the Contractor and the Contractor will ensure that cameras record all scale house transactions, inbound customer vehicle traffic, and vehicle unloading. All camera views and recordings will be accessible through an internet connection from off-site locations by authorized AUTHORITY staff.

F. Contractor shall train its scale house personnel in the proper uses of the scale house weighing and computer system. Contractor will arrange for training to be provided to persons designated by the AUTHORITY.

G. Scale house personnel will be trained in customer service and the capabilities of the Shoreway Center so that they can thoroughly and accurately answer customers' questions and provide excellent customer service.

H. All inbound self-haul loads will be inspected at the scales before entering and tipping at the Facilities.

I. Contractor shall weigh materials delivered by the Member Agencies, and their Collection Contractor and by any other municipalities or their Collection Contractors.

J. Scale house attendants will determine the city or other jurisdiction of origin, type, and acceptability of each load delivered. The scales attendants will measure volume (cubic yardage) of self-haul customer loads and the weight of all franchise loads and issue appropriate paperwork and receipts.

K. Contractor shall measure the volume of all self-haul materials. If actual weighing of such vehicles becomes legally required under state or federal law, AUTHORITY shall make the necessary changes to the scales, including the potential addition of new scales and scale lanes, to accommodate the weighing efficiently.

L. Self-haul customers are to be charged Tip Fees based on the yardage of the delivered Materials. The Contractor will perform the following to ensure that the scale house attendants are providing accurate measurements of Self-haul customer loads:

1) Train all scale house staff in the proper volumetric measurement of inbound loads.

2) Monitor the accuracy of volumetric measurements and calculations on a weekly basis through periodic spot-checks.

3) Document and record monitoring and spot-checks in a Scale Load Audit binder available for inspection by the AUTHORITY.

M. Contractor shall weigh each loaded vehicle carrying Recyclable Materials from the MRF before it leaves the Shoreway Center.

3. TRANSFER STATION OPERATIONS

A. The Contractor shall check incoming loads and determine their suitability for recovery through a C&D processing operation. C&D materials targeted for recovery include but are not limited to: wood, roofing materials, drywall, concrete, asphalt, scrap metal, and cardboard.

B. Contractor shall provide and maintain adequate space and appropriate containers or bunkers/pile areas to ensure that Organic Materials, Inerts, C&D and other Recyclable Materials are kept separate from other materials at the Transfer Station.

C. The Contractor is required to enforce a no scavenging policy and to prevent scavenging by the Contractor's employees or by visitors to the facilities.

D. Contractor will coordinate with the Designated Disposal Site and Designated Processing Facilities and will prepare and deliver Material in a condition and form that meets their specifications and receiving requirements. Contractor will remove items prohibited by the Designated Disposal Site or Processing Facility.

E. Contractor will maintain or expand the Bunker Program for Self-haul customers and will inform Self-haul customers about the program. Contractor will maintain an area of the transfer station tipping floor (or other area designated by the AUTHORITY) for Self-haul customers to self-unload Bunker Program materials including inert materials (e.g., dirt, concrete, asphalt) and other materials as designated by the AUTHORITY. Contractor will inspect and supervise Self-haul customer unloading to ensure that the materials unloaded are clean and contain only materials that are acceptable under the program. Materials diverted though the Bunker Program will count toward the Self Haul Diversion Guarantee.

F. Contractor will strictly control the self-haul materials so that they are dumped, handled, and transported separately from franchise (weighed) tonnages. If self-haul materials are not diverted, they are not required to be separately weighed out from other Solid Waste.

G. All Diverted self-haul materials will be weighed and recorded prior to leaving the Shoreway Center or weighed-in and recorded (separately from non-self-haul materials) at a state certified scale located at the Designated Processing Facility. Scale receipts from the Designated Processing Facility scale transactions will be collected, maintained by the Contractor according to the Records Retention Policy.

H. Contractor will implement a self haul diversion plan per Attachment 19 that fulfills the requirements of the Diversion Guarantee.

4. TRANSPORTATION AND SHIPMENT OF MATERIALS

A. The AUTHORITY has existing contracts with the following Designated Disposal Site and Designated Processing Facilities: Ox Mountain Sanitary Landfill in Half Moon Bay for disposal, Zanker Road in San Jose for C&D materials processing, and Newby Island Compost facility in Milpitas for the processing of organics

materials including plant material and food scraps. The Contractor will haul to these Designated Disposal and Processing Facilities unless otherwise directed in writing by the AUTHORITY.

B. The AUTHORITY will provide the Contractor 60 days notice if it intends to redirect Solid Waste, C&D, Organic Materials, Bunker Program Materials to a new Designated Disposal Site or Processing Facility. The Contractor's transportation compensation will be adjusted for any haul cost differential, should the AUTHORITY redirect materials to another site or facility

C. Contractor will ensure that the transport trailers are compatible with the tippers and operations at the Designated Disposal Site and Designated Processing Facilities.

D. Contractor must provide sufficient back-up capability (drivers and equipment) in its transfer fleet to minimize disruption during normal business hours due to scheduled preventive maintenance and/or unscheduled equipment breakdown.

5. MATERIALS RECOVERY FACILITY OPERATIONS

A. The Contractor will process all Targeted Recyclable Materials delivered by the Collection Contractor, by buyback and drop-off center customers and other customers approved by the AUTHORITY.

B. The Contractor will keep the MRF tipping area open and clear of piles so that material tipping is not hampered and vehicle traffic can safely and efficiently dump loads.

C. Contractor will inspect all inbound materials at the time of delivery and ensure that loads contain only Targeted Recyclable Materials, other materials permitted to be processed at the MRF and allowable levels of contamination. .

D. Residue from the MRF sorting operations will be weighed and recorded prior to being transported to the transfer station. The weight of all Residue (and each individual residue load) removed from the MRF shall be recorded. The Contractor will report the Residue generated by the MRF on a monthly basis to the AUTHORITY.

E. The Residue generated by the Processing System must be below 10%, provided inbound contamination levels are within the 8% commercial and 10% Single Family Residential threshold levels. Any materials that fall to the floor from the Processing System may be reintroduced to the Processing System for reprocessing.

F. Contractor will transport all Residue to the Designated Disposal Site unless otherwise directed by the Authority. The costs of handling, transporting and disposing of MRF Residue will be the responsibility of the Contractor. The Contractor will not be paid the Transfer Station Fee for Residue handled through the Transfer Station.

G. The Contractor will sort Recyclable Materials to meet the Product Quality Standards Attachment 2-G.

6. MARKETING OF RECYCLABLE MATERIALS

A. Contractor has the responsibility to market all Recyclable Materials and maintains ownership of and liability for those materials until there has been a transfer of ownership to a buyer or other third party. All loads rejected by buyers and related claims of buyers shall be the responsibility of the Contractor, unless otherwise specified in Attachment 11-C.

B. Contractor shall suitably store all Recyclable Materials to protect against theft, deterioration, contamination, fire, and other damage or off-site impacts. Contractor shall insure all Recyclable Materials while in its possession and prior to transfer of title against: fire, theft and other casualty losses.

C. Contractor shall keep the Recyclable Materials free from liens and other claims of Contractor's creditors.

D. Contractor shall arrange for all Recyclable Materials delivered to the MRF to be transported within sixty (60) days of receipt unless stockpiling of specific Recyclable Materials on site longer than sixty (60) days is approved by AUTHORITY in writing.

E. Unless the terms of material purchasing agreements require the purchaser to arrange for delivery, the Contractor shall coordinate delivery and the cost of delivery of Recyclable Materials to purchasers or recipients.

F. Contractor shall market materials in accordance with the Materials Marketing Plan (Attachment 11-A). . Upon request by the AUTHORITY, the Contractor shall obtain a letter of "Certification of End Use" from the purchaser establishing that the Recyclable Materials sold (or donated) will be/have been recycled or re-used in accordance with the Materials Marketing Plan, Attachment 11-A.

G. Contractor shall obtain and maintain a California Redemption Certificate and recover all monies available to processors from the State of California Department of Conservation (DOC) for California Redemption Value (CRV) materials processed at the facilities. These monies are to be considered part of the commodity revenues and part of the Revenue Sharing Program between the AUTHORITY and the Contractor described in Section 7.07.

H. A complete record of all commodity sales transactions shall be kept by the Contractor and shall be submitted for review according to the reporting requirements of the Agreement and/or upon request of the AUTHORITY.

7. PUBLIC RECYCLING CENTER OPERATIONS (BUYBACK/DROP-OFF CENTER)

A. Contractor shall maintain the Buyback/Drop-off center so that it is clean, organized, convenient, safe and with adequate lighting for public access and use.

B. Contractor shall provide sufficient dedicated space and convenient storage container arrangements at the Buyback for use by the public.

C. The hours of operation for this center shall be consistent with the public hours and schedule in effect for the transfer station.

D. The center must maintain certification by the State as a redemption center and meet all reporting requirements in effect for such redemption centers.

E. The Contractor shall maintain State-certified scales, payment records, inventory logs, and related items necessary for Public Recycling Center operations, and shall maintain separate documentation and cash accounting for the Public Recycling Center operation.

F. Contractor is responsible for making customer payments for materials delivered to the Public Recycling Center. Payments for Public Recycling Center transactions shall be made by the Contractor from the recycling area, not from the scale house. Except for cardboard, prices paid at the Public Recycling Center shall be within ten percent (10%), plus or minus, of the average price paid for similar materials purchased in retail qualities from individual customers in similar facilities in San Mateo County. These average prices will be determined as follows: once each quarter the AUTHORITY will conduct a survey of State-certified buy back centers in San Mateo County, soliciting at least three prices being paid for each of the commodities accepted at the Shoreway Public Recycling Center. The lowest price will be eliminated and the arithmetic average of the remaining prices will establish the Index Price for that commodity. Materials accepted at the Buyback Center shall consist of, at a minimum, all Recyclable Materials processed at the MRF and Recyclable Materials accepted under the Collection Contractor's agreements with the Member Agencies.

G. Recyclable Materials will be processed and marketed by the Contractor and are to be considered part of the MRF tonnage with regards to the limitation on Residue in Section 5 above as well the Revenue Guarantee and the Revenue Share described in Section 7.07 of the Agreement.

H. Contractor shall provide an area at the Buyback center that will allow users to drop off E-waste and U-waste items. These items shall be consolidated with E-Waste and U-waste delivered by the Collection Contractor from residential routes. The following materials will be accepted at the Drop-off center: used motor oil, used automobile oil filters, anti-freeze, sharps, cooking oil, latex paint, household batteries, cellular phones, fluorescent light bulbs and tubes, household items containing mercury (e.g., thermometers, thermostats), and consumer electronic devices. If the State list of U-waste and E-waste is expanded in the future, the Contractor shall accept these additional materials.

I. Contractor shall maintain signage at the Facilities giving members of the public appropriate information about the location, operation and pricing of the Public Recycling Center. The text of the signage shall be approved by AUTHORITY prior to its being installed or changed.

J. The costs incurred for the transportation and processing of E-waste, U-waste and HHW from customers and Member Agencies will be reimbursed by the AUTHORITY as a Pass-through cost.

K. Hazardous Materials that are segregated from the inbound materials through the Hazardous Waste Exclusion Program (HHWP) shall be stored and handled separately from the Buyback / Drop-off materials and shall be the responsibility of the Contractor.

L. In order to transition to reverse vending machines (RVM), the Contractor will provide an additional worker full-time for the first three months of operation and part-time for the next three months to train customers on the use and operation of the RVMs.

8. ADMINISTRATIVE SERVICES AND REPORTING

A. Contractor shall staff an administrative office on-site and provide site management and supervisory staff as necessary to manage and oversee day-to-day recordkeeping, accounting, and operations functions, and to communicate to the public and AUTHORITY during business hours.

B. Contractor is responsible for cash transactions and shall collect money from self-haul customers and non-Franchise users of the Shoreway Center and shall wire the scale house monies to the AUTHORITY as prescribed. The Contractor is responsible for all cash management at the scale house and shall be liable for any deficiencies in charges and cash collected from tip fees of inbound customers...

C. Should the AUTHORITY chose to establish customer accounts for Self-haul customers, the collection of accounts payable and bad debt will be the responsibility of the Contractor.

D. Contractor will provide printed materials, minor site signage, after-hours telephone information service, and other services necessary to keep the public fully aware of the Shoreway Center business hours, acceptable materials, tipping fees, recycling options, and other items related to use of the facilities.

E. Contractor will be responsive to the requests for information from the AUTHORITY and allow the AUTHORITY complete access to the information related to the operations and management of the Facilities.

F. Contractor will provide monthly and annual reports to include at a minimum such items as: regulatory compliance and communications with regulatory agencies, staffing levels, tonnage reports and invoices, complaint log entries, and diversion and disposal data by jurisdiction. The Contractor shall provide the Authority and its representatives full and complete access to files and records pertaining to the weighing, billing, and other operations of the Shoreway Facility.

9. EMERGENCY PREPAREDNESS

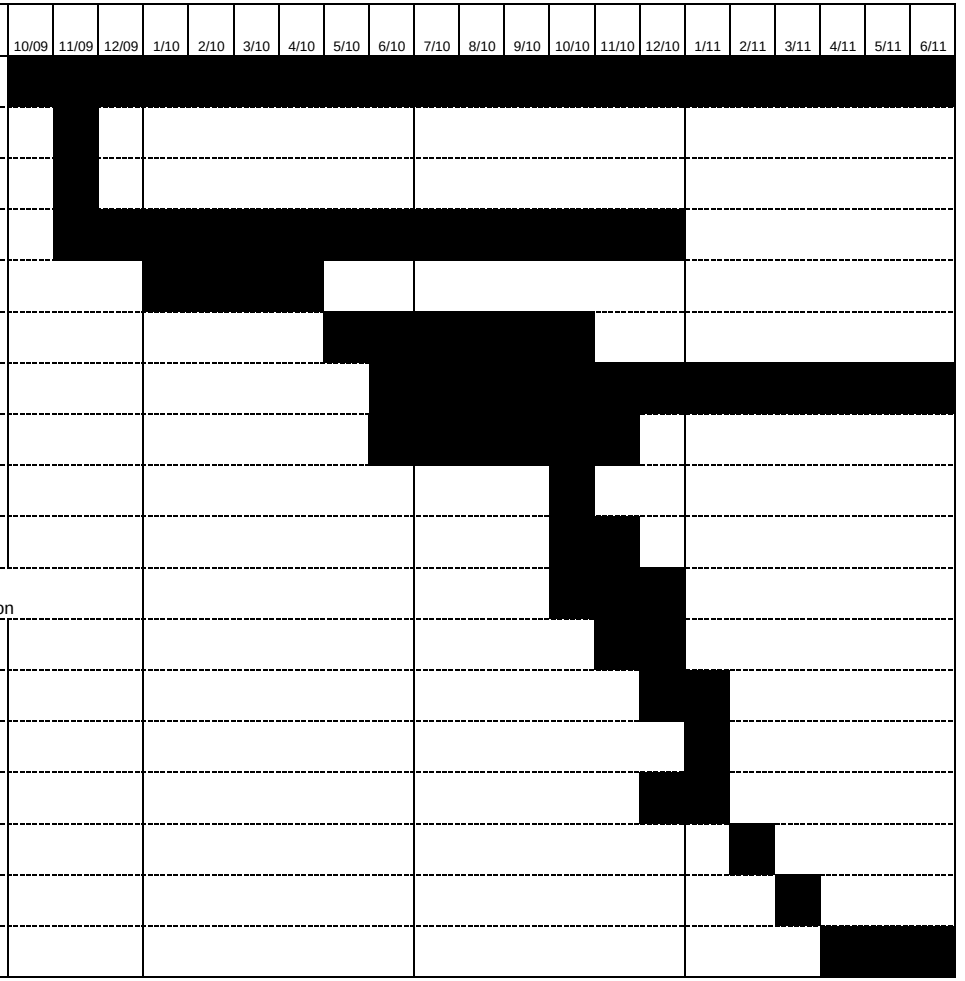
A. The Shoreway Center serves many cities and must be prepared to function in the event of a natural disaster. Towards this goal, the Contractor will coordinate with county and city departments and attend meetings related to emergency preparedness efforts.

B. Prior to the commencement date, Contractor will prepare a Contingency Plan for all aspects of emergency operations including: equipment repair, permanent and temporary worker replacement, earthquake preparedness, and disruptions in shipping of recyclable commodities. The Contingency Plan shall list equipment repair vendors that will be used by the Contractor and include potential off site materials processors that can be used in an emergency.

South Bay Recycling
Implementation and Operations Milestones and Time Line

Interim Operations commence January 1, 2011
MRF Equipment Installation Complete - December 2010 and
Transfer Station Construction Complete February 2011

#	Start Date	End Date	Description
1	10/09	to 06/11	Monthly SBWMA project coordination meetings – ongoing
2	11/09		Hire General Manager
3	11/09		Initial Capitalization
4	11/09	to 12/10	Prepare Time Line for Permit Changes to SBR and work with SBWMA to Complete Permits
5	01/10		Bond Financing for SBR equipment purchases
6	05/10	to 10/09	Fabrication of Trailers
7	06/10	to 06/11	Monthly Allied-Recology project coordination meetings – ongoing
8	06/10	to 11/10	Purchase, Deliver, & Test - trucks, loaders, forklifts, reach lift, reverse vending machines
9	10/10		Working Capital Funding
10	10/10	to 11/10	Interview and Hire MRF Supervisor
11	10/10	to 12/10	Interview and Hire Staffing: MRF Mechanic, Technician, Leadman, TS Supervisor, Administration
12	11/10	to 12/10	Install and Testing Hardware - Video System, Communications, Scale System, & Networking
13	12/10	to 01/11	Training Staffing: Operations, Accounting, Reporting, Cash Control, Scale Operators
14	01/11		Hire Drivers & MRF workers, commence TS and MRF interim operations
15	12/10	to 01/11	MRF Equipment Testing 2-4 weeks Production and then 1-2 weeks Acceptance Testing
16	02/11		MRF Equipment in full commercial production
17	03/11		Transfer Station Building Modifications Complete - Begin Self Haul Operation on South Side
18	04/11	to 10/11	Install and Implement Full Self-Haul Diversion Program (Optional TS Sort line)



ATTACHMENT 6

Facility Permits

The following Facility permits are the responsibility of the SBWMA to obtain and renew, any permit not listed below is the responsibility of the Contractor to obtain and/or renew:

- Solid Waste Facility Permit with the California Integrated Waste Management Board (CIWMB) (SWIS 41-AA-0016)
- City of San Carlos Land Use Permit
- Bay Area Air Quality Management District (BAAQMD) (#11530)
- State Water Resources Control Board Storm Water Discharge Permit (#241100897)
- Facility Fire Permits (City of Redwood City and County of San Mateo)

The following permits are examples of permits that are the responsibility of the Contractor to obtain and renew*:

- Spray booth permit
- UST and AST permits
- SQG Permit
- Compressed Air Tank permits
- Hazardous Waste Generator Materials Management Permit (San Mateo County EH&S)
- Department of Motor Vehicles Motor Carrier Permit
- Mobil Crane Permit
- Bi-annual Terminal Inspection Permit
- Waste Tire Hauler Permit

* The above list is not intended to be comprehensive. Additional permits that are identified during the transition of facility operations in 2011 will be added to the above list. A final permit list will be submitted to the Authority by the Contractor within 60 days of the commencement of services by the Contractor.

ATTACHMENT 7

HAZARDOUS WASTE EXCLUSION PLAN

The facility will not intentionally accept or store hazardous wastes, including tires, liquid wastes, sewage sludge, slurries, septic tank pumpings, untreated medical wastes, dead animals, radioactive or special wastes, batteries, oil, paint, compressed gas containers, E-wastes, except for those materials included in approved AUTHORITY collection or drop off programs. To discourage unacceptable loads from entering the facility signs are posted at the Scale House, Self Haul, and Buyback areas which clearly inform drivers of unacceptable waste material types. The hazardous waste random Load Screening Program will help detect and exclude hazardous waste and other unacceptable waste from this facility.

Load Screening Program

The facility will have personnel on staff to conduct the incoming load screening program. At a minimum, the facility will conduct two (2) random load checks per day at the transfer station. The load check is where an incoming load will be selected (without prior notice) for spreading on the tipping floor, or some suitable area, so that its contents may be thoroughly visually inspected for hazardous waste, e-wastes, questionable waste, and unacceptable items.

The scale house will display a prominent sign stating what wastes are not acceptable, and that all vehicles are subject to random search. Relevant results of load checking / screening will be documented, kept in a log book, the records will be stored onsite. Copies of the load checking records will be kept onsite for one year, and made available for review by inspectors.

In addition to visual load checking, all loaded vehicles crossing the scale will be scanned for radioactive materials using equipment provided by AUTHORITY. Personnel are trained in the recognition of prohibited wastes and the management and reporting procedure thereof as part of their training for Hazardous Materials Handling Procedures. The hazardous material storage areas are located in the transfer station [specific area to be determined once transfer station improvements are determined]. A description of the on site storage areas and additional details of the facility's Load Check Program are included in the Injury, Illness, and Prevention Program (IIPP).

Handling Hazardous Waste

Any hazardous or unacceptable waste that is found in a customer's load is handled in one of three ways: (1) return waste to customer's vehicle, if safe, and let them take it away; (2) if customer has departed but the generator can be immediately determined, the generator will be contacted and advised to make arrangements to pick up the material immediately; or (3) if the generator cannot be determined, then arrangements will be made with a hazardous waste hauler for proper transportation and disposal within 60 days.

Hazardous wastes will be properly labeled and stored in drums in the Hazardous Materials Storage or containment area. The location of the hazardous material storage area, as well as other details regarding how to handle such materials is found in the Hazardous Materials Handling Procedures.

Storage of hazardous waste on site will not exceed 90 days. All wastes shipped off site will comply with State Manifesting Requirements. The Contractor will attempt to recover the handling, removal, and disposal costs from the generator/transporter of the hazardous materials.

In the MRF the loader operators and pre-sort workers will be trained how to identify and respond to hazardous materials that are inadvertently included in recyclable materials.

Except for materials in the collection contractor's area or delivered to the site by the collection contractor, the Contractor will be responsible for disposal of any prohibited materials (hazardous or suspected hazardous materials, liquid, sludge, radioactive or medical wastes) in accordance with all local, state and federal regulations. The hazardous waste manifests for the wastes from the load checking program and other sources will be kept at the onsite Administrative Office, and are available for review by inspectors during normal business hours.

An entry will also be made in a Special Occurrences Log detailing the handling and removal of hazardous, liquid, special wastes, tires, or compressed gas containers. Incidents involving the receipt of unacceptable materials will be reported monthly to the LEA. In addition, any incidents of illegal hazardous materials disposal will be reported immediately, if applicable, to South Bay Recycling's management and the following agencies: San Mateo County Fire Hazardous Materials Division; and California Highway Patrol.

If a situation arises that cannot be handled by facility personnel, then 911 will be called or another outside emergency agency appropriate for the situation. The LEA will be notified immediately after the appropriate outside emergency agency has been notified. See emergency contacts and agencies list below.

Emergency Contacts and Agencies

South Bay Recycling:
John Richardson, Vice President, Cell Phone (818) 266-8682
Dan Domonoske, Vice President, Cell Phone (310) 864-1816

LEA:
Emergency 911

Also, notify the following agencies:
[to be determined]

Control Measures

If unauthorized wastes are discovered, control measures will be implemented to protect public health, safety and the environment. Prior to isolation, handling or removal of hazardous wastes from the facility, efforts will be made to control dusts, fumes, mists, vapors or gases.

Loads of tires are not accepted at the facility. If a commercial load is tipped at the transfer station that contains tires, the spotter will require that the hauler take the tires back to the generator. If the tires are not discovered until after the hauler has departed but the hauler or generator can be identified, then the tires will be pulled out and stored until the hauler or generator returns to pick them up. If we are unable to determine the hauler or generator, then the tires are pulled out and stored while arranging for transportation and disposal at an approved tire disposal facility. If self-haul vehicles enter and tires are visible at the scale entrance, the customers are advised that the station does not accept tires and they must take the tires with them. If the customer dumps the load and the spotter identifies tires in the load, then the spotter will notify the customer that they must be loaded back on to the customer's vehicle. If the customer departs prior to identifying the tires in the load, then the tires will be separated and stored while arranging for proper transportation and disposal. Occasionally, one or two tires may be discovered on site mixed with the refuse. These are considered miscellaneous and will not be separated out of the refuse.

Compressed gas containers will be removed from waste load when spotted. If a commercial hauler dumps a load that includes a metal discard that may contain compressed gas, the container (refrigerator, air conditioner, gas canister, etc.) is loaded back onto the hauler's vehicle for return to the generator. If the compressed gas container is discovered after the hauler has left but the hauler or generator can be identified, then the item is pulled out and stored until the hauler or generator can return and pick up the item. If facility Contractor cannot determine the hauler or generator, the item will be pulled out and stored until an approved certified recycler can certify the items for disposal. In any of the above the instances, the incident would be recorded in the special occurrence log.

E-wastes (e.g., CRT monitors, etc) will be removed from the waste when spotted, and will be stored in a 6-cy bin located adjacent to the tipping area during daily operations, and moved into the container (provided by the Subcontractor handling E-Waste) for safekeeping prior to removal from facility.

Drivers working for the collection contractor are responsible to: deliver used motor oil collected on routes to the container (provided by the Subcontractor handling waste oil); deposit used motor oil filters collected on routes to the container (provided by the Subcontractor handling used oil filters); deliver batteries and cell phones collected on routes to the container (provided by the Subcontractor handling batteries and cell phones); screen all material collected on routes for hazardous materials and not deliver any hazardous materials to the site.

ATTACHMENT 8-A
AUTHORITY SUPPLIED EQUIPMENT

List of Authority Supplied Equipment:

Equipment Description	Quantity	Comments
Main Entry Vehicle Scales	2	
Transfer Station Axle Scales	4	
Remote Commodity Truck Scale	1	
Facility Video Monitoring System	1	(Scale and Site)
E-Waste Storage Container	1	(Provided by vendor)
U-Waste Storage Container	1	(Shed supplied)
Hazardous Waste Storage Containers	1	(Located at transfer station)
Mattress Storage Trailer	1	(Provided by vendor)
Sharps Storage Container	1	(Provided by vendor)
Truck Tipper	1	(Ox Mountain Landfill)
HRB Centurion 200 Baler	1	(Existing baler)
Single-Ram IPS Baler	1	(New baler)
MRF Sort Equipment System	1	(New BHS equipment)
Air Compressors	3	(1 MRF, 1 TS, 1 Vehicle Maint.)
Engine Hoist	1	
Fire Prevention	(Hoses, sprinklers, extinguishers)	
Diesel Storage - Dispensing	1	(Shared with Collection Contr.)
Propane Storage – Dispensing	1	
Radioactive Detection Unit	1	(Located at inbound Scale)

“Vendor” means a company supplying recycling and/or disposal services for designated waste streams (e.g., e-waste, u-waste, mattresses, and sharps).

Attachment 8-B
Contractor Supplied Equipment

List of Contractor Provide Equipment:

Equipment Description	Quantity	Comments
Roll-off tractors	1	
Semi tractors	20	
Trailers	20	(16 walking floors, 4 end dumps)
Loaders	5	(3 MRF, 2 transfer station)
Forklifts	4	
Sweeper	1	
Pickup truck	1	
Man-lift/telescopic boom lift	1	
Rolloff containers	11	
Computers	6	
Safe	1	
Storage containers/bins	39	(for use at facilities and PRC)
Platform scales	2	(for use at PRC)
Reverse vending machines	2	(w/ MRF conveyors)

Other Items Supplied by Contractor:

- All maintenance/mechanic tools and equipment.
- Office furniture and communication systems (does not include MRF or transfer station education center, which will be furnished by SBWMA).

Detailed Description of Contractor Supplied Buy Back Center Equipment:

- 6 custom collection bins (3 for each reverse vending machine; one each for flint, amber, and green; bins are located inside the reverse vending machine unit).
- 3 custom collection bins (3 “switch” bins for the color sorted glass).
- 1 rolloff (closed top side loading divided bin for color sorted glass from the buyback area; custom collection bins are unloaded into this rolloff using a forklift with a rotator attachment).
- 2 bins (3-yard with plastic lid; right side of public recycling center traffic lane; one on either side of platform scale; one for HDPE color; one for HDPE natural; customers unload weighed material from wire basket into the bins).
- 2 bins (3-yard with plastic lid; left side of public recycling center traffic lane; one on either side of platform scale; one for ONP; one for office pak; customers unload weighed material from wire basket into the bins).
- 1 bin (3-yard with plastic lid; left side of public recycling center traffic lane; customers unload mixed paper directly into the bin).
- 1 bin (3-yard with plastic lid; left side of public recycling center traffic lane; customers unload mixed plastic directly into the bin).
- 15 wire baskets (used for customers to deposit HDPE natural, HDPE color, ONP, office pak, and other materials; each unit to have a pre-established tare weight; customer weighs material then unloads it in appropriate bin).

ATTACHMENT 9

CONTRACTOR STAFFING PLAN

Contractor shall provide the following initial number of employees to operate the Facilities:

	Total Hrs # People	Full Time Equivalent
Management & Administration		
Facility Manager	1	1
Supervisors (MRF, TS, Transport)	3	3
Administrative Clerical	6	6
VRS Supervisors	2	2
Transfer Station Operations		
Scale House Personnel	3.5	3
Spotter/Floor Sorter	4	4
Transfer Truck Drivers	22	20
Loader Operators	6	5
Sorters	10	9
Maintenance Mechanic	2	2
MRF Operations		
Leads	2	2
Spotter/Inspector	2	2
Platform Sorters	22	22
Operators	7.5	7
Buyback Attendant	3	3
Maintenance Mechanic	1	1
PM Technician	1	1
TOTAL STAFF	**99**	**93**

Note - The Staffing Plan is based on: (a) cost worksheet submissions of total hours which count overtime hours as additional employees; and (b) San Mateo County Vocational Rehabilitation Services (VRS) providing 22 Clients to work as Sorters in the MRF along with 2 Supervisors (non sorting staff positions) to handle administrative matters.

Attachment 10
Liquidated Damages

The following table lists the events that constitute breaches of the Agreement's standard of performance warranting the imposition of Liquidated Damages. The table describes the incident or event(s) that trigger Liquated Damages, the method by which occurrences will principally be tracked by Contractor or Authority, and the dollar amount of Liquidated Damages for failure to meet the contractually-required performance.

Authority may require the Liquidated Damages to be paid concurrently with submission of each quarterly report or factor the payment of the Liquidated Damages in establishing Contractor's compensation for the following Rate Year.

Authority intends to suspend imposition of Liquidated Damages for the initial six months of Operations Agreement, provided that Contractor diligently applies its best efforts to minimize the occurrence of events which can result in the imposition of Liquidated Damages. If Contractor does not exert such best efforts, Authority may, after notice to Contractor, end this policy and begin enforcement of the performance standards through Liquidated Damages.

	Event of Non-Performance	Definition of Complaint, Incident, or Event	Tracking Method	Liquidated Damage (LD) Amount
SHOREWAY CENTER OPERATIONS				
1.	Failure to meet Vehicle Turnaround Guarantee (Section 5.14).	Contractor shall operate the Shoreway Center so that: 1. Collection vehicles of Member Agencies and their Collection Contractor are: A) processed through the scale house operation in no more than five (5) minutes per vehicle, measured from the vehicle's entry into the scale house vehicle queue, and B) are able to unload and depart from the Facilities in no more than fifteen (15) minutes from the time they leave the scale house unless a collection vehicle breaks down and causes a traffic back-up beyond the Contractor's control. 2. Self-haul customers do not wait more than fifteen minutes (15) to be processed by the scale and assigned a place to dump.	Information reported quarterly by the Contractor to the SBWMA.	LD of $100 per vehicle delayed.
2.	Failure to receive vehicles during Operating Hours.	Failure of the Contractor to open the Shoreway Center to users of the Facility during Facility Operating Hours.	Information collected and validated by the SBWMA.	$1,000 per hour that the Shoreway Center is not open to receive customers.
3.	Failure to remedy a litter complaint within 5 hours of notification.	Failure of the Contractor to cleanup litter that is on-site or is within 1,000 feet of the Shoreway Center property boundary after Contractor has been notified of the problem by the SBWMA, neighbor, customer or Regulatory Agency.	Information collected and validated by the SBWMA or other regulatory bodies.	$100 per hour that litter remains and is not cleaned up plus any fines levied by other regulatory bodies.
4.	Failure of Contractor to provide excellent customer service.	Failure of Contractor to provide excellent customer services and provide trained employees that can provide information to customers about the Shoreway Center and its operation.	Written, verbal or email complaints from customers of the Shoreway Center documented and verified by the SBWMA.	$100 per complaint (maximum of one complaint per complainant per month).

	Event of Non-Performance	Definition of Complaint, Incident, or Event	Tracking Method	Liquidated Damage (LD) Amount
RECORDS AND REPORTS				
5.	Timeliness of Submissions of reports to the SBWMA.	Failure to submit any report on time to the SBWMA (any report shall be considered late until such time as a correct and complete report is received by the SBWMA).	Dates recorded by US postal stamp, or by the SBWMA fax or email.	$500 per day for each calendar day a report is late.
6.	Failure to make records available upon request.	Reports and records collected and retained by the Contractor shall be accessible to the SBWMA or its authorized representatives within 1 business day of making a records request.	SBWMA records request.	$500 per day for each calendar day that the requested records are not available to the SBWMA.
7.	Failure of the Contractor to notify the SBWMA of intent to use subcontractor(s).	Contractor is to notify the SBWMA anytime that a subcontractor is used to perform the operational requirements of the Agreement.	SBWMA monitoring of Facility and operations.	$1,000 per incident that the Contractor fails to notify the SBWMA of its intent to use a subcontractor.

ATTACHMENT 11-A
MARKETING PLAN

The Contractor will market materials to foreign or domestic buyers, including affiliates of the Contractor, to obtain the best long term revenue from the sale of recyclable materials.

The Contractor shall check the qualifications of buyers to understand the following issues which will be taken into consideration when marketing materials:

(a) Actual end use of recovered materials to ensure they are handled in an environmentally sound manner and used in the creation or manufacture of new products; and

(b) Reliability of buyer as it relates to arranging for pick up in a timely manner, credit worthiness, claims, and other commercial matters.

Within 60 days of the commencement of services, and Quarterly thereafter, the Contractor will provide the Authority a Material Marketing Report that includes all information required in the Agreement, including Article 9 Contractors Records and Reporting and included material quantities, methods of processing, grade of commodity produced, transportation method, destination, commodity sales price for all materials recovered and diverted through the MRF.

Any materials delivered to the MRF that are not defined as Targeted Recyclable Materials are considered to be contamination. However, film plastic that is recoverable through the MRF processing system as described in Attachments 2A and 2C is included in this Marketing Plan.

The Contractor will comply with Commodity Price Assurance Mechanism (Attachment 11-B) and Moisture Measurement (Attachment 11-C).

ATTACHMENT 11-B
COMMODITY PRICE ASSURANCE MECHANISM

The Authority relies on the Contractor to use its extensive experience in commodity marketing and commercial relationships in both domestic and foreign markets to obtain the best available prices ("Market-high Prices") for the materials recovered at the Shoreway MRF ("MRF Commodities'").

To ensure that the Contractor is exerting its best efforts to obtain Market-high prices, the Authority will, on a monthly basis, compare the prices at which Contractor has sold MRF Commodities to the market-high price for the same categories of commodities for the same month, as determined by the Authority using either or both of the methodologies described below; the Fiber Commodity Price Assurance Index, or the Market Price Survey. The Authority may select in its discretion, which of the methodologies will be used each month and the Authority may determine Market-high prices using either of the methodologies for different commodities.

Market-high and Contractor-obtained prices will be determined for the following categories

1. Fiber
    a. OCC
    b. ONP
    c. MP
2. Metals
    a. Aluminum
    b. Tin
3. Plastics
    a. PETE
    b. HDPE Natural
    c. HDPE Color
    d. Mixed 3-7
4. Other categories that may be collected by at the MRF

If the average price for sales of MRF commodities in any of these categories is lower than the Market-high price as determined by the Authority's monthly assessment, Contractor will owe the Authority an amount equal to the difference between the actual monthly average sale price and the monthly average Market-high price multiplied by the number of Tons sold during the month.

A. Fiber Commodity Price Assurance Index:

Contractor will compile data and perform calculations necessary to allow a comparison, on a monthly basis, between the prices at which Contractor sold three fiber commodities with an established industry index, appropriately adjusted.

Specifically, Contractor will submit a monthly report comparing (1) the average Mean prices (FOB Shoreway Center) for which it sold Old Corrugated Cardboard (OCC #11), Mixed Paper (MP #1), and Old Newspaper (ONP #8) during the previous month with (2) those reported for sales of these commodities for shipment to Asian markets from Los Angeles, as reported in the Official Boards Report (the "Yellow Sheet").

The process to be followed by Contractor in compiling its monthly price comparison report is described below and illustrated on the accompanying Figure 1.

1. Monthly, obtain the Official Board Markets "Yellow Sheet" Export Los Angeles Index during the second week of each month. Record the average "Yellow Sheet" export price (AYSEP) Los Angeles Index less 3% for the following fiber grades: OCC #11 (AYSEP-OCC), Mixed Paper #1 (AYSEP-MP), and ONP #8 (AYSEP-ONP).

2. Monthly, obtain the prevailing Ocean Freight Differential (OFD) from major steam ship lines for ocean freight rates per 40 foot standard export container of wastepaper shipped from Los Angeles/Long Beach Container Yard versus Oakland Container Yard to primary Asian base ports. Convert the OFD per container to OFD per ton by dividing it by 22.5 tons (45,000 Ibs).

3. Monthly, obtain the average trucking charge (ATC) from transportation companies (minimum of 3 quotes) for the total of the following services: retrieve a 40 foot standard export shipping container from the Port of Oakland Container Yard, deliver it to Shoreway where it will be loaded and weighed, and then return it to the Port of Oakland Container Yard without incurring demurrage charges. Convert the ATC per container to ATC per ton by dividing it by 22.5 tons (45,000 Ibs).

4. Add OFD per ton and ATC per ton to obtain total adjustment.

5. Calculate the index value (IV) of OCC #11 (IVR-OCC), Mixed Paper #1 (IV-MP) and ONP #8 (IV-ONP) by deducting the total adjustment (Step 4) from the AYSEP-OCC, AYSEP-MP, and AYSEP-ONP.

6. Compare the free on board (FOB) average monthly market price mean (MMP) at which SBR sold OCC #11 (MMP-OCC), Mixed Paper #1 (MMP-MP), and ONP #8 (MMP-ONP) to the IV-OCC, IV-MP, and IV-ONP.

If the MMP is equal to or higher than the index value (IV) for each grade then no further action is required. If the MMP is lower than the index value (IV) for any of the grades, then SBR must pay the Authority the difference. . Additionally, the

Contactor shall provide the Authority a written explanation for the difference and a suggested course of action to correct the marketing deficiency within 15 days.

B. Market Price Survey

Contractor will sell commodities from the MRF (and Buy Back Center) at or above the prevailing market price for similar materials marketed by other recycling companies in the Bay Area. The Authority will conduct a monthly survey of local (i.e., in the nine-county Bay Area) purchasers and/or sellers of the commodities of the type recovered at the Shoreway MRF and Buy Back Center and marketed by the Contractor. SBWMA shall solicit price quotations from at least three purchasers and/or sellers. The lowest price will be eliminated and the arithmetic average of the remaining prices, as determined by the survey, will establish the Commodity Market Survey Price for that commodity (see example below). In any month during which the Contractor obtains prices less than the Commodity Market Survey Price, the Contractor shall pay the Authority a dollar amount equal to the difference between the average of the actual commodity sales price (for the specific commodity) and the monthly Commodity Market Survey Price for that commodity multiplied by the total tons that were sold during the survey period..

Example:
Buyer/Seller # 1 - $102/ton
Buyer/Seller #2 - $100/ton
Buyer/Seller #3 - $94/ton

(Buyer #3 is eliminated)

Buyer #1 + Buyer #2 = $202 /2 = $101/ton
Commodity Market Survey Price = $101/ton.

Attachment 11-B
Figure 1
Fiber Commodity Price Assurance Worksheet

Step #1

	Cardboard (OCC) #11	Mixed Paper (MP) #1	Old News Paper (ONP) #8
AYSEP	$ 85.85	$ 61.60	$ 83.91

Step #2

	Cardboard (OCC) #11
OFD per 40' container	$ 150.00
tons per 40' container	22.50
OFD per ton	$ 6.67

Step #3

	Mixed Paper (MP) #1
ATC per 40' container	$ 260.00
tons per 40' container	22.50
ATC per ton	$ 11.56

Step #4

	Old News Paper (ONP) #8
OFD per ton	$ 6.67
ATC per ton	$ 11.56
Total Adjustment	$ 18.22

Step #5

	Cardboard (OCC) #11	Mixed Paper (MP) #1	Old News Paper (ONP) #8
AYSEP-OCC	$ 85.85		
AYSEP-MP		$ 61.60	
AYSEP-ONP			$ 83.91
Total Adjustment	$ 18.22	$ 18.22	$ 18.22
Index value	$ 67.62	$ 43.37	$ 65.68

Step #6

	Cardboard (OCC) #11	Mixed Paper (MP) #1	Old News Paper (ONP) #8
MMP-OCC	$ 71.78		
MMP-MP		$ 42.68	
MMP-ONP			$ 66.78
MMP higher than Index Value?	yes		
MMP higher than index value?		no	
MMP higher than index value			yes

ATTACHMENT 11C
MOISTURE MEASUREMENT

The determination regarding whether or not Excess Moisture is present will be made by the SBWMA based on a review of information provided by Contractor as follows: (I) measurements of moisture in inbound loose material; (II) average bale weights for OCC, ONP and Mixed Paper; and (III) measurements of moisture in sorted/processed recyclable materials. Out-throw or Prohibitive excess moisture exists only if individual moisture measurements are at least 3% higher than the average moisture content for the immediately preceding quarter. The quarterly average moisture content will be determined by taking weekly moisture samples of each fiber grade (ONP, Mixed paper and OCC) and averaging them to create average moisture content for each fiber grade for each quarter. Moisture readings will be taken through the use of a moisture probe and the moisture testing protocol and test results will be submitted to the Authority by the Contractor in the Materials Marketing Report. Sampling results that have been approved by the Authority will determine the quarterly average moisture content which will in turn be used to determine the excessive moisture content.

Out-throw moisture is present when fiber (ONP, OCC, or Mixed Paper) that exceeds the quarterly average by 3% or more is still usable by paper mills but is subject to quantity adjustment or downgrade. An invoice adjustment by the end user mill may occur if moisture exceeds the industry standard. The Operator may request a downgrade if mechanical MRF sorting effectiveness is compromised when paper is limp or torn resulting in excessive amounts of paper fiber other than those normally acceptable in a grade being present in sorted material, such as excessive amounts of OCC or brown fiber in ONP.

(a) If the end user mill provides Operator with adequate claim documentation (photos, inspection reports, claim calculations) in a timely manner then Contractor will check site records (pre-shipment probed moisture levels, average bale weights, government rainfall records) to verify that excess moisture was present when material was prepared for shipment. If verification exists and Contractor considers the proposed adjustment to be reasonable, then Contractor will present all documentation to SBWMA for a decision regarding the proposed adjustment.

(b) If excess moisture is present in recyclable materials, and if the source of the excessive moisture is inbound recyclables delivered to the Shoreway MRF by the Collection Contractor, and if a mill claim has been or is likely to be the outcome of excessive moisture, then Contractor will document (report and photos) the situation and advise SBWMA of the issue along with a recommendation regarding what to do. SBWMA will decide what action to take, which may include selling the excess moisture product as a different grade (for example #6 board-mill ONP instead of #7-#8 de-ink ONP, or Mix Paper instead of OCC, etc.).

Prohibitive moisture exists in the unusual event that material streams are so wet that they are unable to be processed. If excess moisture levels result in material streams being clumped and wadded such that mechanical screening equipment is unable to process it, then Contractor will immediately notify SBWMA (email with photos and explanation) and hold the material awaiting SBWMA decision regarding what to do.

ATTACHMENT 12-A

ADJUSTMENT OF CONTRACTOR'S BASIC COMPENSATION FOR RATE YEAR ONE (2011)

PART I. INTRODUCTION

This Attachment describes how the Contractor's fees will be adjusted for Rate Year One.

The fees shown in Section 7.03 for Basic Compensation are expressed in dollars per Ton or dollars per Ton/Mile and quoted in April 2009 dollars. In order for these fees to reflect corresponding values for Rate Year One, the fees will be adjusted as described in this Attachment.

The adjustments are illustrated, using hypothetical index levels, in Attachment 12-B. Detailed Cost Forms from the Contractor's Proposal, showing the base Contractor costs and demonstrating the calculation of the Contractor's Cost per Ton and Cost per Ton/Mile, are included in Attachment 12-D. All the Cost Forms included in Attachment 12-D have been updated to reflect costs as of April 2009.

PART II. BASIC COMPENSATION

The three elements of Basic Compensation described in Section 7.03 are calculated by multiplying (1) the Transfer Station Fee, (2) the MRF Fee, and (3) the Transportation Fees by the number of Tons processed or Ton/Miles operated, as applicable. Each fee comprises four distinct cost components (and associated profit):

A. Labor costs
B. Fuel and Power costs
C. Depreciation
D. Other Operating and Maintenance costs

Section 1. Determine Percentage Change in Costs

Cost Components

The initial step in this process is to determine adjustments or adjustment factors for labor costs, fuel and power costs, depreciation and other operating and maintenance costs. Three of these components, in turn, have sub-components as follows:

A. Labor Costs
   1. Wages for CBA labor;*
   2. Benefits for CBA labor;
   3. Workers' compensation insurance (CBA labor);
   4. Payroll taxes (CBA labor); and
   5. Outside contracted workers from third party sources.

* "CBA labor" means employees represented by a union and covered by a collective bargaining agreement (CBA).

B. Fuel and Power Costs
   1. PG&E charges for electricity; and
   2. Fuel.

C. Depreciation

D. Other Operating and Maintenance Costs
   1. Wages and benefits for non-CBA employees plus associated workers' compensation insurance and payroll taxes;
   2. Repair and maintenance expenses;
   3. Equipment rental expenses;
   4. Other vehicle-related expenses (e.g. licensing, taxes);
   5. Insurance, safety and claims; and
   6. Other general & administrative expense (including wages and benefits for general & administrative employees).

There is one adjustment factor for this (O&M) cost component.

Adjustment to costs

A. Labor

1. Wages: the adjustment to CBA wages will be determined separately for the Transfer Station, for the MRF, and for Transportation. In each case, the 2009 CBA wages will be based on the amounts shown in Form 3G of Contractor's Proposal. Updated wages will be prepared on the Wage and Benefits Worksheet (included in Attachment 12-D) to input wage rates payable under the collective bargaining agreements in place in 2010. There will be no increase in the number of standard or overtime hours used in the calculation.

2. Benefits: the 2009 CBA benefits will be based on the pension and benefit costs in Form 3-G monetized to an hourly dollar amount. Updated benefits, similarly expressed, will be prepared on the Wage and Benefits Worksheet included in Attachment 12-D to input the benefit rates per person as provided by collective bargaining agreements in place in 2010.

3. Workers' compensation insurance: the adjustment factor will be based on the average change to the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All Workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A).

4. Payroll taxes: an effective payroll tax rate will be calculated from Contractor's Cost Forms and applied to CBA wages to calculate payroll tax expense. The payroll taxes adjustment factor will be based on changes in federal Social Security, Medicare, and state payroll tax rates in 2009 and those projected to be in effect for Rate Year One. Contractor will submit to SBWMA for approval any adjustment to the effective payroll tax rate. If approved, the adjustment factor will be applied to the effective tax rate and the adjusted effective tax rate will then be used to calculate payroll tax expense.

5. Outside contracted workers from third party sources: the adjustment factor for non-CBA direct contract labor will be based on the average index change* in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A).

Base costs in categories described in paragraphs 3 and 5 above will be adjusted as follows: (1) the base costs will be multiplied by the average index change between May 2009 and April 2010 and (2) the result of Step One will again be multiplied by the average index change between May 2009 and April 2010 to arrive at Rate Year One costs. The appropriate index for each cost component is described in paragraphs 3 and 5.

B. Fuel and Power

1. The adjustment factor for power will be based on average changes in PG&E rates for electricity (cents per kwhr).

2. The adjustment factor for fuel will be based on the average change in the Producer Price Index #2 Diesel Fuel (PPI). The Percentage Change for the Producer Price Index #2 Diesel Fuel shall be calculated using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, base date = 8200, Series No. WPU057303).

Base costs per Ton or Ton/mile in categories described in paragraphs 1 and 2 above will be adjusted as follows: (1) the base costs per Ton or Ton/mile will be multiplied by the average change in unit prices of electricity or the average index change for fuel between May 2009 and April 2010 and (2) the result of Step One will again be multiplied by the average change in unit price or average index change between May 2009 and April 2010 to arrive at Rate Year One costs. The appropriate index is described in paragraph 2.

C. Depreciation

The adjustment factor for depreciation will be based on the average change in the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu3362113362111) between April 2009 and the month the equipment is purchased. Actual cost of purchase will be used if the aggregated actual purchase prices are less than aggregated index-adjusted prices and a new depreciation and interest schedule will be created. Changes in sales or other taxes on capital purchases will be separately adjusted to reflect the actual tax rate at time of purchase. Annual depreciation will be based on a 10 year straight line method.

* The term “average index change” in this Attachment 12-A means the percentage change between the simple average of all twelve (or fewer) monthly index levels for one year and the same average for a following year.

D. Other Operating and Maintenance Costs

The adjustment factor for Other Operating and Maintenance Costs, including all sub-components, will be based on eighty percent (80%) of the average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa). The base costs per Ton or Ton/mile in this category will be adjusted in the same manner as those in other categories that employ an index-based adjustment.

Section 2. Adjust Transfer Station Fee

The Transfer Station Fee for 2011 is determined as follows:

A. Labor: The CBA labor cost component for 2011 will be determined as described in Section 1.A.1 and 2. The CBA workers' compensation for 2011 will be determined as described in Section 1.A.3. The CBA payroll taxes for 2011 will be those determined as described in Section 1.A.4. The sum equals 2011 Transfer Station labor cost component. It is converted to a Cost per Ton based on the fixed factor of 357,725 Tons per year.

B. Fuel and Power: The Fuel and Power cost component will be calculated by applying the adjustment factors (determined in Section 1.B) to the costs per Ton shown on Form 3-H for fuel and power at the Transfer Station and combining the two together.

C. Depreciation: The depreciation dollars per Ton amount is a component of the Cost per Ton shown on Form 3-H adjusted by the procedure and subject to the limits described in Section 1.C "Adjustments to Costs - Depreciation."

D. Other Operating and Maintenance: The Other Operating and Maintenance Cost component will be calculated by applying the adjustment factor (determined in Section 1.D) to the cost per Ton shown on Form 3-H for Other Operating and Maintenance Cost at the Transfer Station.

The Total Transfer Station Operating Cost per Ton is the sum of the above cost per ton of all expense categories: Labor, Fuel and Power, Depreciation, and Other Operation and Maintenance.

The amount of Transfer Station Profit in April 2009 dollars shown on Form 3-H results in an operating ratio of 93.52%. This operating ratio will be applied to total Transfer Station Operating Costs per Ton to arrive at an adjusted Transfer Station profit per ton. The calculation is: (Total Operating Cost per Ton ÷ 93.52%) minus Total Operating Cost per Ton = Profit.

The allowance for profit is not a guarantee that Contractor will earn a particular amount, or any, profit. Actual costs may change at rates different from the adjustment process provided in the Agreement and Contractor may therefore earn more, or less, profit than the dollar amounts shown in Attachments 12-B and 13-B.

The Total Transfer Station Fee expressed on a per Ton basis for 2011 is the sum of the Total Transfer Station Operating Cost per Ton plus Profit per Ton.

Section 3. Adjust MRF Fee

The MRF Fee for 2011 is determined as follows:

A. Labor:

1. The CBA labor cost component for 2011 will be determined as described in Section 1.A.1 and 2. The CBA workers' compensation for 2011 will be determined as described in Section 1.A.3. The CBA payroll taxes for 2011 will be those determined as described in Section 1.A.4. The sum equals the 2011 MRF labor cost component. It is converted to a cost per Ton based on the fixed factor of 74,022 Tons per year.

2. The outside contracted workers cost component for 2011 will be determined as described in Section 1.A.5. It is converted to a cost per Ton based on the fixed factor of 74,022 Tons per year.

B. Fuel and Power: the Fuel and Power cost component will be calculated by applying the same adjustment factors as those used in the Transfer Station Fee Fuel and Power adjustment to the costs per Ton shown on Form 3-I (MRF) for fuel and power.

C. Depreciation: the depreciation dollars per ton amount is a component of the cost per Ton shown on Form 3-I (MRF) for depreciation, adjusted by the same procedure and subject to the limits described in Section 1.C, "Adjustments to Costs – Depreciation."

D. Other Operating and Maintenance: the Other Operating and Maintenance Cost component will be calculated by applying the same adjustment factor used in the Transfer Station Other O&M Cost adjustment to the cost per Ton shown on Form 3-I (MRF).

The Total MRF Operating Cost per Ton is the sum of the above costs per Ton of all expense components: Labor, Fuel and Power, Depreciation, and Other Operation and Maintenance. It is converted to a cost per Ton based on a fixed factor of 74,022 Tons per year.

The amount of MRF Profit in April 2009 dollars shown on Form 3-I results in an operating ratio of 92.87%. This operating ratio will be applied to Total MRF Operating Costs per Ton to arrive at an adjusted MRF profit per ton. The calculation is: (Total Operating Costs per Ton ÷ 92.87%) minus Total Operating Cost per Ton = Profit.

The allowance for profit is not a guarantee that Contractor will earn a particular amount, or any, profit. Actual costs may change at rates different from the adjustment process provided in the Agreement and Contractor may therefore earn more, or less, profit than the dollar amounts shown in Attachments 12-B and 13-B.

E. MRF Residue Cost: the MRF residue cost component is the cost of transporting and disposing of residue from MRF operations and is adjusted annually. The amount included in the 2011 MRF Fee is based on the tonnage estimate in Contractor's Proposal, the 2009 cost of Disposal at Ox Mountain, and the Solid Waste Transportation

Fee per Ton/Mile in the Proposal. The disposal portion is adjusted by the per cent change in disposal rates charged at the Designated Disposal Site. The transportation portion is adjusted by the adjustment to the Solid Waste Transportation Fee per Ton/Mile, as described in Section 4 below.

The actual MRF residue costs based on actual number of tons of residue will be deducted from Contractor's monthly compensation, as incurred, as described in Section 7.08.

The Total MRF Fee for 2011 is the sum of the Total MRF Operating Costs per Ton plus MRF Profit per Ton plus MRF Residue Cost per Ton.

Section 4. <u>Adjust Transportation Fees</u>

The five Transportation Fees for 2011 are determined as follows:

A separate 2011 cost per Ton/Mile will be calculated for each of the five materials categories (solid waste, inerts, C&D, plant materials, and organic materials (food scraps)). The cost components for each of the material types will be adjusted using the same factor. The cost per Ton/Mile is calculated by dividing the total cost by the total tons delivered to the Designated Disposal Site or the Designated Processing Facility, as appropriate, and by the one way mileage to the Designated Disposal Site or Processing Facility, as determined by the Authority.

A. Labor: the CBA labor cost component for 2011 will be determined as described in Section 1.A.1 and 2, using Form 3-J. The CBA workers' compensation for 2011 will be determined as described in Section 1.A.3. The CBA payroll taxes for 2011 will be those determined as described in Section 1.A.4. The sum equals 2011 Transportation Labor Costs. It is converted to a Cost per Ton based on a fixed factor of 357,725 Tons per year.

B. Fuel: the Fuel cost component will be calculated by applying the same adjustment factor as that used in the Transfer Station Fee Fuel adjustment (Section 2.B) to the costs per Ton/Mile shown on Form 3-J for Fuel.

C. Depreciation: the depreciation dollar per Ton/Mile amounts are components of the sot per Ton/Mile shown on Form 3-J adjusted by the procedure and subject to the limits described in Section 1.C "Adjustments to Costs – Depreciation,"

D. Other Operating and Maintenance: the Other Operating and Maintenance Cost per Ton/Mile component will be calculated by applying the same factor used in the Transfer Station Other O&M Cost adjustment.

The Total Transportation Operating Cost per Ton/Mile for each material type is the sum of the cost per Ton/mile from the above expense categories: Labor, Fuel, Depreciation, and Other Operation and Maintenance on a cost per Ton/Mile basis.

The average amount of profit in April 2009 dollars shown on Form 3-J results in an operating ratio of 91.9%. This operating ratio will be applied to Total Transportation Costs per Ton/mile to arrive at an adjusted Transportation profit per Ton/mile. The calculation is: (Total Operating Costs per Ton ÷ 91.9%) minus total Operating Cost per Ton – Profit.

The allowance for profit is not a guarantee that Contractor will earn a particular amount, or any, profit. Actual costs may change at rates different from the adjustment process provided in the Agreement and Contractor may therefore earn more, or less, profit than the dollar amounts shown in Attachments 12-B and 13-B.

The total 2011 Transportation Fee for each material type is the sum of the Total Transportation Cost per Ton/mile plus Profit per Ton/mile for each material type.

The one-way miles are set forth in Form 3-J for the Designated Disposal or Processing Facilities.

Attachment 12-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

I. SUMMARY OF YEAR 1 FEE ADJUSTMENTS

		Proposed Amount (2009)	Effective Adjustment Factor	Adjusted Amount (2011)	Unit
1.	Transfer Station Fee	$9.71	0.581	$5.64	per ton
2.	MRF Fee	$67.36	0.388	$26.14	per ton
3.	Transport Fees				
	Solid waste	$1.01	0.561	$0.56	per ton mile
	Inerts (bunker program materials)	$1.04	0.521	$0.54	per ton mile
	C&D	$0.69	0.563	$0.39	per ton mile
	Plant materials	$0.61	0.544	$0.33	per ton mile
	Organic materials	$0.74	0.576	$0.43	per ton mile
4.	Supplemental MRF Processing Fee		N.A.	$25.00	per ton
5.	Self Haul Diversion Guarantee		N.A.	$70.00	per ton
6.	MRF Recyclables Revenue Guarantee	$6,500,000	N.A.	$6,500,000	per year
	Actual based on Contractor proposal				

II. Determine Percentage Change in Costs (Attachment 12-A, Section 1)

A. Labor Cost Component Adjustment Factors

1. Wages for CBA labor - When collective bargaining agreements in effect in 2010 are still in effect, use Form 3-G of the Contractor's original proposal to estimate net impact of increased wage rates for represented personnel.

	Transfer Station	MRF	Transport
Annual wages for CBA labor per Form 3-G (original proposal in 2009 dollars)	$1,261,965	$1,103,453	$1,870,669
Updated annual wages for CBA labor	$1,290,091	$1,140,792	$1,864,836
Updated annual wages estimate shall be prepared by revising Form 3-G to input the wage rates from CBAs in place in 2010. Note that no changes shall be made to the standard and overtime hours.			
Adjustment Factor for Wages Direct Labor	1.022	1.034	0.997

2. Annual Benefits for CBA labor per Form 3-G (original proposal in 2009 dollars)

	$542,168	$411,151	$686,345
Updated annual benefits for CBA labor	$559,167	$423,561	$706,575
Updated annual benefits estimate shall be prepared by revising Form 3-G to input the wage rates from CBAs in place in 2010.			
Adjustment Factor for CBA Labor Benefits	1.031	1.030	1.029

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

3. Workers Compensation Insurance (CBA Labor)	Index	Change
Average Index for the 12-month period ending April 2009	109962	
Average Index for the 12-month period ending April 2010	113040	1.028
Use prior year adjustment factor to arrive at 2011 cost adjustment		1.028
Adjustment Factor shall be based on the change in the Index		0.000

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A).

4. Payroll Taxes (CBA Labor)	2009	2010	2011
Contractor's Effective Tax rate TS			
Adjustment Factor for payroll taxes shall equal the change in Federal Social Security & Medicare tax rates, state taxes, etc.	7.65%	7.95%	8.20%
Adjustment Factor		1.039	1.031
Total Adjustment Factor			0

5. Outside Contract Labor Adjustment Factor (for non-CBA direct labor)	Index	Change
Average Index for the 12-month period ending April 2009	614	
Average Index for the 12-month period ending April 2010	628	1.018
Use prior year adjustment factor to arrive at 2011 cost adjustment		1.018
Adjustment factor for non-CBA Labor Component		0

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. Ecs12102i replaced with cis201s000000000i

B. Fuel and Power Cost Component Adjustment Factors

1. Power Adjustment	Rate	Change
PG&E rate per KwHr in April 2009	$0.01100	
PG&E rate per KwHr in April 2010	$0.01130	1.027
Use prior year adjustment factor to arrive at 2011 cost adjustment		1.027
Adjustment factor for power costs (equals the product of the above values)		0

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

2. Fuel Adjustment

	Index	Change
Average Index for the 12-month period ending April 2009	170.0	
Average Index for the 12-month period ending April 2010	200.0	1.176
Use prior year adjustment factor to arrive at 2011 cost adjustment		1.176
Adjustment factor for fuel costs (equals the product of the above values)		0.000

Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303).

C. Depreciation Adjustment Factor (Att. 8.B / Form 3-C Equipment)

Depreciation expense.(vehicles, rolling stock)	Index	Change
Average Index for the 12-month period ending April 2009	139.4	
Average Index for the 12-month period ending April 2010	142.9	1.025
Adjustment Factor shall be based on the change in the Index up to date of purchase and applied to the Contractors Depreciation Schedule on Form 3-M. Payment will be based on the adjusted Year one expense on Form 3-M or actual purchase price will be used if less than indexed cost		0.000

Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index Industry Data for motor vehicle body manufacturing, truck, bus, car, and other vehicle bodies, for sale separately (not seasonally adjusted, base date: 8212, series no. pcu3362113362111).

D. Other Operating and Maintenance Cost Component Adjustment Factor

		Index	Change
Average Index for the 12-month period ending April 2009	*80% of Index Change*	212.2	
Average Index for the 12-month period ending April 2010	*80% of Index Change*	216.8	1.018
Use prior year adjustment factor to arrive at 2011 cost adjustment			1.018
Adjustment factor for Other O&M Component (equals the product of above values)			0.000

Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa).

Attachment 12-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

III. Adjust Transfer Station Fee (Attachment 12-A, Section 2)

		Proposed Cost (2009)	Adjustment Factor	Adjusted Cost (2011)
Labor Component				
Wages for CBA labor		$1,283,084	1.022	$1,311,681
Benefits for CBA labor		$558,688	1.029	$575,156
Workers compensation insurance		$206,279	0.000	$0
Payroll taxes		$111,664	0.000	$0
Total		$2,159,715	*0.874*	$1,886,836
Tonnage assumed for proposal	357,725 tons per year			
		Cost per Ton		Cost per Ton
Adjusted labor component (cost per ton)		$6.04	*0.874*	$5.27
Fuel and Power Component				
Power		$0.54	-	$0.00
Fuel		$0.44	-	$0.00
Total		$0.98	-	$0.00
Depreciation (Att. 8-B / Form 3-C Equipment)	***need to tie in total depreciation to FormM***			
Depreciation expense (vehicles, rolling stock)		$0.29	0.000	$0.00
Other O&M Component		$1.77	0.000	$0.00
Total Adjusted Transfer Station Operating Cost / Ton		$9.08	*0.581*	$5.27
Profit per Proposal Operating Ratio		$0.63	(0.264)	$0.37
Operating ratio (Form 3 - H)	93.5%			
Total Transfer Station Fee / Ton	357,725 tons per year	$9.71	*0.581*	**$5.64**

Attachment 12-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

IV. Adjust MRF Processing Fee (Attachment 12-A, Section 3)

		Proposed Cost (2009)	Adjustment Factor	Adjusted Cost (2011)
Labor Component				
Wages for CBA labor		$1,048,544	1.034	$1,084,024
Benefits for CBA labor		$446,950	1.029	$460,125
Workers compensation insurance (CBA)		$168,573	0.000	$0
Payroll taxes		$100,729	0.000	$0
Subtotal - CBA		$1,764,796	0.875	$1,544,149
Outside Contracted Workers		$956,633	0.000	$0
Total Labor		$2,721,429	*0.567*	$1,544,149
Tonnage assumed for proposal	74,022 tons per year			
		Cost per Ton		Cost per Ton
Adjusted labor component (cost per ton)		$36.77	*0.567*	$20.86
Fuel and Power Component				
Power		$3.14	-	$0.00
Fuel		$0.96	-	$0.00
Total		$4.10	*0.000*	$0.00
Depreciation (Att. 8-B / Form 3-C Equipment)				
Depreciation expense (vehicles, rolling stock)		$1.90	0.000	$0.00
Other O&M Component		$16.17	0.000	$0.00
Total Adjusted MRF Operating Cost / Ton		$58.93	*0.354*	$20.86
Profit per Proposal Operating Ratio		$4.53	*0.354*	$1.60
Operating ratio (Form 3 - G)	92.9%			
Total Before Residue		$63.46		$22.46
# Tons Residue	6,800 tons per year			
MRF Residue Disposal - adjusted by change in disposal fee		$3.05	1.02	$3.11
MRF Residue transportation @ current Transportation Fee rate		$0.85		$0.56
Total MRF Fee / Ton		**$67.36**	*0.388*	**$26.14**

Actual MRF monthly residue disposal and transportation will be deducted from Contractor Compensation based on actual residue tons at current disposal rate and transportation fee / ton/mile

Attachment 12-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

V. Adjust Transportation Fees (Attachment 12-A, Section 4)

Note: The labor components for each of the five transport fees shall be adjusted using the same factor. The factor shall be calculated based on the labor component of the solid waste transfer fee.	Proposed Cost (2009)	Adjustment Factor	Adjusted Cost (2011)
Labor Component for Solid Waste Transport Fee			
Wages for CBA labor	$1,309,584.77	0.997	$1,305,501.53
Benefits for CBA labor	$444,675.77	1.029	$457,782.90
Workers compensation insurance	$151,103.87	0.000	$0.00
Payroll taxes	$110,754.55	0.000	$0.00
Total	$2,016,118.96	*0.875*	$1,763,284.43
Tonnage assumed for proposal	318,170 tons per year		
Adjusted labor component for solid waste Transport Fee (cost per ton)	$6.34	*0.875*	$5.54
Adjustment factor for the labor components (based on solid waste labor component adjustment)			0.875

	Operating Ratio	Proposed Cost per Ton Mile (2009)	Adjustment Factor	Adjusted Cost per Ton Mile (2011)
Solid Waste Transport Fee				
Labor component		$0.595	0.875	$0.520
Fuel and Power Component (assumes fuel only)		$0.075	-	$0.000
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.085	-	$0.000
Other O&M Component		$0.174	0.000	$0.000
Total Operating Cost		$0.927	*0.561*	$0.520
Profit per Operating Ratio (Form 3-G)	92.1%	$0.080	(0.035)	$0.045
Total SW Transportation Fee		$1.007	*0.561*	$0.565
# Miles (one way)	13			
# Tons	260,801			
Total Payment	proof> $ 3,414,520			

Attachment 12-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

	Operating Ratio		Proposed Cost per Ton Mile (2009)	Adjustment Factor	Adjusted Cost per Ton Mile (2011)
Inerts Transport Fee					
Labor component			$0.567	0.875	$0.496
Fuel and Power Component (assumes fuel only)			$0.082	-	$0.000
Depreciation (Att. 8-B / Form 3-C Equipment)			$0.084	-	$0.000
Other O&M Component			$0.218	0.000	$0.000
Total Operating Cost			$0.952	*0.521*	$0.496
Profit per Operating Ratio (Form 3-G)	91.3%		$0.091	(0.044)	$0.047
Total Inert Transportation Fee			$1.043	*0.521*	$0.544
# Miles (one way)		13			
# Tons		6,317			
Total Payment	proof>	$ 85,657			
C&D Transport Fee					
Labor component			$0.405	0.875	$0.355
Fuel and Power Component (assumes fuel only)			$0.069	-	$0.000
Depreciation (Att. 8-B / Form 3-C Equipment)			$0.048	-	$0.000
Other O&M Component			$0.108	0.000	$0.000
Total Operating Cost			$0.630	*0.563*	$0.355
Profit per Operating Ratio (Form 3-G)	91.6%		$0.057	(0.025)	$0.032
Total C&D Transportation Fee			$0.688	*0.563*	$0.387
# Miles (one way)		23			
# Tons		18,918			
Total Payment	proof>	$ 299,225			
Plant Materials Transport Fee					
Labor component			$0.351	0.875	$0.307
Fuel and Power Component (assumes fuel only)			$0.063	-	$0.000
Depreciation (Att. 8-B / Form 3-C Equipment)			$0.044	-	$0.000
Other O&M Component			$0.106	0.000	$0.000
Total Operating Cost			$0.564	*0.544*	$0.307
Profit per Operating Ratio (Form 3-G)	91.8%		$0.050	(0.023)	$0.027
Total Plant Material Transportation Fee			$0.614	*0.544*	$0.334
# Miles (one way)		25			
# Tons		61,494			
Total Payment	proof>	$ 944,381			

Annual Fee Adjustment Process

Determination of Contractor's Fees for Rate Year One − 2011 (Section 7.04 and Attachment 12-A)

Organic Material Transport Fee				
Labor component		$0.439	0.875	$0.384
Fuel and Power Component (assumes fuel only)		$0.069	-	$0.000
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.044	-	$0.000
Other O&M Component		$0.115	0.000	$0.000
Total Operating Cost		$0.666	*0.576*	$0.384
Profit per Operating Ratio (Form 3-G)	89.5%	$0.078	(0.033)	$0.045
Total Organic Material Transportation Fee		$0.745	*0.576*	$0.429
# Miles (one way)	25			
# Tons	10,195			
Total Payment	proof> $ 189,846			
	$190,088			

4. Adjust Per-Ton Supplemental MRF Processing Cost (Section 7.06)

	2009 Then-Current Rate Year Cost per Ton	Adjustment Factor	2011 Rate Year Cost per Ton
Per-ton supplemental MRF processing cost	$25.00	0.354	$8.85
Adjust by Total MRF Fee adjustment factor (before residue)			

ATTACHMENT 12C

MODIFICATION OF BASIC COMPENSATION DURING INTERIM OPERATIONS IN RATE YEAR ONE

This Attachment describes how the Contractor's compensation shall be determined for the MRF operations and the Transfer Station operations during the period of Interim Operations.

Prior to the Contractor's start of Facility operations services, the Authority will be constructing a new MRF building and installing new MRF sorting equipment, and retrofitting the Transfer Station building. These construction activities may have an impact of a limited duration on full-scale operations necessitating a modification in basic compensation.

MRF Operations

In the event that the MRF building is not ready to process Recyclable Materials at the start of the Operations Agreement on January 1, 2011; the Authority will need to sort Recyclable Materials through an Off-site Processor. The Contractor will receive Recyclable Materials at the MRF and at the Public Recycling Center, but these materials will require loading into a transfer trailer for shipment to the offsite processor(s). The Contractor will not be required to transport the materials to the offsite processor(s).

During this period of interim operations the Contractor will not receive the MRF Fee provided in Section 7.03(B). Compensation will be on a cost plus 92.87% basis, up to a monthly not-to-exceed payment of $208,220. Contractor shall submit cost reports and supporting documents such as payroll records to Authority monthly. Interim operations will cease once the equipment installation is complete and the provisions of Section 4.04 are triggered.

Transfer Station Operations

In the event the Transfer Station building is still undergoing construction activities at the start of the Operations Agreement on January 1, 2011, the Contractor will experience operational impacts that will increase its costs to manage the Transfer Station. Such impacts may include longer operating hours for transportation of materials offsite, additional traffic congestion resulting from all customer vehicles tipping on the north side of the Transfer Station building, and enhanced staffing required for floor sorting and litter control.

In order to compensate the Contractor for such additional costs the Transfer Station Fee provided in Section 7.03(A) will be increased by $2.27 per Ton during interim operations. Interim operations will cease once the Authority directs the Contractor to begin using the southern portion of the Transfer Station building.

The dollar amounts in this attachment shall be adjusted by a percentage which represents the 100% of the change in the *Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa)* between June 2009 and the month(s) in which the interim operations period ends.

SBWMA - OPERATIONS AGREEMENT **Attachment 12D**

CBA WAGES & BENEFITS WORKSHEET

example only

WAGES	BASE 2009 COST Transfer Station				2011 Rates not actual	
Direct Labor	Standard	Overtime	Hourly Wage Rate	Annual Cost		
Leads	2,080	390	$ 33.34	85,487	$ 34.00	87,179
Scale Operator	6,240	1,170	$ 31.75	244,247	$ 32.00	246,170
Spotter	4,160	780	$ 22.10	113,529	$ 23.00	118,152
Sorter (Transfer Station)	20,800	3,120	$ 17.10	417,872	$ 18.00	439,865
TS Operator	10,400	1,560	$ 33.16	407,170	$ 33.00	405,206
MRF Operator			$ 31.75		$ 32.00	-
Semi-Driver (Transfer Truck)			$ 34.21		$ 34.00	-
Maintenance	-	-	$ 33.36		$ 34.00	-
PM Technician	-	-	$ 28.80		$ 30.00	-
Lead MRF Sorter	-	-	$ 14.80		$ 18.00	-
Inspector	-	-	$ 22.10		$ 23.50	-
Buyback Attendant			$ 22.20		$ 23.60	-
Total	43,680	7,020		1,268,305		1,296,573
% Increase						**2.2%**

	MRF					
Direct Labor	Standard	Overtime	Hourly Wage Rate	Annual Cost		
Leads	4,160	-	$ 33.34	133,442	$ 34.00	136,084
Scale Operator	-	-	$ 31.75	-	$ 32.00	-
Spotter	-	-	$ 22.10	-	$ 23.00	-
Sorter (Transfer Station)	-	-	$ 17.10	-	$ 18.00	-
TS Operator			$ 33.16	-	$ 33.00	-
MRF Operator	14,560	1,456	$ 31.75	511,529	$ 32.00	515,557
Semi-Driver (Transfer Truck)			$ 34.21	-	$ 34.00	-
Maintenance	2,080	-	$ 33.36	66,893	$ 34.00	68,176
PM Technician	2,080	-	$ 28.80	58,344	$ 30.00	60,775
Lead MRF Sorter	2,080	-	$ 14.80	30,784	$ 18.00	37,440
Inspector	4,160	-	$ 22.10	127,088	$ 23.50	135,139
Buyback Attendant	4,576	1,664	$ 22.20	216,050	$ 23.60	229,674
Total	69,056	6,656		1,144,130		1,182,845
% Increase						**3.4%**

	Transport					
Direct Labor	Standard	Overtime	Hourly Wage Rate	Annual Cost		
Leads	-	-	$ 33.34		$ 34.00	-
Scale Operator			$ 31.75		$ 32.00	-
Spotter			$ 22.10		$ 23.00	-
Sorter (Transfer Station)			$ 17.10		$ 18.00	-
TS Operator			$ 33.16		$ 33.00	-
MRF Operator			$ 31.75		$ 32.00	-
Semi-Driver (Transfer Truck)	45,760	6,344	$ 34.21	1,766,621	$ 34.00	1,755,776
Maintenance	2,080	416	$ 33.36	86,961	$ 34.00	88,629
PM Technician	2,080	416	$ 28.80	75,847	$ 30.00	79,008
Lead MRF Sorter	-	-	$ 14.80		$ 18.00	-
Inspector	-	-	$ 22.10		$ 23.50	-
Buyback Attendant			$ 22.20	-	$ 23.60	-
Total	49,920	7,176		1,929,429		1,923,413
						-0.3%

BENEFITS

Teamsters	**/ month**	**/ hour**	**/ month**	**/ hour**
H&W	**$ 1,361.00**	$ 7.85	**$ 1,412.40**	$ 8.15
Income Protection	**$ 268.62**	$ 1.55	**$ 257.36**	$ 1.48
	$ 4.90	$ 0.03	**$ 5.39**	$ 0.03
Total H&W		$ 9.43		$ 9.66
				2.5%
Pension	**$ 8,008.00**	$ 3.85	**$ 8,386.56**	$ 4.03
				4.7%
Total Teamster		$ 13.28		$ 13.70
				3.1%

SBWMA - OPERATIONS AGREEMENT **Attachment 12D**

CBA WAGES & BENEFITS WORKSHEET

example only

	BASE 2009 COST		2011 Rates	
Mechanics	**/ month**	**/ hour**	**/ month**	**/ hour**
H&W	**$ 1,100.00**	$ 6.35	**$ 1,104.40**	$ 6.37
Pension	**$ 588**	$ 3.39	**$ 588**	$ 3.39
Total Mechanics		$ 9.74		$ 9.77
				0.3%

% Mix (based on hours)	Teamsters	Mechanics
TS	100%	
MRF	94.5%	5.5%
Transportation	91.3%	8.7%

Total H&W, Pension / Hr	$ 13.28	$ 13.70
USE FOR TRANSFER STATION		**3.1%**
Total Teamster / Mechanics	$ 13.09	$ 13.48
USE FOR MRF		**3.0%**
Total Teamster / Mechanics	$ 12.97	$ 13.35
USE FOR TRANSPORTATION		**2.9%**

Attachment 12D, Form 3 - G
Operations Staffing Worksheet

South Bay Recycling

Position	CBA	Total Annual ST and OT hours by Employee Class								Hourly Wage Rate*	Annual Cost - 2009			
		Transfer Station		MRF		Transport		Total			Transfer Station	MRF	Transport	Total
Direct Labor		Standard	Overtime	Standard	Overtime	Standard	Overtime	Standard	Overtime					
Leads	T	2,080.0	390.0	4,160.0	0.0	0.0	0.0	6,240.0	390.0	$ 33.34	$88,851	$138,694		$208,042
Scale Operator	T	6,240.0	1,170.0	0.0	0.0			6,240.0	1,170.0	$ 31.75	$253,841	$0		$253,841
Spotter	T	4,160.0	780.0	0.0	0.0			4,160.0	780.0	$ 22.10	$117,793	$0		$117,793
Sorter (Transfer Station)	T	18,720.0	3,120.0	0.0	0.0			18,720.0	3,120.0	$ 17.10	$400,140	$0		$400,140
MRF Sorter (1)	N			49,920.0	4,576.0			49,920.0	4,576.0	$ 16.40	$0	$931,846		$931,846
TS Operator	T	10,400.0	1,560.0					10,400.0	1,560.0	$ 33.16	$422,458	$0		$422,458
MRF Operator	T			14,560.0	1,456.0			14,560.0	1,456.0	$ 31.75		$531,622		$531,622
Semi-Driver (Transfer Truck)	T					41,600.0	6,344.0	41,600.0	6,344.0	$ 34.21		$0	$1,748,678	$1,748,678
Maintenance	M	0.0	0.0	2,080.0	0.0	3,249.6	0.0	5,329.6	0.0	$ 33.36		$69,389	$108,408	$177,796
PM Technician	M	0.0	0.0	2,080.0	0.0	0.0	0.0	2,080.0	0.0	$ 28.80		$59,904	$0	$59,904
Lead MRF Sorter	T	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	$ 14.80		$0		$0
Inspector	T	0.0	0.0	4,160.0	0.0	0.0	0.0	4,160.0	0.0	$ 22.10		$91,936		$91,936
Buyback	T			4,576.0	1,664.0			4,576.0	1,664.0	$ 22.20		$156,998	$0	$156,998
Total		**41,600.0**	**7,020.0**	**81,536.0**	**7,696.0**	**44,849.6**	**6,344.0**	**167,985.6**	**21,060.0**		**$1,283,084**	**$1,980,390**	**$1,857,086**	**$5,101,055**

CBA - T (teamster), M (mechanic) N (non-CBA)

Position		Total Annual FTEs by Employee Class				CBA Benefit Costs		
		Transfer Station	MRF	Transport	Total		Per-Person Annual Benefit Cost	Per-Person Annual Pension Cost
Direct Labor								
Leads		1.2	2.0	0.0	**3.2**			
Scale Operator		3.6	0.0		**3.6**			
Spotter		2.4	0.0		**2.4**			
Sorter (Transfer Station)		10.5	0.0		**10.5**	**Teamsters**	**$ 19,614**	**$ 8,320**
MRF Sorter (1)			23.8		**23.8**			
TS Operator		5.8			**5.8**	**Mechanics**	**$ 13,260**	**$ 7,056**
MRF Operator			7.7		**7.7**			
Semi-Driver (Transfer Truck)				23.1	**23.1**	Note: excludes non-CBA benefits, payroll tax, workers comp, etc		
Maintenance		0.0	1.0	1.0	**2.0**			
PM Technician		0.0	1.0	1.0	**2.0**			
Lead MRF Sorter		0.0	0.0	0.0	**0.0**			
Inspector		0.0	2.0	0.0	**2.0**			
Buyback		0.0	3.0	0.0	**3.0**			
Subtotal FTEs		**23.4**	**40.5**	**25.1**	**88.9**			

Attachment 12D, Form 3 - G
Operations Staffing Worksheet

South Bay Recycling

Position		Total Annual FTEs by Employee Class				
		Transfer Station	MRF	Transport	Total	
Indirect Labor						
Operations Manager		0.0	0.0	0.0	**0.0**	
Supervisors		0.0	0.0	0.0	**0.0**	
Other (specify): _____		0.0	0.0	0.0	**0.0**	
Other (specify): _____		0.0	0.0	0.0	**0.0**	
Other (specify): _____		0.0	0.0	0.0	**0.0**	
Subtotal FTEs		**0.0**	**0.0**	**0.0**	**0.0**	

Position		Total Annual FTEs by Employee Class				
		Transfer Station	MRF	Transport	Total	
Management and Administration						
General Manager	G&A	1.0	0.0	0.0	**1.0**	
Operations Manager	Indirect	0.4	0.3	0.3	**1.0**	
Supervisors	Indirect	1.0	1.0	0.0	**2.0**	
Materials Marketing Manager	G&A	0.0	0.0	0.0	**0.0**	
Controller	G&A	0.0	0.0	0.0	**0.0**	
Office Manager	G&A	0.0	0.0	0.0	**0.0**	
Accountant	G&A	0.4	0.3	0.3	**1.0**	
Accountant Assistant	G&A	0.4	0.3	0.3	**1.0**	
EH&S Manager	G&A	0.4	0.3	0.3	**1.0**	
Administrative Assistant	G&A	0.4	0.3	0.3	**1.0**	
Other (specify):____Clerk__		1.0	0.0	0.0	**1.0**	
Other (specify): _____AR____		0.4	0.3	0.3	**1.0**	
Other (specify): _____		0.0	0.0	0.0	**0.0**	
Other (specify): _____		0.0	0.0	0.0	**0.0**	
Other (specify): _____		0.0	0.0	0.0	**0.0**	
Other (specify): _____		0.0	0.0	0.0	**0.0**	
Subtotal FTEs		**5.4**	**2.8**	**1.8**	**10.0**	
Total FTEs		**28.8**	**43.3**	**26.9**	**98.9**	

Attachment 12D, Form 3 - H
Transfer Station Operations Costs Worksheet
All costs shall be presented in 2009 dollars

South Bay Recycling

	Transfer Station Receipt and Handling		
	Annual Costs	**Cost per Ton**	**Comment**
Labor			
Wages for direct labor - Transfer Station	$1,283,084		
Benefits for direct labor - Transfer Station	$558,688		
Workers compensation insurance	$206,279		Effective Tax Rate:
Payroll taxes	$111,664		8.70%
Subtotal, Labor	**$2,159,715**	**$6.04**	
Fuel and Power			
Electricity	$192,324	**$0.54**	
Fuel	158,647	**$0.44**	
Subtotal, Fuel and Power	**$350,971**	**$0.98**	
Depreciation, lease expense (Attach. 8B equipment, only)			
Lease expense - Principal only (vehicles, rolling stock)			
Depreciation expense (vehicles, rolling stock)	88,033		
Depreciation expense (other)	$16,633		
Subtotal, Depreciation, Lease	**$104,666**	**$0.29**	
Other O&M			
Indirect labor - wages	$112,167		
Indirect labor - benefits	$29,905		
Repair, maintenance (vehicles, rolling stock)	115,995		
Repairs and maintenance (equipment and other)	$8,806		
Lease/rental expense (misc., office equip, etc)	23,738		
Depreciation expense - Other (non-8B equipment)	-		
Other vehicle-related expenses (licensing, taxes, etc.)	$1,377		
Insurance, safety, and claims	$50,903		
G&A - wages	$122,364		
G&A - benefits	39,483		
General and administrative, other	93,005		
Other (specify): _Performance Bond_	$20,394		
Other (specify): _Interest on Revolving Line__	$15,295		
Subtotal, Other O&M	**$633,432**	**$1.77**	
Total Annual Operating Cost	$3,248,784	**$9.08**	
Profit	**$225,000**	**$0.63**	
Operating Ratio %	93.52%		
Total Annual Costs Before Pass-Through Costs	$3,473,784	**$9.71**	
Transfer Station Estimated Annual Tonnage	**357,725**		**TS Tons Specified by SBWMA**

Attachment 12D, Form 3 - I
MRF Operations Cost Worksheet
All costs shall be presented in 2009 dollars

South Bay Recycling

	MRF Operations Costs				
	Annual Cost				
	Recyclables Processing	Buyback / Drop Off Center	Total	Cost/Ton	Comment
Standard Time	**27040**	**4576**	**31616**		
Non CBA Time	**37440**		**37440**		
Over Time		**1664**	**1664**		
Labor					
Wages for direct labor (CBA) - MRF	$891,545	$156,998	$1,048,544		
Benefits for direct labor (CBA) - MRF	$363,147	$83,803	$446,950		
Wages for direct labor (non-CBA) - MRF	$956,633	$0	$956,633		
Benefits for direct labor (non-CBA) - MRF	$0	$0	$0		
Workers compensation insurance	$143,332	$25,240	$168,573		Effective Tax Rate:
Payroll taxes	$81,182	$19,547	$100,729		5.02%
Subtotal, Labor	**$2,435,840**	**$285,589**	**$2,721,429**	**$36.77**	
Fuel and Power					
Electricity	$224,894	$7,445	$232,339	**$3.14**	
Fuel	68,349	$2,525	$70,874	**$0.96**	
Subtotal, Fuel and Power	**$293,243**	**$9,970**	**$303,213**	**$4.10**	
Depreciation, lease expense (Attach. 8B equipment, only)					
Lease expense - Principal only (vehicles, rolling stock)			$0		
Depreciation expense (vehicles, rolling stock)	129,176	$11,281	$140,457		
Depreciation expense (other)	$0	$0	$0		
Subtotal, Depreciation, Lease	**$129,176**	**$11,281**	**$140,457**	**$1.90**	
Other O&M					
Indirect labor - wages	$112,167	$0	$112,167		
Indirect labor - benefits	$29,905	$0	$29,905		
Repair and maintenance (vehicles, rolling stock)	389,072	$0	$389,072		
Repairs and maintenance (equipment and other)	225,753	$3,090	$228,843		
Lease/rental expense (misc., office equip, etc)	23,503	$510	$24,013		
Depreciation expense - Other (non-8B equipment)		$0	$0		
Other vehicle-related expenses (licensing, taxes, etc.)	$688	$688	$1,377		
Insurance, safety, and claims	$3,059	$2,039	$5,099		
G&A - wages	122,364	$0	$122,364		
G&A - benefits	39,483	$0	$39,483		
General and administrative, other	$93,006	$4,120	$97,125		
Other (specify):Performance Bond	$122,364		$122,364		
Other (specify): _Interest on Revolving Line_	$12,746	$12,746	$25,493		
Subtotal, Other O&M	**$1,174,111**	**$23,193**	**$1,197,304**	**$16.17**	
Total Annual Operating Cost	**$4,032,370**	**$330,033**	**$4,362,402**	**$58.93**	
Profit	**$285,000**	**$50,000**	**$335,000**	**$4.53**	
Operating Ratio %				92.87%	
Total Annual Costs before Residue Disposal Cost	**$4,317,370**	**$380,033**	**$4,697,402**	**$63.46**	
MRF Residue - Not Subject to Annual Adjustment (7)					
# Tons of Residue	6,800.0				
Disposal Fees expense (Pd by Authority)	$225,828	$0	$225,828	**$3.05**	Contractor to reimburse Authority
Transfer and haul expense	$62,968	$0	$62,968	**$0.85**	# Tons x Trans. Cost / ton
Total MRF Residue expense	$288,796	$0	**$288,796**	**$3.90**	
Total Annual MRF Cost Before Pass-Through	**$4,606,166**	**$380,033**	**$4,986,198**	**$67.36**	
Annual Estimated Tonnage (Specified by SBWMA)	**71,436**	**2,586**	**74,022**		

Attachment 12D, Form 3 - J
Transportation Cost Worksheet
All costs shall be presented in 2009 dollars

South Bay Recycling

	Solid Waste	Inerts (9)	C&D	Plant Materials	Food Scraps	Total
Straight time	25572	678	2701	8040	1640	**49,920**
Over time	4160	104	416	1352	312	**7,176**
Labor						
Wages for Direct Labor	$1,309,585	$28,264	$111,771	$338,838	$71,388	**$1,859,846**
Benefits for Direct Labor	$444,676	$11,871	$44,925	$136,853	$28,248	**$666,572**
Workers Compensation Insurance	$151,104	$4,183	$10,297	$35,148	$6,237	**$206,968**
Payroll Taxes	$110,755	$2,390	$9,453	$28,657	$6,038	**$157,291**
Subtotal, Labor	**$2,016,119**	**$46,708**	**$176,445**	**$539,496**	**$111,911**	**$2,890,678**
Fuel						
Vehicle Fuel	252,654	$6,773	$29,945	$96,965	$17,663	**$404,000**
Other (specify): _____						**$0**
Subtotal, Power	**$252,654**	**$6,773**	**$29,945**	**$96,965**	**$17,663**	**$404,000**
Depreciation, lease expense (Attach. 8B equipment, only)						
Lease exp, - Principal only (vehicles, etc.)						**$0**
Depreciation expense (vehicles)	287,315	$6,958	$20,838	$67,734	$11,229	**$394,074**
Depreciation expense (other)	$0	$0	$0	$0	$0	**$0**
Subtotal, Depreciation, Lease	**$287,315**	**$6,958**	**$20,838**	**$67,734**	**$11,229**	**$394,074**
Other O&M						
Indirect labor - wages	$81,780	$1,980	$5,931	$19,280	$3,196	**$112,167**
Indirect labor - benefits	$21,802	$529	$1,583	$5,121	$852	**$29,887**
Repair and maintenance (vehicles)	182,690	$5,570	$12,392	$57,077	$11,233	**$268,962**
Lease/rental expense (misc., office equip, etc)	1,390	$103	$206	$515	$103	**$2,317**
Depreciation expense - Other (non-8B equipment)	$0	$0	$0	$0	$0	**$0**
Other vehicle-related expenses (licensing, taxes)	$32,426	$1,351	$4,053	$10,809	$2,702	**$51,342**
Insurance, safety, and claims	$64,853	$2,957	$8,362	$22,127	$2,957	**$101,256**
G&A - wages	89,292	$2,366	$6,241	$20,883	$3,589	**$122,371**
G&A - benefits	28,814	$771	$2,000	$6,729	$1,170	**$39,483**
General and administrative, other	$67,855	$1,778	$4,774	$15,893	$2,708	**$93,007**
Other (specify): _Performance Bond__	$14,868	$367	$1,081	$3,508	$571	$20,395
Other (specify): _Interest on Revolving Line__	$2,753	$204	$408	$1,020	$204	$4,589
Subtotal, Other O&M	**$588,524**	**$17,976**	**$47,028**	**$162,963**	**$29,285**	$845,776
Total Annual Operating Cost	**$3,144,612**	**$78,414**	**$274,257**	**$867,158**	**$170,088**	**$4,534,528**
Profit	**$270,000**	**$7,500**	**$25,000**	**$77,500**	**$20,000**	**$400,000**
Operating Ratio %	92.1%	91.3%	91.6%	91.8%	89.5%	91.9%
Total Annual Cost before Pass-Through costs	**$3,414,612**	**$85,914**	**$299,257**	**$944,658**	**$190,088**	$4,934,528
Cost / Ton	$13.093	$13.600	$15.819	$15.362	$18.645	
Hauling Assumptions						
Annual Estimated Tonnage	260,801	6,317	18,918	61,494	10,195	**357,725**
Average Payload (tons/haul)	24.0	22.0	22.0	24.0	22.0	
Annual Number of Hauls	10,867	288	860	2,563	464	**15,042**
Cost per Haul	$314	$298	$348	$369	$410	
Destination	**Ox Mountain Landfill**	**Ox Mountain Landfill**	**Zanker Rd. C&D Processing**	**Newby Island Composting**	**Newby Island Composting**	
One-way mileage	13.00	13.00	23.00	25.00	25.00	
Annual one-way mileage	141,271	3,744	19,780	64,075	11,600	**240,470**
Cost per Ton Mile						Avg. $ / Ton Mile
Labor Component	$0.595	$0.567	$0.405	$0.351	$0.439	$0.471
Fuel Component	$0.075	$0.082	$0.069	$0.063	$0.069	$0.072
Depreciation	$0.085	$0.084	$0.048	$0.044	$0.044	$0.061
Other O&M Component	$0.174	$0.218	$0.108	$0.106	$0.115	$0.144
Profit	$0.080	$0.091	$0.057	$0.050	$0.078	$0.071
Total Cost per Ton Mile	**$1.007**	**$1.043**	**$0.688**	**$0.614**	**$0.745**	
Average Cost per Ton Mile						$0.819

Attachment 12D, Form 3 - K
Facility Operations - Pass-Through Costs Worksheet (7.09)
All costs shall be presented in 2009 dollars

	South Bay Recycling

	Total Facility Operations	
	Annual Costs	**Comment**
Disposal of E-waste and U-waste including transportation		
Permit and regulatory fees		
Buyback Customer Payments	$906,000	
Direct interest expense on Contractor's 8B capital (Yr 1), OR	$308,120	
Imputed interest expense on leased Contractor's capital (Yr 1)	$0	
TOTAL PASS-THROUGH COSTS	$1,214,120	

Attachment #12D - Form 3 - L

Shoreway Operations Costs - COMPENSATION SUMMARY

	South Bay Recycling		
	BASE PROPOSAL - 2009 COST		
	Annual Costs	**Tonnage**	**Cost per Ton**
PAID TO CONTRACTOR			
OPERATING COST			
Transfer Station (3-H)	$3,473,784	357,725	$ 9.711
MRF (3-I)	$4,986,198	74,022	$ 67.361
Transport (3-J)	$4,934,528	357,725	$ 13.794
Total Operating Cost	$13,394,511	431,747	
MRF RESIDUE DEDUCTION	($288,796)		
NET OPERATING PAYMENT	$13,105,715		
PASS-THROUGH COSTS			
Year One Interest	$308,120		
Buyback Payments	$906,000		
Permit and Regulatory fees			
E/U waste disposal			
Total Pass-through Costs	$1,214,120		
TOTAL CONTRACTOR FEE FOR SERVICE	**$14,319,835**		
MRF Equipment Installation Reimbursement (Agreement 7.02)	$276,462		
TOTAL YEAR 1 PAYMENT TO CONTRACTOR	**$14,596,297**		

Attachment #12D - Form 3 - M
Debt Service Schedule (Agreement 7.09, 8.03)

	South Bay Recycling

Annual Costs of Contractor Supplied Equipment (Agreement 5.09, Form 3-C, and Attach. 8B)

					Adjusted for Capital indexed price change			
	Financed Purchase - BASE 2009 COST				**Financed Purchase - Year One to Year Ten**			
Year	**Principl Payment**	**Interest**	**Total**	**Adj. Factor**	**Depreciation**	**Interest**	**Total**	**Comment**
Interest Rate %		**5.0%**				**5.0%**		
1	$505,441	$308,120	$813,561	-	$0	$0	$0	
2	$531,300	$282,260	$813,560	-	$0	$0	$0	
3	$558,483	$255,077	$813,560	-	$0	$0	$0	
4	$587,055	$226,505	$813,560	-	$0	$0	$0	
5	$617,091	$196,470	$813,561	-	$0	$0	$0	
6	$648,662	$164,898	$813,560	-	$0	$0	$0	
7	$681,849	$131,712	$813,561	-	$0	$0	$0	
8	$716,734	$96,827	$813,561	-	$0	$0	$0	
9	$753,403	$60,158	$813,561	-	$0	$0	$0	
10	$791,948	$21,612	$813,560	-	$0	$0	$0	
TOTAL COST	**$6,391,966**	**$1,743,639**	**$8,135,605**		**$0**	**$0**	**$0**	

# Years	10	10	
Average Interest / Year	$174,364	$0	

ATTACHMENT 13-A

ADJUSTMENT OF CONTRACTOR'S COMPENSATION FOR RATE YEAR TWO AND THEREAFTER

PART I. INTRODUCTION

This Attachment describes how the Contractor's fees will be adjusted for Rate Year Two and all subsequent years.

The fees shown in Section 7.03 for Basic Compensation are expressed in dollars per Ton or dollars per Ton/Mile and will be adjusted to reflect corresponding values for Rate Year One as provided in Attachment 12-A and illustrated in Attachment 12-B. These adjusted fees will then be further adjusted as described in this Attachment for Rate Year Two and each Rate Year thereafter through the end of the Term. The adjustments are illustrated, using hypothetical adjustment factors for Rate Year Two in Attachment 13-B.

PART II. BASIC COMPENSATION

The three elements of Basic Compensation described in Section 7.03 are calculated by multiplying (1) the Transfer Station Fee, (2) the MRF Fee, and (3) the Transportation Fees by the number of Tons processed or Ton/Miles operated, as applicable. Each fee comprises four distinct cost components (and associated profit):

A. Labor costs
B. Fuel and Power costs
C. Depreciation
D. Other Operating and Maintenance costs.

Section 1. Determine Percentage Change in Costs

Cost Components

The initial step in this process is to determine adjustments or adjustment factors for labor costs, fuel and power costs, depreciation, and other operating and maintenance costs. Three of these components, in turn, have sub-components as follows:

A. Labor
   1. Wages for CBA labor*;
   2. Benefits for CBA labor;
   3. Workers' compensation insurance (CBA labor);
   4. Payroll taxes (CBA labor); and
   5. Outside contracted workers from third party sources

B. Fuel and Power
   1. PG&E charges for electricity; and
   2. Fuel.

* "CBA labor" means employees represented by a union and covered by a collective bargaining agreement (CBA).

C. Depreciation

D. Other Operating and Maintenance Costs

1. Wages and benefits for non-CBA employees plus associated workers' compensation insurance and payroll taxes;
2. Repairs and maintenance expenses;
3. Equipment rental expenses;
4. Other vehicle-related expenses (e.g. licensing, taxes);
5. Insurance, safety and claims; and
6. Other general and administrative expense (including wages and benefits for general & administrative employees).

There is one adjustment factor for this (O&M) cost component.

Adjustment to Costs

A. Labor

1. Wages: the adjustment to CBA wages will be determined separately for the Transfer Station, for the MRF, and for Transportation. In each case, wages will be prepared on the Wage and Benefits Worksheet by inputting the wage rates for the applicable Rate Year payable under the collective bargaining agreements that were in place in 2010 and are still in effect. There will be no increase in the number of standard or overtime hours used in the calculation.

2. (a) Benefits: the CBA benefits cost will be based on the CBA rates for pension and other benefit costs monetized to an hourly dollar amount for the applicable Rate Year. Updated benefits, similarly expressed, will be prepared on the Wage and Benefits Worksheet to input the benefit rates per person for the Rate Year provided by the collective bargaining agreements that were in place in 2010 and are still in effect.

   (b) Once the initial expiration date in the collective bargaining agreements that were in place in 2010 has occurred, wages and benefits for all CBA employees will subsequently be adjusted based on annual average changes in the Consumer Price Index using the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. ecs12102i).

3. Workers' compensation insurance: the adjustment factor will be based on the average annual change to the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A).

4. Payroll taxes: an effective payroll tax rate will be established in Rate Year One calculated from Contractor's Cost Forms and applied to CBA wages to calculate payroll tax expense (Payroll Taxes divided by CBA wages). The payroll taxes adjustment factor will be based on changes in federal Social Security, Medicare, and state payroll tax rates effective in the Rate Year. Contractor will submit to SBWMA for approval of any adjustment to the effective payroll tax rate by July 1. If approved, the adjustment factor will be applied to the effective tax rate and the adjusted effective tax rate will then be used to calculate payroll tax expense.

5. Outside contracted workers from third party sources: the adjustment factor for non-CBA direct contract labor will be based on the average index change* in the U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A).

Base costs in categories described in paragraphs 3 and 5 above will be adjusted as follows: (1) For Rate Year Two, the base costs will be multiplied by the average index change between May 2010 and April 2011; (2) For all subsequent years, the current costs will be multiplied by the average index change between May of the prior year and April of the current year. The appropriate index for each cost component is described in paragraphs 3 and 5. Once the collective bargaining agreements in place in 2010 have expired, the wage and benefit costs will also be adjusted by the average index change between May of the prior year and April of the current year. The index to be used for both adjustments is described in paragraph 2(b) on the prior page under "Adjustment to Costs."

B. Fuel and Power

1. The adjustment factor for power will be based on the average change in PG&E rates for electricity (cents per kwhr).

2. The Adjustment Factor for fuel will be based on the average per cent change in the Producer Price Index #2 Diesel Fuel (PPI) using the U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, base date = 8200, Series No. WPU057303).

Base cost per Ton or Ton/mile in categories described in paragraphs 1 and 2 above will be adjusted as follows: (1) For Rate Year Two, the base cost per Ton or Ton/mile will be multiplied by the average change in unit prices of electricity or the average index change for fuel between May 2010 and April 2011; (2) For all subsequent Years, the current cost per Ton or Ton/mile will be multiplied by the average change in unit price of electricity or the average index change between May of the prior year and April of the current year. The appropriate index is described in paragraph 2.

C. Depreciation

There is no price adjustment for depreciation after Rate Year One.

D. Other Operating and Maintenance Costs

The Adjustment Factor for Other Operating and Maintenance Costs, including all sub-components, will be based on eighty percent (80%) of the average index change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa). The costs per Ton or Ton/mile in this category will be adjusted in the same manner as those in other categories that employ an index-based adjustment.

Section 2. Adjust Transfer Station Fee

* The term “average index change” in this Attachment 13-A means the percentage change between the simple average of all twelve (or fewer) monthly index levels for one year and the same average for a following year.

The Transfer Station Fee for 2012 and thereafter is determined as follows:

A. Labor: The CBA labor cost component for Rate Year Two and each subsequent year will be determined as described in Section 1.A.1 and 2. The CBA workers' compensation for Rate Year Two and each subsequent year will be determined as described in Section 1.A.3. The CBA payroll taxes for Rate Year Two for each subsequent year will be determined as described in Section 1.A.4. The sum equals each year's Transfer Station labor component. It is converted to a Cost per Ton based on the fixed factor of 357,725 Tons per year.

B. Fuel and Power: The Fuel and Power cost component will be calculated by applying the adjustment factors (determined in Section 1.B) to the cost per Ton for fuel and power at the Transfer Station.

C. Depreciation: There is no price adjustment for depreciation after Rate Year One.

D. Other Operating and Maintenance: The Other Operating and Maintenance Cost component will be calculated by applying the adjustment factor (determined in Section 1.D) to the cost per Ton for Other Operating and Maintenance Cost at the Transfer Station.

The Total Transfer Station Operating Cost per Ton is the sum of the costs per ton of the Labor, Fuel and Power, Depreciation, and Other Operation and Maintenance expense categories.

The amount of Transfer Station Profit is based on an operating ratio of 93.52%. This operating ratio will be applied to total Transfer Station Operating Costs per Ton to arrive at the Transfer Station profit per Ton. The calculation is: (Total Operating Cost per Ton ÷ 93.52%) minus Total Operating Cost per Ton = Profit.

The allowance for profit is not a guarantee that Contractor will earn a particular amount, or any, profit. Actual costs may change at rates different from the adjustment process provided in the provided in the Agreement and Contractor may therefore earn more, or less, profit than the dollar amounts shown in Attachment 13-B.

The Total Transfer Station Fee expressed on a per Ton basis for each year is the sum of the Total Transfer Station Operating Cost per Ton plus Profit per Ton.

Section 3. Adjust MRF Fee

The MRF Fee for 2012 and thereafter is determined as follows:

A. Labor:

1. The CBA labor cost component for Rate Year Two and each subsequent year will be determined as described in Section 1.A.1 and 2. The CBA workers' compensation for Rate Year Two and for each subsequent year will be determined as described in Section 1.A.3. The CBA payroll taxes for Rate Year Two and each subsequent year will be determined as described in Section 1.A.4. The sum equals each year's MRF labor cost. It is converted to a cost per Ton based on the fixed factor of 74,022 Tons per year.

2. The outside contracted workers cost component for Rate Year Two and each subsequent year will be determined as described in Section 1.A.5. It is converted to a cost per Ton based on the fixed factor of 74,022 Tons per year.

B. Fuel and Power: The Fuel and Power cost component will be calculated by applying the same adjustment factors as those used in the Transfer Station Fee Fuel and Power adjustment to the current year's cost per Ton for fuel and power.

C. Depreciation: there is no price adjustment for depreciation after Rate Year One.

D. Other Operating and Maintenance: the Other Operating and Maintenance Cost component will be calculated by applying the same factor used in the Transfer Station Other O&M cost adjustment to the current year's cost per Ton for other operating and maintenance costs.

The Total MRF Operating Cost per Ton is the sum of the costs per Ton of all the Labor, Fuel and Power, Depreciation, and Other Operation and Maintenance expense components.

The amount of MRF Profit is based on an operating ratio of 92.87%. This operating ratio will be applied to Total MRF Operating Costs per Ton to arrive at the MRF profit per Ton.

The allowance for profit is not a guarantee that Contractor will earn a particular amount, or any, profit. Actual costs may change at rates different from the adjustment process provided in the Agreement and Contractor may therefore earn more, or less, profit than the dollar amounts derived from this calculation.

E. MRF Residue Cost: the MRF residue cost component is the cost of transporting and disposing of residue from MRF operations and is adjusted annually. The disposal portion is adjusted by the per cent change in disposal rates charged at the Designated Disposal Site. The transportation portion is adjusted by the adjustment to the Solid Waste Transportation Fee per Ton/Mile as described in Section 4 below.

   The actual MRF residue costs based on actual number of tons of residue will be deducted from Contractor's monthly compensation, as incurred, as described in Section 7.08.

The Total MRF Fee expressed on a per Ton basis for each year is the sum of the Total MRF Operating Costs per Ton plus MRF Profit per Ton plus MRF Residue Cost per Ton.

Section 4. Adjust Transportation Fees

The five Transportation Fees for 2012 and thereafter are determined as follows:

A separate cost per Ton/mile will be calculated for each of the five materials categories (solid waste, inerts, C&D, plant materials and organic materials). The cost components for each of the material types will be adjusted using the same factor. The cost per Ton/Mile is calculated by adjusting the prior year's cost components by the adjustment factors described below:

A. Labor: The CBA labor cost component for Rate Year Two and each subsequent year will be determined as described in Section 1.A.1 and 2. The CBA workers' compensation for Rate Year Two and each subsequent yea will be determined as described in Section 1.A.3. The CBA payroll taxes for Rate Year Two and each subsequent year will be determined as described in Section 1.A.4. The sum of these four components equals each year's Transportation labor costs. It is converted to a Cost per Ton based on the fixed factor of 357,725 Tons per year.

B. Fuel: The Fuel cost component will be calculated by applying the same adjustment factors as those used in the Transfer Station Fee Fuel adjustment to the current year's cost per Ton/mile for fuel.

C. Depreciation: There is no price adjustment for depreciation after Rate Year One.

D. Other Operating and Maintenance: the Other Operating and Maintenance Cost per Ton/mile component will be calculated by applying the same factor used in the Transfer Station Other O&M cost adjustment to the current year's cost per Ton/mile for other operating and maintenance costs.

The Total Transportation Operating Cost per Ton/mile for each material type is the sum of the costs per Ton/mile of Labor, Fuel and Power, Depreciation, and Other Operation and Maintenance expense components.

The average amount of Transportation Profit is based on an operating ratio of 91.9%. This operating ratio will be applied to Total Transportation Costs per Ton/mile to arrive at the Transportation profit per Ton/mile.

The allowance for profit is not a guarantee that Contractor will earn a particular amount, or any, profit. Actual costs may change at rates different from the adjustment process provided in the Agreement and Contractor may therefore earn more, or less, profit than the dollar amounts derived from this calculation.

The total Transportation Fee for each material type is the sum of the Total Transportation Cost per Ton/mile plus Profit per Ton/mile for each material type.

Attachment 13-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Subsequent Rate Years (Section 7.05 and Attachment 13-A)

SUMMARY OF ANNUAL FEE ADJUSTMENTS, STARTING YEAR 2

		Current Rate Year Amount (as Previously Calculated) (2011)	Effective Adjustment Factor	Next Rate Year Amount (2012)	Unit of Measure
1.	Transfer Station Receipt and Handling Fee	$9.34	1.046	$9.77	per ton
2.	MRF Recyclables Processing Fee	$48.36	1.039	$50.25	per ton
3.	Transport Fees				
	Solid waste	$0.81	1.038	$0.84	per ton mile
	Inerts (bunker program materials)	$0.96	1.036	$0.99	per ton mile
	C&D	$0.56	1.036	$0.58	per ton mile
	Plant materials	$0.52	1.036	$0.54	per ton mile
	Organic Materials	$0.54	1.035	$0.56	per ton mile
4.	Supplemental MRF Processing Cost	$25.00	1.038	$25.95	per ton
5	MRF Recyclables Revenue Guarantee	$6,500,000		$ 6,500,000	per year

Determine Percentage Change in Costs (Attachment 13-A, Section 1)

Labor Cost Component Adjustment Factors (if collective bargaining agreements in effect in July 2010 are still in effect)

Wages for CBA labor - When collective bargaining agreements in effect in 2010 are still in effect, use CBA Wage & Benefit Worksheet (13B.2) to estimate net impact of increased wage rates.

	Transfer Station	MRF	Transport
Annual wages for CBA labor per Form 12B for then-current Rate Year (2011)	$1,290,091	$1,281,708	$1,864,836
Updated annual wages for CBA labor for next Rate Year (2012)	$1,341,941	$1,321,933	$1,919,985
Adjustment Factor for Wages for CBA Labor (13B.2)	1.040	1.031	1.030
Benefits for CBA Labor			
Adjustment Factor for Benefits	1.094	1.095	1.095

Based on calculation on CBA Wage & Benefit Worksheet (13B.2)

Attachment 13-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Subsequent Rate Years (Section 7.05 and Attachment 13-A)

Workers Compensation Insurance (CBA Labor)

Average Index for the 12-month period ending April Prior Year (2010)	539
Average Index for the 12-month period ending April Current Year (2011)	580
Adjustment Factor shall be based on the average change in the Index:	1.076

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. CIU2030000000000A).

Payroll Taxes (CBA Labor)

	2011	2012
Contractor's Effective Tax rate - Prior Year (2011)	8.20%	
Adjustment Factor for payroll taxes shall equal the change in Federal Social Security & Medicare tax rates	8.20%	8.35%
Adjustment Factor		1.018

Outside Contract Labor Adjustment Factor (for non-CBA direct labor)

Average Index for the 12-month period ending April Prior Year (2010)		628
Average Index for the 12-month period ending April Current Year (2011)		640
Adjustment Factor shall be based on the average change in the Index:	*80% of Index Chan*	1.015

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. Ecs12102i replaced with cis201s000000000i

Fuel and Power Cost Component Adjustment Factors

Power adjustment

PG&E rate per KwHr in April Prior Year (2010)	$0.015
PG&E rate per KwHr in April Current Year (2011)	$0.016
Adjustment factor for power costs	1.067

Fuel adjustment

Average Index for the 12-month period ending April Prior Year (2010)	275
Average Index for the 12-month period ending April Current Year (2011)	282
Adjustment Factor shall be based on the average change in the Index:	1.025

Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. wpu057303).

Depreciation Adjustment Factor (Att. 8-B / Form 3-C Equipment)

There is no adjustment to depreciation after Rate Year 1	1.000

Attachment 13-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Subsequent Rate Years (Section 7.05 and Attachment 13-A)

Other Operating and Maintenance Cost Component Adjustment Factor

Average Index for the 12-month period ending April Prior Year (2010)		217
Average Index for the 12-month period ending April Current Year (2011)		222
Adjustment Factor shall be based on the average change in the Index:	*80% of Index Change*	1.018

Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa).

1. Adjust Transfer Station Fee (Attachment 13-A, Section 2)

		Then-Current Rate Year Cost (2011)	Adjustment Factor	Next Rate Year Cost (2012)
Labor Component				
If collective bargaining agreements in effect in 2010 are still in effect:				
Wages for CBA labor		$1,290,091.08	1.040	$1,341,940.47
Benefits for CBA labor		$585,179.97	1.095	$640,621.87
Workers compensation insurance		$215,318.47	1.076	$231,697.06
Payroll taxes		$103,394.68	1.018	$105,286.04
Total		$2,193,984.20	*1.057*	$2,319,545.44
Tonnage assumed for proposal	357,725 # tons (fixed)			
Labor component (cost per ton)		$6.13	*1.057*	$6.48
If collective bargaining agreements in effect in 2010 are no longer in effect:				
Labor Component (cost per ton)	*80% of Index Change*	$6.13	1.015	$6.23
Fuel and Power Component				
Power		$0.41	1.067	$0.44
Fuel		$0.50	1.025	$0.52
Total		$0.91	*1.044*	$0.95
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.24	1.000	$0.24
No annual adjustment after Year 1				
Other O&M Component		$2.06	1.018	$2.10
Total Adjusted Transfer Station Operating Cost		$9.34	1.046	$9.77
Profit per Proposal Operating Ratio		$0.63	1.070	$0.68
Operating ratio (Form 3 - G)	**93.5%**			
Total Adjusted Transfer Station Receipt and Handling Fee		$9.98	*1.047*	**$10.45**

*Formula may need to be revised to select applicable labor component depending on status of collective bargaining agreements.

Attachment 13-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Subsequent Rate Years (Section 7.05 and Attachment 13-A)

2. Adjust MRF Processing Fee (Attachment 13-A, Section 3)

		Then-Current Rate Year Cost (2011)	Adjustment Factor	Next Rate Year Cost (2012)
Labor Component				
If collective bargaining agreements in effect in 2010 are still in effect:				
Wages for CBA labor		$1,281,708.15	1.031	$1,321,932.54
Benefits for CBA labor		$443,768.49	1.095	$485,812.59
Workers compensation insurance		$296,210.03	1.076	$318,741.78
Payroll taxes		$142,238.34	1.018	$144,840.26
Total		$2,163,925.01	*1.050*	$2,271,327.16
Tonnage assumed for proposal	74,022 # tons (fixed)			
		Cost per Ton		Cost per Ton
Labor component (cost per ton)		$29.23	1.050	$30.68
If collective bargaining agreements in effect in 2010 are no longer in effect:				
Labor Component (cost per ton)	*80% of Index Change*	$29.23	1.015	$29.68
Fuel and Power Component				
Power		$2.16	1.067	$2.31
Fuel		$1.39	1.025	$1.42
Total		$3.55	*1.051*	$3.73
Depreciation / Lease Adjustment Factor (Att. 8-B / Form 3-C Equipment)		$1.55	1.000	$1.55
No annual adjustment after Year 1				
Other O&M Component		$14.02	1.018	$14.28
Total Adjusted MRF Operating Cost		$48.36	1.039	$50.25
Profit per Proposal Operating Ratio		$3.71	1.039	$3.86
Operating ratio (Form 3 - G)	**92.87%**			
Total Before Residue		$52.07		$54.10
MRF Residue Disposal - adjusted by change in disposal fee		$3.97	1.023	$4.06
MRF Residue transportation @ current Transportation Fee rate		$0.88	1.038	$0.92
Total Adjusted MRF Processing Fee		$56.92	*1.038*	**$59.08**

Actual MRF monthly residue disposal and transportation will be deducted from Contractor Compensation based on actual residue tons at current disposal rate and transportation fee / ton/mile

Attachment 13-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Subsequent Rate Years (Section 7.05 and Attachment 13-A)

3. Adjust Transportation Fees (Attachment 13-A, Section 4)

Note: The labor components for each of the five transport fees shall be adjusted using the same factor. The factor shall be calculated based on the labor component of the solid waste transfer fee.			Then-Current Rate Year Cost (2011)	Adjustment Factor	Next Rate Year Cost (2012)
Labor Component for Solid Waste Transport Fee					
If collective bargaining agreements in effect in 2010 are still in effect:					
Wages for CBA labor			$1,341,268.28	1.030	$1,380,933.40
Benefits for CBA labor			$532,191.98	1.095	$582,613.61
Workers compensation insurance			$171,955.06	1.076	$185,035.13
Payroll taxes			$110,230.48	1.018	$112,246.89
Total	*must match 12B tons*		$2,155,645.80	*1.049*	$2,260,829.04
Tonnage assumed for proposal	*260,801*	# tons (fixed)			
Adjusted labor component for solid waste Transport Fee (cost per ton)			$8.27	1.049	$8.67
If collective bargaining agreements in effect in 2010 are no longer in effect:					
Labor Component (cost per ton)		*80% of Index Change*	$8.27	1.015	$8.39
Note: prior year base # will depend on CBA status					
Adjustment factor for the labor components (based on solid waste labor component adjustment)*					1.049

*Formula may need to be revised to select applicable labor component depending on status of collective bargaining agreements.

	Operating Ratio	Then-Current Rate Year Cost per Ton/mile (2011)	Adjustment Factor	Next Rate Year Cost per Ton/mile (2012)
Solid Waste Transport Fee				
Labor component		$0.55	1.049	$0.57
Fuel and Power Component*		$0.08	1.025	$0.08
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.07	1.000	$0.07
Other O&M Component		$0.12	1.018	$0.12
Total Operating Cost		$0.81	*1.038*	$0.84
Profit per Operating Ratio (Form 3-G)	**92.1%**	$0.07	0.003	$0.07
Total SW Transportation Fee		$0.88	*1.038*	$0.92

Attachment 13-B **FACILITY OPERATIONS AGREEMENT** ***Example for Illustrative Purposes Only***

Annual Fee Adjustment Process

Determination of Contractor's Fees for Subsequent Rate Years (Section 7.05 and Attachment 13-A)

Inerts Transport Fee				
Labor component		$0.57	1.049	$0.60
Fuel and Power Component*		$0.11	1.025	$0.12
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.07	1.000	$0.07
Other O&M Component		$0.20	1.018	$0.20
Total Operating Cost		$0.96	*1.036*	$0.99
Profit per Operating Ratio (Form 3-G)	**91.3%**	$0.09	0.003	$0.09
Total Inerts Transportation Fee		$1.05	*1.036*	$1.09
C&D Transport Fee				
Labor component		$0.32	1.049	$0.34
Fuel and Power Component*		$0.09	1.025	$0.10
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.04	1.000	$0.04
Other O&M Component		$0.10	1.018	$0.10
Total Operating Cost		$0.56	*1.036*	$0.58
Profit per Operating Ratio (Form 3-G)	**91.6%**	$0.05	0.002	$0.05
Total C&D Transportation Fee		$0.61	*1.036*	$0.63
Plant Materials Transport Fee				
Labor component		$0.30	1.049	$0.31
Fuel and Power Component*		$0.09	1.025	$0.09
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.04	1.000	$0.04
Other O&M Component		$0.10	1.018	$0.10
Total Operating Cost		$0.52	*1.036*	$0.54
Profit per Operating Ratio (Form 3-G)	**91.8%**	$0.05	0.002	$0.05
Total Plant Material Transportation Fee		$0.57	*1.036*	$0.59
Organic Materials Transport Fee				
Labor component		$0.30	1.049	$0.31
Fuel and Power Component*		$0.09	1.025	$0.10
Depreciation (Att. 8-B / Form 3-C Equipment)		$0.04	1.000	$0.04
Other O&M Component		$0.11	1.018	$0.11
Total Operating Cost		$0.54	*1.035*	$0.56
Profit per Operating Ratio (Form 3-G)	**89.5%**	$0.06	0.002	$0.07
Total Organic Materials Transportation Fee		$0.61	*1.035*	$0.63

* Adjustment method assumes that Contractor included only fuel costs in the Fuel and Power Component.

Annual Fee Adjustment Process

Determination of Contractor's Fees for Subsequent Rate Years (Section 7.05 and Attachment 13-A)

4. Adjust Supplemental MRF Processing Cost (Section 7.06)

	Then-Current Rate Year Cost (2011)	Adjustment Factor	Next Rate Year Cost (2012)
Per-ton supplemental MRF processing cost	$25.00	1.038	$25.95
Adjust by Total MRF Fee adjustment factor			

SBWMA - OPERATIONS AGREEMENT

CBA WAGES & BENEFITS WORKSHEET

example only

	BASE 2009 COST				2011 Rates		2012 Rates	
WAGES	**Transfer Station**				*not actual*	Transfer Station	*not actual*	Transfer Station
Direct Labor	Standard	Overtime	Hourly Wage Rate	Annual Cost				
Leads	2,080	390	$ 33.34	85,487	$ 34.00	87,179	$ 35.00	89,743
Scale Operator	6,240	1,170	$ 31.75	244,247	$ 32.00	246,170	$ 33.00	253,863
Spotter	4,160	780	$ 22.10	113,529	$ 23.00	118,152	$ 24.00	123,289
Sorter (Transfer Station)	20,800	3,120	$ 17.10	417,872	$ 18.00	439,865	$ 19.00	464,302
TS Operator	10,400	1,560	$ 33.16	407,170	$ 33.00	405,206	$ 34.00	417,485
MRF Operator			$ 31.75		$ 32.00	-	$ 33.00	-
Semi-Driver (Transfer Truck)			$ 34.21		$ 34.00	-	$ 35.00	-
Maintenance	-	-	$ 33.36		$ 34.00	-	$ 35.00	-
PM Technician	-	-	$ 28.80		$ 30.00	-	$ 31.00	-
Lead MRF Sorter	-	-	$ 14.80		$ 18.00	-	$ 19.00	-
Inspector	-	-	$ 22.10		$ 33.00	-	$ 34.00	-
Buyback Attendant			$ 22.20		$ 33.00	-	$ 34.00	-
Total	43,680	7,020		1,268,305		1,296,573		1,348,683
% Increase						**2.2%**		**4.0%**

	MRF					MRF		MRF
Direct Labor	Standard	Overtime	Hourly Wage Rate	Annual Cost				
Leads	4,160	-	$ 33.34	133,442	$ 34.00	136,084	$ 35.00	140,087
Scale Operator	-	-	$ 31.75	-	$ 32.00	-	$ 33.00	-
Spotter	-	-	$ 22.10	-	$ 23.00	-	$ 24.00	-
Sorter (Transfer Station)	-	-	$ 17.10	-	$ 18.00	-	$ 19.00	-
TS Operator			$ 33.16	-	$ 33.00	-	$ 34.00	-
MRF Operator	14,560	1,456	$ 31.75	511,529	$ 32.00	515,557	$ 33.00	531,668
Semi-Driver (Transfer Truck)			$ 34.21	-	$ 34.00	-	$ 35.00	-
Maintenance	2,080	-	$ 33.36	66,893	$ 34.00	68,176	$ 35.00	70,181
PM Technician	2,080	-	$ 28.80	58,344	$ 30.00	60,775	$ 31.00	62,801
Lead MRF Sorter	2,080	-	$ 14.80	30,784	$ 18.00	37,440	$ 19.00	39,520
Inspector	4,160	-	$ 22.10	127,088	$ 33.00	189,769	$ 34.00	195,520
Buyback Attendant	4,576	1,664	$ 22.20	216,050	$ 33.00	321,155	$ 34.00	330,887
Total	69,056	6,656		1,144,130		1,328,956		1,370,664
% Increase						**16.2%**		**3.1%**

	Transport					Transport		Transport
Direct Labor	Standard	Overtime	Hourly Wage Rate	Annual Cost				
Leads	-	-	$ 33.34		$ 34.00	-	$ 35.00	-
Scale Operator			$ 31.75		$ 32.00	-	$ 33.00	-
Spotter			$ 22.10		$ 23.00	-	$ 24.00	-
Sorter (Transfer Station)			$ 17.10		$ 18.00	-	$ 19.00	-
TS Operator			$ 33.16		$ 33.00	-	$ 34.00	-
MRF Operator			$ 31.75		$ 32.00	-	$ 33.00	-
Semi-Driver (Transfer Truck)	45,760	6,344	$ 34.21	1,766,621	$ 34.00	1,755,776	$ 35.00	1,807,417
Maintenance	2,080	416	$ 33.36	86,961	$ 34.00	88,629	$ 35.00	91,236

SBWMA - OPERATIONS AGREEMENT

CBA WAGES & BENEFITS WORKSHEET

example only

	BASE 2009 COST				2011 Rates		2012 Rates	
PM Technician	2,080	416	$ 28.80	75,847	$ 30.00	79,008	$ 31.00	81,641
Lead MRF Sorter	-	-	$ 14.80		$ 18.00	-	$ 19.00	-
Inspector	-	-	$ 22.10		$ 33.00	-	$ 34.00	-
Buyback Attendant			$ 22.20	-	$ 33.00	-	$ 34.00	-
Total	49,920	7,176		1,929,429		1,923,413		1,980,294
						-0.3%		**3.0%**

BENEFITS

Teamsters	/ month	/ hour	/ month	/ hour	/ month	/ hour
H&W	**$ 1,361.00**	$ 7.85	**$ 1,497.10**	$ 8.64	**$ 1,646.81**	$ 9.50
Income Protection	**$ 268.62**	$ 1.55	**$ 295.48**	$ 1.70	**$ 325.03**	$ 1.88
	$ 4.90	$ 0.03	**$ 5.39**	$ 0.03	**$ 5.93**	$ 0.03
Total H&W		$ 9.43		$ 10.37		$ 11.41
				10.0%		10.0%
Pension	**$ 667.33**	$ 3.85	**$ 8,386.56**	$ 4.03	**$ 9,057.48**	$ 4.35
				4.7%		8.0%
Total Teamster		$ 13.28		$ 14.40		$ 15.76
				8.5%		9.4%

Mechanics	/ month	/ hour	/ month	/ hour	/ month	/ hour
H&W	**$ 1,100.00**	$ 6.35	**$ 1,104.40**	$ 6.37	**$ 1,214.84**	$ 7.01
Pension	**$ 588**	$ 3.39	**$ 588**	$ 3.39	**$ 647**	$ 3.73
Total Mechanics		$ 9.74		$ 9.77		$ 10.74
				0.3%		10.0%

% Mix (based on hours)	Teamsters	Mechanics
TS	100%	
MRF	94.5%	5.5%
Transportation	91.3%	8.7%

Total H&W, Pension / Hr	$ 13.28	$ 14.40	$ 15.76
USE FOR TRANSFER STATION		**8.5%**	**9.4%**
Total Teamster / Mechanics	$ 13.09	$ 14.15	$ 15.49
USE FOR MRF		**8.1%**	**9.5%**
Total Teamster / Mechanics	$ 12.97	$ 14.00	$ 15.33
USE FOR TRANSPORTATION		**7.9%**	**9.5%**

ATTACHMENT 14

Self-haul Reconciliation Formula

The Self-haul reconciliation formula shall be used to monitor the Contractor's scale operations and to ensure that the Contractor is properly measuring and charging Self-haul customers. The Contractor is to maintain a Self-haul ratio above 2.76 cubic yards per ton.

Self-haul Reconciliation Formula				
Outbound Tons shipped from the transfer station	minus	Inbound tons to the transfer station	Equals	Mass-balance weight of Inbound Self-haul material to the transfer station
Volume of Self-haul (cubic yards)	Divided by	2.76 Self-haul Conversion Ratio	Equals	Calculated tons of inbound Self-haul
Calculated Inbound Self-haul tons	Minus	Mass-balance weight of Self-haul materials	Equals	Tons under / over the Self-haul Conversion Ratio
Tons under the Self-haul Conversion Ratio	Times	Weighted average gate rate for inbound Self-haul materials	Equals	Amount owed the SBWMA by Contractor

ATTACHMENT 14 - Page 2			
EXAMPLE OF CALCULATION OF SELF-HAUL RECONCILIATION FORMULA			
			NOTES
1.	Outbound materials from Transfer Station	437,253 Tons	Includes MRF residue
2.	Less residue from MRF/Buy-Back	(300 Tons)	
3.	Less inbound material weighed at Transfer Station	(300,000 Tons)	Self-haul not weighed
4.	Mass balance weight of inbound self-haul materials	136,953 Tons	
5.	Volume of self-haul materials	369,000 cubic yards	Estimated by Contractor at scale house
6.	Self-haul yards-ton conversion factor	2.76	Conversion factor is fixed and will not change
7.	Calculated weighted of inbound self-haul materials	133,696 Tons	
8.	Difference between calculated weight (Line 7) and mass balance weight (Line 4)	3,257 Tons	
9.	Weighted average gate rate for inbound self-haul materials	$80/Ton	To be calculated by Authority
10.	Amount due Authority	$260,560	Contractor owes Authority

ATTACHMENT 15
REPORTS TO BE PROVIDED BY CONTRACTOR

The Contractor shall provide samples of all monthly, quarterly and annual reports to the Authority with in 60 days after commencement of services. The reports will be subject to the approval of the Authority and will include all information required in the Agreement, Article 9 Contractors Records and Reporting.

ATTACHMENT 16

FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that SOUTH BAY RECYCLING, LLC, hereinafter called the PRINCIPAL, and _____, a corporation duly organized under the laws of the State of _____ having its principal place of business at _____, in the State of _____, and authorized to do business as an admitted surety insurer in the State of California and regulated by the California Insurance Commissioner, hereinafter called the SURETY, are held and firmly bound to the South Bayside Waste Management Authority, a joint powers authority in San Mateo County, in the State of California, hereinafter called the OBLIGEE, in the sum of Two Million Dollars ($2,000,000.00) lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the PRINCIPAL has entered into an Agreement dated as of July 23, 2009 with the OBLIGEE for the Operation of the Shoreway Recycling and Disposal Center ("Agreement") and said PRINCIPAL is required under the terms of said Agreement to furnish a bond of faithful performance of said Agreement.

NOW, THEREFORE, if the PRINCIPAL shall well and truly perform and fulfill all of the undertakings, covenants, terms and agreements of said Agreement, and any modification thereto made as therein provided, at the time and in the manner therein specified, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

The SURETY, for value received, hereby agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder, or the Specifications incorporated therein shall impair or affect its obligations and its bond, and it hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement or the work or the Specifications.

PROVIDED, however, that the SURETY shall not be liable (1) as respects to any obligations related to said Agreement occurring after two (2) years, unless this Bond is extended, (2) as respects to PRINCIPAL'S obligation to procure a replacement performance bond, as provided for in Section 10.03 of the Agreement. This Bond may be extended after _____, 2011 in the sole discretion of the SURETY by means of a continuation certificate signed at least ninety (90) days prior to _____, 2011 and thereafter at least ninety (90) days prior to the expiration of the Bond as extended.

In the event suit is brought upon this Bond by the OBLIGEE and said OBLIGEE is the prevailing party, the SURETY shall pay, in addition to the sums set forth above, all costs incurred by the OBLIGEE in such suit, including reasonable attorneys' fees to be fixed by the court.

IN WITNESS WHEREOF, the above bounded parties have executed this instrument as of this ____ day of _____, 2009, the name and corporate seal of each corporate party being

hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

PRINCIPAL:

SOUTH BAY RECYCLING, LLC

By Its Board of Managers

Name:_____
(Appointed By Community Recycling and Resource Recovery, Inc.)

Name:_____
(Appointed By Potential Industries, Inc.)

SURETY:

_____

By: _____
Attorney-In-Fact

* * *

Note: To be considered complete, both the principal and surety must sign this performance bond. In addition, the surety's signature must be notarized and a copy of the surety's power of attorney must be attached.

CONTINUATION CERTIFICATION

In consideration of the premium charged,

_____ hereby continues in force:

Bond #: _____

Dated: _____

In the amount of: Two Million dollars ($2,000,000.00) on behalf of the South Bayside Waste Management Authority, for the period:

Beginning: _____

And Ending: _____ subject to all terms and conditions of said Bond, PROVIDED that the liability of

_____
(NAME OF SURETY)

shall not exceed in the aggregate the amount above written, whether the loss shall have occurred during the term of said bond or during any continuation or continuations thereof, or partly during said term and partly during any continuation or continuations thereof.

Signed and Sealed: _____ (date)

By: _____
Attorney-In-Fact

[ACKNOWLEDGEMENT]

ATTACHMENT 17

GUARANTY

THIS GUARANTY (the "Guaranty") is given as of the ____ day of July, 2009, by COMMUNITY RECYCLING AND RESOURCE RECOVERY, INC. AND POTENTIAL INDUSTRIES, INC. (hereafter "Guarantors"), to the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY, a joint powers authority (hereafter "the Authority").

THIS GUARANTY is made with reference to the following facts and circumstances:

A. South Bay Recycling, LLC is a limited liability company, organized under the laws of the State of California ("Contractor").

B. Community Recycling and Resource Recovery, Inc. is a corporation, organized under the laws of the State of California. Potential Industries, Inc. is a corporation, organized under the laws of the State of California. Community Recycling and Resource Recovery, Inc., and Potential Industries, Inc. are the two members of Contractor.

C. The Authority contemplates entering into an "Agreement for Operation of the Shoreway Recycling and Disposal Center" (hereafter "Agreement"), under which Contractor is to provide specified services to the Authority. A copy of this Agreement is attached hereto and incorporated herein by this reference.

D. It is a requirement of the Agreement, and a condition to the Authority's entering into the Agreement, that Guarantors guaranty Contractor's performance of the Agreement.

E. Guarantors are providing this Guaranty to induce the Authority to enter into the Agreement.

NOW, THEREFORE, in consideration of the foregoing, Guarantors agree, jointly and severally, as follows:

1. Guaranty of the Agreement. Guarantors hereby irrevocably and unconditionally guarantee to the Authority the complete and timely performance, satisfaction and observation by Contractor of each and every term and condition of the Agreement which Contractor is required to perform, satisfy or observe. In the event that Contractor fails to perform, satisfy or observe any of the terms or conditions of the Agreement, Guarantors will promptly and fully perform, satisfy or observe them in the place of the Contractor. Guarantors hereby guarantee prompt payment to the Authority of each and every sum due from Contractor to the Authority under the Agreement, as and when due from time to time, and the prompt performance of every other task and duty to be performed by the Contractor under the Agreement.

2. Guarantors' Obligations Are Absolute. The obligations of the Guarantors hereunder are direct, immediate, absolute, continuing, unconditional and unlimited and, with respect to any payment obligation of Contractor under the Agreement, shall constitute a guarantee of payment and not of collection, and are not conditional upon the genuineness, validity, regularity or enforceability of the Agreement.

3. Waivers and Subordination. The Guarantors shall have no right to terminate this Guaranty or to be released, relieved, exonerated or discharged from their obligations under

it for any reason whatsoever, including, without limitation: (1) the insolvency, bankruptcy, reorganization or cessation of existence of the Contractor; (2) any amendment, modification or waiver of any provision of the Agreement or the extension of its Term; (3) the actual or purported rejection of the Agreement by a trustee in bankruptcy, or any limitation on any claim in bankruptcy resulting from the actual or purported termination of the Agreement; (4) any waiver, extension, release or modification with respect to any of the obligations of the Agreement guaranteed hereunder or the impairment or suspension of any of the Authority's rights or remedies against Contractor; or (5) any merger or consolidation of the Contractor with any other organization, or any sale, lease or transfer of any or all the assets of the Contractor.

The Guarantors hereby waive any and all rights, benefits and defenses under California Civil Code Sections 2809, 2815, 2819, 2845, 2849 and 2850, and all other rights permitted to be waived by Section 2856(a) including, without limitation, the right to require the Authority to (a) proceed against Contractor, (b) proceed against or exhaust any security or collateral the Authority may hold now or hereafter hold, or (c) pursue any other right or remedy for Guarantors' benefit, and agree that the Authority may proceed against Guarantors or either of them for the obligations guaranteed herein without taking any action against Contractor or any other guarantor or pledgor and without proceeding against or exhausting any security or collateral the Authority may hold now or hereafter hold. The Authority may unqualifiedly exercise in its sole discretion any or all rights and remedies available to it against Contractor or any other guarantor or pledgor without impairing the Authority's rights and remedies in enforcing this Guarantee.

The Guarantors hereby waive and agree to waive at any future time at the request of the Authority, to the extent now or then permitted by applicable law, any and all rights which the Guarantors may have or which at any time hereafter may be conferred upon them, by statute, regulation or otherwise, to avoid any of their obligations under, or to terminate, cancel, quit or surrender this Guaranty. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantors hereunder: (a) at any time or from time to time, without notice to the Guarantors, the time for Contractor's performance of or compliance with any of its obligations under the Agreement is extended, or such performance or compliance is waived; (b) the Agreement is modified or amended in any respect; (c) any other indemnification with respect to Contractor's obligations under the Agreement or any security therefor is released or exchanged in whole or in part or otherwise dealt with; (d) any assignment of the Agreement is effected which does not require the Authority's approval; or (e) any termination or suspension of the Agreement arising by reason of a default by Contractor.

The Guarantors hereby expressly waive diligence, presentment, demand for payment or performance, protest and all notices whatsoever, including, but not limited to, notices of non-payment or non-performance, notices of protest, notices of any breach or default, and notices of acceptance of this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, Guarantors' obligations hereunder shall continue and remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the Authority as a preference, fraudulent transfer or otherwise, irrespective of (a) any notice of revocation given by Guarantors or Contractor prior to such avoidance or recovery, or (b) payment in full of any obligations then outstanding.

The Guarantors expressly subordinate and waive their respective rights to subrogation, reimbursement, contribution or indemnity with respect to performance by Guarantors of the obligations of Contractor guaranteed hereby, until such time as the Authority receives payment or performance in full of all such obligations.

4. **Term**. This Guaranty is not limited to any period of time, but shall continue in full force and effect until all of the terms and conditions of the Agreement have been fully performed by Contractor, and Guarantors shall remain fully responsible under this Guaranty without regard to the acceptance by the Authority of any performance bond or other collateral to assure the performance of Contractor's obligations under the Agreement. Guarantors shall not be released of their obligations hereunder so long as there is any claim by the Authority against Contractor arising out of the Agreement based on Contractor's failure to perform which has not been settled or discharged.

5. **No Waivers by Authority**. No delay on the part of the Authority in exercising any rights under this Guaranty or failure to exercise such rights shall operate as a waiver of such rights. No notice to or demand on Guarantors shall be a waiver of any obligation of Guarantors or right of the Authority to take other or further action without notice or demand. No modification or waiver by the Authority of any of the provisions of this Guaranty shall be effective unless it is in writing and signed by the Authority and by Guarantors, nor shall any waiver by the Authority be effective except in the specific instance or matter for which it is given.

6. **Attorney's Fees**. In addition to the amounts guaranteed under this Guaranty, Guarantors agree to pay actual attorney's fees and all other costs and expenses incurred by the Authority in enforcing this Guaranty, or in any action or proceeding arising out of or relating to this Guaranty, including any action instituted to determine the respective rights and obligations of the parties hereunder.

7. **Governing Law; Jurisdiction**. This Guaranty is and shall be deemed to be a contract entered into in and pursuant to the laws of the State of California and shall be governed and construed in accordance with the laws of California without regard to its conflicts of laws rules for all purposes, including, but not limited to, matters of construction, validity and performance. Guarantors agree that any action brought by the Authority to enforce this Guaranty may be brought in any court of the State of California and Guarantors consent to personal jurisdiction over them by such courts. Guarantors appoint the following person as their agent for service of process in California:

_____

_____

_____

8. **Severability**. If any portion of this Guaranty is held to be invalid or unenforceable, such invalidity shall have no effect upon the remaining portions of this Guaranty, which shall be severable and continue in full force and effect.

9. **Binding on Successors**. This Guaranty shall inure to the benefit of the Authority and its successors and shall be binding upon Guarantors and their successors, including a successor entity formed by a merger or consolidation of the two Guarantors, a transferee of substantially all of their assets, and the shareholders of a Guarantor in the event of its dissolution or insolvency.

10. **Authority**. Guarantors represent and warrant that each has the corporate power to give this guaranty, that its execution of this Guaranty has been authorized by all necessary action under its Articles of Incorporation and by-laws, and that the Person signing this Guaranty on its behalf has the authority to do so.

11. Notices. Notice shall be given in writing, deposited in the U.S. mail, registered or certified, first class postage prepaid, addressed as follows:

To the Authority: Executive Director
South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070

With a copy to the Authority Attorney at the same address.

To Guarantors: Community Recycling and Resource Recovery, Inc.

_____

_____

Attention: _____

Potential Industries, Inc.

_____

_____

Attention: _____

The parties may change the address to which notice is to be sent by giving the other party notice of the change as provided in this Section.

IN WITNESS WHEREOF, Guarantors have executed this Guaranty on the day and year first above written.

COMMUNITY RECYCLING AND RESOURCE RECOVERY, INC.

By: _____
Name: Thomas Fry
Title: President

By: _____
Name: _____
Title: Secretary

POTENTIAL INDUSTRIES, INC.

By: _____
Name: Tony Fan
Title: President

By: _____
Name: _____
Title: Secretary

ATTACHMENT 19

Self-Haul Diversion Plan

South Bay Recycling, LLC (CONTRACTOR) is committed to providing an aggressive and comprehensive diversion program at the Shoreway Recycling & Disposal Center (Shoreway Center). CONTRACTOR's goal will be to exceed the Authority's current diversion baseline percentage, which will provide a significant impact on the reduction of waste volumes.

CONTRACTOR will implement a Self-Haul Diversion Plan with five components to increase the recovery of recyclables and reusable materials, and decrease the volume of disposed solid waste:

- Customer and Shoreway Center Staff Education
- Self-Haul Customer Incentives
- Clean Inert & Other Materials (Bunker Program)
- Presorting Materials
- Mixed C&D Sorting

1 Customer and SHOREWAY CENTER Staff Education

Each self-haul customer entering the Shoreway Center will be greeted by a Scale Operator. The Scale Operators are the first introduction to the facility. CONTRACTOR understands the value in the Scale Operators and will conduct specialized training and work with them to help achieve the goals of the diversion plan. The Scale Operators will be instrumental in indentify inbound loads. They will assess materials in each load and direct the self-haul customer to the appropriate area for tipping.

In addition, a strong education program for the self-haul customers will be implemented by encouraging the Scale Operators to identify opportunities for customers to increase diversion with clean source separate loads, C&D mixed loads, organic materials, and other various options. Educating and collaborating with the staff will be the beginning and continued success of the diversion activities and customer relations at the Shoreway Center .

The Scale Operators understand the various materials, the regular customers, the materials that can be split, and will take opportunities to educate the customer on options to increase diversion. CONTRACTOR will also create and distribute a brochure, promoting these programs and opportunities for increasing diversion at Shoreway Center . The brochures will also be distributed and available at planning and building counters throughout San Mateo County.

CONTRACTOR understands the value of the critical assessment skills and knowledge of the Scale Operators, Sorting Staff, and Loader Operators. Regular team staff meetings to improve efficiencies at the scale house, increasing diversion, identify new materials that can be recycled, and sharing of information for overall improvement to the facility and diversion activities.

To maximize diversion CONTRACTOR will designate areas for tipping of specific materials. CONTRACTOR will install large movable signs for easy recognition of the designated areas.

Color tags may also be distributed to customers at the scale to help traffic control staff direct customers to proper tipping area.

CONTRACTOR's philosophy is to encourage a team approach with staff and make changes where necessary to improve the facilities overall operation, increase diversion, and save valuable time and money.

2 Self-Haul Customer Incentives

CONTRACTOR will work with the Authority staff to establish an incentive fee structure for clean inerts. Clean loads should receive a 20 – 25% discount for a real incentive to encourage more clean loads. This goal will encourage customers when possible to keep materials separated to help them save money on tipping fees, which in turn helps increase diversion, reduces sorting requirements, and saves additional transportation costs. The incentive program will ultimately increase diversion and reduce material going to the landfill.

In addition, as a service to customers, Scale Operators will be encouraged to provide customers with savings when customer have split loads of clean materials and allow them to tip in multiple areas. This service will be provided for customers with two distinct material types (e.g. mixed C&D and organic materials).

CONTRACTOR will have designated material types printed on the weight tickets to provide back up for diversion credits needed by contractors to report back to several municipalities that maintain C&D Ordinances. CONTRACTOR will contact each of the Member Agencies and work with the Authority to ensure the Shoreway Center is included on the qualified C&D recycler lists. CONTRACTOR will be happy to work with the Authority to assist in training the Building/Planning Counter Staff of the various services provided at Shoreway Center . Brochures will be developed describing the CONTRACTOR's diversion opportunities and will be available at counters for distribution.

3 Clean Inert & Other Materials (Bunker Program)

CONTRACTOR will maintain designated bunkers or tipping areas for unloading clean source-separated self-haul materials. CONTRACTOR will promote this program through communication with customers by the scale operators. The following materials will unloaded by self-haul and Member Agency customers at a discounted rates with approval from the Authority:

- Clean Dirt
- Concrete
- Asphalt
- Mixed Aggregate Materials
- Clean Wood

CONTRACTOR will continue to evaluate new opportunities to include other Clean Inert Materials. Space constraints are the biggest obstacle. CONTRACTOR continues to evaluate markets and will bring new opportunities to the Authority..

4 Presorting Materials

CONTRACTOR will assign floor sorting staff to self-haul tipping areas within the Transfer Station to presort large materials for diversion. The large items will include metal, white goods, wood, mattresses, reusable items, rigid plastics, and other potential recyclables. Loaders will support the sorting staff by separating loads and removing heavy items for diversion.

During the start-up, CONTRACTOR will presort items as employee safety prevails, which will be based on the various construction projects and space constraints. As additional space becomes available, full presorting of materials will be implemented.

The presorted items will be stored in bunkers, roll-off boxes, trailers, or in designated areas on the Transfer Station floor or outside the building. Reusable items will be stored outside the transfer building in a St. Vincent DePaul container. CONTRACTOR will work with St. Vincent DePaul to train floor sorting staff on quality standards for reusable items. CONTRACTOR may expand presorted items as determined by inbound volumes, markets, and ease of separation.

The presorting is extremely important and will continue after the installation of the processing line inside the Transfer Station, see Section 5, Mixed C&D Sorting.

5 Mixed C&D Sorting

The greatest opportunity for maximizing diversion is separating C&D from the Solid Waste. Mixed C&D material will be identified by the scale operators and tipped in a designated area for sorting. Sorting will be assigned to the C&D tipping areas within the Transfer Station to presort divertible items and remove contaminates before material is loaded and transferred to the off-site C&D processing facility.

During the start-up, CONTRACTOR will sort mixed C&D materials by hand within the Transfer Station with the assistance of a loader operator. The loader operator will spread mixed C&D loads out to help with sorting and continue to push sorted C&D material into a designated pile away from the sorting area. This will maximize the space for sorting the C&D material for transfer. Sorters will focus on removing bags of Solid Waste, non-reusable furniture, individual items over 150 pounds, and material over eight feet long in any two directions. Sorting staff will also be assigned to Solid Waste tipping areas for identification and pulling of C&D material to move into the C&D area.

Floor sorting of C&D material can only achieve a certain level of diversion. CONTRACTOR has proposed to install and operate a processing line inside the Transfer Station. The processing line would allow for expanded capacity and the ability to process Organics, C&D material and divert additional materials. This processing line will be further discussed in 2010 with the Authority for potential implementation after Transfer Station operations have commenced and the Transfer Station building improvements have been completed

ITEM 31

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **THE CITY COUNCIL**

FROM: **JEROME GRUBER, CITY MANAGER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **APPROVAL OF AN AGREMENET BETWEEN THE SBWMA AND THE CITY OF SAN CARLOS RELATED TO A LOCAL IMPACT FEE FROM THE SHOREWAY RECYCLING AND DISPOSAL CENTER**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving an agreement between the SBWMA and the City of San Carlos related to a local impact fee from the Shoreway Recycling and Disposal Center.

BACKGROUND

The Shoreway Recycling and Disposal Center (SRDC) was initially constructed in 1982 by Browning Ferris Industries (BFI/Allied Waste) pursuant to a conditional use permit (CUP) issued by the City of San Carlos. The CUP was conditioned on BFI and San Carlos entering into an agreement providing San Carlos with a "franchise fee" in order to offset impacts to that city resulting from the SRDC's location and operation. San Carlos and BFI signed a contract in 1982 which entitled San Carlos to five percent (5%) of the gate fee revenues received at the SRDC.

The SBWMA purchased the SRDC in 2000. The 1982 contract between San Carlos and BFI expired in 2004, but fees in the amount of 5% have continued to be paid to San Carlos.

The SBWMA's Joint Exercise of Powers Agreement, as amended and restated in December 2005 ("JPA Agreement"), states that San Carlos will receive a "franchise fee" from the operation of the SRDC, but does not specify the exact amount of the fee.

SBWMA has applied to San Carlos for a new CUP covering the substantial improvements planned for the SRDC. In connection with the permit application, SBWMA and San Carlos have worked together to create a new agreement (Attachment B). The SBWMA's CUP application and related CEQA documentation were approved 3-0 by the San Carlos Planning Commission on July 21, 2008.

ANALYSIS

Approval of the recommended action would continue a contractual arrangement that was put in

place at the inception of the SRDC operations in 1982, with payment of a local impact fee at the same amount (5% of gate fee revenues) as had previously been agreed upon by BFI/Allied Waste and San Carlos. The dollar amount of the fees will vary each year, but has been approximately $1.2 million per year for the last several years. The term of the agreement will run concurrently with that of the new CUP that the SBWMA is seeking.

The new agreement makes clear that the fee does not apply to revenues received by SBWMA from the sale of recyclable materials. Those revenues, approximately $12 million per year over the last few years, are used to fund SBWMA cash reserves and to offset Shoreway facility costs.

The San Carlos City Council unanimously approved the agreement at its July 14, 2008 City Council meeting. This item was approved by the SBWMA Board of Directors on July 24, 2008. The SBWMA is seeking concurrence on approval of the Agreement by two-thirds of the 12 member agencies. As of the preparation of this report, 9 member agencies have approved the agreement, thus meeting the two-thirds requirement.

CONCLUSION:
The Agreement between the City of San Carlos and the SBWMA formalizes the franchise fee payment as established in the SBWMA Joint Powers Agreement. The franchise fee at 5% is the same amount that has been historically paid to San Carlos for hosting the transfer station and recycling facility in that jurisdiction.

ALTERNATIVES:
The Agreement between San Carlos and the SBWMA is now effective as more than two-thirds of the member agencies have agreed to the Agreement. This Agreement will remain effective regardless of the Town of Atherton's action.

FISCAL IMPACT:
Approval of the agreement does not have a fiscal impact on the Town of Atherton. The San Carlos local impact fee is included in the SRDC gate fee charged for each ton of material delivered to the SRDC. Gate fees are included in the garbage service rates paid by customers in Atherton.

ENVIRONMENTAL IMPACT:
A Mitigated Negative Declaration (MND) for a Use Permit in San Carlos for the improvements to the Shoreway Recycling and Disposal Center was approved in 2008. The Agreement between San Carlos and the SBWMA for the local impact fee does not require further environmental review.

FORMAL MOTION:
I move that the City Council adopt the attached Resolution approving the Operating Agreement with South Bay Recycling, LLC (SBR) for operation of the Shoreway Recycling and Disposal Center in San Carlos.

Lisa Costa Sanders *Jerome D. Gruber*

Lisa Costa Sanders, Deputy Town Planner Jerome D. Gruber, City Manager

Attachments:

Resolution No. 09-40
Operating Agreement

RESOLUTION NO. 09-40

A RESOLUTION OF THE TOWN OF ATHERTON PROVIDING CONCURRENCE WITH THE APPROVAL OF AN AGREEMENT BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA) AND THE CITY OF SAN CARLOS PERTAINING TO THE SHOREWAY RECYCLING AND DISPOSAL CENTER

WHEREAS, the SBWMA owns a transfer station and materials recovery facility located in the City of San Carlos known as the Shoreway Recycling and Disposal Center (the SRDC facility);

WHEREAS, the SBWMA's Joint Exercise of Powers Agreement contemplates that the SBWMA and the City of San Carlos would agree upon the amount of a franchise fee that the City of San Carlos would receive from the operation of the SRDC Facility to offset impacts to the City of San Carlos;

WHEREAS, the SBWMA Board of Directors approved the new Agreement on July 24, 2008 and is seeking concurrence of two-thirds of the member agencies.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE TOWN OF ATHERTON does hereby provide concurrence with the approval of the attached Agreement between the SBWMA and the City of San Carlos pertaining to the Shoreway Recycling and Disposal Center (see Exhibit A).

* * * * * * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 21st day of October, 2009 by the following vote:

AYES: COUNCILMEMBERS: _____
NOES: COUNCILMEMBERS: _____
ABSENT: COUNCILMEMBERS: _____
ABSTAIN: COUNCILMEMBERS: _____

_____
Jerry Carlson, Mayor

ATTEST:

_____
Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

_____
Wynne Furth, City Attorney

EXHIBIT A

AGREEMENT BY AND BETWEEN CITY OF SAN CARLOS AND SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY DATED JULY 24, 2008

AGREEMENT

This Agreement ("Agreement") is entered into as of the 24th day of JULY, 2008, by and between the CITY OF SAN CARLOS, a municipal corporation ("City") and the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY, a joint powers authority established under Government Code Section 6500 *et seq.* ("Authority"), in connection with the Shoreway Recycling and Disposal Center ("SRDC Facility").

RECITALS

A. The members of the Authority are City, the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, San Mateo and Redwood City, San Mateo County and the West Bay Sanitary District.

B. The SRDC Facility is a transfer station and materials recovery facility owned by the Authority and located within the City, adjacent to U.S. Highway 101.

C. Municipal solid waste and recyclable materials collected within each of the local government agencies that are members of the Authority are delivered to the SRDC Facility for processing. Recyclable materials are recovered for sale or further processing at off-site facilities and residual wastes are delivered in large transfer trucks to the Ox Mountain Landfill.

D. The SRDC Facility was initially constructed in 1982 by Browning Ferris Industries ("BFI") pursuant to a conditional use permit issued by the City to BFI. The Authority purchased the SRDC Facility in 2000. The Authority now desires to reconstruct, expand, and otherwise improve the SRDC Facility, and as further described in Section 6 of this Agreement, has applied to City for a new conditional use permit ("New CUP") for that purpose.

E. The City and BFI entered into a "Franchise Agreement" in June 1982 which provided that BFI would pay the City five percent (5%) of the Gate Fee Revenues received by BFI for delivery of materials to the Shoreway Facility in order to, among

other things, compensate the City for impacts related to the construction and operation of the SRDC Facility within the City. The Franchise Agreement expired in 2004. Notwithstanding, its expiration, the City has continued to receive five percent (5%) of Gate Fee Revenues received at the SRDC Facility. Moreover, the Authority's Joint Exercise of Powers Agreement, as Amended and Restated in December 2005, provides in relevant part; "Monthly, SBWMA shall distribute to the City of San Carlos from funds received from Contractor (i.e., the operator of the SRDC Facility), one twelfth (1/12th) of the annual franchise fee agreed to by SBWMA and the City of San Carlos for the operation of the Facilities."

F. The purpose of this Agreement is to memorialize the agreement between the City and the Authority referred to in the Amended and Restated Joint Exercise of Powers Agreement described in Recital E, with respect to the franchise fee.

THE PARTIES AGREE AS FOLLOWS:

1. FRANCHISE FEE

A. Amount. The Authority shall pay to City an amount equal to five percent (5%) of the Gate Fee Revenue received by the Authority (or by the company which operates the SRDC Facility under contract to the Authority) for the delivery of materials to the SRDC Facility for processing and/or disposal. "Gate Fee Revenue" means funds attributable to the delivery of materials for deposit at the SRDC Facility for transfer and/or processing. Gate Fee Revenue specifically includes all gate fees paid by franchised haulers delivering materials collected within the members of the Authority, as well as gate fees paid by self-haul customers. "Gate Fee Revenue" does not, however, include any sums received by the Authority from the sale of Recyclable Materials or from the operator as liquidated damages or other payments related to inadequate performance by the operator.

B. Timing of Payments. Payments will be made monthly, on or before the fifteenth (15th) of each month. If the due date falls on a weekend or holiday, payment shall be due on the first day thereafter on which the City's business office is open. The

payment will be equal to five percent (5%) of the Gate Fee Revenue received by Authority during the calendar month immediately preceding the date payment is due.

C. Future Changes to Operations/Franchise Fee Calculation. Should the means by which charges for delivery of materials to the SRDC Facility materially change such that the franchise fee contemplated in this Agreement is significantly reduced or increased, the parties agree to meet and negotiate with each other in good faith in an effort to modify the franchise fee set forth herein in a fair and equitable manner such that their intent as set forth in this Agreement is achieved.

2. TONNAGE REPORTS

Authority will provide City quarterly with a report, prepared by the company operating the SRDC Facility, showing the total tons of materials delivered to the SRDC Facility. The report will be delivered to City concurrently with its delivery to Authority.

3. RECORDS

Authority will maintain records of its financial affairs as required by California law and the Joint Exercise of Powers Agreement. City, as a member of Authority, is entitled to inspect such records at any time. These records will include accounts of all Gate Fee Revenue received for delivery of materials to the SRDC Facility.

4. INSPECTION

The City may inspect the SRDC Facility during its normal hours of operation.

5. INDEMNITY/INSURANCE

The Authority will require in its contract with any third party for operation of the SRDC Facility that such party (a) indemnify the City to the same extent that it indemnifies the Authority against liability arising out of the operation of the SRDC Facility, and (b) name the City as an additional insured on the policies of liability insurance which the Authority will require such operator to maintain.

6. LAND USE APPROVAL

As a local governmental entity, the Authority maintains that it is not subject to City zoning or building regulations with respect to the SRDC Facility and that it is not required to obtain a conditional use permit from City for the planned reconstruction and improvement of the SRDC Facility. City disagrees with this position. Rather than dispute the issue, as a matter of comity and in the spirit of mutual respect and cooperation, the Authority has applied for such a permit. This application is not intended as, and shall not be construed to be, a waiver of the Authority's claim of immunity from City land use jurisdiction.

7. SOLE OBLIGATION

The Franchise Fee provided for in this Agreement is the sole financial obligation of Authority to City for the mitigation of impacts resulting from the location and operation of the SRDC Facility in City.

8. ASSIGNMENT

Neither party may assign this Agreement, nor any rights arising under it, without the prior written consent of the other party.

9. BINDING ON SUCCESSORS

This Agreement shall benefit, and be binding on, the successors in interest to either party, including specifically any successor in the Authority's interest in the SRDC Facility. If City wishes to record a memorandum of this Agreement to further ensure that it will be binding on any third party which purchases the SRDC Facility, the Authority will execute such a memorandum.

10. EFFECTIVE DATE

This Agreement shall be effective at such time as it is duly executed by both City and the Authority.

11. TERM

This term of this Agreement shall begin as provided in Section 10, and shall remain in force and effect so long as the New CUP is in effect.

12. NOTICE

All notices under this Agreement shall be in writing and shall be personally delivered or deposited in the United States mail first class postage prepaid, return receipt requested, addressed as follows:

TO CITY:
City of San Carlos
Attention: City Manager
600 Elm Street
San Carlos, CA 94070

TO AUTHORITY:
South Bayside Waste Management Authority
Attention: Executive Director
610 Elm Street, Suite 202
San Carlos, CA ~~94707~~ 94070

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers.

[Signatures on next page]

CITY OF SAN CARLOS

By: _____ Dated: 7-14-08

Brad Lewis, Mayor

Attest: _____

Christine Boland, City Clerk

Approved as to Form:

_____

A. Patrick ~~Munoz~~, Special Counsel

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

By: _____ Dated: July 24, 2008

Larry Patterson, Chairman

Approved as to Form:

_____

Ray E. McDevitt, Special Counsel

ATTACHMENT 1

Pages 9 and 10 of

Conditional Use Permit (CUP)

c. Operations between the hours of 6:00 p.m. and 11:00 p.m. Monday through Saturday shall be limited to operations within the transfer station and the Materials Recovery Facility. There shall be no truck traffic to or from the site between the hours of 6:00 p.m. and 2:00 a.m. the following morning. Additionally, there shall be no truck traffic on Sundays between the hours of 2:00 a.m. and 6:00 a.m. However, movement of trucks within the site during these hours is permitted.

6. Avigation Easement: Because of the project's proximity to the San Mateo Airport, SBWMA shall grant an Avigation Easement to the County of San Mateo.

7. Maximum Solid Waste Volumes: The maximum of 936,000 tons per year of solid waste may be processed through the Shoreway Environmental Center, in accordance with the Solid Waste Permit issued by the San Mateo County Environmental Health Services Division.

8. Maximum Traffic Volumes: The daily trip generation for the Shoreway Environmental Center averaged over 30 days shall not exceed the traffic volumes shown in Table 6, *Future Projected Vehicular Activity*, of the Shoreway Recycling and Disposal Center Expansion Project Draft Transportation Impact Analysis prepared by Hexagon Transportation Consultants, Inc. and dated February 11, 2008. Should the trip generation exceed these projections, the Planning Commission shall have the right to review the transportation impacts of the Shoreway Environmental Center and require additional conditions of approval to mitigate the increased traffic volumes.

9. Maintenance of Landscaping: The landscaping on the project site shall be maintained in a good and healthy condition. Any dead or dying plant materials shall be promptly replaced.

10. Sanitary Sewer Capacity Fee: Prior to issuance of any building permit, the owner/applicant must sign an agreement, to be prepared by the San Carlos City Attorney, that would require the owner/applicant to pay sanitary sewer capacity fee for any increase water consumption over the annual average water use for the fiscal years 2006/2007 and 2007/2008 in accordance with the City of San Carlos Municipal Code Chapter 13.04.

11. Lot Line Adjustment: Prior to the issuance of a building permit for either the transfer station addition or the new Materials Recovery Facility, the two parcels which make up the project site shall be combined into a single parcel by a Lot Line Adjustment. Once the Lot Line Adjustment has been properly recorded, then Condition No. 14 of the Conditional Use Permit approved on January 2, 1992 for operations on site shall be of no further force and effect.

12. Compliance with Belmont San Carlos Fire Department Requirements: Condition No. 5 of the January 2, 1992 Conditional Use Permit for the waste recover facility shall be superseded by the requirements of the Belmont San Carlos Fire Department requirements established as part of Building Permit review.

13. Conditions of Approval from Prior Conditional Use Permits: Except as noted in the conditions of approval in this Resolution, all conditions of approval for the Conditional Use Permits approved on August 22, 1977 for the operation of a solid waste transfer station, and on January 2, 1992 for a waste recovery facility remain in force and effect and are incorporated into this approval by reference.

14. Franchise Fee/Agreement: As a condition of operating the project, the applicant shall pay a franchise fee to the City of San Carlos equal to 5% of Gate Fee Revenue collected in connection with the project's operations. It is anticipated that this condition will be further memorialized by an agreement between the City of San Carlos and the SBWMA which shall be in effect at all times that the project is in operation. The agreement shall provide: (1) that "Gate Fee Revenue" means funds attributable to the delivery of materials for deposit at the SRDC Facility for transfer and/or processing, and includes all gate fees paid by franchised haulers delivering materials collected within

Jurisdictions which are members of the South Bay Waste Management Authority (SBWMA), as well as gate fees paid by self-haul customers, and (2) that "Gate Fee Revenue" does not include any sums received by the SRDC Facility from the sale of Recyclable Materials or funds paid (if any) by the operator of the SRDC Facility to the SBWMA as liquidated damages or other payments to SBWMA related to inadequate performance by the operator of the Facility.

15. **Acceptance of Conditions:** The applicant shall provide a letter by 5:00 p.m. on July 30, 2008, indicating acceptance of this CUP and all of its conditions, and as a condition of this Amendment to the Conditional Use Permits, its signature on such letter shall be deemed acceptance of all conditions of this permit by the SBWMA.

16. **Indemnity and Separation Clauses:** The applicant shall defend, indemnify and hold harmless the City of San Carlos, its agents, officers, consultants, and employees from any claim, action or proceeding against the City or its agents, officers, consultants, or employees, to attack, set aside, void, or annul, in whole or in part, the City's approval of this Amendment to the Conditional Use Permits.

PASSED AND ADOPTED as a Resolution of the City of San Carlos Planning Commission at a regular meeting thereof held on the 21st day of July, 2008, by the following vote:

AYES, COMMISSIONERS: Phillips, Iwasa, Shugart

NOES, COMMISSIONERS: _____

ABSTAIN: _____

ABSENT: Divney

Chair, San Carlos Planning Commission

ATTEST:

Deborah Nelson, Planning Manager

ATTACHMENT 2

Table of Member Agency Actions to Date

SBWMA MEMBER AGENCY ACTIONS

Agency	San Carlos Agreement
Redwood City	**Approved 7-0** (9/8/08)
San Mateo	**Approved 5-0** (11/17/08)
Foster City	**Failed 2-3** (10/6/08) **Scheduled for Reconsideration** (7/20/09)
Menlo Park	**Approved 5-0** (2/24/09)
San Carlos	**Approved 5-0** (10/13/08)
East Palo Alto	**Approved 3-1** (1/20/09)
Belmont	**Approved 5-0** (8/12/08)
San Mateo County	**Approved 5-0**
Hillsborough	**No Action Taken** (7/13/09)
West Bay Sanitary District	**No Action Taken** (6/22/09)
Atherton	TBS
Burlingame	Scheduled for (7/20/09)

TBS: To be scheduled

ATTACHMENT 3

October 6, 2008 Staff Report

STAFF REPORT

TO: Mayor and Members of the City Council

VIA: James C. Hardy, City Manager

FROM: Ramon Towne, Director of Public Works
Laura Galli, Assistant Engineer

DATE: September 15, 2008 -- TABLED TO OCTOBER 6, 2008

SUBJECT: AGREEMENT BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA) AND THE CITY OF SAN CARLOS PERTAINING TO THE SHOREWAY RECYCLING AND DISPOSAL CENTER

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution providing concurrence with the approval of an agreement between the South Bayside Waste Management Authority (SBWMA) and the City of San Carlos pertaining to the operation of the Shoreway Recycling and Disposal Center (SRDC) located in the City of San Carlos.

EXECUTIVE SUMMARY

At the July 24, 2008 meeting, the SBWMA Board of Directors voted to approve an agreement between the SBWMA and the City of San Carlos for the continued payment of fees to the City of San Carlos in an amount of five percent (5%) of the gate fee revenues earned at the SRDC. The SBWMA is seeking an affirmative vote of two-thirds of the member agencies within the SBWMA to approve the agreement and continue the payment of five percent (5%) of the SRDC gate revenues to the City of San Carlos.

BACKGROUND

The SRDC (formerly the San Carlos Transfer Station), located on Shoreway Road in San Carlos, was initially constructed in 1982 by Browning Ferris Industries (BFI) pursuant to a conditional use permit (CUP) issued by the City of San Carlos. The CUP was conditioned on BFI and the City entering into an agreement providing the City with a "franchise fee" to compensate the City for impacts related to the SRDC's location and operation within the City of San Carlos. The City of San Carlos and BFI executed a contract in 1982 which entitled the City to five percent (5%) of the gate fee revenues received at the SRDC.

After purchasing the SRDC in 2000, the SBWMA took over the responsibility for payment of the fees to the City of San Carlos. In 2004, the 1982 contract between the City of San Carlos and BFI expired, but fees in the amount of five percent (5%) of the gate fee revenues continued to be paid to the City of San Carlos by the SBWMA.

The SBWMA's Joint Exercise of Powers Agreement, as amended and restated in December 2005 ("JPA Agreement"), states that the City of San Carlos shall receive a franchise fee from the operation of the SRDC. However, the JPA Agreement does not specify the exact amount of the fee.

The SBWMA had applied to the City of San Carlos for a CUP covering the substantial improvements planned for the SRDC. In connection with the permit application and the associated CEQA documentation, SBWMA staff and the City of San Carlos worked together to develop the new agreement, which includes the specified fee of five percent (5%) of the gate fee revenues received to be paid to the City of San Carlos by the SBWMA. The new agreement clarifies that the fee does *not* apply to revenues received by SBWMA from the sale of recyclable materials. The term of the agreement will run concurrently with that of the new CUP.

The City Council of San Carlos unanimously approved the agreement at its July 14, 2008 Council meeting. The SBWMA's CUP application and related CEQA documentation was approved 3-0 by the City of San Carlos Planning Commission on July, 21, 2008. In addition, the agreement was approved based on a 10-0 vote by the SBWMA Board of Directors on July 24, 2008.

ANALYSIS

Payment by the SBWMA to the City of San Carlos would compensate the City for impacts related to the SRDC's location and its operation within the San Carlos City limits. The recommended action continues a contractual arrangement that has been in place since the inception of the SRDC operations in 1982, with payment of a fee based on the same amount (5%) of gate fee revenues as had previously been agreed upon by BFI (now Allied Waste) and the City of San Carlos.

The Agreement has been approved by the City of San Carlos and the SBWMA. The SBWMA is seeking concurrence with approval of the Agreement by two-thirds of the Member Agencies.

Fiscal Impact

The City of Foster City's concurrence with the approval of the agreement between the SBWMA and the City of San Carlos will provide for the continued payment of fees in the amount of five percent (5%) of gate fee revenue from the SRDC. The dollar amount of the fees will vary each year but has been approximately $1.2 million per year for the past several years. The SBWMA's annual budget contains a specific line item for these fees. The amount included in the adopted Fiscal Year 2008/2009 budget is $1,273,433.

Attachments: Resolution (Intentionally not attached)
Attachment 1—Agreement between the SBWMA and the City of San Carlos (Intentionally not attached)

South Bayside Waste Management Authority [SBWMA] and Foster City Staff to Negotiate a Franchise Agreement for Solid Waste, Recyclable Material and Organic Material Collection Services."

CITY RESOLUTION NO. 2008-95 APPROVING, AUTHORIZING, AND DIRECTING THE ISSUANCE OF REVENUE OBLIGATIONS BY THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY [SBWMA], AND DIRECTING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE PROJECT FINANCING OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER (SRDC). MINUTE ORDER NO. 1110. TABLED FROM SEPTEMBER 15.

City Manager Hardy presented the staff report. This item was tabled from the regular meeting of September 15, 2008.

Hilary Gans, SBWMA Facility Operations Contract Manager, gave a presentation and answered questions.

Kevin McCarthy, SBWMA Executive Director, answered questions.

Kim Nakahara representing Bank of America addressed the City Council and answered questions.

Donald Gambelin, Allied Waste Services, 5801 Koll Center Parkway, Pleasanton, addressed the City Council.

Discussion ensued.

Motion by Councilmember Koelling, seconded by Councilmember Kiesel, and carried 3-2-0, Vice Mayor Kiramis and Councilmember Wykoff voted "No," to adopt City Resolution No. 2008-95, "A Resolution of the City Council of the City of Foster City Approving, Authorizing and Directing the Issuance of Revenue Obligations by the South Bayside Waste Management Authority [SBWMA], and Directing Certain Related Actions in Connection with the Project Financing of the Shoreway Recycling and Disposal Center (SRDC)."

Minute Order No. 1110 was adopted by consensus of the City Council directing staff to provide regular updates regarding the status of issuance of the revenue bonds as well as the cost and project financing for the Shoreway Recycling and Disposal Center.

CITY RESOLUTION PROVIDING CONCURRENCE WITH THE APPROVAL OF AN AGREEMENT BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY [SBWMA] AND THE CITY OF SAN CARLOS PERTAINING TO THE SHOREWAY RECYCLING AND DISPOSAL CENTER. TABLED FROM SEPTEMBER 15.

City Manager Hardy presented the staff report. This item was tabled from the regular meeting of September 15, 2008.

Discussion ensued.

A motion by Councilmember Koelling and seconded by Mayor Frisella failed, 2-3-0, with Councilmember Kiesel, Vice Mayor Kiramis, and Councilmember Wykoff voting "No" to adopt a City resolution providing concurrence with the approval of an agreement between South Bayside Waste Management Authority (SBWMA) and the City of San Carlos pertaining to the Shoreway Recycling and Disposal Center.

COMMUNICATIONS

CITY/DISTRICT WARRANT OF DEMANDS. NO ACTION TAKEN.

ITEM 32

DATE: **CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **THE CITY COUNCIL**

FROM: **JEROME GRUBER, CITY MANAGER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **RESOLUTION APPROVING THE OPERATIONS AGREEMENT WITH SOUTH BAY RECYCLING, LLC (SBR) FOR OPERATION OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER IN SAN CARLOS**

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution approving the Operating Agreement with South Bay Recycling, LLC (SBR) for operation of the Shoreway Recycling and Disposal Center in San Carlos.

BACKGROUND

The operation of the Shoreway facility has never been competitively procured until initiation of the contractor selection process by the South Bayside Waste Management Authority (SBWMA) in 2005. The SBWMA is comprised of twelve member agencies and the participation and support of Town staff in this joint powers authority has been instrumental in the competitive procurement of a new Shoreway facility operator.

The process to select a new facility operator commenced in 2005 at a series of SBWMA related meetings. On September 19 2007 the Council adopted Resolution No. 07-24 approving release of the SBWMA's Facility Operations Services RFP scope of services, proposals evaluation process and future contract terms.

On November 1, 2007 the SBWMA released the Facility Operations Services RFP. Proposals for the new operations services were due on March 4, 2008 and the SBWMA received seven responsive proposals from companies capable and qualified to provide the facility operations services described in the RFP.

The RFP prescribed a thorough process to evaluate the proposals using an Evaluation Team consisting of: SBWMA staff, and SloanVazquez consulting firm; and a Selection Committee comprised of Member Agency Board Members including Larry Patterson, City of San Mateo; Mark Weiss, City of San Carlos; Jim Porter, County of San Mateo and SBWMA staff Kevin McCarthy and Hilary Gans.

On July 24, 2008 the SBWMA Board voted 10-0 to short list two of the seven companies; Hudson

Baylor Corp. and SBR, for final negotiations to select a Shoreway facility operator.

A lengthy short-list evaluation period ensued from August 2008 through March 2009 in which the Evaluation and Selection Committees issued two reports, one dated January 15, 2009 and the other March 16, 2009, culminating in a recommendation to select SBR.

On April 23, 2009, the SBWMA Board voted 10-2 to approve the selection of SBR and directed staff to negotiate a final Operations Agreement and bring back that Agreement for Board approval with such Board approval then subject to approval by at least two-thirds of the Member Agencies. The Board approved motion also stated that if staff could not successfully negotiate a contract with SBR then staff begins negotiations with Hudson Baylor Corporation.

Also, on April 23, 2009 staff was given direction to discuss with SBR during contract negotiations the potential use of County of San Mateo Vocational Rehabilitation Services (VRS) workers as MRF sorters. Such VRS workers were previously utilized by BFI as MRF sorters but such an arrangement was discontinued in 2007 due to Allied companywide legal concerns regarding the classification of these workers as temporary workers and the need to offer benefits.

The VRS programs helps local residents with employment barriers and disabilities attain their maximum vocational potential through vocational training. Additional information about VRS can be found at http://www.co.sanmateo.ca.us/smc/department/home/0,,15587225_18152561_20763708,00.html.

On July 23, 2009 the SBWMA Board approved 11-0 the Operations Agreement and authorized and directed the Executive Director to distribute full and complete copies of the Agreement executed on behalf of the Authority and on behalf of South Bay Recycling, LLC, to each Member Agency upon receipt of the Guaranty executed by the two corporate members of South Bay Recycling, LLC. Provided, however, that the Agreement shall not become effective unless and until at least eight (8) of the Member Agencies approve the Agreement as provided in Section 7.1.1 of the SBWMA First Amended and Restated Joint Exercise of Powers Agreement, on or before November 30, 2009..

ANALYSIS

The attached Operations Agreement remains substantially unchanged from the Operations Agreement adopted by Council on September 19, 2007 for its inclusion in the Facility RFP process. However, the Agreement was amended to address the following key items:

- Inclusion of any commitments from SBR in their March 4, 2008 proposal and follow-up correspondence that were above and beyond the original RFP requirements or draft Agreement language. For example, SBR offered to purchase and operate a sort line in the Transfer Station at a cost not to exceed what we currently pay for offsite transportation and processing of C&D materials. This language has now been captured in Section 5.18.E.

- Use of VRS workers. Section 5.11.N. includes language regarding the use of such workers and the Authority endorsing the use of such workforce.

- Exceptions SBR took to the original draft Agreement related to moisture content and

material
contamination. Attachment 11-C, Moisture Measurement, addresses excessive moisture issues. Material contamination (i.e., contamination levels in loads of franchised materials delivered by the collection contractor) is addressed in Section 7.06 and Attachments 2E and 2H.

- Key items discussed during the short-list negotiation process, including a price assurance mechanism, liquidated damages and charges that can be imposed, self haul diversion guarantees, and critical implementation milestones. The price assurance mechanism can be found in Attachment 11-B. Liquidated damages are addressed in Section 11.07 and Attachment 10. The self haul diversion guarantees and details on self haul diversion are in Sections 5.18, and 7.08; and Attachments 3, 4 and 19. Critical implementation milestones are addressed in an implementation and operations plan found in Attachment 4.

- Changes in compensation and cost forms. Sections 7 and 8 and Attachments 12A, 12B, 12C,12D, 13A, and 13B address how SBR is compensated. Notably, Attachment 12C was added to address compensation specific to interim operations, as opposed to full-scale operations as originally envisioned in the Facility Operations RFP, due to expected delays in the completion date of the MRF and Transfer Station improvements. Attachment 12D contains SBR's final cost forms.

SBR also is no longer responsible for installation of the single stream processing equipment. The SBWMA is separately negotiating the purchase and installation of the equipment with an equipment vendor.

The SBWMA is seeking concurrence on approval of the Agreement by two-thirds of the 12 member agencies. As of the preparation of this report, 8 member agencies have approved the agreement, thus meeting the two-thirds requirement.

CONCLUSION:

The new Operating Agreement with South Bay Recycling will provide updated processing services of solid waste, green waste, organics and recyclable materials. The new processing service will enable single stream recycling collection, which is easier from the residents' perspective and will increase recycling material tonnage.

ALTERNATIVES:

The Operating Agreement between the SBWMA and SBR is now effective as more than two-thirds of the member agencies have agreed to the Agreement. This Agreement will remain effective regardless of the Town of Atherton's action.

FISCAL IMPACT:

There is no fiscal impact on the Town General Fund due to the approval of a contract with SBR. The cost to provide the services covered in the Operations Agreement are included in the collection rates approved by the Town for residential and commercial accounts. SBR's actual projected 2011 costs are expected to below Allied Waste's projected future costs and thus should result in a slight

decrease in collection rates.

The total cost for SBR to operate the Shoreway facility will be $14.32 million a year. For comparison purposes only, Allied's projected compensation to operate the Shoreway facility for 2009 is $17.1 million. . Both the SBR and Allied figures are exclusive of disposal costs.

ENVIRONMENTAL IMPACT:

The Operating Agreement requires the Authority to renovate the Shoreway facility. In 2008, a Mitigated Negative Declaration (MND) was prepared and approved for a Use Permit in San Carlos for the improvements to the Shoreway Recycling and Disposal Center. A legal opinion has been obtained by legal counsel to the SBWMA indicating that CEQA can be complied with as to action on the Operating Agreement by referring to the MND as an adequate environmental document pursuant to CEQA and CEQA Guidelines for the purposes of analysis and consideration of a Operating Agreement. A copy of the MND has been on file with the City Clerk and available for review. CEQA language has been included in the Resolution approving the Franchise Agreement.

FORMAL MOTION:

I move that the City Council adopt the attached Resolution approving the Operating Agreement with South Bay Recycling, LLC (SBR) for operation of the Shoreway Recycling and Disposal Center in San Carlos.

Lisa Costa Sanders *Jerome D. Gruber*

Lisa Costa Sanders, Deputy Town Planner Jerome D. Gruber, City Manager

Attachments:
Resolution No. 09-41
Operating Agreement

RESOLUTION NO. 09-41

A RESOLUTION OF THE TOWN OF ATHERTON APPROVING THE AGREEMENT FOR THE OPERATION OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER

WHEREAS, the State of California, through California Integrated Waste Management Act of 1989, codified at Public Resources Code Section 40000, et seq.(the "Act"), found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfill disposal,,, has created a need to state and local agencies to enact and implement an aggressive integrated waste management program;

WHEREAS, the Act directs the California Integrated Waste Management Board (CIWMB) and local agencies to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed in landfills;

WHEREAS, the SBWMA is a Joint Powers Agency (JPA) organized under the Joint Exercise of Powers Act by cities and other local government agencies in San Mateo County (the "Member Agencies"), each of which oversees the collection of solid waste and recyclable materials within its jurisdiction;

WHEREAS, the SBWMA owns and oversees the operation of the Shoreway Recycling and Disposal Center in San Carlos ("Shoreway Center"). The recycling and material recovery operations conducted at the Shoreway Center are an integral components of each of the Member Agencies' Source reduction and Recycling Elements, which have in turn been incorporated into san Mateo County's Integrated Waste Management Plan;

WHEREAS, the Member Agencies, acting in coordination with each other and the Authority, are planning to expand the recycling operations within each of their jurisdictions through a variety of measures, including the institution of "single stream: recycling;

WHEREAS, in order to prepare for this anticipated increase in the amount of recyclable materials, and to improve the ability of the Shoreway Center to recover recyclable materials from solid waste delivered to it, the SBWMA is planning a substantial renovation and expansion of the facilities at the Shoreway Center;

WHEREAS, one of the anticipated improvements is the installation of a new system designed specifically for sorting and recovering recyclable materials from single stream collection programs. The new system has been recommended by the Contractor, is to be installed by the manufacturer-vendor within the Materials Recovery Facility at the Shoreway Center, and operated by the Contractor;

WHEREAS, on November 1, 2007 the SBWMA issued a request for Proposals for a qualified contractor to operate the Shoreway Center, transport recyclable materials to various specialized processors and transport residual solid waste to the Ox Mountain Landfill;

WHEREAS, South Bay Recycling, LLC (SBR) submitted a Proposal which, in the judgement of the staff of Authority, represented the greatest value to the Authority, its Member Agencies and their residents and businesses. On July 23, 2009, the SBWMA approved the Operations Agreement with SBR as the operator of the Shoreway Center;

WHEREAS, the services to be provided under the Operations Agreement have been analyzed pursuant to a Mitigated Negative Declaration prepared and approved by the City of San Carlos Planning Commission in July 2008 in connection with a Use Permit granted the SBWMA for the expansion of an improvements to be made to the Shorway Center. The Mitigated Negative Declaration is an adequate environmental document pursuant to CEQA and CEQA guidelines for the purposes of analysis and consideration of the Operating Agreement.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE TOWN OF ATHERTON approved the Agreement for Operation of the Shorway Recycling and Disposal Center between the SBWMA and South Bay recycling, LLC ("Agreement") Exhibit A hereto. .

* * * * * * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 21st day of October, 2009 by the following vote:

AYES:	*COUNCILMEMBERS:*	_____
NOES:	*COUNCILMEMBERS:*	_____
ABSENT:	*COUNCILMEMBERS:*	_____
ABSTAIN:	*COUNCILMEMBERS:*	_____

_____
Jerry Carlson, Mayor

ATTEST:

_____
Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

_____
Wynne Furth, City Attorney

AGREEMENT FOR OPERATION OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
AND
SOUTH BAY RECYCLING, LLC

July 2009

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AGREEMENT FOR THE OPERATION
OF THE SHOREWAY RECYCLING AND DISPOSAL CENTER

THIS AGREEMENT is made and entered into as of this 30th day of July 2009, by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (the "Authority"), and SOUTH BAY RECYCLING, LLC, a California limited liability company (the "Contractor").

RECITALS

1. The State of California, through the California Integrated Waste Management Act of 1989, codified at Public Resources Code Section 40000, *et seq.* (the "Act"), found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfill disposal, has created a need for state and local agencies to enact and implement an aggressive integrated waste management program.

2. The Act directs the California Integrated Waste Management Board and local agencies to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed in landfills.

3. The Authority is a joint powers agency organized under the Joint Exercise of Powers Act by cities and other local government agencies in San Mateo County (the "Member Agencies"), each of which oversees the collection of solid waste and recyclable materials within its jurisdiction.

4. The Authority owns and oversees the operation of the Shoreway Recycling and Disposal Center in San Carlos ("Shoreway Center"). The recycling and materials recovery operations conducted at the Shoreway Center are an integral component of each of the Member Agencies' Source Reduction and Recycling Elements, which have in turn been incorporated into San Mateo County's Integrated Waste Management Plan.

5. The Member Agencies, acting in coordination with each other and the Authority, are planning to expand the recycling operations within each of their jurisdictions through a variety of measures, including the institution of "single stream" recycling, i.e., the collection of commingled recyclables in a single, wheeled container.

6. As a result of these new and expanded recycling programs within its Member Agencies, the Authority anticipates that the amount of recyclable materials, including organic materials, delivered to the Shoreway Center will increase.

7. In order to prepare for this anticipated increase in the amount of recyclable materials, and to improve the ability of the Shoreway Center to recover recyclable materials from solid waste delivered to it, the Authority is planning a substantial renovation and expansion of the facilities at the Shoreway Center.

8. One of the anticipated improvements is the installation of a new system designed specifically for sorting and recovering recyclable materials from single stream collection programs. The new system has been selected by the Contractor, is to be installed by the manufacturer-vendor within the Materials Recovery Facility at the Shoreway Center, and operated by the Contractor.

9. On November 1, 2007, the Authority issued a Request for Proposals to select the new recyclable materials processing equipment, operate the Shoreway Center, transport recyclable materials to various specialized processors and transport residual solid waste to the Ox Mountain Landfill.

10. On March 4, 2008, Contractor submitted a Proposal which, in the judgment of the staff of the Authority, represented the greatest value to the Authority, its Member Agencies and their residents and businesses. On April 23, 2009, on the recommendation of its Facility Operations Contractor Selection Committee, the Board of Directors selected Contractor as the Operator of the Shoreway Center and directed the Authority's Executive Director to negotiate a final agreement with Contractor.

11. On July 23, 2009, the Authority's Board of Directors approved this Agreement and recommended that each of the Authority's Member Agencies also approve it before the Effective Date.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.01 DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Agreement will have the meanings specified in Attachment 1.

ARTICLE 2 TERM OF AGREEMENT

2.01 EFFECTIVE DATE

The Effective Date of this Agreement shall be November 30, 2009.

2.02 TERM

The Term of the Agreement shall begin on the Effective Date and shall end at midnight on December 31, 2020, unless extended as provided in Section 2.03. Contractor's obligation to operate the Shoreway Center shall commence January 1, 2011.

2.03 OPTION TO EXTEND TERM

The Authority may extend the Term for one (1) or more periods of one (1) year, up to a maximum of three (3) years (i.e., until December 31, 2023), on the same terms and conditions. If Authority wishes to extend the Term it shall deliver a written notice to Contractor at least six (6) months before the expiration of the then-current Term, specifying the number of additional years by which it wishes to extend the Term. If the Authority initially elects to extend the Term for less than three (3) years, it may subsequently elect to extend the Term in increments of one or two years, up to a total of three years.

2.04 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

A. The obligation of Authority to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of each and every one of the conditions set out below:

1. Accuracy of Representations. The representations and warranties made by Contractor in Article 3 of this Agreement shall be true and correct on and as of the Effective Date, and a certification to that effect dated as of the Effective Date shall be delivered by Contractor to Authority on the Effective Date.

2. Absence of Litigation. There shall be no litigation pending on the Effective Date in any court challenging the execution of this Agreement or seeking to restrain or enjoin its performance.

3. Sale of Bonds. The Authority shall have sold bonds, certificates of participation, or other such instruments, or shall have secured a loan, in the amount of $56.5 million, and received the proceeds thereof.

4. Effectiveness of Authority's Approval. Authority's approval of this Agreement shall have become effective, pursuant to California law, on or before the Effective Date, through the action of eight or more Member Agencies' City Councils or other governing bodies approving this Agreement.

5. Contract with Equipment Manufacturer. Authority shall have entered into a contract with Bulk Handling Systems for the fabrication, delivery, installation and warranty service of the equipment described in Attachment 2-A for a price and on terms and conditions acceptable to Authority.

6. Performance Bond. The Contractor shall have delivered a Performance Bond meeting the requirements of Section 10.03.

The Authority may, in its sole discretion, waive the satisfaction of conditions described in paragraphs 1, 2, 5 and 6 of this Section.

B. The obligation of Contractor to perform under this Agreement is subject to satisfaction, on or before the Effective Date, of the following condition, which may be waived by Contractor:

1. Contract with Equipment Manufacturer. Authority shall have entered into a contract with Bulk Handling Systems for the fabrication, delivery, installation and warranty service of the equipment described in Attachment 2-A.

If this condition is not satisfied or waived by Contractor by the Effective Date, this Agreement shall be void and have no force or effect.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF CONTRACTOR

3.01 CORPORATE STATUS

Contractor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California, and is qualified to do business in the State of California. It has the corporate power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

3.02 CORPORATE AUTHORIZATION

Contractor has the authority to enter into and perform its obligations under this Agreement. The Board of Managers of Contractor (and the Members, if necessary) have taken all actions required by law, its articles of organization, its operating agreement or otherwise to authorize the execution of this Agreement. The persons signing this Agreement on behalf of Contractor have authority to do so.

3.03 STATEMENTS AND INFORMATION IN PROPOSAL

The Proposal submitted to Authority by Contractor and information submitted to Authority supplementary thereto, on which Authority has relied in entering into this Agreement does not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

3.04 NO CONFLICT WITH APPLICABLE LAW OR OTHER DOCUMENTS

Neither the execution and delivery by Contractor of this Agreement, nor the performance by Contractor of its obligations hereunder (i) conflicts with, violates or will result in a violation of any existing Applicable Law; or (ii) conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing contract or instrument to which Contractor is a party, or by which Contractor or either of its Members is bound.

3.05 NO LITIGATION

There is no action, suit, proceeding, or investigation at law or in equity, before or by any court or governmental entity, pending or threatened against Contractor, or otherwise affecting Contractor, wherein an unfavorable decision, ruling, or finding, in any single case or in the aggregate, would materially adversely affect Contractor's performance hereunder, or which, in any way, would adversely affect the validity or enforceability of this Agreement, or which would have a material adverse effect on the financial condition of Contractor or either of its Members.

3.06 FINANCIAL CONDITION

Contractor has made available to Authority information on its financial condition and that of its Members. Contractor recognizes that Authority has relied on this information in evaluating the sufficiency of Contractor's financial resources to perform this Agreement and of its Members to guarantee that performance. To the best of Contractor's knowledge, this information is complete and accurate, does not contain any material misstatement of fact, and does not omit any fact necessary to prevent the information provided from being materially misleading.

3.07 EXPERTISE

Contractor has the expertise and professional and technical capability to perform all of its obligations under this Agreement and is ready, willing and able to so perform.

ARTICLE 4 INSTALLATION OF NEW MRF EQUIPMENT

4.01 GENERAL

Contractor has recommended that the Authority purchase the equipment described in Attachment 2-A and illustrated on Attachment 2-C. This recommendation has been made based on Contractor's analysis of the types and volumes of Recyclable Materials expected to be delivered to the MRF after the Member Agencies initiate a single stream collection process, the Authority's goals for materials recovery as incorporated in this Agreement, and the site constraints of the MRF as it is planned to be reconstructed as shown on Attachment 2-B. Contractor has had the opportunity to provide input to the design process and is satisfied that its recommendations on equipment and operational aspects have been incorporated in the design of the MRF building shown on Attachment 2-B and in the plans and specifications included in the Request for Proposals for Construction dated March 9, 2009, as modified by the document entitled "SBR Building Modifications with Budget Effect on SBWMA 070209" dated July 2, 2009. Contractor has assured the Authority that the equipment recommended will process single stream Recyclable Materials as specified and required in Attachment 2-E (MRF equipment performance specification), with the composition described in the system's acceptance test set forth in Attachment 2-F and will produce materials that meet the product quality standards set forth in Attachment 2-G.

4.02 PURCHASE OF MRF EQUIPMENT

The Authority intends to execute a contract with Bulk Handling Systems on or before November 1, 2009 to purchase the MRF equipment. Contractor will, upon request, assist the Authority in negotiating the terms and conditions of the contract with Bulk Handling Systems.

4.03 INSTALLATION OF MRF EQUIPMENT

The equipment will be installed by Bulk Handling Systems and is intended to operate as shown on the drawings contained in Attachment 2.

Contractor has represented to Authority that the equipment, installed as shown on Attachment 2-C, will achieve the product quality standards as described in Attachment 2-G.

Upon request by Authority, Contractor will arrange for a technically qualified representative to be on site at least five (5) days per week during the installation of the equipment to observe the installation and to advise the Authority. Currently, the parties expect the equipment installation process will require about 35 weeks, will begin in April 2010, and be completed in December 2010.

4.04 SYSTEMS ACCEPTANCE TEST

Upon completion of the installation, the Contractor shall immediately start up and operate the MRF equipment for a shakedown period of no less than 10 days and no more than 20 days prior to commencing the acceptance test.

The acceptance test will be conducted as provided in Attachment 2-F.

The Authority will accept the equipment and allow Contractor to commence full-scale operation of the MRF when the equipment as installed has satisfied the standards of performance contained in Attachment 2-F (which include achieving the product quality

standards contained in Attachment 2-G), as well as any other performance representations made by the equipment manufacturer to the Authority in the contract referenced in Section 4.02.

4.05 DELAY IN ACCEPTANCE

If the acceptance test is not completed within 20 days after the end of the shakedown period, Contractor will be responsible for additional costs which may be incurred by Authority in arranging for Recyclable Materials to be transported to and processed at a different location, as well as for decreased revenue from sales of Recyclable Materials.

The Contractor is responsible to pay the Authority only for those added transportation and processing costs and reduced commodity revenues arising from management and supervisory failures, failure to operate the system according to the manufacturer's operating protocol, or the inefficiency of the Contractor's sorters and equipment operators which may cause the acceptance test period to extend beyond 20 days.

ARTICLE 5 OPERATION OF SHOREWAY CENTER

5.01 SCOPE OF WORK – GENERAL

The work to be performed by Contractor includes the furnishing of all labor, supervision, equipment, materials, supplies and all other items necessary to perform the services required under this Agreement in a thorough, workmanlike and efficient matter, so that users of the Shoreway Center are provided reliable, courteous and high-quality services at all times. The enumeration of, and specification of requirements for, particular items of labor, supervision, equipment, materials or supplies shall not relieve Contractor of the duty to furnish all others that may be required to be provided under this Agreement by Contractor, whether enumerated or not.

Contractor shall perform all work in accordance with Attachment 3, all provisions of which are incorporated herein whether or not such provisions are specifically referred to in any other section of this Agreement.

5.02 IMPLEMENTATION PLAN

The parties recognize that substantial planning and preparation will be required to ensure successful initiation of operations by Contractor on January 1, 2011, and full-scale MRF operations in February 2011 and full-scale Transfer Station operations in March 2011. To that end, Contractor has prepared a detailed implementation plan addressing the steps Contractor will take, and the schedule on which it will take them, to prepare for commencement of operations on January 1, 2011. The implementation plan covers Contractor's schedule for hiring and training of personnel, acquiring necessary vehicles and equipment, installing and testing of the new sorting equipment, etc., and is included in the Implementation and Operating Plan attached as Attachment 4.

Contractor shall diligently adhere to the implementation plan and shall meet periodically, whenever the Authority requests, to review and report on progress. No changes will be made to the schedule without the Authority's prior written approval. Failure to adhere to the implementation plan, including its schedule, shall constitute a breach of this Agreement which, if uncured, shall constitute a default under Section 11.01.

The specific plans and other materials required to be submitted by the implementation plan are subject to the Authority's review and approval. To the extent reasonably practicable, the Authority will take actions, make decisions, and provide directions to Contractor in accordance with the schedule and time allowances set forth in Attachment 4, so as not to delay Contractor's adherence to the implementation plan schedule.

5.03 SHOREWAY CENTER FACILITY OPERATIONS - GENERAL

Contractor recognizes that the Authority and its Member Agencies are committed to recycling materials that have in the past been disposed in landfills. Contractor shall operate the Transfer Station, Materials Recovery Facility (MRF), Buy-back / Drop-off Center and related facilities to allow for the convenient and efficient management of Solid Waste and recovery of Recyclable Materials, and Organic Materials, including Plant Materials. The Contractor's overall approach to operation of the scale house, the Transfer Station, the MRF, the Public Buy-Back/Drop-Off Center, and the transportation of materials from the Shoreway Center to the Designated Disposal Site and Designated Processing Facilities is included in the Implementation and Operating Plan attached as Attachment 4. Also included is Contractor's interim operating plan describing its operations during the period from the Commencement Date to full-scale operation of the MRF.

Contractor shall receive and accept all Solid Waste, Recyclable Materials, Organic Materials (including Plant Materials), Construction and Demolition Debris, E-waste, and U-Waste delivered to the Shoreway Center by:

A. The Member Agencies and their Collection Contractor(s).

B. The general public and businesses located within, or outside of, the Service Area (i.e., the combined jurisdictions of the Member Agencies).

C. Commercial haulers doing business within the Service Area.

D. Other haulers approved by the Authority.

Neither the Contractor nor an Affiliated Company may bring materials from outside the Service Area without prior written approval of the Authority.

5.04 DAYS AND HOURS OF OPERATION

Contractor shall operate the Shoreway Center every day of the year, except Thanksgiving, Christmas and New Years Day.

The hours during which the Contractor may conduct operations at the Shoreway Center are:

Monday through Saturday:	2:00 a.m. to 11:00 p.m.
Sunday:	6:00 a.m. to 6:00 p.m.

Operations between the hours of 6:00 p.m. and 11:00 p.m. Monday through Saturday shall be limited to operations within the Transfer Station and the MRF.

There shall be no truck traffic to or from the Shoreway Center between the hours of 6:00 p.m. and 2:00 a.m. the following morning. Additionally, there shall be no truck traffic to or from the Shoreway Center between 2:00 a.m. and 6:00 a.m. on Sundays.

The Center shall be open to the public only between 6:00 a.m. and 6:00 p.m. seven days a week.

5.05 USE OF THE SHOREWAY CENTER

A. Contractor's Use of Shoreway Center. Subject to the limitations imposed by this Agreement, including Attachment 5, Contractor shall have the right to use the Shoreway Center (including the administrative, maintenance and repair areas) every day of the year. The Authority will furnish office and interior space painted and carpeted, but Contractor is responsible for providing at its expense all office equipment, furniture, and supplies for areas it will occupy. No lease or other property interest is created by this Agreement.

B. Authority's Use of Shoreway Center.

1. The Authority shall have priority to the use of the upstairs conference room in the MRF building and visitor viewing area in the Transfer Station building, but will cooperate with Contractor in scheduling use of these areas. The Authority will provide, at its expense, telephones and other communications equipment, furniture, computers, office supplies and moveable partitions.

2. The Authority shall also have access to and the right to make reasonable use of common areas in the buildings, including lobbies, hallways, restrooms and eating areas. The Authority shall endeavor to use these areas in a manner that does not interfere with Contractor's use of them.

3. Finally, five (5) parking spaces in the visitor parking area in front of the west entrance to the Transfer Station will be reserved for use of Authority staff and invitees.

C. Collection Contractor's Use of Facilities and Areas. The parties anticipate that Member Agencies will enter into franchise agreements with a Collection Contractor. The Authority will allow the Collection Contractor to make use of the Shoreway Center, as described in this section and Attachment 5. The Collection Contractor will have the exclusive right to occupy and use the northeast parcel of the Shoreway Center designated "Collections Yard/Collections Operations Area" on Attachment 5, as well as the buildings and facilities located in this area. The Collection Contractor shall also have exclusive use of approximately 21,130 square feet of office space designated as "Existing Admin" on Attachment 5, together with the adjacent parking area.

D. Shared Use Areas. In addition, there are areas of the Shoreway Center that Contractor and the Collection Contractor will need to share. The areas of shared utilization include: entry/exit access roads; the fueling area; a bay in the smaller maintenance building which Contractor may use; and the parking area behind the Transfer Station. The Collection Contractor shall have priority to use of fueling facilities; Contractor shall cooperate with the Collection Contractor in the use of other shared areas in order to minimize interference with its operations. If there is a dispute between the Contractor and the Collection Contractor over the shared use areas, the Authority will make a determination as to the extent of use by each, which determination shall be final and binding on each.

Each contractor using the Shoreway Center will pay for costs associated with its use. In cases in which there is a single meter (e.g., water and sewer), the costs will be allocated as the Contractor and the Collection Contractor agree. If they are unable to agree, the Authority will make a determination, which determination shall be final and binding on each.

E. Other Contractors Temporarily On Site. Contractor is aware that upon the Commencement Date, (1) a general civil construction contractor will be working at the Shoreway Center, and (2) a separate supplier/contractor will be installing recycling equipment in the MRF. Contractor will conduct its operations so as to avoid interfering with the work of either of these contractors.

5.06 PERMITS

A. The Authority will obtain those new permits and renew those existing permits listed as its responsibility on Attachment 6.

B. If new operating permits and approvals (or amendments to the permits and approvals obtained by the Authority) become necessary by virtue of Contractor's operations or changes in operations, Contractor shall obtain them. The Authority will assist the Contractor in obtaining permits provided that the operations which give rise to the need for them are in compliance with this Agreement. Contractor shall submit a draft of all applications for operating permits (and for subsequent renewals or modifications thereof) to the Authority for its review and approval prior to filing an application with the permitting agency(ies). Contractor shall keep the Authority fully informed at all times on the status of all permit applications. Contractor shall apply for permits in its own name or in the name of the Authority, as directed by the Authority. Contractor shall not agree to permit terms and conditions on any permit which is to be issued in the name of the Authority without the prior written consent of the Authority.

Contractor shall provide copies of all permits issued in Contractor's name and originals of all permits issued in the Authority's name (and any renewals or amendments) to the Authority promptly and in any case within five (5) working days of their receipt.

C. The Contractor will notify the Authority of all changes in permit status, involvement by other regulatory agencies, accidents, and operational changes that reasonably could materially affect operations at, or the movement of materials into/out of, the Shoreway Center. Contractor shall comply with the terms of all licenses, permits and approvals governing the Shoreway Center, including any which may require modifications to its operating procedures. Contractor will comply with the terms and conditions contained in the use permit and any and all other entitlements (and any and all amendments thereto) issued by the City of San Carlos for the Shoreway Center.

D. Contractor shall be solely responsible for paying, and shall pay, any fines or penalties imposed by governmental agencies for Contractor's noncompliance with permit terms.

5.07 HAZARDOUS WASTE EXCLUSION PROGRAM

A. Contractor shall develop, maintain, update implement and comply with a hazardous waste exclusion program plan (HWEP), the requirements of which are described in Attachment 7. Should additional measures be required to be incorporated into the HWEP to comply with changes in law or regulations, Contractor shall incorporate, implement and comply with such additional measures. Contractor shall arrange for the safe and lawful temporary storage and disposal of such waste in an appropriate location separate from the U-waste and E-waste materials collected at the Buyback / Drop-off center.

As a part of the HWEP, the Contractor shall inspect outbound loads of materials that are transported to the Designated Disposal Site or to Designated Processing Facilities. If the Disposal Site or a Processing Facility rejects a load because it contains materials that should have been removed under the HWEP, the Contractor shall notify the Authority immediately and manage the disposal of the load in a safe and lawful manner, at its sole expense.

B. Contractor shall remove and arrange for proper, safe and lawful disposal of CFCs and compressor oils from appliances delivered to the Shoreway Center, as well as switches containing mercury. Contractor shall arrange and pay for the proper, safe and lawful disposal of hazardous wastes that are recovered from the inspection and/or the processing of incoming loads to the Transfer Station and MRF and for the Recycling of White Goods whenever feasible.

5.08 HAZARDOUS MATERIALS GENERATED FROM CONTRACTOR'S OPERATIONS

The Contractor shall be responsible for, and shall pay, all costs of transporting, treating and/or disposing of any hazardous materials generated by the Contractor's operations at the Shoreway Center. Contractor shall ensure that all hazardous materials and wastes are properly stored on site. Cleanup costs for any on-site contamination that is the result of the Contractor's activities shall be the sole responsibility of, and shall be paid in full by, the Contractor.

5.09 EQUIPMENT

The Authority will furnish stationary equipment listed on Attachment 8-A. Contractor shall provide all other equipment required to perform, in a safe and efficient manner, the services required by this Agreement, including equipment listed on Attachment 8-B.

A. All equipment supplied by the Contractor to perform services under this Agreement shall be new and fully functioning at the commencement of this Agreement and shall comply with all representations and warranties, as well as applicable laws and regulations.

B. All transfer vehicles shall be capable of loading at the Shoreway Center and unloading at the Designated Disposal Site and Processing Facilities by equipment in use at the Disposal Site and Processing Facilities.

C. The number of transfer vehicles and other types of equipment listed on Attachment 8-B is based on the throughput of materials at the level anticipated during the first year of full operation. The parties recognize that tonnage processed through the Shoreway Center may change over time and that an increase in tonnage processed through the Shoreway Center could require the Contractor to supply additional equipment. The Contractor shall add, and shall exclusively pay the costs of, all equipment needed to operate the Shoreway Center, process any increase in tonnage and achieve the Diversion Program Guarantees, without any increase in the Contractor's compensation.

D. Whenever there is a material change in the number, type or composition of equipment, the Contractor shall provide written notification to the Authority.

E. The Authority will not supply any shop equipment except those items listed on Attachment 8-A. The Authority will not supply any parts inventory. The Contractor is responsible to provide sufficient equipment and parts inventory for both stationary equipment and rolling stock to support continuous operation of the Shoreway Center.

5.10 AUTHORITY RIGHT TO PURCHASE CONTRACTOR'S EQUIPMENT

The Authority shall have the right, but not the duty, to purchase any or all equipment owned by Contractor at the expiration or earlier termination of this Agreement, at its net book value as shown on Contractor's audited financial statements (which shall be no greater than the purchase price less accumulated depreciation claimed by Contractor on its federal income tax returns). Within thirty (30) days of the commencement of operations, the Contractor shall deliver to the Authority properly signed documents necessary or appropriate for the Authority to secure its purchase options. As new or replacement equipment is purchased, similar documentation covering the equipment shall be provided by Contractor.

Upon the Authority's exercise of its option to purchase, Contractor will sign and deliver bills of sale or other documents reasonably requested by Authority to evidence the transfer of title to all equipment purchased.

If Contractor wishes to lease (rather than purchase) the equipment which it is to furnish, each lease shall provide that the lessor will, if requested, consent to its assignment to the Authority without charge upon the expiration or earlier termination of this Agreement and further shall provide adequate mechanisms for the Authority to acquire title to equipment if desired.

5.11 PERSONNEL

A. Contractor shall furnish such qualified drivers, operators, sorters, mechanical, supervisory, clerical and other personnel as may be necessary to provide the services required by this Agreement in a safe, thorough, professional and efficient manner. The minimum number of workers to be provided in each job classification shall be as shown on Attachment 9.

B. Contractor shall offer employment to qualified employees of the Previous Contractor who would otherwise become unemployed by reason of the change in contractors, provided that (1) the Contractor shall not be obligated to offer employment to more existing employees than the Contractor needs to perform the services required under the Agreement, and (2) the Contractor shall not be obligated to offer employment to workers who have not been employed at the Shoreway Center by the Previous Contractor for at least one-hundred-twenty (120) days immediately prior to the Commencement Date.

For purposes of this subsection B, the term "qualified employee" means an employee who (1) is eligible for employment under federal and state law, (2) meets the Contractor's minimum employment standards for new employees, (3) has not been convicted of a crime that is related to the job or job performance, (4) is in a bargaining unit covered by collective bargaining agreements between the Previous Contractor and Teamsters Local 350 or Machinists Local 1414 and (5) does not present a demonstrable danger to customers, co-workers or employees of the Authority or the Collection Contractor. The term "qualified employee" does not include management or supervisory personnel, non-represented employees, or workers furnished by an employment agency operating as an independent contractor.

C. Contractor shall not discharge any workers employed pursuant to subsection B for at least ninety (90) days after the Commencement Date, except for cause.

D. Contractor shall maintain a list of the Previous Contractor's qualified employees who were not offered employment by the Contractor pursuant to Section 5.11 B prior to the Commencement Date (January 1, 2011) or during the two (2) months following the Commencement Date. If any positions become available during the three (3) months following the initial two (2) month operation period (i.e., from March 1, 2011 through May 30, 2011), Contractor shall offer employment to qualified employees on the list by seniority within the collective bargaining unit (if it exists).

E. Contractor shall pay employees who (1) are retained by Contractor pursuant to this Section 5.11 and (2) were in bargaining units covered by collective bargaining agreements in effect as of the Effective Date between the Previous Contractor and Teamsters Local 350 or Machinists Local 1414, wages and benefits no less than those included in the collective bargaining agreements in place in 2010.

F. This Agreement does not obligate Contractor to become a party to a collective bargaining agreement entered into by the Previous Contractor

G. Contractor shall adopt policies and procedures consistent with State and federal law that ensure a sober and drug-free workplace. This includes strictly prohibiting unlawful manufacture, distribution, possession, or use of any controlled substance in the workplace, regardless of whether the employee is on duty at the time. Further, the policies and procedures shall prohibit an employee from operating either Authority or Contractor equipment and vehicles (whether on or off duty) while under the influence of alcohol or drugs. The purpose of these policies and procedures is to ensure workplace safety, productivity, efficiency, and the quality of Contractor's service to customers.

H. Contractor shall be responsible for providing sufficient training to all workers so that they can perform the work in a safe and competent manner and are thoroughly familiar with the work which the Contractor is required to perform and the standards it is required to meet under this Agreement.

I. If the Authority determines that workers provided by a particular independent contractor or party working on behalf of the Contractor prove persistently unsatisfactory, the Authority may require that Contractor either secure workers through a different independent contractor or hire competent workers directly.

J. Contractor shall ensure that all Contractor's employees, while performing services under this Agreement, shall be dressed in clean uniforms and shall wear visible identification that includes the employee's name and/or the employee's number, and Contractor's name. Uniform type, style, colors, and any modifications may be subject to approval by the Authority.

K. The parties recognize that tonnage processed through the Shoreway Center will change over time and that an increase in tonnage could require additional personnel. The Contractor shall add, and shall exclusively pay the costs of, all such additional personnel as needed to operate the Shoreway Center, process any increase in tonnage and achieve the Diversion Program Guarantees, without any increase in the Contractor's compensation. Whenever there is a material change in the number or composition of personnel, the Contractor shall provide written notification to the Authority.

L. Before extending an offer of employment for the position of general manager of the Shoreway Center, both initially and throughout the Term, Contractor shall provide the Authority with the description of the proposed position, an opportunity to review and comment upon the position description, the background, experience and qualifications of each candidate being considered for the position, and an opportunity to meet with each candidate. Contractor shall give thoughtful consideration to the Authority's comments on the descriptions of the proposed position and each candidate, but shall have the ultimate right to make employment decisions in its best business judgment.

M. Contractor shall, at the Authority's request, ensure that one or more of its Members' officers will be available and present onsite at the Shoreway Center to assist in Contractor's initial transition and thereafter to oversee Contractor's operations for a three-month period beginning one month prior to full-scale operations.

N. The Contractor is considering obtaining workers for MRF sorting through the San Mateo County Human Services Agency, Vocational Rehabilitation Services (VRS). The Authority endorses this approach and encourages Contractor to pursue it. The MRF sorter complement shown in Attachment 9 and the MRF labor costs shown in Attachment 12-B are based on the use of workers and supervisors provided by the County VRS. The actual costs in 2011 will be determined by a contract to be entered into between the Contractor and the County Human Services Agency. Contractor shall furnish a copy of the final contract between it and the County Human Services Agency before executing it. The Authority's review of the contract is to ensure that the number of workers to be furnished and the annual payment to the County are consistent with the assumptions included in Attachments 9 and 12-A.

O. Notwithstanding subsection A above or any other language in this agreement or attachments to the contrary, Contractor may, commencing in 2012 (1) reduce the number of workers at the Transfer Station below the number shown on Attachment 9 if in the previous 6 consecutive month period the number of Tons delivered to the Transfer Station is less than an annual average of 357,725 and/or (2) reduce the number of workers at the MRF below the number shown on Attachment 9 if in any previous 6 consecutive month period the number of Tons delivered to the MRF and Buyback Center is less than an annual average of 74,022.

The reduction in operational personnel should approximate the percentage reduction in tonnage.

Employees classified as Management and Administration may not be reduced below the number shown on Attachment 9.

A reduction in personnel permitted by this subsection will not increase or decrease the cost per Ton otherwise established pursuant to Sections 7.03 and 7.04. Nor will it affect the Revenue Guarantee established in Section 7.07.

Such a reduction in operational personnel shall not change the Contractor's obligations to perform under this Agreement.

5.12 WEIGHING

A. Contractor shall operate and maintain the scale system at the Shoreway Center. Weighing operations shall be conducted in accordance with standards and procedures set forth in Attachment 3.

B. Contractor shall furnish all hardware (including computers, cabling and terminals), software, and all other items necessary to generate, at a minimum, all the reports contained in Attachment 15. The software shall have the capabilities described in Attachment 3. Contractor shall obtain the Authority's prior written approval of the specific hardware and software proposed to be furnished and used by the Contractor pursuant to this paragraph.

C. Contractor shall provide the Authority with licenses, documentation and training necessary or useful for the Authority to operate the computers and software during and upon expiration or earlier termination of the Agreement.

D. Radiation monitoring equipment is used at the entrance to the Shoreway Center to identify loads containing radioactive waste. Contractor shall operate the equipment and respond to alerts by contacting the Authority and local regulatory agencies as required by law.

5.13 COLLECTION OF FEES

The Authority has the sole and exclusive authority to establish rates and fees charged to users of the Shoreway Center and to modify them from time to time. Contractor shall collect fees established by the Authority from all Self-Haul Customers who use the Shoreway Center. Contractor shall keep complete and accurate records of all fees collected, shall keep safe all monies and funds collected, and shall make all payments to the Authority as provided in Section 8.04.

5.14 VEHICLE TURNAROUND GUARANTEE

Contractor shall operate the Shoreway Center so that:

A. Collection vehicles of Member Agencies and their Collection Contractor(s) are:

1. processed through the scale house operation in no more than five (5) minutes per vehicle, measured from the vehicle's entry into the scale house vehicle queue, and

2. are able to unload and depart from the Shoreway Center in no more than fifteen (15) minutes from the time they leave the scale house unless a collection vehicle breaks down and causes a traffic back-up beyond Contractor's control.

B. Self-haul customers do not wait more than fifteen minutes (15) to be processed by the scale and assigned a place to dump.

Should Contractor fail to meet the maximum turnaround time, Liquidated Damages shall be assessed in the amounts stated in Attachment 10.

5.15 OWNERSHIP OF SOLID WASTE

Once materials are delivered to the Shoreway Center, ownership shall transfer directly from the deliverer to Contractor.

Materials which are transported to a Designated Processing Facility or the Disposal Site shall become the property of the owner or operator of the Designated Processing Facility or Disposal Site once they have been delivered by Contractor, subject to any regulations of the owner/operator related to unacceptable materials.

5.16 MARKETING OF RECYCLABLE MATERIALS

A. General. Contractor shall use its best efforts in marketing and promoting the sale of all Recyclable Materials to obtain the highest prices available under prevailing conditions in the relevant market, whether foreign or domestic. Contractor will exert at least the same effort in marketing the Recyclable Materials from the Shoreway Center as it does in marketing materials which it markets for its own account as principal or as an agent/broker for any third party. Except as set forth in Attachment 11B, Contractor shall not use, sell to, or broker through an Affiliate in the marketing of Recyclable Materials without notifying the Authority in writing and receiving approval from the Authority in writing. Contractor shall not use any artifice, business structure or other attempt to evade this requirement.

B. Materials Marketing Plan. The Materials Marketing Plan (Attachment 11A), describes Contractor's strategy for optimizing revenues from the sale of Recyclable Materials recovered at the Shoreway Center. The Materials Marketing Plan includes (1) the commodity purchasers to which Contractor anticipates marketing each of the major categories of materials to be recovered at the Shoreway Center; (2) the methods Contractor will use to (a) determine the reliability of prospective purchasers in terms of timely pickup, credit worthiness, prompt payment, rejection of materials and/or filing of claims, and other commercial considerations, and (b) ensure that recovered materials are handled in an environmentally sound manner and devoted to an end use involving the creation or manufacture of new products; (3) the maximization of revenues from the State of California Department of Conservation for materials that have a California Redemption Value. Contractor shall implement the Materials Marketing Plan. Attachment 11B describes the methods by which Contractor will provide assurance to the Authority that revenues Contractor receives from sale of materials (particularly those sold to Potential Industries, Inc., an Affiliate) are consistent with market prices.

C. Reporting. Contractor shall submit, concurrently with the quarterly report described in Section 9.05, a report on materials marketing including a summary of Contractor's marketing efforts during the preceding quarter, the quantity (in tons) of material sold; total revenues billed and received; quantity and price data disaggregated by type and grade of materials; transportation method including contact information for carriers used

to transport materials from the Shoreway Center to the buyers' location or unloading point; and information on ultimate market destinations.

D. No Partnership. The Parties intend and hereby agree that their relationship shall be that of independent contractors with respect to the marketing of Recyclable Materials. Nothing contained herein shall be construed to create any employment, partnership, joint venture, co-ownership or agency relationship between the Parties, and Contractor shall not by any action allow any presumption to arise that a relationship of partnership exists between the Parties.

5.17 AUTHORITY'S RIGHT TO PERMIT OTHERS TO PROVIDE SERVICES

The Authority may direct the Contractor to perform additional services as provided in Section 12.13. If the Contractor and Authority cannot agree on terms and conditions for such additional services within one-hundred twenty (120) days from the date on which the Authority first requests a proposal from Contractor to perform such services, the Authority may, in addition to its other rights under this Agreement, permit a third party or parties other than Contractor to provide such services. Contractor will provide such third party or parties all such access to and use of the Shoreway Center and Authority-owned equipment as necessary for such third party or parties to perform all such additional services. The Authority's rights under this section are in addition to those under Section 9.05.J.

5.18 SELF-HAUL MATERIALS

A. **Self-haul Materials**. The Contractor shall implement a Self-Haul Diversion Plan as detailed in Attachment 19. The Contractor shall identify, and segregate for Diversion, materials from the categories below:

1. Bunker Program materials (inert materials such as dirt, concrete, asphalt, and other)
2. Self-haul Organic materials (plant materials, food scraps)
3. Self-haul C&D materials (wood, concrete, insulation, roofing, metals, drywall)
4. Recyclable Materials (paper, bottles and cans, metals)
5. Other recoverable materials (tires, carpet, carpet padding, foam, plastics)
6. Other materials approved by the Authority.

B. **Weighing of All Self-haul Materials**. Contractor shall ensure that Self-haul materials will be dumped and kept separate from Collection Contractor materials at the Transfer Station... All outbound loads of diverted Self-haul materials will be weighed before leaving the Transfer Station or at a State certified scale located at a Designated Processing Facility and the outbound tonnage will be recorded and reported in the Self-haul Diversion Report. Self-haul materials intended for disposal do not need to be weighed separately from Solid Waste at the Transfer Station provided that Contractor shall provide accurate, separate and complete weights of the Self-haul materials to the Authority.

C. **Self-haul Diversion**. Contractor's satisfaction of the Self-haul Diversion obligation will be calculated based on diverted tons of Self-haul material shipped to a Designated Processing Facility. Alternatively, Contractor may sort Self-haul materials onsite and into segregated materials streams, and may market segregated Self-haul materials directly to a buyer that is approved in advance by the Authority.

Self-haul materials shipped from the Shoreway Center by the Contractor for disposal or for any other use at a landfill shall not be considered diverted tons, unless the

Authority approves, in writing and in advance, a beneficial landfill use for diverted tons. Loads rejected by an off-site processor because of contamination will not count towards Self-haul Diversion and the Contractor shall pay all costs of managing rejected loads.

D. **Self-haul Diversion Report**. Contractor shall provide the Authority a Self-haul Diversion Report including the following information: the amount of Self-haul material received, the weight all Self-haul materials processed on-site or transported to the Designated Site, the method of materials processing, and the weight and disposition of all materials Diverted. The Contractor shall provide the report monthly (no later than 15 days after the end of each month) in a format to be approved by the Authority.

E. **Optional Transfer Station Processing System.** On or before June 30, 2010, Contractor shall submit to the Authority a proposal to install a materials processing system in the Transfer Station. The system is to be capable of accepting and efficiently processing Self-haul construction/demolition debris (wood, concrete, insulation, roofing, metals, drywall, dirt and other inerts) and Organic Materials (including Plant Materials and wood waste). The system shall be capable of operating at a cost per Ton (including capital costs amortized as provided in Attachment 12) which is equal to or less than the current total cost of transporting construction and demolition debris to the existing off-site facility used by the Authority and the payment to the operator of that facility for processing. The proposal shall include plans and specifications for the equipment, cost forms showing estimates for design, equipment purchase, installation and operation, and a detailed operational plan.

The Authority will carefully evaluate the proposal, but is under no obligation to approve it nor arrange for or permit the installation of such a processing systems.

The Contractor is responsible for the cost of preparation and submission of the proposal and will not receive any additional payment for it.

5.19 OTHER OPERATING PROCEDURES AND STANDARDS

Contractor shall conduct its operations in accordance with the requirements of the California Integrated Waste Management Board in effect (as codified in Title 14 and Title 27 of the California Code of Regulations) as of the Effective Date and as they may be changed from time to time.

ARTICLE 6 TRANSPORTATION OF MATERIALS.

6.01 GENERAL

Contractor shall use due care to prevent materials being transported from being spilled or scattered during transport. If any materials are spilled, Contractor shall at its sole expense clean up all spilled materials, whether on private or public property.

6.02 TRANSPORTATION OF SOLID WASTE

Contractor shall transport and deliver to the Designated Disposal Site all Solid Waste that is not recycled or reused. No Solid Waste may be disposed of at any location other than the Designated Disposal Site without written consent from the Authority.

6.03 TRANSPORTATION OF HAZARDOUS SUBSTANCES

Contractor shall provide or arrange for transportation and delivery to an appropriately permitted disposal facility of any Hazardous Substances that are not discovered by the Contractor through the hazardous waste exclusion program (HWEP) or which are rejected by the operator of the Designated Disposal Site or any designated Processing Facility.

6.04 TRANSPORTATION OF RECYCLABLE MATERIALS

A. Single Stream Recyclable Materials. Contractor shall provide or arrange for transportation and delivery of all Single Stream Recyclable Materials to a purchaser, a licensed recycling facility, or a person who will use the materials in a process or product and will not dispose or use them at a landfill.

B. Transfer Station Materials. Contractor shall provide or arrange for transportation to a Designated Processing Facility of Organic Materials, C&D materials, and other Recyclable Materials delivered to and recovered at the Transfer Station. These materials shall be prepared and delivered in a condition and form which meet the Designated Processing Facilities' specifications and receiving requirements.

C. E-Waste, U-Waste, and Appliances. Contractor shall supply storage containers for, and arrange for the transportation of, E-Waste, U-Waste, appliances and other materials that may be added to the list of Buy Back/Drop-off Center material. At the request of the Authority, Contractor will pay the cost of transporting these materials. The handling/disposal costs incurred by Contractor for the use of outside vendors in the transportation and processing of special wastes collected in the Buy back/Drop-off Center (e.g., Electronic waste, Universal waste, and batteries, oil, and paint collected from Customers as part of the services to Member Agencies) and for the handling and processing of appliances will be reimbursed as a Pass-Through Cost.

6.05 PARKING AND MAINTENANCE OF TRANSFER VEHICLES

Contractor shall park empty Transfer Vehicles at the Shoreway Center in the area(s) designated for this purpose shown on Attachment 5. Transfer Vehicles containing Solid Waste shall be parked in areas that prevent liquids that have come in contact with Solid Waste and/or Recyclable Materials from entering the storm water system. In addition, Contractor shall use due care generally to prevent liquids that have come in contact with Solid Waste and/or Recyclable Materials from entering the storm water system.

6.06 ALTERNATIVE FUELS PLAN

Contractor will use B20 biodiesel to fuel all vehicles used (1) at the Shoreway Center and (2) to transport materials from the Shoreway Center to the Designated Disposal Site and Designated Processing Facilities.

ARTICLE 7 COMPENSATION TO CONTRACTOR

7.01 GENERAL

The payments provided for in Sections 7.02, 7.03, 7.06, 7.08 and 7.09 and the share of Revenues provided in Section 7.07 are the full, entire and complete compensation due to Contractor for furnishing all labor, equipment, materials and supplies and all other things necessary to perform all of the services required by this Agreement in the manner and at the time prescribed, and for fulfilling all of its obligations under this Agreement, including but not limited to observing the installation of the new sorting equipment in accordance with Article 4, the operation of the Shoreway Center in accordance with Article 5, and the transportation of materials in accordance with Article 6. The compensation provided for in this Article includes all costs for the items mentioned above and also for all taxes, insurance, bonds, overhead, profit and all other costs necessary or appropriate to perform the services in accordance with this Agreement.

7.02 REIMBURSEMENT OF PROJECT MANAGEMENT COSTS RELATED TO MRF SORTING EQUIPMENT INSTALLATION

The Authority will reimburse the Contractor for project management costs actually and reasonably incurred during the Equipment Manufacturer's installation of the MRF sorting equipment for a fixed fee of Two Hundred Seventy Six Thousand Four Hundred Sixty Two Dollars ($276,462). The foregoing amount will be adjusted by 80% of the percentage change in *Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. cuur0000sa)* between the Effective Date and the date that the equipment is installed and ready for the shake down period and acceptance test per Section 4.04.

This amount is the full compensation for all Contractor's costs associated with supervising the installation of the equipment, including coordination with the Equipment Manufacturer and the Authority's architects, engineers and construction contractor during installation.

The obligation to reimburse Contractor for these costs accrues upon the equipment's successful completion of the acceptance tests and the Authority's review and approval of Contractor's request for reimbursement. The amount due will be paid within thirty (30) days thereafter.

7.03 BASIC COMPENSATION – GENERAL

Contractor's Basic Compensation consists of three components, related to three separate processes performed by Contractor.

A. Transfer Station Payment. The amount of this payment is calculated by multiplying the number of Tons of material delivered to and processed at the Transfer Station by the per Ton Transfer Station Fee then in effect. The Transfer Station Fee is $9.71 per Ton.

B. Recyclable Materials Processing Payment. The amount of this payment is calculated by multiplying the number of Tons of Recyclable Materials delivered to and processed at the MRF by the per Ton MRF Fee then in effect. The MRF Fee is $67.36 per Ton.

C. Transportation Payment. The amount of this payment is calculated by multiplying the number of Tons of materials transported from the Shoreway Center to the

Designated Disposal Site, and the Designated Processing Facilities for inerts, Construction and Demolition Debris, Plant Materials and Organics by the number of one-way standard miles from the Shoreway Center to the Disposal Site or Processing Facility and by the applicable Transportation Fee then in effect. The Transportation Fees for the five types of materials are $1.007 per Ton/Mile for Solid Waste, $1.043 per Ton/Mile for inerts, $0.688 per Ton/Mile for C&D debris, $0.614 per Ton/Mile for Plant Materials, and $0.745 per Ton/Mile for Organics. Tons delivered to the Designated Disposal Site do not include MRF residue.

7.04 ADJUSTMENT OF PROPOSED FEES TO RATE YEAR ONE (2011) AND MODIFICATION DURING INTERIM OPERATIONS

For Rate Year One, the parties expect to make a cost adjustment based on various cost indices. In addition, since the full-scale operation of the MRF will not occur until February 2011, the MRF Fee will be subject to a one-time modification.

A. Adjustment. The parties expect that the costs underlying the fees described in Section 7.03.A, B and C will change between the date of this Agreement and the year in which they will first be paid (2011).

The Authority will adjust the Transfer Station Fee, the MRF Fee, and the five Transportation Fees in October 2010, following the procedure described in Attachment 12-A and illustrated in Attachment 12-B, after receipt of Contractor's application described in Section 7.12.

The fees, as so adjusted, will be paid during Rate Year One (2011), as earned.

B. Modification for a Part of Rate Year One (2011). Since full-scale operation of the MRF and Transfer Station are not expected to occur until February and March, respectively, of Rate Year One, the Basic Compensation will need to be modified to reflect the reduced scale of operations. During this interim operations period, Contractor will be paid Basic Compensation as provided in Attachment 12-C. Once the MRF and Transfer Station are fully operational, the Basic Compensation, adjusted as described in subsection A above, will be paid during the remainder of Rate Year One, as earned.

7.05 ADJUSTMENT OF BASIC COMPENSATION IN SUBSEQUENT RATE YEARS

The Authority will adjust the Transfer Station Fee, the MRF Fee, and the five Transportation Fees in October 2011 and in October of each subsequent year during the Term, following the procedure described in Attachment 13-A and illustrated in Attachment 13-B.

The fees, as so adjusted, will be paid during the immediately following Rate Year, as earned.

7.06 SUPPLEMENTAL PROCESSING FEES

A. Materials Delivered to MRF. If Contractor elects, or if the Authority directs Contractor, to process loads of Recyclable Materials delivered to the MRF by the Collection Contractor which contain more than fifteen percent (15%) contamination, Authority will pay Contractor a supplemental fee to cover the additional cost of processing this material. The amount of this supplemental fee will be $25 per ton (applied to all tons over fifteen percent (15%) contamination) in Rate Year One. It will be adjusted in subsequent years by the same percentage as that used to adjust the MRF Fee described in Section 7.03.B.

B. Materials Delivered to the Transfer Station. If Contractor elects, or if the Authority directs Contractor, to process loads of Plant Materials and Organics delivered to the Transfer Station by the Collection Contractor which contain more than the applicable maximum contamination level, but do not exceed that level by more than five percent (5%), Authority will pay Contractor a supplemental fee to cover the additional cost of processing this material. The amount of this supplemental fee will be $7 per Ton (applied to all Tons over the maximum contamination level) in Rate Year One. It will be adjusted in subsequent years by the same percentage as that used to adjust the Transfer Station Fee described in Section 7.03.A.

7.07 RECYCLING REVENUES; GUARANTEE AND SHARING OF REVENUES

A. Revenue Guarantee - General. Contractor will pay Authority one hundred percent (100%) of Revenue earned from the sale of Recyclable Materials monthly until it has paid Revenue equal to the Revenue Guarantee then in effect. If Revenue earned from the sale of Recyclable Materials is less than the Revenue Guarantee in any year, Contractor will pay Authority, within 60 days after the end of that Rate Year, the difference between the Revenue Guarantee and the Revenue actually earned and paid by Contractor to Authority.

"Revenue" for the purposes of this Section 7.07 means the amounts due Contractor from the sale of Recyclable Materials (prices based on terms being FOB Shoreway Center except for glass, in which case sales revenue will be based on the delivered price less cost of transport).

B. Revenue Guarantee in Rate Year One.

1. General. Subject to the adjustment described in subsection B.2 and the proration described in subsection B.3, the Revenue Guarantee for Rate Year One is Six Million Five Hundred Thousand Dollars ($6,500,000).

2. Adjustment of 2011 Revenue Guarantee. The Revenue Guarantee is based on tonnage projected by the SBWMA for calendar year 2011 (74,022 Tons). The Revenue Guarantee will be adjusted (up or down) proportional to the actual tonnage of Recyclable Materials delivered to the MRF and Buy Back Center in 2011. For example, if the actual tons delivered in 2011 are 77,723, the Revenue Guarantee for 2011 will be increased by 5.0% to Six Million Eight Hundred Twenty Five Thousand Dollars ($6,825,000). No subsequent adjustments to the Revenue Guarantee will be made.

3. Temporary Proration of Revenue Guarantee. The MRF is not expected to be operational until the Spring of Rate Year One. The Revenue Guarantee will be prorated one time, during Rate Year One (2011). The proration will not reduce the expected baseline tonnage for Rate Year One (74,022 Tons) but will be applied to the Revenue Guarantee. Once the MRF equipment has been tested by Contractor and accepted by Authority, the Authority will calculate the number of days that the MRF is capable of full operation for the balance of Rate Year One (2011).

As an example:

Revenue Guarantee -	$6,500,000	
First day MRF is fully operational -	April 1	
Number of days operational -	275	(April 1 - December 31)
Proportion of year operational -	75%	(275 days/365 days)

Prorated Revenue Guarantee = $4,875,000 (75% x Revenue Guarantee)

C. Revenue Guarantee During Rate Year Two and Thereafter.

The Revenue Guarantee for all rate years after Rate Year One will be equal to the dollar amount calculated under subsection B.2 above.

D. Sharing of Revenues.

1. General. As an incentive to Contractor to maximize both the quantity and quality of materials recovered and successfully marketed for recycling, Contractor will be entitled to twenty five percent (25%) of the Revenue from the sale of Recyclable Materials delivered to or recovered at the Shoreway Center in excess of the Revenue Guarantee. Once the Contractor's payment of Revenue from the sale of Recyclable Materials equals the Revenue Guarantee, for the balance of that Rate Year, Revenue will be divided between the Authority and the Contractor as provided in Section 7.07.D.2 and 3.

2. Minimum Share. The Contractor is entitled to a minimum of twenty five percent (25%) of Revenue earned and received from the sale of Recyclable Materials. Commencing with the month immediately following the month in which Contractor has paid the Authority the Revenue Guarantee, Contractor will be entitled to retain twenty five percent (25%) of Revenue received thereafter in that Rate Year, paying the Authority seventy five percent (75%) of Revenue monthly. Contractor's entitlement to twenty five percent (25%) of a portion of the Revenue paid to Authority in the month in which the Revenue Guarantee was attained will be determined and paid within 60 days after the end of the Rate Year.

3. Increased Share. As a further incentive for Contractor to maximize recovery of Recyclable Materials at the MRF, the Contractor's share of Revenues (in excess of the Revenue Guarantee) will be increased as provided in this subsection 3.

Materials not recovered at the MRF will be sent to the Transfer Station for transport to the Designated Disposal Site. Commencing with the first Rate Year in which full-scale sorting operations are continuous (expected to be 2012), the MRF residue generation rate will be calculated. The MRF residue generation rate is the percentage obtained by dividing the total Tons of material sent from the MRF to the Transfer Station during the Rate Year by the total Tons of material delivered to the MRF.

For any Rate Year in which the MRF residue generation rate is less than ten percent (10%), the Contractor's percentage share of Revenues in excess of the Revenue Guarantee will be increased as follows:

MRF RESIDUAL GENERATION	INCREASE IN COMMODITY SHARE
10%>	no increase
9.0% - 9.9%	1% increase (becomes 26%)
8.0% - 8.9%	2% increase (becomes 27%)

7.0% - 7.9%	3% increase (becomes 28%)
6.0% - 6.9%	4% increase (becomes 29%)
5.0% - 5.9%	5% increase (becomes 30%)
4.0% - 4.9%	6% increase (becomes 31%)
<3.9%	7% increase (becomes 32%)

The amounts due the Contractor pursuant to Section 7.07.D.3 will be calculated annually on a Rate Year basis, and paid as provided in Section 8.08.

7.08 DIVERSION GUARANTEE.

A. Transfer Station Diversion Program. As an incentive to Contractor to Divert Self-haul materials from disposal, the Contractor's Compensation may be adjusted (decreased) based on its performance in diverting from the Disposal Facility, material delivered to the Transfer Station by self-haul customers. The Contractor has guaranteed the diversion of a minimum of 30,000 Tons annually (the "Minimum Self-Haul Diversion Guarantee"). The 30,000 Tons per year Minimum Self-haul Diversion Guarantee amount shall not include Self-haul Plant Materials (Self–haul Diversion shall be equal to the annual Tons of Diverted Self-haul materials less the Tons of Diverted Self-haul Plant Materials). If Contractor fails to achieve the Minimum Self-Haul Diversion Guarantee in any Rate Year, the Contractor will pay the Authority (through the rate structure) Seventy Dollars ($70.00) for each Ton below 30,000 Tons.

If the Contractor does not meet the Minimum Self-Haul Diversion Guarantee, the Authority may require Contractor to prepare and submit a plan detailing the changes in equipment, personnel and/or practices that Contractor will employ to achieve the Minimum Self-Haul Diversion Guarantee.

The amounts due Authority pursuant to Sections 7.08.A will be calculated annually on a Rate Year basis, and paid as provided in Section 8.08.

If the Authority approves the Optional Transfer Station Processing System. described in Section 5.18.E, then the parties will mutually agree on a reduction in, or elimination of the requirements in subsection A.

B. MRF Residual . As an incentive to Contractor to increase recovery efficiency at the MRF, the Contractor will be responsible for paying (a) the amount charged at the Designated Disposal Site for accepting and disposing of residue from the MRF (the current tip fee at Ox Mountain is $33.24 per Ton), and (b) the Transportation Fee per Ton/Mile attributable to delivering MRF residue to the Disposal Site. The cost of disposal of MRF residue will be deducted monthly from the MRF Payment provided in Section 7.03.B. Materials in a load that constitute contamination in excess of the applicable limitation, as identified by an audit of that load, are not counted as residue for purposes of this section or Section 7.07.D.3.

7.09 REIMBURSEMENT OF PASS-THROUGH COSTS

Contractor will pay the following costs and will be reimbursed by Authority with no allowance for overhead or profit:

- Interest paid on loans to acquire capital equipment per the debt service schedule provided by the Contractor.
- Payments to Buy Back Center customers for CRV and scrap value.
- Permit and regulatory fees (which do not include penalties or fines).
- Recycling of E-Waste, U-Waste and HHW from the Drop-Off Center, White Goods and CFCs (including transportation), unless paid directly by the Authority.

7.10 RECONCILIATION OF SELF-HAUL GATE FEE COLLECTIONS

It is not feasible to weigh loads delivered to the Transfer Station by Self-Haul Customers. For that reason, the Authority charges such Customers on a volumetric (cubic yard) basis.

Studies conducted for the Authority have established that the ratio of volume to weight of Self-Haul material is 2.76 to 1 (i.e., 2.76 cubic yards will weigh one Ton), on average over the course of a year. Individual loads will vary and the ratio will also vary seasonally.

The Authority pays Contractor and the Disposal Facility operator on a per Ton basis and relies on the Gate Fees to contribute revenues to payments due Contractor. Therefore, it is important that Contractor accurately measure loads of Self-Haul Waste since under measurements will result in under collection of Gate Fees.

On an annual basis, the Authority will calculate the amount of Tons of Self-Haul Waste delivered to the Transfer Station through the mass balance formula shown on Attachment 14. That tonnage will be converted to cubic yards using the 2.76 to 1 ratio. The Authority will then compare the total Gate Fees collected and remitted by Contractor to the expected Gate Fee revenue, using the formula shown on Attachment 14. If that calculation shows that Contractor collected less Gate Fee revenue than indicated, it will pay the difference to the Authority, as provided in Section 8.08.

7.11 ADJUSTMENTS FOR SPECIAL CIRCUMSTANCES

A. The Contractor may apply to the Authority for an adjustment to one or more of the fees provided for in Section 7.03, and the Authority may initiate such a review, if any of the following events occur, provided that the event will increase or decrease Contractor's component costs of operation by an amount that is two percent (2%) or more of the total fees earned under Section 7.03 during the immediately preceding Rate Year and provided further that the costs will not be otherwise recovered through the per ton and per ton mile fees provided in Section 7.03:

   (1) A flood, earthquake, other acts of nature or other similar catastrophic events outside the control of Contractor that physically damage the Shoreway Center.

   (2) A change in law occurring after the Effective Date that requires a change in operations.

   (3) A community emergency which requires Contractor to provide increased or different services.

   (4) The annual average Single Family Targeted Recyclable Materials contamination level exceeds ten percent (10%) for two consecutive years or more. The annual average Single Family Targeted Recyclable Materials contamination level will be calculated on the basis of the arithmetic average of the measured contamination

level for Single Family Targeted Recyclable Materials in eight (8) consecutive quarterly sampling events conducted in accordance with the methodology described in Attachment 2-H.

B. A change in the scope of services directed by the Authority pursuant to Section 12.13 will be considered a basis for an adjustment in compensation whether or not it will increase or decrease Contractor's component costs by two percent (2%) or more.

C. If the Contractor requests, or the Authority initiates, a special review of the Contractor's compensation, the Authority shall have the right to review the financial and operation records of the Contractor and Affiliated Entities that it determines are reasonably necessary to conduct such special review.

D. Contractor shall bear the burden of justifying to the Authority by substantial evidence its entitlement to continuation of current, as well as any increases in, Contractor's compensation for special circumstances. If the Authority determines that the Contractor has not met its burden, it shall notify Contractor that it is prepared to deny Contractor's request for an increase in compensation, or to proceed with a reduction in compensation. The Contractor may request a hearing to produce additional evidence. Upon such request, the Authority shall provide a hearing before the Authority's Board of Directors. In the event the Authority's Board of Director's denies Contractor's request, Contractor shall have the right to present its claim in a court of competent jurisdiction.

7.12 APPLICATION FOR ANNUAL ADJUSTMENT IN BASIC COMPENSATION

A. Application Date and Content. Contractor shall prepare and submit to the Authority by July 1 of each year, an application for adjustment of the elements of Basic Compensation for the next Rate Year. The first application will be due on July 1, 2010 for Rate Year One (2011). The application will adjust the Transfer Station Fee, the MRF Fee and the Transportation Fees following the methodology prescribed in Attachment 12-A (for Rate Year One) and Attachment 13-A (for subsequent Rate Years). It will substantially follow the format of Attachment 12-B (for Rate Year One) and Attachment 13-B (for subsequent Rate Years) with such modifications as the Authority may approve in advance, in writing.

B. Review of Application. The Authority staff will review the application for completeness, accuracy and consistency with the procedures described in Attachments 12-A and 13-A and the format illustrated in Attachments 12-B and 13-B. The Authority staff will bring to the Contractor's attention any factual or calculation errors, omissions or other discrepancies in the application which come to their attention. Contractor shall provide any additional information requested by Authority staff during the review of the application, shall meet with Authority staff, at the Shoreway Center, to discuss the application, and shall make revisions to the application necessary for it to be complete, accurate and consistent.

C. Report to Authority Board of Directors. On or before September 1 of each year, Authority staff shall submit a report to the Authority Board of Directors recommending the adjustments, if any, to the elements of Contractor's Basic Compensation for the next Rate Year. The Authority Board of Directors will take action on the recommendation at a public meeting held on or before October 31. All changes to the elements of Contractor's Basic Compensation must be approved by the Board of Directors.

ARTICLE 8 PAYMENT PROCEDURES

8.01 BASIC COMPENSATION

The Basic Compensation provided for in Section 7.03 will be paid monthly in arrears, with the first payment earned as of January 31, 2011. The Authority will make each payment within fifteen (15) days after it receives from Contractor a timely and complete monthly statement required by Section 8.07.

8.02 SUPPLEMENTAL PROCESSING FEES

Any fees earned by Contractor under Section 7.06 will be paid monthly in arrears, concurrently with payment of the Basic Compensation due under Section 8.01.

8.03 PASS THROUGH COSTS REIMBURSEMENT

The interest reimbursement provided for in Section 7.09 will be made monthly in accordance with the debt service schedule provided by Contractor until the principal amount of the loan(s) approved by the Authority is paid. The interest rate on capital equipment will be adjusted as part of the compensation adjustment process for Rate Year One only, based on a market based on the change in the interest rate on United States Treasury 10-year notes between March 2008 (3.5%) and July 2010, based on official United States Treasury data." If Contractor incurs other costs which are reimbursable under Section 7.09, it shall include these costs, together with information sufficient to substantiate the amount and purpose of each expense, in the monthly statement required by Section 8.07 due the month immediately following the month in which the cost was incurred. The Authority will pay the cost reimbursements due concurrently with payment of the Basic Compensation due under Section 8.01.

8.04 GATE FEES FOR PUBLICLY HAULED WASTE

Contractor will pay to Authority (by wire transfer or otherwise as Authority may direct) the amount of all Gate Fees collected from Persons delivering Self-Hauled Materials to the Transfer Station. Such payments will be made no less often than bimonthly, but possibly as frequently as daily. These payments will be reflected in the monthly statement from Contractor required by Section 8.07.

8.05 REVENUE FROM SALE OF RECYCLABLE MATERIALS

Contractor will pay to the Authority (by wire transfer or otherwise as Authority may direct) all Revenue earned from third parties for the sale of Recyclable Materials delivered to or recovered at the Shoreway Center until the annual Revenue Guarantee, or the Prorated Revenue Guarantee for 2011 as determined by Section 7.07.B, has been remitted. Thereafter, Contractor shall pay to Authority seventy five percent (75%) of such Revenue, unless otherwise adjusted by Section 7.07.D.3. Such payments will be made on or before the fifteenth (15th) day of each month based on sales during the immediately preceding month. These payments will be reflected in the monthly statement from Contractor required by Section 8.07.

The Revenues received by Contractor from the sales of Recyclable Materials are held in trust for the benefit of the Authority and such Revenues shall be disbursed only as provided in this Agreement and shall not be subject to levy or attachment or lien by or for any creditor of Contractor. Contractor shall account for all such Revenues, when and as

received, separately and apart from all other money, funds, accounts or other resources of Contractor.

8.06 DISPOSAL AND TRANSPORTATION COST OF MRF RESIDUE

The amount, in Tons of materials delivered to the MRF that are transported to the Disposal Facility and which, under Section 7.08.B are the responsibility of Contractor, will be separately reported in the monthly statement required by Section 8.07. The Authority will adjust (reduce) the amount of the Basic Compensation due Contractor each month by the amount calculated as provided in Section 7.08.B.

8.07 MONTHLY CONTRACTOR'S STATEMENT

A On or before the fifteenth (15th) day of each month, Contractor shall submit to Authority a statement showing amounts due to Contractor and Authority under Sections 8.01 through 8.06. The statement shall include at least the following information, all of which shall be for the immediately preceding month:

1. the amount (in Tons) of Recyclable Materials delivered to the MRF during each day of the preceding month by each of the Member Agencies and/or their Collection Contractor(s);
2. the amount (in Tons or cubic yards, whichever is applicable) of Recyclable Materials delivered to the Buyback/Dropoff Center during each day of the preceding month;
3. the amount (in Tons) of Recyclable Materials recovered by Contractor from all materials delivered to the Transfer Station;
4. the amount (in Tons) of Recyclable Materials sold by type and grade, and the total sales price, transportation costs and commodity revenues net of transportation costs;
5. a daily accounting showing the following information for each sales transaction:
    - date of sale;
    - type of material sold and grade, if applicable;
    - quantity of material sold;
    - unit price;
    - total revenue due from sale;
    - name and address of purchaser; and
    - a copy of the sales invoice, sales contract or other document evidencing transfer of title.
6. weight and volume of Solid Waste, Plant Materials, Organic Materials, inerts, and Construction and Demolition Debris entering the Shoreway Center by the hauler type (Collection Contractor(s) by Member Agency), commercial haulers, self haul, public, and other)(by type of vehicle);
7. weight and volume of all Solid Waste, Plant Materials, Organics Materials, inerts, and Construction and Demolition Debris leaving the Shoreway Center;

8. weight and volume of all materials moving between the buildings and operations on the Shoreway Center site (e.g. between the MRF building, Transfer Station building and Buyback center) (by material type);

9. mass balance accounting of all materials that enter and leave the Shoreway Center so that all inbound tons equal outbound / shipped materials less inventory (by material type);

10. location to which all Solid Waste, Plant Materials, Organics Materials, and Construction and Demolition Debris received by the Facilities were delivered for transfer, processing, ultimate use or disposal;

Contractor shall utilize the appropriate reporting forms in Attachment 15.

B. Undisputed sums will be paid by Contractor and Authority within fifteen (15) days from the date the Authority receives the statement.

C. Authority may request additional information regarding a report within thirty (30) days from receipt. Such request shall be in writing and shall describe the information requested with reasonable specificity. Contractor shall furnish the requested information to Authority within thirty (30) days from the date of the request. Authority shall notify Contractor within thirty (30) days after receipt of the initial report and payment, or within thirty (30) days after receipt of the additional information if such information is requested, of any dispute as to the accuracy of the report and the amount of the payment.

8.08 ANNUAL CALCULATION AND RECONCILIATIONS

Adjustments to Contractor's Compensation may be due for one or more of the following:

A. Shortfall of Recycling Revenue Guarantee (Section 7.07.A)

B. Additional share of Recycling Revenue over Revenue Guarantee for MRF Residue control (Section 7.07.D.3)

C. Minimum Self-Haul Diversion Guarantee (Section 7.08.A)

D. Reconciliation of Self-Haul Gate Fee Collections (Section 7.10)

The Authority will calculate the amounts, if any, due from Contractor and will provide Contractor with its calculations and supporting information on or before January 31 of each Rate Year. If Contractor requests, Authority shall meet with Contractor during the month of February to discuss the calculations, will attempt to answer any questions that Contractor may have, and will endeavor to resolve objections that Contractor may have.

Contractor shall pay the amount due, as initially calculated or as subsequently adjusted by Authority, within thirty (30) days after receiving the Authority's initial calculation.

8.09 LIQUIDATED DAMAGES

Liquidated damages will be paid by Contractor as provided in Section 11.07.

ARTICLE 9 CONTRACTOR RECORDS/REPORTING

9.01 TONNAGE RECORDS

In addition to the financial records required under Article 8, Contractor shall compile monthly tonnage summary records whose format and content have been approved by the Authority. Reports shall be submitted to the Authority by the fifteenth (15th) day of the immediately following month. The Authority may require more frequent reporting of Tonnage.

9.02 CERCLA DEFENSE RECORDS

The Authority views the ability to defend against CERCLA and related litigation as a matter of great importance. For this reason, the Authority regards the ability to prove where Solid Waste Collected in the Authority Service Area was taken for Disposal, as well as where it was not taken, to be matters of significant importance. Therefore, Contractor shall maintain data retention and preservation systems that can establish where Solid Waste was transferred and disposed of.

All records required under this Agreement shall be maintained for each year of the Term and for three years beyond the expiration or earlier termination of the Agreement. At the end of that period, Authority reserves the right to take physical possession of these records.

9.03 PROVISION OF RECORDS TO THE AUTHORITY

In the event Contractor's services are terminated before expiration of the Term, Contractor shall provide to the Authority all records required by this Agreement within thirty (30) days of discontinuing service. Records shall be in chronological order, in an organized form, and readily and easily interpreted.

9.04 REPORTS AND SCHEDULES

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

A. determine and set rates and evaluate the financial efficiency of operations;

B. evaluate past and expected progress towards achieving goals and objectives of the Act and the Authority;

C. determine needs for program adjustments; and,

D. evaluate customer service and complaints.

Either the Authority or Contractor may propose report formats that are responsive to the objectives of and audiences for each report. The format of each report shall be approved by the Authority. Contractor agrees to submit all reports on computer discs or in electronic format compatible with the Authority's software and computers at no additional charge, if requested by the Authority. Contractor will provide a certification statement, under penalty of perjury, by the responsible Contractor official, that the report being submitted is true and correct to the best knowledge of such official.

Quarterly Reports shall be submitted within thirty (30) calendar days after the end of the calendar quarter. Annual reports shall be submitted within thirty (30) calendar days after

the end of the calendar year. Failure to submit reports in the prescribed timeframe will result in the assessment of liquidated damages as stated in Attachment 10.

Quarterly and Annual Reports will summarize all information, tonnage, events, activities and changes in operations as required in Article 3. However, the reporting for all tonnage will be on a monthly basis and data will be totaled and presented on a monthly basis in the Reports.

All reports shall be submitted to:

South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Attention: Executive Director

9.05 QUARTERLY REPORT REQUIREMENTS

The information listed below and in Attachment 15 shall be the minimum reported for each service. The report format will be developed jointly by Contractor and Authority and include the following:

A. Weight and volume of all materials (by material type) entering the Shoreway Center from Member Agencies;

B. Weight and volume of Solid Waste, Organic Materials, and Recyclable Materials (by material type) entering the Shoreway Center by the hauler type (Collection Contractor(s), commercial haulers, self haul, public, and other)(by type of vehicle);

C. Weight and volume of all Solid Waste, Organics Materials, Recyclable Materials (by material type) leaving the Shoreway Center;

D. Weight and volume of all materials moving between the buildings and operations on the Shoreway Center site (e.g. between the MRF building, Transfer Station building and Buyback center) (by material type);

E. Mass balance accounting of all materials that enter and leave the Shoreway Center so that all inbound tons equal outbound / shipped materials less inventory (by material type);

1. The percentage of materials diverted by material type, category (Residential, Commercial, Self haul) and operation (MRF, Transfer Station, Bunker Program, Buyback/drop off center and other), and residual from MRF operations.

2. Location to which all Solid Waste, Organics Materials, and Recyclable Materials, received by the Facilities was delivered for transfer, processing, sale, ultimate use or disposal;

3. Recyclable Materials commodity sales value (by material type);

4. Changes to facilities, equipment and personnel used;

5. Changes to facilities and equipment operations, maintenance and repair;

6. Reporting incidence of accidents involving either employees or customers of the facilities;

7. Documentation of hazardous spills and removals shipment, and ship manifesting;

8. Other information or reports that the Authority may reasonably request or require.

F. Determination and Payment of Liquidated Damages. Contractor shall provide a report that identifies any non-compliance with performance measures listed in Attachment 10 (except for compliance with standards which shall be reported as part of the Contractor's annual report) and include calculation of the Liquidated Damages due. This report shall be accompanied by supporting documentation identifying either compliance with or level of non-compliance with the performance measures. The report submittal shall be accompanied by a check from the Contractor in the amount of the Liquidated Damages due (per Contractor's calculation and self-reporting) for the reporting period.

G. Programs. For each program, provide activity-related and narrative reports on goals, milestones, and accomplishments. Contractor shall describe problems encountered, actions taken and any recommendations to facilitate progress.

H. Summary Assessment. Contractor shall provide a summary assessment of the overall materials handling systems from Contractor's perspective relative to financial and physical status of the Shoreway Center. Contractor shall assess how well the program is operating in terms of efficiency, economy and effectiveness relative to meeting all the goals and objectives of this Agreement. Contractor shall provide recommendations and plans to improve operations, which highlight significant accomplishments and problems. Contractor shall document changes on a monthly basis and include monthly documentation in the quarterly reporting.

I. Meet and Confer with Authority. Beginning on the Commencement Date, and on a quarterly basis thereafter, Contractor shall meet with the Authority to describe the services performed at the Shoreway Center and the progress of each active Diversion Program. Contractor shall document the results of the programs on a monthly basis, including the tonnage diverted by material type, the end use or processor of the diverted materials and the cost per ton for transporting and processing each type of material and other such information requested by the Authority necessary to evaluate the performance of each program.

J. Addition and Changes to Programs. The Authority shall have the right to terminate a program if in its sole discretion the Contractor is not cost effectively achieving the program's goals and objectives. Prior to such termination, the Authority shall meet and confer with Contractor for a period of up to 90 days to resolve the Authority's concerns. Thereafter, the Authority may utilize a third party to perform these services if the Authority reasonably believes the third party can improve on Contractor's performance and/or cost. Notwithstanding these changes, Contractor shall continue the program during the meet and confer period and, thereafter, until the third party takes over the program.

9.06 ANNUAL REPORT REQUIREMENTS

The Annual Report shall be in the form of the Quarterly Reports and shall provide the same type of information as required pursuant to Section 9.05 summarized for the preceding four quarters. The Annual Report shall also include a complete inventory of equipment used to provide all services, and a list of Contractor's personnel used to operate the Shoreway Center.

9.07 INSPECTION OF RECORDS

The Authority, and its agents selected by the Authority, shall have the right, during regular business hours, to conduct unannounced on-site inspections of the records and

accounting systems of Contractor and to make copies of any documents relevant to this Agreement.

9.08 RETENTION OF RECORDS

Records and data required to be maintained that are specifically directed to be retained shall be retrieved by Contractor and made available to the Authority upon request.

Records and data required to be maintained that are not specifically directed to be retained that are, in the sole opinion of the Authority, material to the rate setting or to a determination of Contractor's performance under this Agreement, shall be retrieved by Contractor and made available to the Authority upon request.

Records and data required to be maintained that are not specifically directed to be retained and that are not material to a rate setting and/or not required for the determination of Contractor's performance do not need to be retrieved by Contractor. In such a case, however, the Authority may make reasonable assumptions regarding what information is contained in such records and data, and such assumption shall be conclusive in whatever action the Authority takes.

9.09 ADVERSE INFORMATION

A. Reporting Adverse Information. Contractor shall provide the Authority two copies (one to the Authority Executive Director, one to the Authority Legal Counsel) of all reports, pleadings, applications, notifications, Notices of Violation, communications or other material relating specifically to Contractor's performance of services pursuant to this Agreement, submitted by Contractor to, or received by Contractor from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board, the Securities and Exchange Commission or any other federal, state or local agencies, including any federal or state court. Contractor shall also notify the Authority of any criminal charges for violation of any federal or state environmental law or antitrust law or for fraud or similar matters initiated hereafter against any management employee of Contractor or its affiliates that have direct or indirect responsibility for administration of Contractor's performance of services under this Agreement. Copies shall be submitted to the Authority simultaneously with Contractor's filing or submission of such matters with said agencies. Contractor's routine correspondence to said agencies need not be routinely submitted to the Authority, but shall be made available to the Authority promptly upon the Authority's written request.

B. Failure to Report. The refusal or failure of Contractor to file any required reports, or to provide required information to the Authority, or the inclusion of any materially false or misleading statement or representation by Contractor in such report shall be deemed a breach of this Agreement, and shall subject Contractor to all remedies available to the Authority, including Liquidated Damages as shown on Attachment 10.

ARTICLE 10 INDEMNITY, INSURANCE, PERFORMANCE BOND, GUARANTY

10.01 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless Authority, its officers, employees and agents, (collectively the "Indemnitees") from and against (1) any and all liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature, (2) any and all loss including but not limited to injury to and death of any person and damage to property, and (3) claims for contribution or indemnity claimed by third parties (collectively, the "Claims"), arising out of or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, its obligations under this Agreement. The foregoing indemnity shall not apply to the extent that the Claim is caused solely by the negligence or intentional misconduct of Authority, its officers, employees or agents, but shall apply if the Claim is caused by the joint negligence of Contractor or other persons, including any of the Indemnitees. Upon the occurrence of any Claim, Contractor, at Contractor's sole cost and expense, shall defend (with attorneys reasonably acceptable to Authority) the Indemnitees. Contractor's duty to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

10.02 INSURANCE

A. Types and Amounts of Coverage. Contractor shall procure from an insurance company or companies licensed to do business in the State of California and shall maintain in force at all times during the Term the following types and amounts of insurance:

1. Workers' Compensation and Employer's Liability. Contractor shall maintain workers' compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State of California. Contractor shall maintain employer's liability insurance in an amount not less than One Million Dollars ($1,000,000) per accident or disease. Contractor shall not be obligated to carry workers compensation insurance if (i) it qualifies under California law and continuously complies with all statutory obligations to self-insure against such risks; (ii) furnishes a certificate of Permission to Self Insure issued by the Department of Industrial Relations; and (iii) furnishes updated certificates of Permission to Self Insure periodically to evidence continuous self insurance, at least ten (10) days before the expiration of the previous certificate.

2. Comprehensive General Liability (and Automobile Liability). Contractor shall maintain comprehensive general liability insurance with a combined single limit of not less than Ten Million Dollars ($10,000,000) per occurrence and Twenty Million Dollars ($10,000,000) annual aggregate covering all claims and all legal liability for personal injury, bodily injury, death, and property damage, including the loss of use thereof, arising out of, or occasioned in any way by, directly or indirectly, Contractor's performance of, or its failure to perform, services under this Agreement.

   The insurance required by this subsection shall include:

   - Premises Operations (including use of owned and non-owned equipment);

- Products and Completed Operations (including protection against liability resulting from use of Recyclable Materials by another person);
- Personal Injury Liability with employment exclusion deleted;
- Broad Form Blanket Contractual with no exclusions for bodily injury, personal injury or property damage (including coverage for the indemnity obligations contained herein);
- Owned, Non-Owned, and Hired Motor Vehicles;
- Broad Form Property Damage.

The comprehensive general liability insurance shall be written on an "occurrence" basis (rather than a "claims made" basis) in a form at least as broad as the most current version of the Insurance Service Office commercial general liability occurrence policy form (CG0001). If occurrence coverage is not obtainable, Contractor must arrange for "tail coverage" on a claims made policy to protect Authority from claims filed within four years after the expiration or termination of this Agreement relating to incidents that occurred prior to such expiration or termination. Any excess or umbrella policies shall be on a "following form" basis.

3. Pollution Liability. Contractor shall maintain pollution liability insurance with limits in an amount of not less than Ten Million Dollars ($10,000,000) per occurrence and annual aggregate covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this Agreement.

4. Hazardous Materials Storage and Transport. Contractor shall maintain insurance coverage of not less than Ten Million Dollars ($10,000,000) for personal injury, bodily injury and property damage arising out of the sudden and accidental release of any hazardous materials or wastes during storage at facilities operated by Contractor or transport of such materials by vehicles owned, operated or controlled by Contractor in the performance of the services required under this Agreement.

5. Physical Damage. Contractor shall maintain comprehensive (fire, theft and collision) physical damage insurance covering the vehicles and equipment used in providing service to Authority under this Agreement, with a deductible or self-insured retention not greater than One Hundred Thousand Dollars ($100,000). Notwithstanding the foregoing, Contractor shall be allowed to self-insure for physical damage to its vehicles provided Contractor provides adequate audited financial information to Authority and Authority is reasonably satisfied that Contractor has the financial net worth to cover any losses.

B. Acceptability of Insureds. The insurance policies required by this section shall be issued by an insurance company or companies admitted to do business in the State of California, subject to the jurisdiction of the California Insurance Commissioner, and with a rating in the most recent edition of Best's Insurance Reports of size category XV or larger and a rating classification of A+ or better.

C. Required Endorsements. Without limiting the generality of Sections 10.02.A and B, the policies shall contain endorsements in substantially the following form:

Workers' Compensation and Employers' Liability Policy.

"Thirty (30) days prior written notice shall be given to the South Bayside Waste Management Authority (SBWMA) in the event of cancellation or non-renewal of this policy. Such notice shall be sent to:

SBWMA
610 Elm Street, Suite 202
San Carlos, CA 94070
Attention: Executive Director

"Insurer waives all right of subrogation against SBWMA and its officers and employees for injuries or illnesses arising from work performed for SBWMA."

Comprehensive General Liability Policy; Environmental Liability Policy; Hazardous Materials Policy.

- "Thirty (30) days' prior written notice shall be given to the South Bayside Waste Management Authority (SBWMA) in the event of cancellation, reduction of coverage, or non-renewal of this policy. Such notice shall be sent to:

  SBWMA
  610 Elm Street, Suite 202
  San Carlos, CA 94070
  Attention: Executive Director

- "South Bayside Waste Management Authority (SBWMA), its officers, employees, and agents, are additional insureds on this policy."

- "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the South Bayside Waste Management Authority, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

- "Inclusion of the South Bayside Waste Management Authority as an insured shall not affect the SBWMA's rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the SBWMA in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the company's liability as set forth in the policy beyond the amount shown or to which the company would have been liable if only one party had been named as an insured."

Physical Damage Policy.

- Notice of cancellation, reduction in coverage or non-renewal, as provided in Subsection C.2(a).
- Cross liability endorsement, as provided in Subsection C.2(d).
- Waiver of subrogation against Authority.

D. Delivery of Proof of Coverage. No later than ninety (90) days before the commencement of operations (i.e., on or before October 1, 2010), Contractor shall furnish Authority one or more certificates of insurance on a standard ACORD form substantiating that each of the coverages required hereunder are in force, in form and substance satisfactory to Authority. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall be accompanied by all required endorsements. If Authority requests, copies of each policy, together with all endorsements, shall also be promptly delivered to Authority.

Contractor shall furnish renewal certificates to Authority to demonstrate maintenance of the required coverages throughout the Term.

E. Other Insurance Requirements

1. In the event performance of any services is delegated to a subcontractor, Contractor shall require such subcontractor to provide statutory workers' compensation insurance and employer's liability insurance for all of the subcontractor's employees engaged in the work. The liability insurance required by Subsection 10.02.A.2 shall cover all subcontractors or the subcontractor must furnish evidence of insurance provided by it meeting all of the requirements of this Section 10.02.

2. Contractor shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Contractor from any obligation under this Agreement, including those imposed by Section 10.01. If any claim is made by any third person against Contractor or any subcontractor on account of any occurrence related to this Agreement, Contractor shall promptly report the facts in writing to the insurance carrier and to the Authority.

3. If Contractor fails to procure and maintain any insurance required by this Agreement, Authority may take out and maintain, at Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any monies due Contractor. Alternatively, the Authority may treat the failure as a Contractor Default.

4. Authority is not responsible for payment of premiums for or deductibles (which must be approved in writing and in advance by Authority) under any required insurance coverages.

10.03 FAITHFUL PERFORMANCE BOND

On or before the Effective Date, Contractor shall deliver to Authority a bond securing the Contractor's faithful performance of its obligations under this Agreement. The principal sum of the bond shall be Two Million Dollars ($2,000,000). The form of the bond shall be as set out in Attachment 16. The bond shall be executed as surety by a corporation admitted to issue surety bonds in the State of California, regulated by the California Insurance Commissioner and with a financial condition and record of service satisfactory to Authority.

The term of the bond shall be not less than twenty-four (24) months, or until November 1, 2011, whichever occurs first. The bond shall be extended, or replaced by a new bond in the same principal sum (adjusted by the percentage change in the Consumer Price Index All Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-San Jose Metropolitan Area between July 2009 and July 2011), for the same term (i.e., twenty-four (24) months) and in the same form, bi-annually thereafter. Not less than

ninety (90) days before the expiration of the initial bond, the Contractor shall furnish either a replacement bond or a continuation certificate substantially in the form attached as Attachment 16, executed by the surety.

It is the intention of this Section that there be in full force and effect at all times a bond securing the Contractor's faithful performance of the Agreement, throughout its Term.

10.04 ALTERNATIVE SECURITY

Authority may, in its sole discretion, allow Contractor to provide alternative security in the amount set forth in Section 10.03, in the form of (a) a prepaid irrevocable standby letter of credit in form and substance satisfactory to Authority and approved as to form by the Authority's Legal Counsel and issued by a financial institution acceptable to Authority, or (b) a certificate of deposit in the name of the Authority with a term satisfactory to Authority, with a financial institution acceptable to Authority, and approved as to form by Authority's Legal Counsel.

10.05 HAZARDOUS WASTE INDEMNIFICATION

Contractor shall indemnify, defend with Counsel approved by the Authority, protect and hold harmless the Indemnitees against all claims, of any kind whatsoever paid, incurred or suffered by, or asserted against Indemnitees arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Wastes at any place where Contractor stores or disposes of Hazardous Wastes pursuant to this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, ("CERCLA"), 42 U.S.C. Section 9607(e), and California Health and Safety Code Section 25364, to defend, protect, hold harmless and indemnify Indemnitees from liability.

10.06 INTEGRATED WASTE MANAGEMENT ACT INDEMNIFICATION

Contractor agrees to indemnify and hold harmless the Indemnitees against all fines and/or penalties imposed by the California Integrated Waste Management Board (CIWMB) or the Local Enforcement Agency (LEA) (a) based on Contractor's failure to comply with laws, regulations or permits issued or enforced by the CIWMB or the LEA; (b) caused or contributed to by the Contractor's failure to perform obligations under this Agreement. This indemnity obligation is subject to the limitations and conditions in Public Resource Code Section 40059.1 but is enforceable to the maximum extent allowable by that Section.

10.07 GUARANTY

Concurrently with the execution of this Agreement, Contractor shall deliver to Authority a Guaranty in the form attached as Attachment 17, properly executed by its Members: Community Recycling and Resource Recovery, Inc. and Potential Industries, Inc.

ARTICLE 11 DEFAULT AND REMEDIES

11.01 EVENTS OF DEFAULT

Each of the following shall constitute an event of default ("Contractor Default"):

A. Contractor fails to perform any of its obligations under Sections 4.03 and 4.04 of Article 4 or Articles 5 and 6 of this Agreement and its failure to perform is not cured within ten (10) days after written notice from the Authority, provided that neither notice nor opportunity to cure applies to events described in subsections C through H.

B. Contractor fails to perform any of its obligations under any other provision of this Agreement and its failure to perform is not cured within fifteen (15) days after written notice from the Authority, provided that if the nature of the breach is such that it will reasonably require more than fifteen (15) days to cure, Contractor shall not be in default so long as it promptly commences the cure and diligently proceeds to completion of the cure, and provided further that neither notice nor opportunity to cure applies to events described in subsections C through H.

C. Contractor ceases to provide Shoreway Center operations or Solid Waste/Recyclable Materials transportation services for a period of two (2) consecutive business days for any reason within the Contractor's control, including labor unrest such as strike, work stoppage or slowdown, sickout, picketing, or other concerted job action by Contractor's employees or others.

D. Contractor files a voluntary petition for relief under any bankruptcy, insolvency or similar law.

E. An involuntary petition is brought against Contractor under any bankruptcy, insolvency or similar law which remains undismissed or unstayed for ninety (90) days.

F. Contractor fails to furnish a replacement bond or a continuation certificate of the existing bond not less than ninety (90) days before expiration of the performance bond, as required by Section 10.03 or fails to maintain all required insurance coverages in force.

G. Contractor fails to provide reasonable assurance of performance when requested by the Authority under this Agreement.

H. A representation or warranty contained in Article 3 proves to be false or misleading in a material respect as of the date such representation or warranty was made.

I. Contractor makes any other material misrepresentation to the Authority in discharging any of its obligations under this Agreement.

11.02 RIGHT TO SUSPEND OR TERMINATE UPON DEFAULT

A. Upon any Contractor Default, the Authority may terminate this Agreement or suspend it, in whole or in part. Such suspension or termination shall be effective thirty (30) days after the Authority has given notice of suspension or termination to Contractor, except that such notice may be effective in a shorter period of time, or immediately, if the Contractor Default is one which endangers the health, welfare or safety of the public, such as the failure to process Solid Waste or Recyclable Materials and arrange for their prompt disposal or recovery. Notice may be given

orally in person or by telephone to the representative of Contractor designated in or under Section 12.10 (or, if he/she is unavailable, to a responsible employee of Contractor) and shall be effective immediately. Written confirmation of such oral notice of suspension or termination shall be sent by personal delivery, facsimile, or other expedited means of delivery to Contractor within twenty-four (24) hours of the oral notification at the address shown in Section 12.09. Contractor shall continue to perform the portions of the Agreement, if any, not suspended, in full conformity with its terms.

B. The Authority may also suspend or terminate this Agreement, upon the same notice provisions, if Contractor's ability to perform is prevented or materially interfered with by a cause which excuses nonperformance under Section 11.09, despite the fact that nonperformance in such a case is neither a breach nor a Contractor Default.

11.03 SPECIFIC PERFORMANCE

By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service and the lead time required to effect alternative service, the remedy of damages for a breach hereof by Contractor is inadequate and Authority shall be entitled, without limitation on any other remedy or right, to injunctive relief and specific performance of Contractor's obligations under this Agreement.

11.04 RIGHT TO PERFORM; USE OF CONTRACTOR PROPERTY

If this Agreement is suspended and/or terminated due to a Contractor Default, the Authority shall have the right to perform, by contract or otherwise, the work herein or such part thereof as it may deem necessary. In the event of Contractor's Default, Authority shall have the right to use any of Contractor's equipment, facilities and other property reasonably necessary for the provision of services hereunder and for the billing and collection of fees for those services and of revenues from the sale of Recyclable Materials. Authority shall have the right to continue use of such property until other suitable arrangements can be made for the provision of such services, which may include the award of a contract to another service provider.

11.05 DAMAGES

Contractor shall be liable to Authority for all direct, indirect, special and consequential damages arising out of Contractor's Default. This section is intended to be declarative of existing California law.

11.06 AUTHORITY'S REMEDIES CUMULATIVE

Authority's rights to suspend or terminate the Agreement under Section 11.02, to obtain specific performance under Section 11.03, and to perform and use property under Section 11.04 are not exclusive, and shall not be construed as a limitation on any of the Authority's other rights or remedies, and the Authority's exercise of one such right shall not constitute an election of remedies. Instead, they shall be in addition to any and all other legal and equitable rights and remedies that the Authority may have, including a legal action for damages under Section 11.05 or imposition of liquidated damages under Section 11.07.

11.07 LIQUIDATED DAMAGES

The Parties acknowledge that efficient, consistent, and courteous operations of the Shoreway Center is of utmost importance and the Authority has considered and relied on Contractor's representations as to its quality of service commitment in entering into

this Agreement. The Parties further recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The Parties further recognize that if Contractor fails to achieve the performance standards identified in Attachment 10, the Authority will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of damages that the Authority will suffer. Therefore, the Parties agree that the liquidated damage amounts listed on Attachment 10 represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to the Authority that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

Contractor Initial Here: _____ Authority Initial Here: _____

Contractor agrees to pay (as liquidated damages and not as a penalty) the amount set forth on Attachment 10.

The Authority may determine the occurrence of events giving rise to liquidated damages based upon any or all of the following: Contractor's reporting pursuant to Article 9 of this Agreement; the observation of the Authority's or Contractor's employees, agents or representatives; and/or through investigation and/or reports by any third party or parties.

The Authority may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement.

Contractor shall pay any liquidated damages assessed by the Authority within ten (10) days after they are assessed.

The Authority's right to recover liquidated damages for Contractor's failure to meet the service performance standards shall not preclude Authority from obtaining equitable relief for persistent failures to meet such standards nor from terminating the Agreement for such persistent failures.

Notwithstanding any other provision of this Agreement, if this Paragraph 11.07, Attachment 10, or any provision or requirement contained in either, is set aside or invalidated by a court for any reason, the provision and/or requirement that is set aside or invalidated shall be severed from the rest of this Agreement, and the Authority shall reserve and be entitled to any and all other rights and remedies available under this Agreement, law and equity.

11.08 AUTHORITY DEFAULT

The Authority shall be in default under this Agreement ("Authority Default") in the event the Authority commits a material breach of the Agreement and fails to cure such breach within thirty (30) days after receiving notice from the Contractor specifying the breach, provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, the Authority shall not be in default so long as the Authority promptly commences the cure and diligently proceeds to completion of the cure.

In the event of an asserted Authority Default, Contractor shall continue to perform all of its obligations hereunder until a court of competent jurisdiction has issued a final judgment declaring that the Authority is in default.

11.09 EXCUSE FROM PERFORMANCE

A. Force Majeure. Neither party shall be in default of its obligations under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to an "act of God" (including, but not limited to, flood, earthquake or other catastrophic events that have taken place at or in close proximity to the Shoreway Center), war, insurrection, riot, labor unrest of other than the party's employees (including strike, work stoppage, slowdown, sick out, picketing, or other concerted job action), or other similar cause not the fault of, and beyond the reasonable control of, the party claiming excuse. A party claiming excuse under this Section must (1) have taken reasonable precautions, if possible, to avoid being affected by the cause, and (2) notify the other party in writing as provided in Subsection C. This Section 11.09 A shall not apply to, nor shall it excuse any failure to satisfy or perform an obligation arising from, any "act of God," catastrophic event, war, insurrection, riot, labor unrest or similar cause that does not directly and immediately impact or affect Contractor's operations at the Shoreway Center. Indirect impacts and effects from such events and/or causes at remote locations and times are not intended to be included as "acts of God" or an event of Force Majeure under this Section 11.09.

B. Obligation to Restore Ability to Perform. Any suspension of performance by a party pursuant to this Section shall be only to the extent, and for a period of no longer duration than, required by the nature of the event, and the party claiming excuse shall use its best efforts to remedy its inability to perform as quickly as possible and to mitigate damages that may occur as result of the event.

C. Notice. The party claiming excuse shall deliver to the other party a written notice of intent to claim excuse from performance under this Agreement by reason of an event of Force Majeure. Notice required by this Section shall be given promptly in light of the circumstances, but in any event not later than five (5) days after the occurrence of the event of Force Majeure. Such notice shall describe in detail the event of Force Majeure claimed, the services impacted by the claimed event of Force Majeure, the expected length of time that the party expects to be prevented from performing, the steps which the party intends to take to restore its ability to perform, and such other information as the other party reasonably requests.

D. Authority's Rights in the Event of Force Majeure. The partial or complete interruption or discontinuance of Contractor's services caused by an event of Force Majeure shall not constitute a Contractor Default. Notwithstanding the foregoing: (i) the Authority shall have the right to make use of Contractor's facilities and equipment in the event of non-performance excused by Force Majeure; (ii) if Contractor's failure to perform by reason of Force Majeure continues for a period of thirty (30) days or more, the Authority shall have the right to immediately terminate this Agreement; (iii) if Contractor is unable to process and dispose of Solid Waste or arrange for recovery of Recyclable Materials as required by this Agreement for a period of two (2) or more consecutive days or for any three (3) days in a seven (7)-day period as a result of Force Majeure, the Authority shall have the right to make use of Contractor's property, and (iv) if Contractor's inability to process and dispose of Solid Waste or arrange for recovery of Recyclable Materials continues for ten (10) days or more from the date by which Contractor gave or should have given notice under Subsection C, the Authority may terminate this Agreement.

11.10 ASSURANCE OF PERFORMANCE

If the Authority in its reasonable judgment determines that Contractor (1) has repeatedly incurred liquidated damages under Section 11.07; (2) is the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (3) appears to be unable to regularly pay its bills as they become due; (4) is the subject of a civil or criminal proceeding brought by a federal, state, regional or local agency for violation of laws, regulations or permits in the performance of this Agreement, or (5) performs in a manner that causes uncertainty about Contractor's ability and intention to comply with this Agreement, the Authority may, at its option and in addition to all other rights and remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the Authority may require.

ARTICLE 12 OTHER AGREEMENTS OF THE PARTIES

12.01 RELATIONSHIP OF PARTIES

The parties intend that Contractor shall perform the services required by this Agreement as an independent contractor engaged by Authority and not as an officer or employee of the Authority nor as a partner of or joint venturer with the Authority. No employee or agent of Contractor shall be deemed to be an employee or agent of Authority. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the services performed under this Agreement, and over all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Contractor nor its officers, employees, subcontractors and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to Authority employees by virtue of their employment with Authority.

12.02 COMPLIANCE WITH LAW

In providing the services required under this Agreement, Contractor shall at all times comply with all applicable laws of the United States, the State, the City of San Carlos and with all applicable regulations promulgated by federal, state, regional or local administrative and regulatory agencies now in force and as they may be enacted, issued or amended during the Term, and with all permits affecting the services to be provided.

12.03 ASSIGNMENT

Contractor acknowledges that this Agreement involves rendering a vital service to Authority's residents and businesses, and that Authority has selected Contractor to perform the services specified herein based on (i) the experience, skill and reputation of Contractor's Members for conducting their operations in a safe, effective and responsible fashion, and (ii) the financial resources of Contractor's Members to maintain the required equipment and to support Contractor's indemnity obligations to Authority under this Agreement. Authority has relied on each of these factors, among others, in choosing Contractor to perform the services to be provided by Contractor under this Agreement.

A. Authority Consent Required. Contractor shall not assign its rights or delegate or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of Authority. Any such assignment made without the consent of Authority shall be void and the attempted assignment shall constitute a Contractor Default.

B. Assignment Defined. For the purpose of this Section, "assignment" shall include, but not be limited to, (i) a sale, exchange or other transfer to a third party of substantially all of Contractor's assets dedicated to service under this Agreement; (ii) a sale, exchange or other transfer of a membership interest in Contractor to a person who is not a Member as of the Effective Date which results in a change in control of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or reissuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including insolvency or bankruptcy, an assignment for the benefit of creditors, a writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or

contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor. The term "assignment" also includes (1) any change in the identity of the members of the Contractor, (2) the sale or other transfer of substantially all of the assets of any member of the Contractor (including in the context of a bankruptcy or other insolvency proceeding or an assignment for the benefit of creditors), and (3) any event that results in a change of voting power, as defined in California Corporations Code, with respect to the persons who exercise such voting power in a member of Contractor on the date of this Agreement, other than a transfer to members of such person's immediate family.

C. Consent Requirements. If Contractor requests Authority's consideration of and consent to an assignment, Authority may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by Authority unless and until Contractor has met the following requirements:

1) Contractor shall pay Authority its reasonable expenses for attorneys' fees and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment;

2) Contractor shall furnish Authority with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;

3) Contractor shall furnish Authority with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of solid waste/recycling management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not been the subject of any administrative or judicial proceedings initiated by a federal, state or local agency having jurisdiction over its operations due to an alleged failure to comply with federal, state or local laws or that the proposed assignee has provided Authority with a complete list of such proceedings and their status; (iii) that the proposed assignee conducts its operations in a safe and environmentally conscientious manner, in accordance with sound waste management practices in full compliance with all federal, state and local laws regulating the handling and transfer of waste and recyclable materials and all Environmental Laws; (iv) of any other information required by Authority to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

D. No Obligation to Consider. Authority will not be obligated to consider a proposed assignment if Contractor is in default.

12.04 SUBCONTRACTING

Contractor shall not engage any subcontractors to perform any of the services required of it by Articles 5 or 6 of this Agreement without the prior written consent of Authority. Contractor shall notify Authority no later than ninety (90) days prior to the date on which it proposes to enter into a subcontract. Authority may approve or deny any such request in its sole discretion.

12.05 AFFILIATED ENTITY

Contractor will not form or use any Affiliate to perform any of the services or activities which Contractor is required or allowed to perform under this Agreement, other than as a subcontractor approved by Authority under Section 12.04.

If Contractor enters into any financial transactions with an Affiliate for the provision of labor, equipment, supplies, services, or capital related to the furnishing of service under this Agreement, or for the purchase of Recyclable Materials, that relationship shall be disclosed to Authority, and in the financial reports submitted to Authority. In such event, Authority's rights to inspect records and obtain financial data shall extend to such Affiliate.

12.06 CONTRACTOR'S INVESTIGATION

Contractor has made an independent investigation, satisfactory to it, of the conditions and circumstances surrounding the Agreement and the work to be performed by it. Contractor has carefully reviewed the information in the Request for Proposals, and Addenda if any. Contractor has had the opportunity to inspect the Shoreway Center to review the permits governing its operation and the Authority's plans for its expansion and reconstruction. Contractor has had the opportunity to inspect the Designated Disposal Site, as well as the processing facilities which currently process materials from the Shoreway Center, and the contracts between the Authority and the owners/operators of each. Contractor has also had the opportunity to review audited financial statements of the current operator of the Shoreway Center. Contractor has taken such matters into consideration in agreeing to provide the services required by, for the compensation to be provided under, this Agreement.

12.07 NO WARRANTY BY AUTHORITY

While Authority believes that the information contained in the Request for Proposals is substantially correct, Authority makes no warranties in connection with this Agreement, including but not limited to the accuracy or completeness of the information contained in the Request for Proposals. The Authority expressly disclaims any warranties, express or implied, as to the merchantability or fitness for any particular purpose of Recyclable Materials delivered to the Shoreway Center.

12.08 CONDEMNATION

Authority reserves the rights to acquire the Contractor's property utilized in the performance of this Agreement through the exercise of eminent domain.

12.09 NOTICE

All notices, demands, requests, proposals, approvals, consents and other communications which this Agreement requires, authorizes or contemplates shall, except as provided in Section 11.02, be in writing and shall either be personally delivered to a representative of the parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to Authority: South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Attention: Executive Director

If to Contractor: SOUTH BAY RECYCLING, LLC

9189 DeGarmo Avenue

Sun Valley, CA 91352

Attention: John Richardson

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

Routine, day-to-day communications between the parties may be exchanged in a manner and between subordinate employees as the designated representatives of each party identified in Section 12.10 may agree.

12.10 REPRESENTATIVES OF THE PARTIES

A. Representatives of Authority. References in this Agreement to "Authority" shall mean the Authority Board of Directors and all actions to be taken by Authority shall be taken by the Authority Board of Directors except as provided below. The Authority Board of Directors may by formal action taken at an open meeting of the Board of Directors delegate authority to the Executive Director and may permit the Executive Director, in turn, to delegate in writing some or all of such authority to subordinate officers. Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

B. Representative of Contractor. Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of Contractor in all matters related to the Agreement and shall inform Authority in writing of such designation and of any limitations upon his or her authority to bind Contractor. Authority may rely upon action taken by such designated representative as actions of Contractor unless they are outside the scope of the authority delegated to him/her by Contractor as communicated in writing to Authority.

12.11 DUTY OF CONTRACTOR NOT TO DISCRIMINATE

In the performance of this Agreement Contractor shall not discriminate, nor permit any subcontractor to discriminate, against any employee, applicant for employment, or user of the Shoreway Center on account of race, color, national origin, ancestry, religion, sex, age, physical disability, medical condition, sexual orientation, marital status, or other characteristic, in violation of any applicable federal or state law.

12.12 RIGHT TO INSPECT CONTRACTOR OPERATIONS

Authority shall have the right, but not the obligation, to observe and inspect all of the Contractor's operations under this Agreement. In connection therewith, Authority shall have the right to enter facilities used by Contractor during operating hours (and to enter the Shoreway Center at any time), speak to any of Contractor's employees and receive cooperation from such employees in response to inquiries. In addition, upon reasonable notice and without interference with Contractor's operations, Authority may review and copy any of Contractor's operational and business records related to this Agreement. If Authority so requests, Contractor shall make specified personnel available to

accompany Authority employees on inspections and shall provide electronic copies of records stored in electronic media.

12.13 RIGHT OF AUTHORITY TO MAKE CHANGES

Authority may, without amending this Agreement, direct Contractor to cease performing one or more types of service described in Articles 4, 5, or 6, may direct Contractor to modify the scope of one or more such services, may direct Contractor to perform additional solid waste handling services, or may otherwise direct Contractor to modify its performance under any other Section of this Agreement. Contractor shall promptly and cooperatively comply with such direction.

If such changes cause an increase or decrease in the cost of performing the services, or an increase or decrease in the amount of Revenue earned from the sale or other transfer of materials delivered to the Shoreway Center, an equitable adjustment in the Contractor's compensation shall be made pursuant to Section 7.11. Contractor will continue to perform the new or changed service while the appropriate adjustment in compensation is being determined.

12.14 TRANSITION TO NEXT SERVICE PROVIDER

At the expiration of the Term or the earlier termination of the Agreement, or upon Authority's approval of a proposed assignment, Contractor shall cooperate fully with Authority to ensure an orderly transition to any and all new service providers. Contractor shall provide, within ten (10) days of a written request by Authority, then-current accounting records and billing information. Contractor may, but is not required to, sell operations rolling stock, vehicles and equipment to the next service provider.

Contractor shall, at least 180 days prior to the transition of services, attend meetings with the next service provider and with Authority and Authority staff and consultants to plan for the transition to the new Contractor. Contractor shall perform in accordance with such plan and direct personnel to provide operations and transition assistance. Contractor will direct its employees to provide accurate information to the new provider about operations, customers and vendors of the facility.

12.15 REPORTS AS PUBLIC RECORDS

The reports, records and other information submitted or required to be submitted by Contractor to Authority are public records within the meaning of that term in the California Public Records Act, Government Code Section 6250 et seq. Unless a particular record is exempted from disclosure by the California Public Records Act, it must be disclosed to the public by Authority upon request.

Contractor will not object to Authority making available to the public any information submitted by the Contractor, or required to be submitted in connection with the Contractor's compensation, including but not limited to records described in Article 9.

12.16 DESTRUCTION OF PREMISES

If the facilities at the Shoreway Center are destroyed or damaged (by fire, earthquake or other similar event) so that operations as contemplated in this Agreement are impossible or commercially infeasible, Authority has the right, but no obligation, to repair or rebuild the facilities.

Authority will notify Contractor promptly (no later than 120 days after destruction or damage occurs) whether or not it will repair and rebuild the facilities.

If Authority elects not to repair and rebuild, this Agreement shall terminate 30 days after Authority notifies Contractor of that decision.

If Authority elects to repair and rebuild, then until reconstruction is sufficiently completed for Contractor to resume operations, the obligations of Contractor to perform and the obligations of Authority to pay compensation will both be abated or modified in a commercially reasonably and equitable manner reflecting, for example, the ability of Contractor to resume partial operations, and the compensation appropriately due for doing so.

ARTICLE 13 MISCELLANEOUS AGREEMENTS

13.01 GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

13.02 JURISDICTION

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the parties agree that this Agreement is made in and will be performed in San Mateo County.

13.03 BINDING ON SUCCESSORS

The provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the parties.

13.04 PARTIES IN INTEREST

Nothing in this Agreement is intended to confer any rights on any Persons other than the parties to it and their successors and permitted assigns.

13.05 WAIVER

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision.

13.06 ATTACHMENTS

Each of the Attachments, identified as Attachments “1” through “19,” is attached hereto and incorporated herein and made a part hereof by this reference.

13.07 ENTIRE AGREEMENT

This Agreement, including the Attachments, represents the full and entire agreement between the parties with respect to the matters covered herein and supersedes all prior negotiations and agreements, either written or oral.

13.08 SECTION HEADINGS

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

13.09 INTERPRETATION

Each party has participated in the preparation of this Agreement with the assistance of legal counsel to the extent desired. Accordingly, this Agreement shall be interpreted and construed reasonably and neither for nor against either party

13.10 AMENDMENT

This Agreement may not be modified or amended in any respect except by a writing signed by the parties.

13.11 SEVERABILITY

If a court of competent jurisdiction holds any non-material provision of this Agreement to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

13.12 COSTS AND ATTORNEYS' FEES

The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs expended in connection with such an action from the other party. However, each party shall bear its own attorneys' fees.

13.13 INDEMNITY AGAINST CHALLENGES TO AGREEMENT

Contractor shall indemnify, defend and hold harmless Authority, and its officers, employees and agents (collectively, the "Indemnitees") from and against any and all liability, claim, demand, action, proceeding or suit of any and every kind and description brought by a third person challenging the process by which Proposals were solicited and evaluated, or this Agreement was negotiated or awarded. Contractor's financial obligation under this section is limited to the expenditure of fifty thousand dollars ($50,000).

13.14 NO DAMAGES FOR INVALIDATION OF AGREEMENT

If a final judgment of a court of competent jurisdiction determines that this Agreement is illegal or was unlawfully entered into by Authority, neither party shall have any claim against the other for damages of any kind (including but not limited to loss of profits) on any theory.

13.15 REFERENCES TO LAWS

All references in this Agreement to laws and regulations shall be understood to include such laws and regulations as they may be subsequently amended or recodified, unless otherwise specifically provided. In addition, references to specific governmental agencies shall be understood to include agencies that succeed to or assume the functions they are currently performing.

IN WITNESS WHEREOF, Authority and Contractor have executed this Agreement as of the day and year first above written by their duly authorized officers.

SOUTH BAY RECYCLING, LLC
("Contractor")

By Its Board of Managers

Name:_____
(Appointed By Community Recycling and Resource Recovery, Inc.)

Name:_____
(Appointed By Potential Industries, Inc.)

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

By: _____
Chair, Board of Directors

ATTEST:

_____
Secretary

APPROVED:

_____
Executive Director

APPROVED AS TO FORM:

_____
Legal Counsel

ITEM 33

DATE: **FOR THE CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **HONORABLE MAYOR AND CITY COUNCIL**
CITY MANAGER, JERRY GRUBER

FROM: **NEAL J. MARTIN, TOWN PLANNER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **DRAFT 2007-2014 HOUSING ELEMENT UPDATE RECOMMENDED BY PLANNING COMMISSION**

RECOMMENDATION:

Review the Planning Commission Recommended Draft Housing Element Update 2007-2014. Provide direction to Staff to make any additional changes and direct Staff to forward the Draft Housing Element Update to the California Department of Housing and Community Development (HCD) for review and comment.

DISCUSSION:

The Planning Commission reviewed the draft Housing Element Update on April 29, May 18, June 18, August 17 and September 23, 2009. At the conclusion of the September meeting the Commission requested that Staff make certain changes to the draft. Those changes have been made and included in the attached draft. The Commission unanimously recommended that the City Council forward the Draft Housing Element Update to the California Department of Housing and Community Development for review and comment.

The primary means of achieving the 2007-14 Regional Housing Needs Allocation of 83 units plus a possible carry-over from the 1999-2006 Planning Period of 67 units (150 units total) are:

- Planning for 92 new units of faculty, student and staff housing at Menlo School, Menlo College, and Sacred Heart Schools all affordable to extremely low to moderate income individuals and families.[1]
- Planning for 5 net new units of conventional single family homes all affordable to above moderate income individuals and families.
- Planning for 57 new Second Dwelling Units affordable to extremely low to moderate individuals and families.
- Inclusion of additional incentives for the development of new Second Dwelling Units,

[1] Menlo School – 11 units, Menlo College – 79 units, Sacred Heart Schools – 2 units.

including:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow detached or attached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required side or rear yard.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

- Changes to regulations to allow internal living quarters to be counted as second units.

It is recommended that the City Council review the Planning Commission Recommended Draft Update, provide direction to Staff for any other changes desired and adopt a motion directing staff to transmit the Update to HCD for their review and comment in accordance with State law.

FORMAL MOTION:

I move that the City Council direct Staff to transmit the Draft Housing Element Update 2007-2014 to the California Department of Housing and Community Development for review and comment.

Neil J. Martin
Lisa Costa Sanders

Neal J. Martin, Town Planner
Lisa Costa Sanders, Deputy Town Planner

Jerome D. Gruber

Jerome D. Gruber,
City Manager

Attachments:

1. *Housing Element Update 2007 – 2014*, Planning Commission Recommended Draft, September 23, 2009
2. Summary of Sites Required and Planned

ATTACHMENT 1

Town of Atherton

Planning Commission
Recommended Draft

Housing Element Update
2007 – 2014

September 25, 2009

Prepared by:
Neal Martin & Associates
751 Laurel Street, Suite 622
San Carlos, CA 94070

In Consultation with:
Barbara E. Kautz, Esq.
Goldfarb & Lipman LLP
1300 Clay Street, Ninth Floor
Oakland, CA 94612

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3.100 INTRODUCTION

3.110 Purpose

The State of California Government Code[1] requires that all cities within the San Francisco Bay Area update the Housing Element of their General Plan by June 30, 2009. The purpose of this document is to meet this requirement by evaluating the existing and projected housing needs of all economic segments of Atherton, evaluating existing policies and programs aimed at the preservation, improvement and development of housing and developing new ones.

The contents of this update includes an analysis of housing needs, statements of goals and policies, a schedule of programs and actions and an estimate of the number of housing units the Town expects to be developed, improved and maintained in the local housing stock. Programs and policies included in the existing Housing Element were evaluated and modified where necessary to reflect changing market conditions and policy priorities.

Atherton is a residential community of approximately 7,200 residents with a land area of approximately six square miles. The Town is bordered by Menlo Park, Woodside, Redwood City and unincorporated San Mateo County. Founded in the early 1920's, Atherton is characterized by large lot residential land use, where minimum lot size is 1/3 to 1 acre throughout the Town. There is no commercial or industrial land use in Atherton. There are eleven schools in Town, three of which are private.

3.120 Definition of Income Categories

Since the determination of housing need is often discussed in terms of income categories, it is important to define the categories used in this update at the outset. The California Department of Housing and Community Development (HCD) has established household income categories based on a proportion of the area's median family income as summarized below:

TABLE HI-1: HCD INCOME CATEGORIES DEFINED

Income Category	Approximate Percent of Median Income
Above Moderate	Above 120% of median
Moderate	80% to 120% of median
Low	50% to 80% of median
Very Low	30% to 50% of median
Extremely Low	Below 30% of median

The income limits established by HCD for San Mateo County in 2008 are presented in

[1] § 65588(e)(2)

Table HI-2.

Housing affordability limits are derived using the Standard Definition of Affordability level. Thirty percent of gross household income is the standard affordability level. A household that spends greater than 30% of its gross income on housing is described as overpaying for housing. The maximum affordable monthly housing costs for each income category are calculated from the income limits established by HCD for San Mateo County in 2008 and are presented in Table HI-3.

TABLE HI-2: ANNUAL INCOME LIMITS BY HOUSEHOLD SIZE - 2008(US$)

	Number of Persons in Family							
Income Category	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Extremely Low	23,750	27,150	30,550	**33,950**	36,650	39,400	42,100	44,800
Very Low	39,600	45,250	50,900	**56,550**	61,050	65,600	70,100	74,650
Low	63,350	72,400	81,450	**90,500**	97,700	104,950	112,200	119,450
Median	66,500	76,000	85,500	**95,000**	102,600	110,200	117,800	125,400
Moderate	79,800	91,200	102,600	**114,000**	123,100	132,200	141,400	150,500

Source: HCD figures for San Mateo County, 2008

TABLE HI-3: MONTHLY MAXIMUM AFFORDABLE HOUSING COST BY HOUSEHOLD SIZE - 2008 (US$)

	Number of Persons in Family							
Income Category	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Extremely Low	594	679	764	**849**	916	985	1,053	1,120
Very Low	990	1,131	1,273	**1,414**	1,526	1,640	1,753	1,866
Low	1,584	1,810	2,036	**2,263**	2,443	2,624	2,805	2,986
Median	1,663	1,900	2,138	**2,375**	2,565	2,755	2,945	3,135
Moderate	1,995	2,280	2,565	**2,850**	3,078	3,305	3,535	3,763

3.130 Relation to Other Elements (including General Plan Consistency Analysis)

The Housing Element is closely related to the Land Use, Open Space and Circulation Elements. In the Housing Element, residential land use is translated into terms of household units to be accommodated in the future. Lands designated for residential use are identified in the Land Use Element; the location, site area and terrain suitable for housing is related to both open space and land use; and the capability of serving residential neighborhoods by an efficient circulation system is discussed in the Circulation Element.

State law requires that all elements of the general plan be consistent with each other. The goals and policies of this Housing Element are consistent with the other elements of the Town's General Plan.

3.200 ASSESSMENT OF HOUSING NEEDS

3.210 Analysis of Population and Employment in Atherton

This section contains background information on the Town's population and employment characteristics, including historic population growth, age and income characteristics of the population and the condition of the housing stock. It also includes an analysis of population and employment trends

3.211 Historic Population Trends

At the time of incorporation, in 1923, the Town of Atherton had a population of 650 people.[1] Over the next three decades, the town expanded to 3,630 people. The most significant growth took place between 1950 and 1960 when the population more than doubled to 7,717 people. Population growth slowed dramatically in the following decade and reached a peak by 1970 of just over 8,000. The 1980 Census counted 7,797 people, a 3.5 percent decline from 1970. The population declined further in 1990 (8.1%) and increased slightly in 2000 (0.4%). In the period 1970-2000 Atherton's population actually decreased by 11 %.

TABLE HII-1: HISTORIC POPULATION TRENDS

Year	Population	Source
1923	650	Historic Publication, City of Atherton
1950	3,630	U.S. Census
1960	7,717	U.S. Census
1970	8,085	U.S. Census
1980	7,797	U.S. Census
1990	7,163	U.S. Census
2000	7,194	U.S. Census

The slight increase in population which took place in Atherton (0.4%) from 1990 to 2000 compares to a countywide increase of 8.9 percent and an overall increase in the Bay Area of 15.1 percent.

[1] Bush, Sarah and Genevieve Merrill, Atherton Lands 1979; printed privately.

TABLE HII-2: RECENT TRENDS IN LOCAL AND REGIONAL POPULATION

	Atherton 1990	Atherton 2000	San Mateo County 1990	San Mateo County 2000	Bay Area 1990	Bay Area 2000
Total Population	7,613	7,194	649,623	707,163	6,051,500	6,783,762

3.212 Age Characteristics

In 1970, the percentage breakdown of Atherton residents in various age groups closely corresponded to the County-wide percentages. Out of a total of 8,085 people, 32 percent were children under 18, 60 percent were between the ages of 18 and 64, and approximately 8 percent were seniors 65 and over.

The 1980 Census revealed an overall aging of the population. The percentage of young people under age 18 declined to 24 percent. The percent of people between the ages of 18 and 64 increased slightly to 63 percent, and the number of seniors increased to nearly 13 percent. County-wide trends were comparable.

TABLE HII-3: AGE CHARACTERISTICS

Age Group (Total Population)	Atherton 1990 Number of Persons[1]	Percent	Atherton 2000 Number of Persons[2]	Percent	Atherton 2008 Number of Persons[3]	Percent	San Mateo County 1990 Percent	San Mateo County 2000 Percent	San Mateo County 2008 Percent
Persons under 19	1,470	20.5	1,703	23.7	1,788	24.3	23.1	22.9	24
Persons Age 19-64	4,370	61.0	4,040	56.2	4,019	54.6	64.6	64.6	64
Persons Age 65+	1,323	18.5	1,451	20.1	1,553	21.1	12.3	12.5	13

The overall aging of Atherton population continued into the 1990's. The percentage of young people declined to about 20 percent. The percentage of people between the ages of 19 and 64 was about 61 percent of the total and seniors grew to over 18 percent. By 2008, the Town's younger population increased to over 24 percent. The senior population increased to over 21 percent and the group between 19 and 64 years decreased to 54 percent.

3.213 Ethnic and Racial Characteristics

From 1990 to 2000 the proportion of African American in Atherton remained essentially

[1] 1990 U.S. Census

[2] 2000 U.S. Census

[3] Clarias Demographic Snapshot, 2008 from 21 Elements, adjusted for consistency with ABAG Projections.

unchanged. The percentage of Asians

TABLE HII-4: RACIAL CHARACTERISTICS

Racial Group (% of Total Population)	Atherton 1990 [1]	Atherton 2000 [2]	San Mateo County 1990	San Mateo County 2000
White	90.9%	85.3%	71.9%	59.5%
African American	0.8	0.7	5.4	3.5
American Indian or Alaskan Native	0.2	0.2	0.5	0.5
Asian or Pacific Islander	7.3	10.2	16.8	21.3
Other	0.8	1.0	5.4	10.2
Two or more Races **		2.6		5.0

and Pacific Islanders have grown by 3% to 10.2% of the population. The racial mix in Atherton is not comparable to the County pattern, however, as shown in the table above. Additionally, in 2000 about 3% of the population stated they were of Hispanic or Latino heritage.

TABLE HII-5: HISPANIC OR LATINO

	Atherton 2000	San Mateo County 2000
Hispanic or Latino	2.8%	21.9%
Not Hispanic or Latino	97.2%	78.1%

3.214 Households

3.214a Household Population

People living in "Households" are differentiated from people living in "Group Quarters" by the Census Bureau and in California Housing Element law. A household includes all persons who occupy a housing unit; such as a house or an apartment, whether related or unrelated. Group quarters include all persons not living in households; such as rooming houses, group homes and school dormitories. The two group quarters facilities existing in Atherton are: Oakwood Home for the Retired Religious at Sacred Heart Schools and Menlo College on-campus residency for students and faculty. Many lower income residents of Atherton reside at Oakwood or Menlo College.

Household population data for 1980-2008 is included in the table below. Household population decreased between 1980 and 1990 following the general pattern of decreasing population during the same period. Household population increased slightly from 1990 to

[1] 1990 U.S. Census

[2] 2000 U.S. Census

2000, however group quarters population decreased, leaving the general population total essentially the same during that period.

TABLE HII-6: HOUSEHOLD CHARACTERISTICS

	1980	1990	2000[1]	2008[2]
Population	7,796	7,163	7,194	7,360
Household Population	7,488	6,675	6,875	N/A
Group Quarters Pop.	308	488	319	N/A
No. of Households	2,496	2,403	2,413	2,452
Persons/Household	3.0	2.78	2.85	2.9

3.214b Number of Households

The number of households in Atherton remained relatively constant during the period 1980-2000. A 3.7 percent decline in the number of households occurred from 1980 to 1990 and an increase of less than 0.5 percent occurred from 1990 to 2000.

3.214c Average Household Size

The population of Atherton is fairly evenly dispersed throughout the community in a low density single family home development pattern. The two greatest concentrations of population are housed in the group quarters at Menlo College and at Sacred Heart Schools.

In 2000, the average household size for all residential units in Atherton was 2.85 persons, slightly higher than the County average of 2.78. For owner occupied units the average was slightly lower at 2.84 persons per unit, and for renter occupied units it was higher than the overall average at 2.94 persons per unit. The average household size measured in persons per household declined by 7 percent from 1980 to 1990 and increased 2.5 percent from 1990 to 2000.

3.214d Household Income

The numbers of households by income category and tenure are shown in the table below. In 2000, approximately 69% of Atherton households had above moderate incomes. Census data shows that there were no renter households in the extremely low, very low or above moderate income categories. Only 5% of households were renters in the low and moderate income categories. Approximately 26% of households were owners in the extremely low to moderate income categories.

[1] U.S. Census

[2] ABAG Projections 2007, CA Dept. of Finance E-5from 21 Elements

TABLE HII-7: HOUSEHOLD INCOME BY TENURE[1]

Income Category	Income Range	Rent	Own	Total
Extremely Low	Less than $30,000	0	68	68
Very Low	$30,000 to $49,999	0	141	141
Low	$50,000 to $84,999	22	244	266
Moderate	$85,000 to $124,999	103	180	283
Above Moderate	$125,000 or more	0	1,655	1,655
Total		125	2,288	2,413

3.214e Household Types

TABLE HII-8: HOUSEHOLD TYPE

Category	Number	Percent
Family without Children	1,180	48.9
Family with Children	804	33.3
Single Person	308	12.8
Non-family Multi-person Household	121	5.0

3.214f Extremely Low Income Households

Table HII-7 shows that in 1999 there were 68 households in Atherton in the Extremely Low Income category. All of these households lived in owner occupied housing units. Given high housing costs in Atherton, this suggests that they were older residents who had owned their homes for a substantial period. In Atherton second dwelling units are the kind of housing that is generally available and suitable for extremely low income households. The existing zoning permits these housing types.

3.215 Overpaying and Overcrowding

3.215a Level of Payment Compared with Ability to Pay

Overpayment is defined by HCD in terms of a percentage of the gross household income a household spends for housing. Thirty percent of gross household income is the standard affordability level. Severe overpaying occurs when households pay 50 percent or more of their gross income for housing.

The median value of housing for the Town taken as a whole was about $3,288,000[2] in June 2008. The median value is also a function of the asking price for homes in the two zoning districts; R-1A (one acre) and R-1B (one-third acre). In June 2008 the median asking price for

[1] 2000 U.S. Census, Table P52 Household Income in 1999 (SF3)

[2] Source: www.paloaltoonline.com/real_estate

homes in the R-1A District was $6,747,000 and in the R-1B District was $1,921,500.

In the year 2000 there were 40 dwelling units in Atherton identified by the U.S. Census as renter occupied units. Thirty one of the units were rented for $2,000 or more per month and nine of the units had "no cash rent". The median contract rent was $2,000+[1]. The most affordable housing is provided through second units and private schools.

The table below shows the number of households in Atherton that had costs or rents of 30 percent or more of the household income in 1999. The countywide median family income for a family of three (the average household size in Atherton) was $74,900 in 2000. The lower income limit was $52,500.

TABLE HII-9: OVERPAYMENT BY TENURE AND INCOME[2]

Tenure and Income Level	Household Income in 1999 (for Lower Income Households)[3]	Number of Occupied Housing Units with Costs or Rents as a Percentage of Household Income	
		30 to 34 %	35 % or more
Owner	< $10,000	0	10
	$10,000-$19,999	0	19
Very Low	$20,000-$34,999	10	23
Low Income	$35,000-$49,999	5	20
	$50,000-$74,999	24	71
Moderate	$75,000-$99,999	30	42
Above Mod.	$100,000-149,999	10	79
	$150,000+	71	123
Renter	< $10,000	0	0
	$10,000-$19,999	0	0
Very Low	$20,000-$34,999	0	0
Low Income	$35,000-$49,999	0	0
	$50,000-$74,999	0	4
Moderate	$75,000-$99,999	0	10
Above Mod.	$100,000+	0	0
Total		150	401

The income limit for a family of three in the very low income category was $33,700 in 2000. Using that gauge there would have been about 62 (11%) very low income households, 34 (6%)

[1] 2000 U.S. Census, Table H54 Contract Rent (SF3)

[2] 2000 U.S. Census Table H73 Household Income in 1999 by Gross Rent as a Percentage of Household Income in 1999 (SF3) and Table H97 Household Income in 1999 by Selected Monthly Owner Costs as a Percentage of Household Income in 1999 (SF3)

[3] Defined as at or below 80 percent of the median income.

low income households, 172 (31%) moderate income households and 283 (51%) above moderate income households in Atherton paying 30 percent or more of their household income for housing. All but 14 of these households were living in owner occupied units.

TABLE HII-10: HOUSEHOLD INCOME IN 1999 BY TENURE

Household Income in 1999 (for Lower Income Households)	Number of Occupied Housing Units	
	Owner Occupied	Renter Occupied
< $10,000	32	0
$10,000-$19,999	26	0
$20,000-$34,999	53	0
$35,000-$49,999	89	0
$50,000-$74,999	179	4
$75,000-$99,999	203	10
$100,000-$149,999	301	26
>$150,000	1,450	0
Total	2,333	40

Table HII-10 shows the total number of households by household income living in Atherton in 1999 so that the reader may obtain a perspective of the household income picture.

3.215b Overcrowding by Tenure

The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded.

Table HII-11 shows occupancy data for Atherton. In 1990 about 0.4 percent of the housing units in Town were considered overcrowded and about 0.2 percent were considered severely overcrowded. Only 15 or 0.6 percent of the dwelling units in Town were considered overcrowded in the 2000 Census enumeration.

The Census data was not available by tenure; however, since 95 percent of Atherton households live in owner occupied units the occupancy by tenure can be extrapolated. It is estimated that 14 of the overcrowded and severely overcrowded units were owner occupied and 1 of the overcrowded and severely overcrowded units were renter occupied.

TABLE HII-11: OVERCROWDING[1]

Persons per Room	1990	Percent	2000	Percent
1.00 or less	2,388	99.4	2,399	99.4
1.01 to 1.50	10	0.4	0	0.0
1.50 or more	5	0.2	14	0.6

3.216 Housing Characteristics

3.216a Number of Housing Units and Type of Housing

A total of 2,496 housing units were counted in Atherton during the 1980 Federal Census, 103 units more than in 1970. That number stayed essentially constant through the year 2000. The 2000 Census counted 2,505 housing units in Atherton. Most of the housing units in Atherton, with the exception of second dwelling units and group quarters, are single-family homes.

Private Schools. Most of the affordable housing in Atherton is concentrated at the several private schools located in the community. The primary group quarter facilities are located at Menlo College, which can accommodate on-campus residency of approximately 450 students and at Oakwood Home for the Retired Religious on the campus of the Sacred Heart Schools which provides congregate housing, similar to SRO's, for approximately 52 residents in a group of buildings devoted to that purpose. The incomes of the residents are considered extremely low.

Menlo School provides 9 small single family detached dwelling units on campus that are rented at low rates to faculty members. The rental structure for these units equates to the very income category[2]. Menlo College currently has 19 on-campus housing units rented exclusively exclusively to faculty and staff. The rental structure for these units equates to the very low income category[3].

Second Dwelling Units. It is estimated that from 194 to 266 second dwelling units and 48 to 121 internal living quarters[4] currently exist in Atherton.[5] Experience during the period 1999 to to 2007 shows that 4 new second dwelling units were constructed. That was a rate of about one new second unit constructed every two years. During the same period it is estimated that about 50 to 75 new internal living quarters were constructed. That was a rate of 6-10 internal living units constructed per year. For comparison purposes there were 265 new main houses

[1] 1990 U.S. Census, Table H021Persons per Room (STF1), 2000 U.S. Census

[2] Current rates range from $465 per month for a 2 bedroom, 1 bath unit to $757 per month for a 4 bedroom, 2 bath unit.

[3] Current rates range from $750 to $1,500 per month.

[4] Internal living quarters do not meet the definition of a second dwelling because they do not have a full kitchen.

[5] Atherton resident survey about second dwelling units, guest houses and internal living quarters, October 2008.

constructed in Atherton over the same 8 year period for an average of 33 new main houses per year.

Most second dwelling units were less than 600 square feet in size. The current zoning regulations restrict second units to a maximum of 600 square feet. A Zoning Ordinance amendment is being considered to increase the minimum size to 1,200 square feet.

Most second dwelling units are reported as attached. All internal living quarters are reported as attached.

Second dwelling units are split nearly evenly between studios and one bedroom units with slightly more studios. Almost 60% of internal living quarters are studios.

Most occupants of second dwelling units and internal living quarters are not charged rent. Where rent is charged it generally ranges from under $600 to $1,500 per month for second units and from under $600 to $1,000 per month for internal living quarters. All second units and internal living quarters were rented at levels affordable to extremely low income and very low income households.

3.216b Tenure Characteristics

The number of households in Atherton remained almost unchanged from 1990 to 2000; growing by only 0.4% or at a rate of 1 household per year. The proportion of renter and owner households also stayed almost constant with ownership growing by about 1.5% during the decade and renter households decreasing by the same amount. ABAG projects that the number of Atherton households will increase to approximately 2,510 by 2015. However, it is expected that the tenure ratio will not change significantly. The housing needs of owners are being met by the resale of existing single family homes and the net increase of new single family homes in Town. The housing needs of rental households are being met by the rental of second units, some limited rentals of single family homes, and housing for students, faculty, and the retired religious provided on institutional sites.

Vacancy rates for all housing units have fluctuated from 1.5 percent in 1980, to 4.6 percent in 1990 and 3.7 percent in 2000.

TABLE HII-12: TENURE

Tenure	1980	1990	2000
Owner Occupied	2,311	2,242	2,288
Renter Occupied	148	161	125
Total Occupied	2,459	2,403	2,413
Vacant	37	115	92
Total Housing Units	2,496	2,518	2,505

3.216c Condition of Housing Stock

A windshield survey of all of the housing stock in Atherton was conducted in May and June 2008 by the Town Planning Staff. During that survey any substandard units (i.e. those in need of rehabilitation [repair] and those in need of replacement [demolition]) were identified with specific notations concerning the elements that contributed to its substandard condition. Only one house was found to be in need of rehabilitation and no house was found to be in need of demolition. All other housing units were found to be in good or excellent condition.

The 2000 Census data showed that about 1,714 or 68 percent of the housing units in Atherton were built before 1960. However, since the mid-and late 1990's a trend of demolishing existing single-family houses and replacing them with larger houses, has developed. That trend continued through the through 2008. Between 1999 and 2006 about 240 existing housing units were demolished and replaced with 245 housing units. An average of approximately 34 houses per year was replaced over the 7 year period of 1999-2006.

The condition of nearly all residential structures in Atherton is well-maintained. Renovation permit requests are common according to Building Department records.

3.216d Vacancy Rates

A vacancy rate of approximately 5 percent is considered to permit normal turnover of single family homes. Atherton has had a vacancy rate of less than 5 percent over the past 25 years. The vacancy rate according to the 2000 U.S. Census was 3.7%.

3.216e Housing Costs and Affordability

The median sales price in 1999 for a single family home in Atherton was $1,975,000. That median sales price increased to $3,065,000 in 2008. The 2008 Atherton median price is compared to those in nearby cities of Menlo Park - $837,500, Redwood City - $830,000 and San Carlos – $945,000. It appears that the purchase of homes in Atherton is only available to above-moderate households. Rental information in Atherton for 2008 is not available[1] but typical rents in other nearby jurisdictions are $1,100 per month for a studio apartment, $1,500 for a one bedroom apartment, $1,800 for a two bedroom apartment and $2,500-$3,500 for a three bedroom two bath house. The Center for Housing Policy estimates that an annual income of $251,541 is necessary to afford a $770,000 home in the San Francisco Bay Area and an hourly wage of $23.83 is necessary in order to afford the rent of a one bedroom apartment and an hourly wage of $29.83 is necessary in order to afford the rent of a two bedroom apartment.

TABLE HII-13: HISTORIC VACANCY RATES

Year	Number of Vacant Units	Percent
1980	37	1.5%
1990	115	4.6%
2000	92	3.7%

[1] Sample universe too small to avoid disclosure of individual information according to 21 Elements

3.217 Special Housing Needs Groups

3.217a Single Parent

In 2000 there were 54 families living in Atherton that had single parent heads of household. Of the total of 1,984 families 1.7 percent (34) were families with single female heads of household and 1.0 percent were families with single male heads of household.

TABLE HII-14: SINGLE PARENT FAMILIES WITH CHILDREN UNDER 18 YEARS[1]

Head of Household	2000
Male	20
Female	34

3.217b Elderly

TABLE HII-15: HOUSEHOLDS OCCUPIED BY PERSONS 65 YEARS AND OVER[2]

Household Type	2000
Total Households	938
One-person Household	174
Family Household	694
Non-Family Household	70

According to the 2000 Census, there were 1,578 elderly residents (65 years of age and older) living in Atherton, representing 21.9% of the total population. In addition, there were 555 residents between the ages of 60 and 64, and 713 residents between the ages of 55 and 59. There were 46 (2.9%) elderly Atherton residents "in poverty". Also, there were 781 or 32% of heads of household age 65 and over. Of these, 763 elderly householders owned their homes and 18 elderly householders rented their homes.[3] The 2000 Census reports that the Town had 938 households or 39 percent of all the households in Atherton with one or more people 65 years and over. Of those 19 percent lived in one-person households, 74 percent lived in family households and 7 percent lived in non-family households. This suggests that a majority of the Town's elderly are likely being cared for by family members or assisted by others in the same household. For elderly residents living alone, obtaining needs such as the provision of meals (due to mobility issues), transportation, and other typical senior services becomes a considerable challenge. These needs are now satisfied through a variety of programs operated and funded by San Mateo County and various social service agencies. With the Town's older population there is a probability that there are a considerable number of single family detached

[1] 2000 U.S. Census, Table P34 Family Type by Presence and Age of Own Children (SF1)

[2] 2000 U.S. Census, Table PCT19 Households by Presence of People 65 Years and Over by Household (SF4)

[3] 2000 U.S. Census from 21 Elements

residential units which are under-utilized due to the fact that they were constructed to accommodate large families and now provide living space for one or two people. The Town permits shared living arrangements such as through the Human Investment Project to provide support for elderly residents and a home for a lower income person.

The California Health and Safety Code Section 1568.031 provides that a residential care facility (defined as a facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed. Similarly, California Government Code Section 65583(c)(1) also requires provisions for supportive housing serving lower income, disabled adults, who may be elderly. The proportion of elderly is expected to grow, and housing for the elderly will be a continuing concern in San Mateo County. Although many elderly can continue to live in their own homes, particularly if structural modifications are made to help them cope with the disabilities that accompany aging, there will nevertheless be an increasing demand for specialized care facilities. The Housing Element includes programs that will allow development of such housing and other opportunities for some long-term Atherton residents who can no longer remain in their homes to continue to living in Atherton.

3.217c Disabled Persons

TABLE HII-16: RESIDENTS WITH DISABILITIES[1]

Disability Type	2000
Total Disabilities Tallied	983
Sensory Disability	78
Physical Disability	343
Mental Disability	172
Self-care Disability	78
Go-outside-home Disability	195
Employment Disability	117

According to the 2000 Census there were 983 persons with some type of disability living in Atherton. This was about 14% of the total population. There were 73 disabled children between the ages of 5 and 15 years old; 59 of which had mental disabilities. There were 365 adults between the ages of 16 and 64 with disabilities. The most reported types of disabilities were physical, "go-outside-of-home", and employment disabilities. However, 64% of this group was employed. There were 545 adults 65 years and over with disabilities; the most common reported disabilities were physical, "go-outside-of-home", and mental. No data is available about the incomes of households with disabled members.

The housing needs of the physically disabled in Atherton are similar to those of the elderly and are usually met by removal of barriers to living within the dwelling and in public areas. Changes to home design features to allow for access to the physically challenged is the responsibility of the homeowner. The Town is responsible for removing barriers to living in

[1] 2000 U.S. Census, Table P41 Age by Type of Disability for the Civilian Noninstitutionaized Population 5 Years and Over with Disabilities (SF3)

responsibility of the homeowner. The Town is responsible for removing barriers to living in public areas such as public streets, library, Town Hall and Holbrook-Palmer Park. The Housing Element includes a program that requires review of the Zoning Ordinance to identify provisions that might pose constraints to the development of housing for persons with disabilities and to, where applicable, establish a reasonable accommodation procedure that will continue to provide adequate flexibility in the development and retrofitting of housing for persons with disabilities.

3.217d Large Families

Large family households are defined as households where 5 or more people reside. In 2000 there were 319 large family households and 9 large nonfamily households living in Atherton[1]. The Census data shows that 310 of these households were living in owner occupied dwellings and 18 were living in renter occupied dwellings. Some data[2] indicates that about 19% or 64 of these large family households are burdened by paying too much for their housing. Overcrowding is rare. A large portion of the housing stock in Atherton is large and spacious, providing ample living space for the larger than average family. Town records indicate that the construction of new residences has maintained this trend, resulting in the addition of large homes which can serve the needs of large families.

3.217e Female Headed Households

In 2000 there were 108 family households that had female heads of household living in Atherton. There were 34 families that had female heads of household with children under 18 years of age and 5 female headed households with incomes under the poverty level. The special needs of this group include low cost housing, suitable for children and located near schools and child care facilities. Innovative shared living arrangements, including congregate cooking and child care, would also be suitable. Policies contained in the Housing Element Update which benefit this group includes those intended to prevent discriminatory housing practices, promote housing affordability and increase the supply of second units.

3.217e Farm Workers

In 2000 there were no people living in Atherton employed as farm workers and the closest agricultural areas are at least 30 minutes distant. ABAG has determined that housing for farmworkers is not suitable in the urbanized portion of the Bay Area located far from agricultural areas.

3.217f Homeless Persons and Families

- *Local Context/Overall Policy and Strategy*

In 2005-2006, a countywide group of diverse stakeholders undertook an intensive community-

[1] 2000 U.S. Census, Table PCT17 Household Type by Household Size (SF4)

[2] State of the Cities Data Systems, CHAS Data

result – entitled "Housing Our People Effectively (HOPE): Ending Homelessness in San Mateo County" ("the HOPE Plan") – lays out concrete strategies designed to end homelessness in our community within 10 years. The report incorporates the experiences and expertise of over 200 stakeholders, including members of the business, nonprofit and government sectors. These stakeholders met in working groups over a period of 12 months to develop the recommendations in the plan. Homeless and formerly homeless persons were represented in the working groups, as well as in several focus groups conducted in emergency shelters and transitional housing programs. The result of this year-long community planning process was the finalized HOPE Plan, which was completed in March 2006. The plan has been formally adopted by the San Mateo County Board of Supervisors and many of San Mateo County's 21 jurisdictions.

One of the key strategies for ending homelessness laid out in the HOPE Plan is to increase the supply of permanent affordable and supportive housing for people who are homeless and develop strategies to help them to move into permanent housing as rapidly as possible (a "housing first" or "rapid re-housing" approach). The HOPE Plan intentionally made no recommendation to expand the supply of emergency or transitional housing. Although the HOPE planners recognized that there is a lack of needed resources throughout the housing continuum, including emergency and transitional housing, the greatest need and the most effective use of new and/or redirected resources is for creating and sustaining quality affordable housing and supportive housing.

- *Existing Resources and Programs*

The following chart provides a summary of the emergency shelter, transitional housing and supportive housing units for homeless people that are located in Atherton. The source of this information is the HOPE Plan (San Mateo County's 10-Year Plan to End Homelessness), which has been updated by the San Mateo County Human Services Agency, Center on Homelessness.

Atherton is committed to expanding the resources for homeless individuals in our community, particularly the supply of permanent supportive housing. The chart below summarizes units in San Mateo County for which a funding source has been either secured or identified.

TABLE HII-17: INVENTORY OF EMERGENCY SHELTER, TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING IN ATHERTON

Facility/Program	Provider	Facility Type	Shelter/TH Beds for Families	Shelter/TH Beds for Individuals	SH Units
Shelter Plus Care Program[1]	San Mateo County Housing Authority	Supportive Housing	0	0	1

[1] Indicates scattered-site/tenant based voucher program. Units have been allocated to jurisdiction based on average distribution of units in these programs from January to October 2008.

TABLE HII-18: EMERGENCY SHELTER, TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING UNITS UNDER DEVELOPMENT IN SAN MATEO COUNTY

Program Name	Provider	No. of Units	Funding Source and Status
Housing Readiness Program	San Mateo County Housing Authority	60	The Housing Authority has requested to convert 60 "welfare to work" tenant-based Section 8 vouchers for use by homeless people. The proposed program is awaiting final HUD approval and is expected to begin in 2009.
Shelter Plus Care Program	San Mateo County Housing Authority	15	Each year San Mateo County is eligible to apply for about 3 additional S+C units from HUD. Over the next five year, it is anticipated that 15 new tenant-based S+C vouchers will be added to the existing S+C program.
Mental Health Services Act Housing Program	San Mateo County Mental Health	45	San Mateo County has been allocated funding from the State of California through the MHSA to create new supportive housing units for homeless people with mental illness. Mental Health is planning to issue RFP's for these housing dollars by the end of 2008 and expects to fund about 45 units. These will be new construction or acquisition/rehab projects. Developers and locations are not yet known.
TOTAL		120	

Since none of these programs currently have identified sites, the number of units that will be developed in Atherton has been estimated based on the percentage of the county's current inventory of supportive housing units that is located in Town.

TABLE HII-19: PROJECTED BREAKDOWN OF UNITS UNDER DEVELOPMENT

Total Units Under Development	Percentage of Existing SH Units Located in Atherton	Estimated Number of New Units To Be Located Atherton
120	1%	1

Homeless people near Atherton also have access to a wide range of supportive services designed to help them gain greater stability and self-sufficiency and to meet their health and behavioral health needs. These services include the ones listed below.

Provider/Program	Services Provided	Service Area
Core Service Agencies		
Samaritan House	Information and referral, emergency assistance, rental and utility assistance	Central County
El Concilio Emergency Services Partnership	Information and referral, emergency assistance, rental and utility	South County

	assistance	
Fair Oaks Community Center	Information and referral, emergency assistance, rental and utility assistance	South County
Emergency Assistance		
Salvation Army	Emergency food and clothing; information and referrals	North, Central, South County
St. Vincent DePaul Society	Emergency food and clothing; information and referrals; homeless help desks	All County (Homeless help desks located in Redwood City, San Mateo, South SF)
Homeless Outreach		
Mateo Lodge Mobile Support Team	Mobile mental health services for homeless people with mentally illness	All County
Health Services		
Mobile Health Clinic (San Mateo County Health Dept.)	Health screening, immunization, etc. for low income and homeless people	All County
Mental Health Services		
Mental Health Association of San Mateo County	Mental health services for homeless people with mental illness	All County
San Mateo County Behavioral Health and Recover Services, Mental Health Access Team	Information, assessment, consultation and referral	All County
Alcohol and Drug Services		
Asian-American Recovery Services	Outpatient services	All County
Free At Last	Outpatient and residential treatment	All County
Women's Recovery Association	Outpatient and residential treatment	All County
Palm Avenue Detoxification Program	Drug and alcohol detox	All County
Latino Commission on Alcohol and Drug Abuse Services	Residential treatment	All County
Project 90	Residential treatment	All County
Youth and Family Services		
Youth and Family Enrichment Services	Services for homeless youth	All County
Family Resource Centers (San Mateo County Human Services Agency)	Prevention and early intervention services at school sites throughout San Mateo County	All County
Domestic Violence Services		
CORA	DV hotline, legal assistance, counseling, prevention services	All County

Employment and Training		
Department of Rehabilitation	Employment and training services for people with disabilities	All County
Peninsula Works (San Mateo County Human Services Agency)	One-stop careers centers	All County
Legal Services		
Legal Aid Society of San Mateo County	Free civil legal services for low income and homeless people	All County

- *Unmet Need – Number and Characteristics of Homeless People*

The January 2007 San Mateo County Homeless Census and Survey found no homeless people in Town, either sheltered or unsheltered. The Town's Police Department confirms that it has not encountered any homeless people living in Atherton in the past year.

Although the 2007 San Mateo County Homeless Census and Survey found no homeless people in Atherton, the Executive Summary of that report provides a useful analysis of the characteristics of the County's homeless population: "the survey indicated that the typical homeless person in San Mateo County is a single man with at least one disability. At least 85% of homeless adults surveyed were single individuals or couples who are not living with children, 66% were men, and 72% had at least one disability (mental illness, substance use, chronic health condition, physical or developmental disability). All had extremely limited incomes and the vast majority (80%) was unemployed. More than one quarter (27%) were veterans of the U.S. Armed Forces."

- *Assessment of Unmet Year Round Need for Emergency Shelter*

Atherton estimates that the Town does not need any year-round emergency shelter beds to meet the needs of the unsheltered homeless people in our community. The following methodology was used to arrive at this estimate:

TABLE HII-20: ASSESSMENT OF UNMET YEAR ROUND NEED FOR EMERGENCY SHELTER

Daily average number of unsheltered homeless people	0
Minus number of available shelter, transitional housing and supportive housing beds	-1
Minus number of supportive housing units under development or for which funding has been identified	-1
Equals unmet need for emergency shelter beds	-2

This methodology has been recommended by consultants to the San Mateo County Housing Element Update Consortium's "21 Elements" project and is consistent with best practices in the field of homeless housing and services, HUD publications on estimating the numbers of homeless people and unmet need for housing.

- *Assessment of Seasonal Need for Emergency Shelter*

There is no data presently available documenting the increased level of demand for shelter in San Mateo County during particular times of the year. Due to the relatively mild climate, the only time of year when increased demand appears to be a factor is during the winter months (December to February). During extremely cold periods, some shelters set up additional cots to accommodate increased demand for shelter and the County periodically opens special "warming shelters" during extended cold spells. Anecdotal evidence suggests that this

additional capacity is sufficient to meet the need during these periods.

Additionally, it should be noted that the biannual homeless count always takes place in the last week of January, which is a period of time when demand for shelter typically is at its highest. Since the year-round need described above is based on that biannual count, we therefore believe that the seasonal need for emergency shelter is no greater than the year-round need.

- *Assessment of Unmet Need for Supportive Housing*

As part of the planning process for the HOPE Plan, a working group was convened to develop an estimate of the number of supportive housing units that would have to be developed to meet the housing needs of all the homeless people in San Mateo County. This working group drew from best practices in the field of supportive housing as well as the expertise of local housing and shelter providers to develop their methodology. The result was an estimate that San Mateo County needed to create 1,682 units of supportive housing for homeless people during the 10-year period from 2006 to 2015. In the two years since the plan was published, 34 supportive housing units for homeless people have been created, leaving a balance of 1,648 units needed.

The estimates presented in the HOPE Plan do not provide a breakdown of unmet need by jurisdiction. However, Atherton has estimated the Town's share of the needed units, based on the percentage of the total number of unsheltered homeless people living in our community. Given that it is estimated that no unsheltered homeless people in the county are residing in Atherton, it is estimated that the Town's has met its need for supportive housing through the Shelter Plus Care program.

- *Policies and Programs to Meet Need – Zoning for Emergency Shelters*

By June 30, 2010, Atherton will establish a zone that meets requirements set forth in SB2 relating to emergency shelters. The Town will amend the existing PFS (Public Facilities and Schools) Zoning District to provide for emergency shelters as an allowable use when located within the Town Civic Center property.

Within this zone shelters will be permitted without a conditional use permit or other discretionary action. The zone will contain approximately 6 acres, which can accommodate up to three shelter beds, providing adequate capacity to meet the identified need. A typical shelter approximately 1,000 sq. ft. in size would be allowed in this zone by right.

Within this zone, shelters will be subject to the same development and management standards as other uses within the zone and require only a building permit. The Town will also develop objective and predictable standards for shelter operation as provided by law.

There is a realistic potential for redevelopment or reuse within the proposed zone since a substantial portion of the site is currently an underutilized parking lot. This zoning district currently allows Town Hall and associated community uses including a library, corporation yard, and public schools. Private schools and associated residential uses are allowed as conditional uses. Properties surrounding the Civic Center are zoned for single family

residential uses. The Civic Center uses are low intensity uses and are compatible with adjacent existing residential uses that have co-existed for many years. A shelter would also be compatible with the residential uses and the Civic Center.

In order to establish this amended zone, the following process steps will be followed. Atherton Planning Staff will develop draft language for the zoning ordinance amendment and development and management standards by December 31, 2009 and present the proposal to the Town General Plan Committee at its January 2010 monthly meeting. A public hearing will be held and recommendation made to the City Council by the Atherton Planning Commission on the proposal by April 30, 2010. The City Council will hold a public hearing and adopt the proposal by June 30, 2010.

- *Zoning for Transitional and Supportive Housing*

By June 30, 2010, Atherton will amend the zoning code to explicitly state that any use is permitted if required by State law. Under this revision, supportive and transitional housing will only need to obtain the same types of permits and approvals as any other residential development. Residential uses, including transitional and supportive housing, will be permitted in the following zones; R-1A and R-1B.

The following process steps will be followed to amend the zoning. Atherton Planning Staff will develop draft language for the zoning ordinance amendment by December 31, 2009 and present the proposal to the Town General Plan Committee at its January 2010 monthly meeting. A public hearing will be held and recommendation made to the City Council by the Atherton Planning Commission on the proposal by April 30, 2010. The City Council will hold a public hearing and adopt the proposal by June 30, 2010.

- *Housing Accountability Act*

The Town has not denied affordable housing, emergency shelters, transitional housing or supportive housing and will comply with the Housing Accountability Act in reviewing any application for one of these uses.

3.218 Affordable Housing Preservation

3.218a Summary of At-Risk Units

"Assisted housing development" means a multifamily rental housing development that receives governmental assistance under any federal, State, county or local program. There are no existing assisted housing developments in Atherton that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage pre-payment, or expiration of restrictions on use. The only multifamily rental housing in Atherton is at Oakwood, Menlo School and Menlo College. The existing low income housing provided at Oakwood, Menlo School and Menlo College was not built with federal or state assistance and consequently is not deed-restricted; its affordability is maintained by those institutions. This type of housing is not considered to be "at-risk housing" as defined in Housing Element Law.

3.220 Employment Characteristics

The total number of people in the labor force decreased by 10% from 1990 to 2000; however the total population remained constant. While the number of males in the labor force has remained relatively constant, the percentage of females has increased, from 29 percent of the women age 16 and over in 1970 to over 45 percent in 1990 but then decreased to 40% in 2000. In 2000 only 57 percent of those Atherton residents 16 and over were in the labor force while County-wide, the proportion was 66.5 percent.

TABLE HII-21: EMPLOYMENT PICTURE[1]

Category	1970	1980	1990	*2000*
Persons Under 16				
Male	1,140	740	617	*763*
Female	1,046	780	602	*750*
Persons 16 & Over				
Male	2,976	3,158	2,907	*2,716*
Female	2,923	3,119	3,037	*2,965*
In Labor Force				
Male	2,125	2,304	2,208	*2,037*
Female	839	1,103	1,381	*1,193*
Not in Labor Force				
Male	851	854	699	*679*
Female	2,084	1,989	1,656	*1,772*
Number Employed				
Male	2,055	2,210	2,171	*2,014*
Female	786	1,113	1,354	*1,152*
Number Unemployed				
Male	70	94	37	*23*

[1] 2000 U.S. Census, Table DP-3 Profile of Selected Economic Characteristics (SF 3)

Female	53	17	27	*41*
Percent Unemployed				
Male	3.3%	4.1%	1.3%	*1.1%*
Female	6.3%	1.5%	0.9%	*3.4%*

3.220a Employment by Industry

TABLE HII-22: EMPLOYMENT BY INDUSTRY[1]

	1990		2000	
Industry	**Number**	**Percent**	**Number**	**Percent**
Agriculture, forestry, and fisheries	22	0.7%	0	0
Mining	6	0.2%	0	0
Construction	93	2.9%	138	4.4%
Manufacturing	347	10.7%	396	12.5%
Wholesale trade	151	4.7%	135	4.3%
Retail trade	462	14.3%	308	9.7%
Transportation, warehousing and utilities	104	3.2%	39	1.2%
Information	20	0.6%	162	5.1%
Finance, insurance, real estate	668	20.7%	433	13.7%
Professional, scientific, management, administrative	495	15.3%	723	22.8%
Educational, health and social services	808	25.0%	558	17.6%
Arts, entertainment, recreation, accommodation and food services	28	0.9%	171	5.4%
Other Services			79	2.5%
Public Administration	25	0.8%	24	0.8%
Total	3229	100.0%	3166	100.0%

Atherton residents are primarily employed in the Finance, Professional, Educational and Health Services sectors of the economy. This has been a consistent pattern over the last 30 years. During that time 54% to 61% of the workforce living in Atherton has been employed in these

[1] 1990 U.S. Census, Table PO77 Industry (STF 3)

2000 U.S. Census, Table P49 Sex by Industry for the Employed Civilian Population 16 Years and Over (SF 3)

sectors. Table HII-22 shows employment by industry category for the years 1990 and 2000. There are no significant changes anticipated in the employment sectors of the workforce living in Atherton during the Planning Period. Consequently there are no anticipated resulting impacts on the housing market.

3.220b Employers in Atherton

A recent survey of employers in Atherton[1] showed that there are about 1,800 jobs in town. The largest sources of employment in Town are the 5 public and 5 private schools located within the City Limits. Approximately 47% of the jobs are with the schools. The numerous construction sites in Town produce an estimated 25% of the jobs and home occupations account for about 16%.

In 2007the annual income[2] of a typical elementary school teacher was $58,241, a police officer was $57,562 and a carpenter was $52,100. A one person household wage-earner in one of these categories would not be able to purchase a home in Atherton; and could probably not purchase a home in another city on the San Francisco Peninsula where the median home price in 2007 was $770,000. However, they could afford to rent a one or perhaps two bedroom apartment in a nearby city such as Redwood City or in unincorporated San Mateo County (e.g. North Fair Oaks).

3.220c Jobs Housing Balance

Jobs/housing balance is a measure of the relationship between employment and dwelling units in an area. The jobs/housing balance is simply a ratio of the number of jobs divided by the number of housing units in a community. A low jobs/housing balance indicates a community that has more housing than employment; sometimes referred to as a "bedroom community". A high jobs/housing ratio indicates an employment center. Although there is no universally accepted ratio for a "balance", it is generally accepted that an area is considered "in balance" if it has a ratio of 1 to 1.5 jobs per housing unit.

Atherton has a jobs/housing ratio of 0.725[3]. That means that the Town has a surplus of housing in comparison with the jobs in the community. A more realistic view of the current jobs/housing status would be to look at the Atherton, Menlo Park, Redwood City area where the jobs/housing ratio is 1.34[4] and considered within the range of the generally accepted definition of "in balance" since many households contain more than one worker.

3.221 Energy Conservation Opportunities

Given the importance of promoting land use and housing strategies to address climate change

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[1] Compiled by Town Planning Staff.

[2] Center for Housing Policy, *Paycheck to Paycheck – 2007 Third Quarter Findings,* San Francisco SMSA

[3] Derived by dividing 1,817 jobs by 2,505 housing units.

[4] 2000 U.S. Census, Tables DP-3 and H34 (SF 3), derived by dividing 59,115 jobs by 44,171 housing units.

and energy conservation, this analysis could facilitate adoption of housing and land use policies and programs in the housing element that meet housing and conservation objectives. Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters. For example, the housing element could encourage green building techniques and materials in new and resale homes, promote energy audits and participation in utility programs, and facilitate energy retrofits upon resale of homes.

The Town will be considering adopting "green building" policies as part of the General Plan during fiscal year 2009-10.

3.300 PROJECTED HOUSING NEEDS

3.310 Analysis of Population and Employment Projections

This section contains information on the Town's population and employment projections. It also includes documentation of Atherton's share of the regional housing need as determined by the Association of Bay Area Governments (ABAG) and the San Mateo County Sub-regional RHNA Process.

3.311 Population Projections

Bi-annually ABAG publishes its 35 year forecast for the San Francisco Bay Area. The forecasts are for population, labor force, households, income and jobs. These projections are made for the 9 county region and then distributed among the counties and cities of the region. The latest study and publication is "Projections-2007" issued by ABAG in December 2006. The forecasts for Atherton are found in Table HIII-1.

ABAG projects that Atherton's population will increase by about 8%, or by about 600 people in the 35 years from 2000 to 2035. That is an increase of slightly over 1% every 5 years. The number of households is projected to grow by about 7 % in the 35 year period. The population per household is projected to hold steady over the time frame.

3.312 Employment Projections

ABAG forecasts that the number of jobs in Atherton will increase by about 9% in the 35 years from 2000 to 2035, for a total of 250 new jobs. Most growth is projected to occur in the Financial & Professional Service, Health, Education and Recreation Service and Other Jobs categories.

3.313 Housing Needs Allocation

During the Planning Period 2007-14 San Mateo County and all 20 cities within the County formed a Sub-region pursuant to California Government Code Section 65584.03. The San Mateo County Sub-region worked together to allocate the housing needs for the County as a whole, to each of the 21 member jurisdictions. A total of 15,738 dwelling units were allocated to the San Mateo County Sub-region jurisdictions. A total of 83 of those dwelling units were allocated to Atherton for the Planning Period. The Allocation made by the Sub-region was approved by ABAG. The Atherton allocation broken down by income categories is found in Table HIII-2. The number of extremely low income units was derived by assigning 50% of the very low income units to the extremely low category.

TABLE HIII-1: ABAG PROJECTIONS – 2007 FOR ATHERTON

	2000	2005	2010	2015	2020	2025	2030	2035
Population	7,194	7,300	7,400	7,500	7,600	7,700	7,700	7,800
Household Population	6,876	7,000	7,100	7,200	7,200	7,300	7,300	7,400
Households	2,413	2,440	2,480	2,510	2,530	2,550	2,570	2,590
Persons per Household	2.85	2.87	2.86	2.87	2.85	2.86	2.84	2.86
Employed Residents	3,234	2,770	2,900	3,050	3,250	3,380	3,430	3,570
Total Jobs	2,830	2,540	2,680	2,780	2,850	2,920	3,000	3,080
Agriculture & Natural Resources	0	0	0	0	0	0	0	0
Manufacturing, Wholesale & Transportation	130	100	100	100	100	100	100	100
Retail	200	150	160	160	160	160	160	160
Financial & Professional Service	450	430	460	480	500	520	540	560
Health, Education & Recreation Svc.	1,520	1,370	1,450	1,520	1,570	1,620	1,670	1,730
Other Jobs	530	490	510	520	520	520	530	530

TABLE HIII-2: ATHERTON'S SHARE OF REGIONAL HOUSING NEEDS ALLOCATION

Income Category	Number of Units
Above Moderate	35
Moderate	16
Low	13
Very Low	10
Extremely Low	9
Total	83

3.314 Carryover from 1999 - 2006

In its 1999 – 2006 Housing Element, the Town was assigned a fair share allocation of 166 units. The Town proposed to meet its RHNA allocation as follows:

	Very Low	Low	Moderate	Above Moderate
RHNA (1999 – 2006)	22	10	27	107
1) Existing Lots that could be subdivided				107
2) Menlo College and Menlo School	22	10	27	31
TOTAL	22	10	27	138
Total Sites Designated	**197**			

However, HCD considered only the Menlo College and Menlo School sites as providing suitable housing sites, and so found that the Town had provided sites for only 90 units, rather than the 166 required.

Under new section 65584.09 of the Government Code, if a city in the prior housing element planning period failed to identify or make available adequate sites to accommodate the regional housing need allocated, then the city must, within the first year of the planning period of the new housing element, zone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period.

While the Town believes that it had designated adequate sites in the prior housing element planning period, it will amend its zoning ordinance to ensure that adequate sites exist as follows:

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (1999 – 2006)	**22**	**10**	**27**	**107**	**166**
1) Units constructed	4			5	9
2) Previously identified sites currently available (Capacity)[1]	22	10	27	31	90
3) Sites rezoned pursuant to Housing Element Program	0	0	0	0	0
4) Sites rezoned (other)[2]	19	18	0	30	67
Remaining Need	**(23)**	**(18)**	**0**	**41**	**0**
Total Remaining Need	**0**				

[1] As identified by HCD. The Town believes that, under prior housing element law, additional sites were availablby income category as shown in the previous table.

[2] Modifications to zoning code to allow all internal living quarters constructed between 1999 and 2006 to be utilized as second units and occupied permanently. Although the Town's survey has shown that virtually all second units are rented at very low income rents, 30 of these units are shown as affordable to above-moderate income households.

3.400 HOUSING RESOURCES

3.410 Inventory of Sites Suitable for Residential Development

3.411 Parcel-specific List of Available Sites

This section contains an inventory of specific sites suitable for residential development so that a comparison may be made with Atherton's new construction need by affordability category with its residential development capacity.

The table below identifies lands suitable for residential development in Atherton. Each site is identified by address and includes the site acreage and existing land use. Existing zoning falls into the categories listed below. It should be noted that Atherton has only four zoning districts, the three listed below plus a Parks and Open Space District.

R-1A (Residential District) - Limits land uses to single-family detached homes on minimum one-acre size lots.

R-1B (Residential District)-Limits uses to single-family detached homes on minimum size 13,500 square foot (0.31 acre) lots.

PFS (Public Facilities and Schools District) - Limits land uses to public and private schools including affiliated residential uses, town hall, library and other similar public and quasi public uses without limitation on lot size. This district also permits single-family and multifamily residences pursuant to a master plan.

There are no vacant parcels in town. The residential parcels included in the table are identified as underutilized since they are of sufficient size to be further subdivided according to the existing zoning and lot size limits.

3.412 Map Showing Location of Sites

The map entitled "Location of Sites Suitable for Residential Development" shows the location of sites in the residential land inventory.

TABLE HIV-1: INVENTORY OF SITES SUITABLE FOR RESIDENTIAL DEVELOPMENT

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments[1] -Other On-Site Constraints
Non-Residentially Zoned Sites that May Be Redeveloped for Residential Use								
1	070-250-190 Menlo College	1000 El Camino Real	22.0	PFS	Public and Quasi-Public Land Use No density specified	79	Private college and faculty housing	Additional units shown in Master Plan
2	070-360-070 Menlo School	50 Valparaiso	14.0	PFS	Public and Quasi-Public Land Use No density specified	11	Private middle school and high school and apartments for faculty and students	Additional units shown in Master Plan
	Subtotal					**90**		
Underutilized Residentially Zoned Sites that Can Be Redeveloped at Higher Density								
3	061-260-140	60 Parkwood	2.40	R-1A	1 DU/Acre	1	Single Fam. Home[2]	C
4	061-232-140	260 Oakgrove	2.48	R-1A	1 DU/Acre	1	Single Fam. Home	C
5	060-210-210	175 Fair Oaks	2.47	R-1A	1 DU/Acre	1	Single Fam. Home	C
6	060-220-060	188 Fair Oaks	2.35	R-1A	1 DU/Acre	1	Single Fam. Home	C
7	060-321-080	2 Fair Oaks	0.74	R-1B	3 DU/Acre	1	Single Fam. Home	C
8	060-321-110	62 Fair Oaks	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
9	060-313-070	77 Fair Oaks	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
10	060-312-060	4 Burmetta	1.03	R-1B	3 DU/Acre	1	Single Fam. Home	C

[1] A – Vacant residentially zoned site.
B – Vacant non-residentially zoned site that allows residential uses.
C – Underutilized residentially zoned sites which are capable of being developed at a higher density or with greater intensity.
D – Non-residential zoned sites that can be redeveloped for, and/or rezoned for, residential use (via program actions).

[2] Requires demolition of an existing dwelling unit

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments -Other On-Site Constraints
11	070-222-150	1 Winchester	0.75	R-1B	3 DU/Acre	1	Single Fam. Home	C
12	070-221-020	3 Odell	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
13	070-221-010	1 Odell	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
14	070-250-100	101 Isabella	2.29	R-1A	1 DU/Acre	1	Single Fam. Home	C
15	070-214-110	101 Britton	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
16	070-221-450	124 Isabella	2.70	R-1A	1 DU/Acre	1	Single Fam. Home	C
17	070-250-130	85 Isabella	5.09	R-1A	1 DU/Acre	3	Single Fam. Home	C
18	070-240-050	82 Isabella	4.00	R-1A	1 DU/Acre	2	Single Fam. Home	C
19	070-060-030	137 Alemendral	2.43	R-1A	1 DU/Acre	1	Single Fam. Home	C
20	070-050-080	163 Alemendral	2.56	R-1A	1 DU/Acre	1	Single Fam. Home	C
21	070-110-210	75 Tuscaloosa	2.32	R-1A	1 DU/Acre	1	Single Fam. Home	C
22	070-230-270	29 Atherton	2.39	R-1A	1 DU/Acre	1	Single Fam. Home	C
23	070-120-140	42 Atherton	2.72	R-1A	1 DU/Acre	1	Single Fam. Home	C
24	070-120-130	30 Atherton	3.17	R-1A	1 DU/Acre	2	Single Fam. Home	C
25	070-110-090	52 Atherton	2.88	R-1A	1 DU/Acre	1	Single Fam. Home	C
26	059-281-150	158 Stockbridge	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
27	070-070-250	170 Atherton	4.81	R-1A	1 DU/Acre	3	Single Fam. Home	C
28	070-032-310	396 Atherton	2.60	R-1A	1 DU/Acre	1	Single Fam. Home	C
29	070-180-180	150 Elena	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
30	070-343-170	2 Prado Secoya	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
31	070-343-310	43 Santiago	2.51	R-1A	1 DU/Acre	1	Single Fam. Home	C
32	070-342-260	279 Park Lane	2.06	R-1A	1 DU/Acre	1	Single Fam. Home	C
33	070-310-110	93 Camino Por Los Arboles	2.54	R-1A	1 DU/Acre	1	Single Fam. Home	C
34	070-191-120	207 Atherton	2.43	R-1A	1 DU/Acre	1	Single Fam. Home	C
35	070-380-030	98 Faxon	2.63	R-1A	1 DU/Acre	1	Single Fam. Home	C
36	070-180-100	95 Faxon	3.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
37	070-341-040	270 Park Lane	2.26	R-1A	1 DU/Acre	2	Single Fam. Home	C

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments[1] -Other On-Site Constraints
38	070-341-030	266 Park Lane	3.30	R-1A	1 DU/Acre	1	Single Fam. Home	C
39	070-341-150	223 Camino al Lago	3.19	R-1A	1 DU/Acre	2	Single Fam. Home	C
40	070-310-010	1 Camino por Los Arboles	2.23	R-1A	1 DU/Acre	2	Single Fam. Home	C
41	070-320-160	220 Camino al Lago	5.03	R-1A	1 DU/Acre	1	Single Fam. Home	C
42	070-143-030	236 Camino al Lago	2.00	R-1A	1 DU/Acre	3	Single Fam. Home	C
43	070-180-240	95 Monte Vista	3.10	R-1A	1 DU/Acre	1	Single Fam. Home	C
44	070-180-230	73 Monte Vista	5.30	R-1A	1 DU/Acre	2	Single Fam. Home	C
45	070-131-010	15, 25 Monte Vista	2.00	R-1A	1 DU/Acre	3	Single Fam. Home	C
46	070-170-010	237 Atherton	9.52	R-1A	1 DU/Acre	1	Single Fam. Home	C
47	070-132-150	251 Atherton	2.00	R-1A	1 DU/Acre	7	Single Fam. Home	C
48	070-151-030	34 Linda Vista	2.80	R-1A	1 DU/Acre	1	Single Fam. Home	C
49	070-161-090	83 Fairview	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
50	070-032-440	260 Atherton	5.75	R-1A	1 DU/Acre	1	Single Fam. Home	C
51	070-032-190	270 Atherton	2.35	R-1A	1 DU/Acre	1	Single Fam. Home	C
52	070-032-200	268 Atherton	2.65	R-1A	1 DU/Acre	1	Single Fam. Home	C
53	070-022-820	53 Euclid	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
54	070-0120350	282 Polhemus	2.10	R-1A	1 DU/Acre	1	Single Fam. Home	C
55	070-012-180	290 Polhemus	5.30	R-1A	1 DU/Acre	3	Single Fam. Home	C
56	073-220-030	336 Walsh	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
57	073-220-020	346 Walsh	2.90	R-1A	1 DU/Acre	1	Single Fam. Home	C
58	073-220-010	354 Walsh	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
59	0740130-300	86 Tallwood	2.80	R-1A	1 DU/Acre	1	Single Fam. Home	C
60	074-130-320	383 Walsh	10.35	R-1A	1 DU/Acre	8	Single Fam. Home	C

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments[1] -Other On-Site Constraints
61	073-261-030	10 Sargent	2.43	R-1A	1 DU/Acre	1	Single Fam. Home	C
62	073-263-010	75 Reservoir	3.27	R-1A	1 DU/Acre	2	Single Fam. Home	C
63	073-261-120	19 Sargent	4.43	R-1A	1 DU/Acre	3	Single Fam. Home	C
64	070-012-020	291 Stockbridge	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
65	070-022-410	396 Selby	2.58	R-1A	1 DU/Acre	1	Single Fam. Home	C
66	060-332-060	51 Watkins	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
67	060-332-050	59 Watkins	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
68	060-332-040	69 Watkins	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
69	060-332-160	38 Walnut	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
70	060-331-260	32 Maple	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
71	060-332-120	2 Walnut	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
72	060-323-080	33/41 Maple	0.48	R-1B	3 DU/Acre	1	Single Fam. Home	C
73	060-321-120	76 Fair Oaks	0.59	R-1B	3 DU/Acre	1	Single Fam. Home	C
74	070-103-390	42 Tuscaloosa	1.85	R-1A	1 DU/Acre	1	Single Fam. Home	C
75	070-120-040	25 Tuscaloosa	1.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
76	070-230-080	78 Winchester	1.04	R-1B	3 DU/Acre	1	Single Fam. Home	C
77	070-223-060	28 Isabella	0.74	R-1B	3 DU/Acre	1	Single Fam. Home	C
78	070-223-030	2 Isabella	0.58	R-1B	3 DU/Acre	1	Single Fam. Home	C
79	060-304-020	48 Lloyden	1.20	R-1B	3 DU/Acre	2	Single Fam. Home	C
	Subtotal					**110**		
	Total					199		

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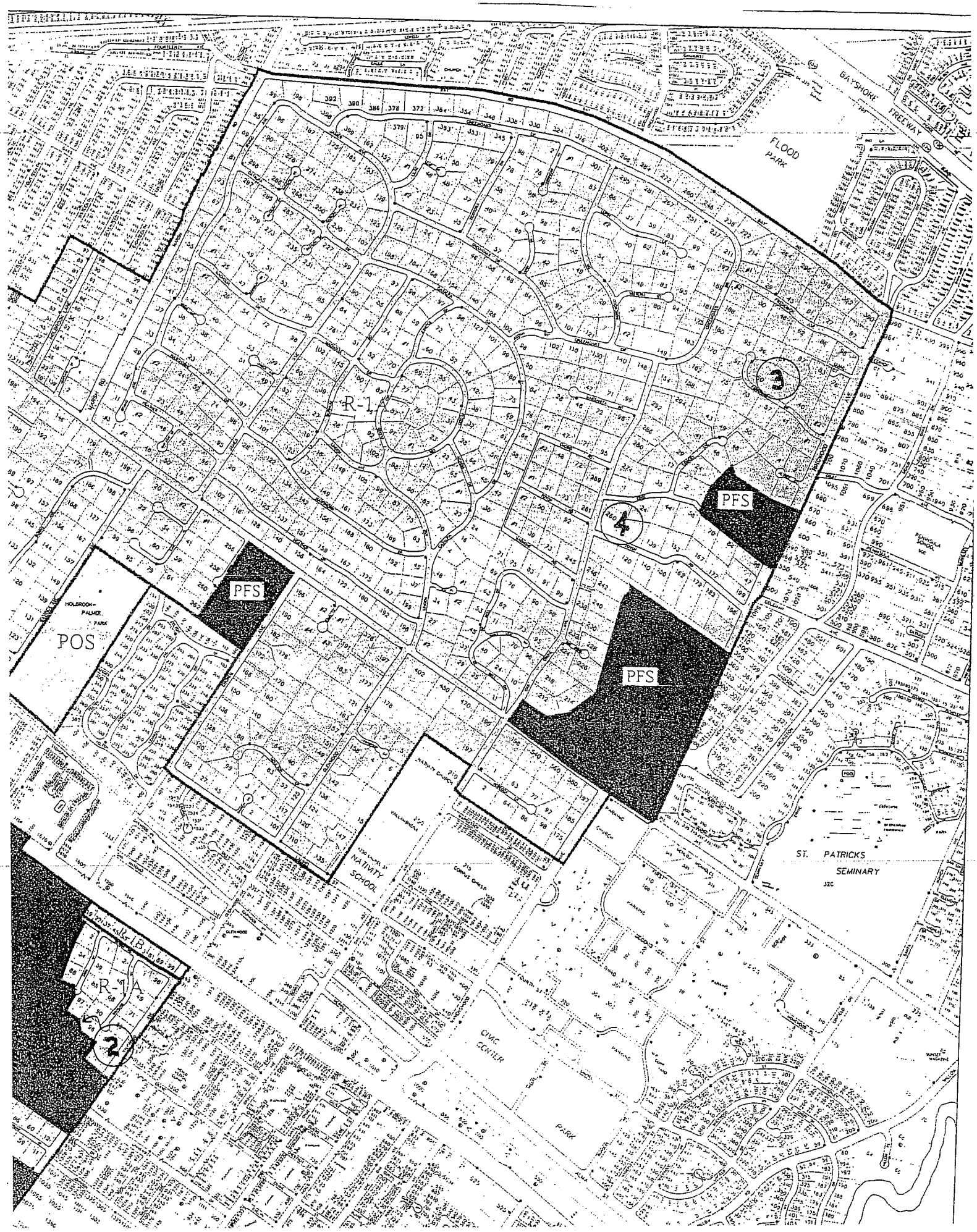
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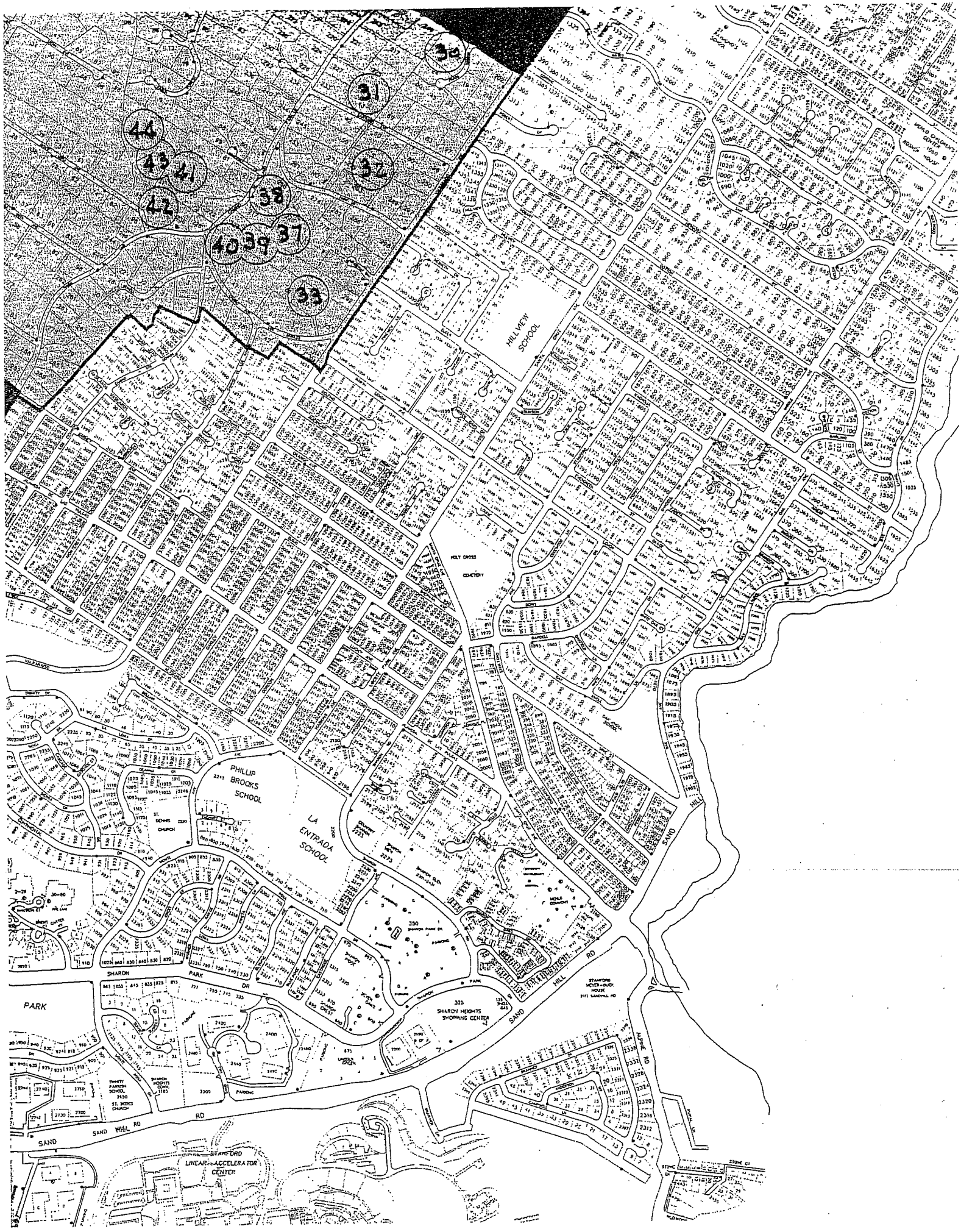
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HILLVIEW SCHOOL
HOLY CROSS CEMETERY
PHILLIP BROOKS SCHOOL
LA ENTRADA SCHOOL
SHARON PARK DR
SHARON HEIGHTS SHOPPING CENTER
PARK
SAND HILL RD
STANFORD LINEAR ACCELERATOR CENTER

3.413 Environmental Constraints Analysis

The analysis of environmental constraints to development of housing is provided in the discussion below.

1. Areas Subject to Flood Inundation in Event of Dam Failure

The areas below Bear Gulch Reservoir and along Atherton Channel (shown on Environmental Constraints Map HE-2) are subject to flooding in the event that the Bear Gulch Dam were to fail. This dam is located within about 6,000 feet of the Cañada Fault zone and 10,500 feet of the San Andreas Fault zone[1]. Residential development is precluded in the area immediately down stream from the dam by ownership by the California Water Service Company and by open space zoning and General Plan designation. None of these sites are included in the Town's land inventory.

2. Areas Susceptible to Flooding

According to the Federal Insurance Administration, there are no areas in Atherton identified as flood prone. However, in the 1975 San Mateo County "Seismic and Safety Element" of the General Plan, a few areas in the Town of Atherton were identified as being located within the 100 Year Flood Zone (shown on the Environmental Constraints Map HE-2). The main concentration of these areas is along the Atherton Channel with other scattered sites in the area west of El Camino Real. Areas susceptible to flooding do not have any impact on development potential.

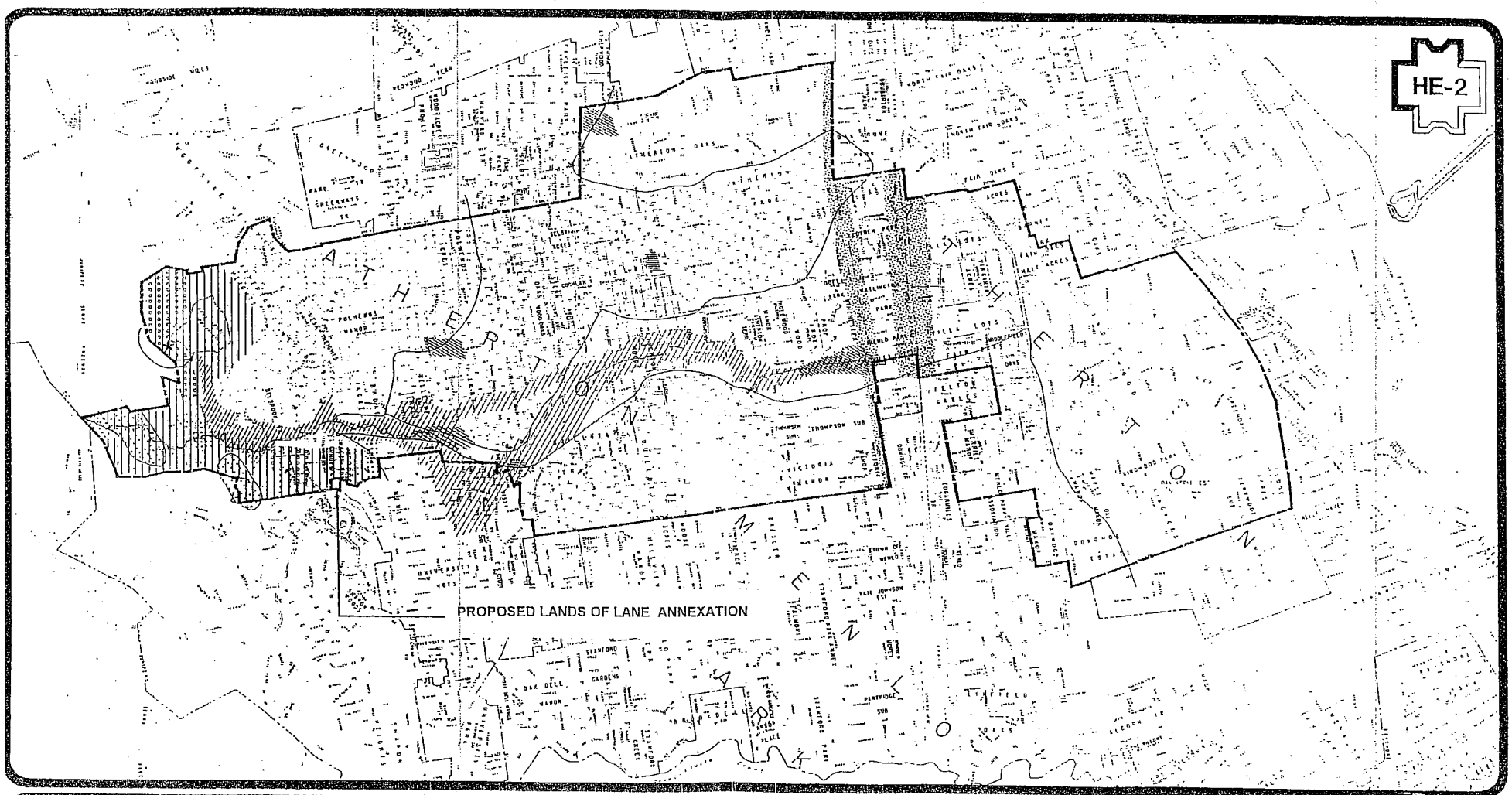
3. Areas Subject to Wildland Fire Hazard

Areas identified on the Environmental Constraints map as subject to Wildland Fire Hazard are generally west of Alameda de las Pulgas in the vicinity of Bear Gulch Reservoir and along Walsh Road and Reservoir Road. Residential building is precluded around Bear Gulch Reservoir because of its ownership by the California Water Service Company, and the open space zoning and General Plan designation. The adopted Fire Code requires all buildings exceeding 1,000 square feet be sprinklered and that roofs be constructed of fire resistant materials. All buildings in the wildland interface must have fire sprinklers to protect the interface from a dwelling fire incident. In addition, the Menlo Park Fire Protection District inspects the area annually and recommends homeowners to clear combustible vegetation near structures. This constraint requires mitigation but does not prevent residential construction.

3.414 Infrastructure Description

Adequate infrastructure exists through out the entire Town to accommodate the existing and planned density of development. This includes existing paved streets, sewer, water supply for domestic and fire suppression purposes and drainage facilities. Available public services

[1] County of San Mateo Geotechnical Hazard Synthesis Map



ATHERTON GENERAL PLAN

ENVIRONMENTAL CONSTRAINTS

0 500 2000 8000
SCALE IN FEET

- COARSE-GRAINED ALLUVIAL FAN DEPOSITS (TYPE a)
- COARSE-GRAINED ALLUVIAL FAN DEPOSITS (TYPE a?)
- UPLAND BEDROCK (TYPE a) 1
- UPLAND BEDROCK (TYPE a) 1
- SUBJECT TO FLOOD INUNDATION IN EVENT OF DAM FAILURE 1
- ONE-HUNDRED YEAR FLOOD ZONE
- WILDLAND FIRE HAZARD AREA 2
- FUTURE NOISE LEVELS INCOMPATIBLE WITH RESIDENTIAL LAND USE 2
- NATURAL VEGETATION OR PARK 2
- AGRICULTURE 2
- SEPARATION JOINT AND INTERSECTION (PROPOSED) 2
- PUBLIC LANDS 2

1 COUNTY OF SAN MATEO, SEISMIC AND SAFETY ELEMENT, 1975
2 MARTIN, CARPENTER, ASSOCIATES CLASSIFICATION, 1982

include Police, Fire, Parks and Recreation, Public Works, Building Inspection and Town Administration.

There are no sites in the Town of Atherton identified as available for housing that are in areas not served by public sewer systems. Consequently there are no sites identified as available for housing for any of the four income level households in areas not served by a public sewer system.

3.420 Zoning Appropriate to Accommodate the Development of Housing Affordable to Lower Income Households

The Town is required to provide sites suitable for construction of 32 lower income units (13 low income and 19 very low income). As described below, currently available sites (not requiring any change in the Town's zoning) provide available sites for at least 67 lower income units, primarily housing planned at Menlo College and Menlo School.

However, to enhance the production of affordable housing in the Town, zoning ordinance modifications are being proposed that will increase the expected production of affordable second units to a total of 120 units[1] over the 2007 – 2014 planning period.

3.420a 1000 El Camino Real - Menlo College

This is site number 1 in the Inventory of Sites Suitable for Residential Development. The Menlo College Master Plan calls for the development of 79 additional units of faculty and student housing units. The Master Plan calls for the development of 16 new faculty units in townhouse style at densities of approximately 9 dwelling units per acre. The Master Plan also calls for development of 63 new student housing units for juniors and seniors designated for independent living with separate entries, kitchens, baths, and living space. These units would be in apartment style buildings at densities of 20-25 units per acre. The Menlo College Master Plan was filed with the Town in 2002 and was most recently updated in spring 2008. The capacity of this site was established based on the Menlo College Master Plan. Based on the affordability levels of current on-campus faculty and student housing ($750 to $1,500 per month), all units should be affordable to households in the extremely low and very low income categories. However, to be more conservative, the 16 faculty units are shown as moderate-income housing, and the 63 units to be built at densities of 20-25 units per acre are shown to be suitable for lower income housing.

This site is zoned PFS (Public Facilities and Schools) District which allows private schools and accessory uses (faculty and student housing are considered accessory uses) upon the issuance of a Conditional Use Permit. The zoning encourages the preparation of a Master Plan for future development. The purpose of providing faculty and student housing on campus is to retain quality faculty and attract students through the provision of affordable housing at below market levels.

[1] 92 units in the extremely low, very low and low income category and 28 units in the moderate category.

3.420b 50 Valparaiso Avenue - Menlo School

This is site number 2 in the Inventory of Sites Suitable for Residential Development. The Menlo School Master Plan calls for the development of 11 additional units of faculty housing on campus. These units would be in the townhouse style at densities of approximately 9 dwelling units per acre. The Menlo School Master Plan was filed with the Town in 2002 and was most recently updated in spring 2008. The capacity of this site was established based on the Menlo School Master Plan. Based on the affordability levels of current on-campus faculty housing ($465 to $757 per month), all units should be affordable to households in the extremely low category. However, to be more conservative, and because these are intended to be townhouse-style units, the 11 faculty units are shown as moderate-income housing.

Like Menlo College, his site is zoned PFS (Public Facilities and Schools) District which allows private schools and accessory uses (faculty housing is considered an accessory use) upon the issuance of a Conditional Use Permit. The purpose of providing faculty housing on campus is to retain quality faculty through the provision of affordable housing.

3.420c 150 Valparaiso Avenue – Sacred Heart Schools

The Sacred Heart Schools Master Plan calls for the development of 2 additional units on the campus to be available to very low income staff. The Sacred Heart Schools Master Plan was filed with the Town in 2002 and was most recently updated in 2008. Like the other schools in Town, the site is zoned PFS (Public Facilities and Schools) District which allows private schools and accessory uses (staff housing is considered an accessory use) upon the issuance of a Conditional Use Permit. The purpose of providing staff housing on campus is to retain quality staff through the provision of affordable housing.

3.420d Second Dwelling Units

Second dwelling units in Atherton provide needed extremely low income and very low income housing. The Atherton second unit survey revealed that 100% of the existing second units, and internal living quarters were affordable to households in the extremely low and very low income categories (compared with 80 percent of second units in the County as a whole). This level of affordability applied to all second units, not just older second units. Therefore, all new second units are projected to be available to households in the extremely low and very low income categories.

During the previous Housing Element Planning Period (1999 – 2006) there were only 4 new second dwelling units permitted and constructed. There are proposals in this Housing Element Update to expand the allowable size of second units to greater than the current maximum of 600 square feet (up to 1,200 square feet), to allow some encroachment into the side and rear setbacks, to exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet (but not to exceed 10% of the allowed floor area for the lot), to eliminate the minimum lot size provisions, and to waive building permit fees in order to substantially increase the rate of second unit production in the future. In addition, the Town intends to allow a full kitchen in internal living quarters, so that they also

may be considered as second dwelling units. Internal living quarters were built at a rapid rate between 1999 and 2006. As described below, if these units are considered as dwelling units, and based on the rates of construction of second units, and internal living quarters between 1999 and 2006, the Town estimates that 52 to 80[1] second units will be built between 2007 and 2014.

- Zoning Changes Proposed in Relation to Second Dwelling Units

Currently zoning regulations limit the size of second dwelling units to a maximum of 600 square feet of floor area, require the same setbacks as a main dwelling prohibit second units on smaller lots, require that the second unit floor area be counted as part of the total allowable floor area on a lot and are charged normal building permit fees. In order to provide incentives for the construction of additional second dwelling units in Atherton, changes to the zoning ordinance listed below are proposed:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow detached or attached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required setback.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

- Zoning Changes Proposed in Relation to Internal Living Quarters

Currently zoning regulations prohibit internal living quarters from having full kitchen facilities, therefore they cannot be classified as dwelling units. However, there is a proposal included in this Housing Element Update to allow full kitchen facilities in internal living quarters thereby allowing them to be occupied and counted as second dwelling units. Building Department data show that from 1999 to 2007 about 50 to 75 new internal living quarters were constructed. That was a rate of 6 to 10 new internal living quarters per year. Therefore, the projected number of new second dwelling units (i.e. second dwelling units plus internal living quarters) available for full time occupancy will be from 52 to 80 units during the 2007 – 2014 Planning Period.

An Atherton survey in November 2008 indicated that there are from 50 to 125 existing internal living quarters in Atherton.

Table HIV-2 shows the expected additional 57 second units to be constructed in the Town if these zoning ordinance changes are made.

[1] Based on 10 new second units and 6-10 internal living quarters units/year times 7 years = 52-80.

3.421 Moderate and Above Moderate Income Housing

As noted, Master Plans for Menlo College and Menlo School include plans for 27 units of townhouse-style faculty housing. In the past rents for such housing have been affordable to very low income households, but to be conservative, the Housing Element projects these as moderate-income units.

Sites numbered 3 - 79 in the Inventory of Sites Suitable for Residential Development are suitable for above-moderate income housing. The inventory lists 79 sites with the potential for the development of 110 new, above market rate housing units. The listed sites are either large enough to be subdivided into smaller lots consistent with the existing zoning density limitations or are already legal lots that have been combined into a single building site. All are currently developed with a single family residence. There are no zoning or other constraints adopted by the Town that would prevent development of these 110 new homes.

However, over the past 20 years there has been a trend to demolish existing, older homes and replace them with new, larger homes. For example, during the last housing element period (1999 – 2006), there were 240 single family homes demolished and 245 new homes built for a net increase of 5 homes. The increase was the result of some parcels being subdivided into additional building sites and others where a home was demolished to use 2 or more existing lots. This was a rate of approximately 0.75 net new dwelling unit per year. The current rate is projected to continue during the 7 year 2007-2014 Housing Element Planning Period, resulting in the addition of 5 net new above moderate income housing units. This is an extremely conservative number, as market conditions may change, and the Town has imposed no obstacles to the addition of the 110 new homes permitted by current zoning.

In addition, rents for all second units in Atherton also were affordable to above moderate-income households, according to the *21 Elements* survey and the Town's own survey. Although the Town's own survey indicated that all units were affordable to very low income households, to be conservative 30 units are shown as above-moderate income units.

TABLE HIV-2: SUMMARY OF AVAILABLE SITES BY INCOME CATEGORY

	Household Income Categories					
Sites	**Extremely Low**	**Very Low**	**Low**	**Moderate**	**Above Moderate**	**TOTAL**
RHNA Allocation	**32**			**16**	**35**	**83**
Currently Available Sites						
1000 El Camino Real	63			16		79
50 Valparaiso				11		11
150 Valparaiso	2					2
Town-wide Above Market Homes					5	5
Town-wide 2nd Dwelling Units*	27			0	30	57
Total	**92**			**28**	**35**	**154**

*While surveys show that all of these units are expected to be affordable to extremely low and very low income households, as a conservative estimate, some are projected to be affordable to moderate and above moderate income households.

3.430 Analysis of Zoning that Encourages and Facilitates a Variety of Housing Types

As required by State law, the Town allows factory-built housing or mobilehomes on permanent foundations under the same terms applicable to other single-family homes in the R-1A and R-1B zones. The Town does not have architectural review of new homes, and consequently does not impose architectural review on factory-built housing.

Multifamily rental housing and single-room occupancy units are permitted in the PFS zones when included in an approved master plan and with a use permit. Multifamily housing now exists on the Menlo College site, and congregate housing for the retired religious on the Sacred Heart Schools site.

3.440 Identification of Adequate Sites for Emergency Shelters

As stated in Section 3.318, by June 30, 2010, Atherton will establish a zone that meets requirements set forth in SB2 relating to emergency shelters. The Town will amend the existing PFS (Public Facilities and Schools) Zoning District to provide for emergency shelters as an allowable use when located within 500 feet of the Town Civic Center. Within this zone shelters will be permitted without a conditional use permit or other discretionary action. The zone will contain approximately 6 acres, which can accommodate up to three shelter beds, providing adequate capacity to meet the identified need. A typical shelter approximately 1,000 sq. ft. in size would be allowed in this zone by right, and the Town would adopt management and other standards as permitted by State law.

3.450 Identification of Adequate Sites for Transitional and Supportive Housing

As stated in Section 3.318, by June 30, 2010, Atherton will amend the zoning code to explicitly state that any use is permitted if required by State law. Under this revision, supportive and transitional housing will only need to obtain the same types of permits and approvals as the same type of residential development in that zone. Residential uses, including transitional and supportive housing, are permitted without discretionary permits in the following zones; R-1A and R-1B; and are permitted with a use permit in the PFS zone.

3.460 Identification of Adequate Sites for Farm Worker Housing

As stated in previous sections, there are no agricultural jobs and no farm workers living in Atherton. The closest significant location of agricultural employment is located at least 30 minutes drive away. Since there is no need for farm worker housing in Atherton, no sites are identified.

3.470 Other Housing Resources

The Town has no financial resources to spend on affordable housing. However, the Town is willing to consult with other agencies such as the County of San Mateo or non-profit institutions in the County about resources that might be available to the Town for affordable housing.

3.500 CONSTRAINTS ON HOUSING

This section contains analyses of potential governmental constraints contained in the Town ordinances, codes and policies that could constitute a barrier to the maintenance, improvement or development of housing for all income levels.

3.510 Governmental Constraints Analysis

3.511 Land Use Controls

The General Plan and Zoning Ordinance of a community are two primary tools for planning and regulating land use.

General Plan - The Town of Atherton updated its General Plan in 2002. The land use character of the Town has remained that of a mainly single family residential and institutional (e.g. schools) nature. The General Plan reveals that the most significant constraint to housing development is land availability. There is no vacant developable land in the Town, and most of the Town's land acreage is developed at existing General Plan densities.

Zoning Ordinance - The Atherton Zoning Ordinance designates land uses, height, bulk, density and parking standards throughout the city. The Zoning Ordinance was designed for consistency with the General Plan. The General Plan's four basic land use designations: Single-Family Residential, Single Family Residential Low Density, Public Facilities and Schools, and Parks and Open Space are directly reflected by the zoning districts of the R-1A (Single Family Residential one acre minimum), R-1B (Single Family Residential – 0.31 acre minimum), PFS (Public Facilities and Schools), and POS (Parks and Open Space). Table HVI-1 presents the Atherton Zoning Categories and Standards of density, setbacks, height limits, floor area ratios, lot coverage and parking requirements.

The zoning categories reflect the Town's low-density residential, large lot, single-family character. Commercial and industrial land uses are prohibited. The standards require large setbacks, limited floor area ratios and height restrictions. However, some standards are quite unrestrictive compared to other cities. For example, Atherton does not require on-site parking, nor is architectural review and approval required. Consistent with State law, the Town allows factory-built housing or mobilehomes on permanent foundations under the same terms applicable to other single family homes.

Second Dwelling Units are permitted in both the R-1A and R-1B zoning districts. The zoning ordinance was amended in 2003 to make Second Dwelling Units permitted by right in the R-1 districts. A second dwelling unit requires the same setbacks as the main dwelling but is limited to 15 feet in height and 600 square feet of floor area. The size and setback limits could be considered constraints to construction of new second units or conversion of existing Guest Houses to full time occupied second units.

Internal Living Quarters (additional living quarters inside homes) are permitted by right in both the R-1A and R-1B zoning districts. These may include a bedroom, a bath and two of three

kitchen elements (stove, sink, and/or refrigerator). Internal living quarters are also commonly constructed in Atherton (approximately 7 per year), and the limitation on kitchen facilities is a constraint on the development of new affordable dwelling units

TABLE HV-1: ATHERTON'S ZONING CATEGORIES AND STANDARDS

Zoning	Density	Front Setbacks	Side Setbacks	Rear Setbacks	Height Limit	FAR	Max Lot Coverage	Parking Required	Arch. Approval
R-1A (Single Family Residential)	1 d.u./ acre	60'	50'	60'	30*	18%	N/A	None	None
R-1B (Single Family Residential)	0.3 d.u./ac.	30'	26'	30'	28'	18%	N/A	None	None
PFS (Public Facilities and Schools)	None	60'	75'	75'	34'	N/A	40%	None	None
POS (Parks and Open Space)	None	60'	Varies	60'	34'	N/A	20%	None	None

* 34' maximum with increased setbacks and Conditional Use Permit

The Municipal Code and Ordinance provides a variety of lot sizes with densities ranging from one dwelling unit per five acres to three units per acre. Although the Town's low allowable densities constitute a constraint to affordable housing development, the impact is offset somewhat by the relatively large proportion of homes containing second dwelling units. In addition, Atherton's large homes provide opportunities for internal living quarters. These characteristics of the local housing stock assists the Town in meeting its regional share of affordable housing. Housing associated with the underlying use (including multifamily rental housing and single room occupancy units) is permitted in the PFS (Public Facilities and Schools) Zoning District.

Recommendations for Removal of Land Use Constraints

1. Amend the Second Dwelling Unit provision of the zoning ordinance to allow construction of attached and detached units to encroach up to 20% into side and rear yard setback areas, if located behind the rear line of the main build.
2. Amend the Second Dwelling Unit provision of the zoning ordinance to increase their allowable size up to 1,200 square feet and to exempt the floor area of the Second Dwelling Unit from maximum floor area limits on the building site.
3. Amend the zoning ordinance to eliminate restrictions on minimum lot sizes for Second Dwelling Units.

4. Amend the zoning ordinance to permit Internal Living Quarters that may include all three kitchen elements (stove, sink, and refrigerator).
5. Waive building permit fees for Second Dwelling Units.

3.512 Codes and Enforcement

The latest edition of the Uniform Building Code is enforced in Atherton. The Town's Building Department sees that new residences, additions, auxiliary structures, etc., meet all of the latest construction and safety standards. Building permits are required for any construction work. The Town has not adopted any local amendments to the State Housing Law or the Uniform Building Code. The Uniform Building Code is imposed by State law and does not pose an unusually significant constraint to housing development, maintenance or the supply and affordability of housing.

The Town has recently instituted a part-time code enforcement program. This is primarily a land use enforcement, complaint-based program. Typical complaints and violations relate to noise, construction activity without a Building Permit and parking of contractors' vehicles and has not resulted in housing being deemed unfit for human habitation or vacated. The code enforcement program does not pose a constraint to housing development, maintenance or the supply and affordability of housing.

3.513 On and Off-Site Improvement Requirements

The on and off-site improvements required for residential development in Atherton are listed below.

Street Width:	20 feet
Curbs and Gutters:	Rolled curbs and gutters required for new subdivisions
Sidewalks:	Prohibited
Water and Sewer Connections:	Required
Drainage:	Storage improvements required to prevent increased runoff during storm conditions (required by the San Francisco Bay Area Regional Water Quality Control Board)

Since Atherton is a completely developed urban area all streets are paved, water mains and sewer trunks have been installed and major drainage improvements are in place. Atherton's improvement standards are substantially less restrictive than those imposed by many communities, which often require wider streets and additional off-site improvements. The on

and off-site improvement requirements do not pose a significant constraint to housing development, maintenance or the supply and affordability of housing.

3.514 Fees and Exactions

In Atherton development fees are charged for both planning review and building permits. Planning fees are charged in order to recover the costs associated with the administration of the Town's land use regulations. Planning fees for review of projects that do not require Planning Commission action are charged on an hourly rate and do not require a set fee or deposit. Most of the residential projects in Atherton fall into this category. Review times are typically 1 to 5 hours. Planning fees for projects that require Planning Commission action consist of a non-refundable fee and a deposit, against which professional planning staff charge to provide review services. Charges currently range from $70 to $175 per hour depending upon the level of personnel involved in the review. Unused portions of the deposit are returned to the applicant at the end of the process. The fee structure reflects the Town's actual cost for the service. The Town reviews its fee structure and levels on a regular basis to ensure they reflect the cost of delivering services. Typical planning fees are shown in the table below.

TABLE HV-2: PLANNING FEES - 2008

Type of Fee	Fee	Deposit
Conditional Use Permit	$1,500	$2,000
Variance	$1,500	$2,000
Subdivision	$5,000	$2,500
Lot Line Adjustment	$2,500	$1,000

The Atherton planning fees are consistent with similar charges in other small jurisdictions and do not pose a significant constraint to housing development, maintenance or the supply and affordability of housing.

Building fees are charged to cover costs associated with checking that the building plans conform to requirements of the Uniform Building Code (UBC) as well as costs associated with conducting building construction inspections. Fees charged for building permits are based on the valuation of construction. The fee structure reflects the Town's actual cost for the service. The Town reviews its fee structure and levels on a regular basis to ensure they reflect the cost of delivering services. Currently[1] new construction valuation is determined by use of a standard factor of $350 per square foot for habitable space and $250 per square foot for non-habitable space. The same factor is used for remodeling projects however, the Building Department has the option to adjust the permitted value to the actual cost of the remodeling provided evidence is presented in the form of an executed contract substantiating the value. The actual building permit fee is determined using Table 1-A of the UBC. For example, where construction is valued over $1,000,000 the fee is calculated as $5,608.75 for the first $1,000,000 plus $3.65 for each additional $1,000 or fraction thereof. An additional 65% of the building permit fee is charged for plan checking.

[1] City Council Fee Resolution No. 07-17 adopted June 18, 2007.

The Town charges a Road Impact Fee on all building construction projects. A road impact fee of 0.71% of the project valuation is required for all construction projects. Road impact fees and are used to fund roadway projects to maintain and repair local roadways, including normal engineering, administrative overhead and other associated costs. For example, a project valued at $1,000,000 would require a Road Impact Fee of $7,100. The fee is based on a nexus study completed by the Town in 2005.[1]

While not imposed by the Town, local school districts charge a fee that is based on the square footage of new construction and must be paid prior to issuance of the building permits. The purpose of the fee is to compensate the school districts for the costs associated with the demand or additional services and classroom space generated by new residential construction. The Sequoia Union High School District collects the fees and distributes a portion to one of the three elementary school districts serving Atherton (i.e. Las Lomitas School District, Menlo Park City School District and Redwood City School District). In areas served by the Menlo Park City School District the current fee is $2.97 per square foot with $1.052 distributed to the Sequoia District and $1.918 distributed to the Menlo Park District. In areas served by the Las Lomitas and Redwood City School Districts the current fee is $2.63 per square foot with $1.284 distributed to the Sequoia District and $1.346 distributed to the Las Lomitas or Redwood City Districts.

The Town does not have any park, open space, parking or other similar development or impact fees. Nor does it have any in-lieu housing or other fees, below-market-rate housing requirements or specific land dedication requirements for streets, public utility rights-of-way, easements, parks or open space.

A recent survey by 21 Elements[2]revealed that a 2,800 square foot house built in Atherton would have a land cost of $3,000,000, building construction costs of $980,000 to $1,400,000, building permit fees of $10,785, sewer connection fee of $550, recycling fee of $1,000, street impact fee of $6,674, business license fee of $3,384 and school district fees of $8,316 for a total cost of $4,010,709 to $4,430,709. The 21 Elements Fee Survey revealed that 14 cities in San Mateo County had development fees for single family homes that were higher than Atherton's; some had fees 1.5 and 2 times higher. With fees substantially lower than those of adjacent communities, they do not pose a constraint on housing construction.

3.515 Processing and Permit Procedures

The following table describes the Town's permit process procedures in general. These processes are required for the development of all housing for all income categories. Only two levels of residential permit processing are available; a Conditional Use Permit or a Building Permit. The Town does not have an Architectural Review and approval

[1] Analysis performed by Town Staff in consultation with Kimley Horn and Associates.
[2] 21 Elements: San Mateo Countywide Housing Element Update Kit, *Development Fees Survey,* September 17, 2008

process.

Most residential construction, including second dwelling units and guest houses (estimated 90% to 95% of building permits) does not require Planning Commission action or permits. Only Planning Department review of the project for conformance with Town zoning standards and Building Department review for Building Code conformance are required.

Where Conditional Use Permits are required, the process involves submitting an application to the Planning Commission for review of the proposal. Preliminarily site plans and elevations are required as part of the submittal. An advertised public hearing is held by the Planning Commission with mailed notice to all property owners within 500 ft. of the proposed project. Upon Planning Commission approval, plans may be submitted to the Building Department for Building Plan Check and Building Permit issuance.

Building permits must be secured before commencement of any residential construction, reconstruction, conversion, alteration or addition. Approval of permit applications is based on conformity with the Uniform Building Code and the Zoning Ordinance, although the Town has the power to grant variances from the terms of the Zoning Ordinance within the limitations provided in the Ordinance.

The Building Permit process has very little impact on the development of above moderate income housing in Atherton as evidenced by building activity and the number of replacement housings being constructed. The Building Department currently has approximately 800 active permits and approximately 30 - 40 houses are demolished and replaced with new houses each year. While removal of the process and reduction of fees might function to reduce costs slightly, there are many other factors that act to deter development of such housing. Factors such as the high cost of land (currently at about $3 million per acre), the limitations on density and non-availability of funds (e.g. in the private educational institutions and from local public sources) are the most likely deterrents to the development of low and moderate-income housing.

TABLE HV-3: RESIDENTIAL PERMIT PROCESSING PROCEDURES AND TIMES

Type of Construction	Use Permit	Building Permit	Plan Commission Public Hearing	Typical Time for Staff Plan Check & Building Permit Issue (weeks)
Single Family Residential		X		6
Second Dwelling Unit		X		6
Guest House		X		6
Housing on PFS Sites	X	X	X	9

The Town does not have any overly zones such as community plan implementation zones, hillside overlay zones or environmentally sensitive areas.

Atherton has only two residential zoning districts; R-1A where the minimum lot size is 1 acre and R-1B where the minimum lot size is 13,500 square feet. Single family detached dwelling units, second dwelling units and guest houses are permitted by right in these districts. Attached and multiple family dwelling units are not permitted in either district. All construction in PFS zoning districts, including attached and multiple family dwelling units and single room occupancy units requires a conditional use permit. Housing in PFS zoning districts is permitted when the residential use is associated with a conditional or permitted use in that district. Such residential uses are typically associated with private schools.

3.520 Non-Governmental Constraints Analysis

3.521 Land Prices

Land scarcity and high real estate prices are the most significant non-governmental constraints to affordable housing in Atherton. There are virtually no vacant lots in Atherton. Land currently sells for about $3 million per acre and can only be acquired by purchase of a developed parcel or by subdividing the property, which also most likely involves the removal of an existing residence. The inventory of sites suitable for residential development described in section 3.230 showed a potential of 107 new parcels that can be created by subdividing existing developed parcels. Vacant lots are few in number and render discussions of lot prices virtually meaningless. This is a result of economic forces which are well beyond the capacity of the local government to influence or control. In this context, it is difficult to think in terms of market-based affordable housing provision.

3.522 Construction Costs

Construction costs are also high in the San Francisco Peninsula. Building costs range from $225 to over $500 per square foot. Such costs are not particularly higher in Atherton than in other surrounding jurisdictions.

3.523 Financing Availability

Prior to the 2008 mortgage credit crisis, home financing was generally available in Atherton and there did not appear to be any mortgage deficient areas within the community. The availability of financing is usually not a constraint to the construction of housing units consistent with Atherton's regional housing needs and, even in 2008, financing can be obtained for home purchases, albeit on stricter terms.

3.600 REVIEW AND EVALUATION OF THE 1999-2006 HOUSING ELEMENT

3.610 Effectiveness of the Element

A detailed analysis of the goals, objectives, policies and programs contained in the 1999-2006 Housing Element Update is presented in the table below.

3.620 Progress in Implementation

A comparison of the number of projected or planned housing units (i.e. 1999-2006 Housing Need Allocation) with what was actually achieved is summarized in Table H-2 below.

TABLE HVI-1: PROGRESS IN IMPLEMENTATION

		Actual Achievement			
Income Group	**1999-2006 Housing Need Allocation**	**Private Const-ruction**	**Second Dwelling Unit Program**	**Total**	**Met (M), Exceeded (E) or Fell Short (S) of Goal**
Very Low	22	2	4	6	S
Low	10				S
Moderate	27				S
Above Moderate	107	5		5	S
Totals	166	7	4	11	S

The construction of new market rate housing fell short of the 107 unit objective. Although 245 new market rate units were constructed in Atherton between 1999 and 2006, 240 existing units were demolished to accommodate the new units. Therefore, a net five new market rate units were added to the housing stock. Only one subdivision occurred during the Planning Period where four new lots were created.

During the Planning Period it was anticipated that new faculty housing would be constructed at Menlo School and Menlo College. A net of eleven new faculty units affordable to very low and moderate income households were planned at Menlo School and sixteen new faculty units affordable to very low and moderate income households were planned at Menlo College. Although the plans for these units remain on the Master Plans for these institutions there were insufficient funds available to construct them during the Planning Period. It is recommended that this program be carried forward to the 2007-14 Planning Period.

It was also anticipated that 63 new student housing units affordable to very low, low, moderate and above moderate income households would be constructed at Menlo College. Although the plans for these units remain on the Master Plans for these institutions there were insufficient funds available to construct them during the Planning Period. It is recommended that this program be carried forward to the 2007-14 Planning Period.

Two very low income units were privately constructed at Sacred Heart Schools during the 1999-2006 Planning Period. The units were added to the "castle" in 2000 and the Rosewood addition to Oakwood in 2003-4.

During the Planning Period there were four new Second Dwelling Units were constructed. A survey of second units in the Town has shown that all are affordable to low income households (with 80% affordable to extremely low income households).[1] The objective was construction of ten Second Dwelling Units. During the Planning Period the requirement for a Conditional Use Permit for Second Dwelling Units was removed and they are now permitted by right.

The Town supports the Shared Housing Program sponsored by the Human Investment Project, a San Mateo County non-profit organization that helps match people or households seeking affordable housing with owners of housing who are interested in renting or sharing space in their home. One placement was made in Atherton in a unit affordable to low income households during the Planning Period. However, because the shared housing program does not create new dwelling units, the unit is not shown in the table above.

Although few second units were constructed in the Town, numerous internal living quarters were built from 1999 and 2006. These are very similar to second units but have not been considered as "dwelling units" because internal living quarters do not have a complete kitchen. However, internal living quarters in fact provide housing affordable primarily to extremely low income households. The Town has committed to amending its zoning ordinance so that these units added to the housing stock.

3.630 Appropriateness of Goals, Objectives and Policies

The goals, objectives, policies and programs, which are new or revised and are appropriate for use in the 2007-14 Planning Period, are shown in Table HIV-3.

[1] Based on results contained in the study: *Affordability of Second Units in San Mateo County,* 21 Elements: San Mateo Countywide Housing Element Update Kit, October 24, 2008 and on the study *Atherton Second Unit Survey, December 2008.*

TABLE HVI-3: EVALUATION OF EXISTING GOALS, OBJECTIVES, POLICIES AND PROGRAMS

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.312 Work with private developers to encourage new housing development.	107 new housing units in the above-moderate income category	Net 5 new housing units developed in the above-moderate income category	5% of objective met due to : • Market choosing to construct 1 unit for each demolished unit. • Extremely limited supply of land available for subdivision.	Modify: Project development of approx. 5 net new housing units in the above moderate income category in 2007-14 Planning Period
3.321 Encourage the construction of new housing units affordable to moderate and low income households.	59 new housing units in the moderate to very low income category	4 new housing units constructed in the extremely low and very low income category (these were 2nd Units as described in §3.331 below).	7% of objective met due to: • Ordinance limiting size of 2nd units to 600 sq. ft. • Ordinance limiting occupancy of guest houses to 30 days per year. • Market failed to construct any faculty or student units during the planning period.	Continue: Modify second unit ordinance in 2007-14 Planning Period as described in next item.

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.331 Construction of 2nd dwelling units for occupancy by moderate to very low income households.	10 new 2nd dwelling units	• 4 new 2nd dwelling units (also described in §3.321 above. • Zoning Ordinance amended to eliminate Use Permit requirements for 2nd units (Ord. #544, 9/17/03)	40% of 2nd dwelling unit construction objective met. Zoning Ordinance amendment objective met.	Modify: take the following actions in the 2007-14 Planning Period: Allow internal living quarters to be second units by taking the following actions: • Amend 2nd unit ordinance to permit larger units (up to 1,200 s.f.). • Amend 2nd unit ordinance to permit construction in portions of side and rear setback areas. • Publicize the Town's 2nd unit ordinance in the Town newsletter and in the Building Department. • Allow internal living quarters to have a full kitchen.
3.332A Encourage rental of existing legal, full time 2nd units.	None	Survey showed that many second units are rented.		Delete: City cannot require owners to rent 2nd units. However, City intends to encourage more second unit rental through a public outreach program.

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.332B Continue to implement the 2nd unit ordinance.	None	4 new 2nd units were constructed in the planning period	Same as §3.331 above.	Same as §3.331 above.
3.342 Encourage private schools to provide affordable faculty and student housing on their campuses.	27 new faculty units and 63 new student housing units with kitchens in the mod-erate to very low income categories	No new units constructed.	Objective not met because market failed to construct any faculty or student units during the planning period.	Retain program. Seek to encourage production of these units.
3.352A Promote conservation and improvement of the condition of the existing affordable housing stock.	None	Oakwood, a home for the retired religious at Sacred Heart Schools providing residence for about 52 people was expanded and renovated during the planning period.	Objective met.	Continue policy, Oakwood provides housing affordable to extremely low income persons. However, units do not have kitchens and so are not considered to be dwelling units.

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.352B Encourage the provision of 2nd units by publicizing its 2nd dwelling unit program.	None	Building and Planning Staff have encouraged homeowners and developers to construct new 2nd units.	40% of construction objective met.	Modify by the actions below: • Annually publicize the program in the Town newsletter. • Publicize the program at the Building Permit counter. • Modify the second unit ordinance so that internal living quarters may be considered as dwelling units. Based on past construction this should add 52-80 dwelling units in the current planning period.
3.362A Continue to enforce the Uniform Building Code provision of handicap access in residential structures.	None	Handicap access provisions of UBC were enforced by the Building Department.	Provision successful	Continue
3.362C Contribute funds to the Shelter Network Program that provides shelters and homeless assistance in San Mateo County.	None	No funds contriuted	Town budget constraints preclude its ability to contribute.	Monitor

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.372 Actively support housing opportunities for all persons regardless of race, sex, marital status, ancestry, national origin or color.	None	Town cooperates with District Attorney to enforce fair housing laws	Objective met	Continue
Continue to support the Shared Housing Program implemented by the Human Investment Project.	None	One low income household was accommodated through home sharing during the planning period.	Program assists low income individuals but does not result in any net new housing units.	Continue

3.700 HOUSING GOALS, QUANTIFIED OBJECTIVES AND POLICES

This section contains the Housing Goals, Quantified Objectives and Polices of the Town. These goals, objectives and polices will be implemented by the Housing Programs described in Section 3.800 of this Element.

3.710 GOAL: FACILITATE THE PRIVATE DEVELOPMENT OF HOUSING TO MEET A PORTION OF THE ABOVE MODERATE INCOME HOUSING NEED IDENTIFIED FOR ATHERTON

3.711 OBJECTIVES

A. Realize the construction of approximately 5 net new housing units in the above-moderate income category in Atherton from 2007-2014.

3.712 POLICIES

A. Within the limitations of the private housing market the Town shall work with private developers to encourage new housing development.

3.720 GOAL: USE SECOND DWELLING UNITS TO MEET A SUBSTANTIAL PORTION OF THE TOWN'S MODERATE TO VERY LOW INCOME HOUSING NEED.

3.721 OBJECTIVES

A. Realize the construction of 57 new second dwelling units planned for occupancy by moderate to extremely low income households in Atherton from 2007-2014.

3.722 POLICIES

A. Amend the Atherton Zoning Ordinance as listed below:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow detached or attached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required setback.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

B. Amend the Atherton Zoning Ordinance to allow the construction and occupancy of internal living quarters containing a full kitchen, and facilities

for living and sleeping.

C. Encourage occupancy of legal, full time second units and internal living quarters.

D. Implement the Town's second dwelling unit ordinance.

E. Encourage the private provision of second unit dwellings by publicizing the existence of its Second Dwelling Unit Program.

3.730 **GOAL:** FACILITATE THE DEVELOPMENT OF FACULTY AND STUDENT HOUSING ON SCHOOL CAMPUSES TO MEET A PORTION OF THE MODERATE AND VERY LOW INCOME HOUSING NEED IDENTIFIED FOR ATHERTON

3.731 **OBJECTIVES**

A. Encourage the construction of 27 new faculty housing units and 63 new student housing units with kitchens at private schools in the moderate to very low income categories in Atherton from 2007-2014.

B. Encourage the construction of 2 new staff housing units at Sacred Heart Schools in the moderate to extremely low income categories in Atherton from 2007-2014.

3.732 **POLICIES**

A. Encourage schools in Atherton to provide affordable faculty, staff and student housing on their campuses.

3.740 **GOAL:** PROMOTE PRIVATE EFFORTS TO CONSERVE AND IMPROVE ATHERTON'S EXISTING HOUSING SUPPLY.

3.741 **OBJECTIVES**

A. Promote the improvement, maintenance and enhancement of the existing housing stock through ongoing private and public rehabilitation efforts, with the objective of processing 1,000 applications for rehabilitation and home improvement between 2007 and 2014.

B. Obtain support from local lending institutions to provide loans for property improvement.

3.742 **POLICIES**

A. The Town shall promote conservation and improvement of the condition of its existing affordable housing stock with the goal of conserving all existing affordable units.

3.750 **GOAL:** ENCOURAGE SPECIAL CONSIDERATION TO THE MAINTENANCE AND EXPANSION OF HOUSING OPPORTUNITIES

FOR ELDERLY, HANDICAPPED AND LOW AND MODERATE INCOME AND HOMELESS PERSONS

3.751 **OBJECTIVES**

A. Enforce uniform building code regulations regarding provision of access for handicapped in residential structures, where applicable.
B. Support the conservation and development of affordable housing for citizens of modest means.

3.752 **POLICIES**

A. The Town shall continue to enforce the uniform building code regulations regarding provision of handicapped access in residential structures.
B. The Town shall continue to encourage the production and availability of more affordable housing through the development of new second dwelling units, internal living units, and private school faculty and student housing.
C. The Town shall cooperate with agencies providing emergency shelter, transitional and supportive housing for the homeless and those in crisis.

3.760 **GOAL:** CONTINUE TO PROMOTE HOUSING OPPORTUNITIES FOR ALL PERSONS REGARDLESS OF RACE, SEX, MARITAL STATUS, ANCESTRY, NATIONAL ORIGIN OR COLOR

3.761 **OBJECTIVES**

A. Eliminate discrimination in housing to the extent feasible through Town actions.

3.762 **POLICIES**

A. The Town shall actively support housing opportunities for all persons regardless of race, sex, marital status, ancestry, national origin or color.

3.800 HOUSING PROGRAMS

This section contains Atherton's Housing Programs for the Planning Period 2007 – 2014.

3.810 New Construction, Conservation and Rehabilitation

3.811 New Construction of Above Moderate Units

a. Continue to facilitate and expedite the development of new **above moderate income housing** units. An average of 33 new homes in this income category is constructed in Atherton each year. However an almost equal number of homes are demolished. It is projected that a net of 5 additional homes in the above moderate income category will be constructed during the 2007 – 2014 Planning Period.

Time frame for implementation: January 1, 2014 (Long-term Action)

Agency/Official responsible for implementation: Building Department

Proposed Measurable Outcomes: Construction of net 5 new above moderated income dwelling units

Funding Sources: General Fund, Building Department Budget

3.812 New Construction of Affordable Units

a. Amend the Atherton Zoning Ordinance to permit **Internal Living Units** that may include all three kitchen elements (stove, sink and refrigerator).

b. Amend the **Second Dwelling Unit** provision of the zoning ordinance as listed below:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow attached and detached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required setback.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

Time frame for implementation (both items a. and b.): Prior to June 30, 2010 (Immediate Action)

Agency/Official responsible for implementation: City Council/Planning Commission/Town Planner

Proposed Measurable Outcomes: Construction of 52 to 80 new Second Dwelling Units in the extremely low and very low income categories by January 1, 2014 (Long-term Action)

Funding Sources: General Fund, Planning Department Budget

c. Actively promote the **Second Dwelling Unit** provision of the Atherton Zoning Ordinance by encouraging homeowners and developers to include attached or detached Second Dwelling Units in existing or new homes.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Commission/Town Planner

Proposed Measurable Outcomes: Construction of 52 to 80 new Second Dwelling Units in the extremely low and very low income categories by January 1, 2014

Funding Sources: General Fund, Planning Department Budget

d. Work and cooperate with Menlo School, Menlo College and Sacred Heart to facilitate development of affordable **faculty, student and staff housing** on school properties, and provide incentives for development through and expedited review process.

Time frame for implementation: January 1, 2014 (Long-term Action)

Agency/Official responsible for implementation: Planning Department and Building Department

Proposed Measurable Outcomes: Construction of 11 new faculty units at Menlo School, 79 new faculty and student units at Menlo College and 2 new staff units at Sacred Heart Schools in the extremely low to very low income category by January 1, 2014

Funding Sources: General Fund, Building Department Budget

3.813 Conservation and Rehabilitation of Existing Units

a. Continue to facilitate and expedite the **rehabilitation and reconstruction** of

existing residential units. The prompt processing of subdivision, planning review and building permit issuance has resulted in average review times that are some of the most reasonable in San Mateo County. The Town will continue to assist the property owners and development community in the housing development, conservation and rehabilitation process.

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Planning and Building Departments

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning and Building Department Budgets

3.820 **Special Housing Needs**

3.821 Seniors

a. Facilitate the provision of board and care opportunities, particularly for seniors, some of whom may be longtime Atherton residents who can no longer remain in their homes and who wish to continue living in Atherton. State law provides that a **residential care facility** (defined as a facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed.

The Town will amend its Zoning Ordinance to specify that residential care facilities are allowable uses in the R-1A and R-1B Zoning Districts and are permitted by right.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

b. The Town will provide information at Town Hall regarding the numerous Senior Centers in San Mateo County that offer **assistance in home repairs**. Some of these programs offer subsidized services and others maintain a list of skilled workers who charge below market rates. The information will also include San Mateo County's Home Repair Program to assist low and moderate homeowners in rehabilitating their residences. The Town will occasionally publicize the availability of these services in the Town newsletter.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

c. The Town will continue to support the County **Property Tax Postponement Program**, which provides seniors with a means of postponing property tax payment. This program has the benefit of extending the length of time they can remain in their homes. Inquiries will be directed to the County Tax Collector's Office and information regarding the program will be available at Town Hall and occasionally publicized in the Town's newsletter.

3.822 Disabled Persons

a. Continue to review new residential developments and major remodels for **compliance with the Americans with Disabilities Act** (ADA).

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Building Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Building Department Budget

b. Continue to support the **County Housing Accessibility for Disabled Persons** program at the Center for the Independence of the Disabled. The Town will direct inquiries for house modifications for the disabled to the County program. Public information regarding the program will be available at Town Hall and occasionally publicized in the Town's newsletter.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

c. Review the Zoning Ordinance to identify provisions that could pose constraints on the development of housing for persons with disabilities, and amend the ordinance as needed to expedite retrofit efforts to comply with the ADA, require ADA compliance in all new development that is subject to ADA, and provide adequate flexibility in the development of housing for persons with disabilities.

Time frame for implementation: June 30, 2011 (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.823 Equal Housing Opportunity

a. Refer complaints of discrimination in housing access based on race, religion, national origin, age, sex, marital status or physical handicap, and other arbitrary barriers that prevent choice of housing to groups such as the Midpeninsula Citizens for Fair Housing.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.824 Emergency Shelters, Transitional and Supportive Housing

a. Establish a zone that meets requirements set forth in SB2 relating to **emergency shelters**. The Town will amend the existing PFS (Public Facilities and Schools) Zoning District to provide for emergency shelters as an allowable use when located within the Town Civic Center **property.**

Within this zone shelters will be permitted without a conditional use permit or other discretionary action. The zone will contain approximately 6 acres, which can accommodate up to three shelter beds, providing adequate capacity to meet the identified need. A typical shelter approximately 1,000 sq. ft. in size would be allowed in this zone by right.

Within this zone, shelters will be subject to the same development and management standards as other uses within the zone and require only a building permit. The Town will also develop objective and predictable standards for shelter operation.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: Designation of a location in Town when an emergency shelter is permitted

Funding Sources: General Fund, Planning Department Budget

b. Amend the Atherton Zoning Ordinance to explicitly state that any use is permitted if required by State law. Under this revision, **supportive and transitional housing** will only need to obtain the same types of permits and approvals as any other residential development. Residential uses, including transitional and supportive housing, will be permitted in the following zones; R-1A and R-1B.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: Designation of a location in Town when an emergency shelter is permitted

Funding Sources: General Fund, Planning Department Budget

3.830 **Consistency with State Requirements**

3.831 Energy Conservation

a. Continue to require compliance with Title 24 of the State's Building regulations. In addition, disseminate energy conservation information available from other agencies, such as PG&E's solar subsidy program and energy audits.

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Building Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Building Department Budget

3.831 Mobile and Manufactured Homes

a. The Town will amend the Zoning Ordinance to clarify that "manufactured housing" (modular or mobile homes on foundations) is allowed, subject only to the same development standards that apply to a conventional single family residential dwelling on the same lot, including, but not limited to, building setback standards, vehicle parking, and minimum square footage requirements.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.840 **Other Housing Programs**

3.841 Shared Housing

a. The Town will continue to support the Human Investment Program (HIP), a non-profit organization that matches people needing housing and people owning a home who desire additional income and/or companionship. The Town will make information about the Home Sharing program available at Town Hall and will publicize the effort through the Town's newsletter. (Home sharing does not count toward the Town's Housing Needs Allocation.)

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: 1 - 2 home-share matches each year

Funding Sources: General Fund, Planning Department Budget

3.900 EFFORTS TO ACHIEVE PUBLIC PARTICIPATION

Extensive public participation is an essential component to the housing element update process. During this Planning Period Atherton has made a major effort to involve current and potential beneficiaries of housing programs and services and their advocates (e.g. lower-income representatives, tenants of affordable complexes groups targeted for special housing needs consideration, community based organizations, health and human service providers, homeless shelter and service providers) in the update process. Various community stakeholders including neighborhood leaders, local businesses, employers and environmentalists have been invited to participate. The participation of development professionals including local builders, for- and non-profit developers, architects, trade labor unions, realtors, mortgage bankers and brokers, area lenders, and others has been requested.

The process was started with a joint City Council, Planning Commission, General Plan Committee workshop on the housing element update held on September 23, 2008. The workshop focused on State housing element statutory requirements and strategies for compliance. An extensively publicized community-wide workshop on the Atherton Housing Element Update was held on October 29, 2008. Current and potential beneficiaries of housing programs and services, community stakeholders and development professionals were invited to attend and participate. Notice was also mailed to every Town resident and a notice was published in The Almanac, the local newspaper of general circulation in Atherton.

Beginning on January 7, 2009 the Atherton General Plan Committee began holding public meetings on the draft Housing Element Update. A total of three such meetings were held. In order to ensure a significant and inclusive public process, citizen committees, the public, current and potential beneficiaries of housing programs and services, community stakeholders and development professionals and elected officials were invited to attend and to review and consider the document and policy recommendations.

An article about the Housing Element Update process and a local survey about second dwelling units, guest houses and internal living quarters were included in The Athertonian, the Town's newsletter in early October 2008. The Athertonian is mailed to every resident in Town. The survey served to obtain updated information on second units, guest houses and internal living quarters such as number of units, rental rates and other information. The article provided Town residents with information about the update process and tentative review schedule.

Copies of a summary of the draft were circulated to and comments requested from local citizens, affordable housing advocates and other interested parties. The draft was available upon request. The distribution list included:

- Atherton General Plan Committee (eight Atherton residents)
- Mid-Peninsula Housing Coalition
- Human Investment Project
- Housing Leadership Council
- Center for the Independence of the Disabled

- Samaritan House
- Peninsula Policy Partnership—Housing Action Team
- C.A.L.L. Primrose Center
- Shelter Network
- C/CAG (City/County Association of Governments)
- SAMCAR (San Mateo County Association of Realtors)

In addition, the draft summary and public hearing information was disseminated in the following ways:

- An article was published in the Athertonian, a Town sponsored newsletter that is mailed to every household in Atherton describing the Element and inviting residents to Planning Commission and City Council public hearings.
- Press Release- a press release went to all local newspapers
- Letters of invitation to all housing-related institutions that the Town has worked with such as Shelter Network, Samaritan House, Human Investment Project, C.A.L.L. Primrose Center, SAMCEDA, Mid-Peninsula Housing Coalition, Center for the Independence of the Disabled, and Housing Leadership Council.
- Posting in City Hall
- Mailing to the City Council and Planning Commission
- Mailing to the school district
- Distributed to the Police Department

In addition, the Planning Commission held noticed public hearings on the draft Update on April 29, May 18, June 18, August 17 and September 23, 2009. At the conclusion of the hearings the Planning Commission recommended that the City Council forward the Draft Housing Element to the California Department of Housing and Community Development for review and comment.

ATTACHMENT 2

Atherton Draft Housing Element 2007 - 2014

Summary of Sites Required and Planned

Planning Commission Recommended Draft

Sites Required

Basic 2007-14 Allocation	83
Carry-over from 1999-2006 (166 basic allocation minus 90 sites at Menlo School & College minus 9 net sites actually built)	67
Total	150

Sites Planned

Menlo School & College (not built; recycled)	90
Sacred Heart Schools	2
Conventional Houses (from 1999-2006 experience)	5
Second Units	57
Total	154

ITEM 34

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **JEROME D. GRUBER, CITY MANAGER**

DATE: **FOR THE REGULAR MEETING OF OCTOBER 21, 2009**

SUBJECT: **CONSIDERATION TO DIRECT PARKS & RECREATION COMMISSION TO REVIEW THE STORAGE FACILITIES SITUATION AT HOLBROOK-PALMER PARK**

RECOMMENDATION:

To Be Determined

BACKGROUND:

At the August 2009 regular City Council meeting Council Member Marsala requested to add the following item to the Agenda for discussion and vote:

Consideration to Direct Parks & Recreation Commission to review the storage facilities situation at Holbrook-Palmer Park.

Council voted unanimously to add this to the Council Agenda.

Council Report – Elizabeth Lewis
September 16 – October 21, 2009

October 8 – C/CAG meeting in San Carlos as Alternate for Mayor Carlson. Approved the CPUC Grant for 4-year, $3.5m contract with PG&E for Local Government Partnerships.
The Countywide Transportation Plan for 2035 was outlined. This is a work in progress and is estimated to be delivered to C/CAG by September 2010 for adoption. The proposed vision statement is: *"Promote an integrated transportation system that is cost-effective, sustainable, and equitable by providing travel choices, enhancing community livability, preserving environmental quality, and promoting travel safety."*
Members of the community are urged to be involved in the development and public workshops for this Plan. Members of Atherton Council should also weigh in to make sure our needs are considered.
October 7 – Closed session Council meeting – ½ hour
October 7 – San Francisco Community RoundTable, Millbrae. Update on the Oceanic arrivals over Portola Valley and Woodside with discussion on why altitude arrivals below the negotiated 8,000' level have been increasing. Climate conditions (fog) safety issues, traffic creates more vectoring over Woodside vor. . Another reason may be the increase in the voluntary OTA's (Oceanic Tailored Arrivals) by certain aircraft which follows a computerized glide path and may fly in at lower altitude, however the noise level is lessened because of less use of engines to stay at high altitude and then descend in stair-step fashion. Two residents from Woodside spoke about aircraft noise One resident lives on Skyline at 2,300 feet. A sub-committee was formed to establish a policy and protocols for information and data requests of staff and to amend the Bylaws accordingly.
October 1 – Attended the Lucile Packard Foundation dinner hosted by Atherton residents Mr. & Mrs. Koenig at their home at 158 Almendral Avenue.

September 30 – Grand Boulevard Task Force Meeting, Sunnyvale 10am – noon. Overview of strategies for restructuring El Camino Real. Re-cap of the very successful and well-attended public forum held at the Fox Theater in Redwood City June 20, 2009 where key-note speaker Michael Freedman presented.

September 25 – Attended a private luncheon hosted by the San Jose Chamber of Commerce for California Governor Candidate Meg Whitman at the Capital Club in San Jose. In attendance were several Atherton residents also.

September 24 – Went on all day field trip with members of the San Francisco Community RoundTable to Sacramento for a tour of the NORCAL TRACON high security air traffic control facility. The facility is only 1 of 4 in the nation and manages air traffic arrivals and departures in our Bay Area airports.

September 23 – Special Council meeting – MBIA presentation and other matters

September 23 – Attended Planning Commission meeting.

Council Report of Kathy McKeithen

October 2009

On October 14, 2009 I attended the regular meeting of the Atherton Friends of the Library. Duncan Jones, Atherton Director of Public Works, presented the results of the seismic study and life safety analysis for the Atherton council chambers and public library. He reported that the study did not find any imminent threat of catastrophic collapse of the buildings in an earthquake, but did discern two problems – one external and one internal. The first was that that some roof tiles were loose. The second was that the buildings probably did not allow for sufficient flexibility for the window panes to avoid breakage or pop-out in the event of a quake. It was decided that until such time as a needs assessment was completed to determine how the Town wished to proceed regarding the Library building, rather than spend $305,000 for a complete retrofit, the cost efficient alternatives were to hire a roofer to tighten the roof tiles and to film the windows and place screens over them.

The Boy Scouts have refurbished the benches outside the library with wood from trees in the Park. The Friends would like to thank the Scouts publicly for their generosity of time and labor at such time as the Council acknowledges their donation at its Council meeting.

Anne-Marie Despain, Director of the County Library system reported that the Library has accepted the proposal of Anderson Brule Architects of San Jose to perform the needs assessment for our library. The needs assessment will have two primary goals. The first is to describe how the building enables or limits the provision and enjoyment of the library's collection and services. The second will outline the space required for the library's collections and services currently and in the future. Working collaboratively with key stakeholders from Friends of the Library, staff, the community, Anderson Brule will evaluate existing conditions, identify opportunities and identify space needs in accordance with the system's strategic plan.

On October 13, 2009, Carine Risley, head of the Atherton library met with representatives of Anderson Brule to define the scope and schedule of the process. The schedule is an ambitious one. It involves three key elements.

(1) A survey will be conducted October 20-November 17, 2009. It will be widely publicized with hard copies available in key locations but primarily on-line, in English and in Spanish. Notice will be posted in our library and in other locations. The survey will attempt to have a broad focus – for example, beyond the Atherton community, the potential for far-reaching technological changes, the desirability of a green building, the effect of an aging population, potential needs 20 years from now.

(2) On October 19, 2009 Anderson Brule will conduct key informant interviews with three people who are best able to be in tune with the community needs and desires.

(3) A focus group will meet on October 27th at 2:30-4:30 of no more than 15 people representing different aspects of the surrounding community including those who do and do not use the library.

It is anticipated that the final Needs Assessment Report will be completed by the end of December and presented to the Atherton Town Council and the JPA Governing Board in late December or early January.

The will be a Holiday Open House in the Library from 2-5 p.m. December 9, 2009.

Charles Marsala

Council Reports:

I attended the League of Cities conference in San Jose September 24th-26th. Concern about the state withholding city funds is a concern as is pension funding.

The Blue Ribbon Task Force met on Oct 5th and approved the final draft for its report to the council. The report will be presented in November.

October Council Report – J. Carlson

League of California Cities Conference

I attended the annual conference of the League of California Cities as a continuing education opportunity for being on the council.

1. One of the key note speakers explained how new communications technology is aiding communities to more effectively connect with residents by helping to get the message out in a more timely basis, encouraging interactive resident engagement on various issues. Some cities have sites to post responses on 'how to make our city a better town?'; and 'what needs improving in the town?'. Such interaction is a means for taking the 'public's pulse' and finding out what are the things people are thinking about . Hand held devices can be used for reporting problems with roads, drainage and ordinance violations by using City Source 311 technology service to send handheld pictures and the GPS location of potholes in the road and other problems. The City of Davis uses the technology in helping Public Works to prioritize projects road repair projects. My take away – Find two or three communication technology residents to volunteer to see how Atherton might best use evolving communications technology for the benefit of the residents and for increasing the efficiency of staff time and making town government more responsive to resident needs and priorities.

2. There is a California Communities Program that may allow Atherton and other agencies to recoup the State's planned taking of 8% of its property tax. The town will need to enroll in the program in order to participate. The alternative will be for the State to borrow the funds for three years and pay back with interest. The CCP program would be a dollar for dollar recovery with no interest within a short period. Detailed information www.cacommunities.org or 1-800-635-3993.

3. A labor negotiations panel including the President Fresno Police Officers Association, two city managers and an attorney all agreed that council members should not be directly involved in labor negotiations. Providing guidance in a closed session to the labor negotiator is a good process to follow. Fresno police officers deferred a 2% pay raise due to economic problems but it took a large amount of effort by the president of the POA in educating the members to accept the deferral. He invited any public agency interested to make contact. The importance of using market surveys was down played by the panel in favor of negotiating specific issues such as more paying for performance. The importance of building a well documented record of the negotiating process including information requests, responses, minutes and all documents exchanged was stressed. The biggest problem/issue for all agencies is the cost of retiree benefits.

4. Reserve accounting will be modified by GASB 45. The outside auditors should inform the town how the new pronouncement will affect annual report for June 30, 2011. There is also a change in accounting for intangible assets (software). Expedia case (attorney should review) that it should be subject to a bed tax in the city where the transaction occurs needs to be further looked into. Prop 218 may not apply on franchised solid waste contracts when town sets a ceiling rate for five years before it has to be renoticed. The COPS program will continued to be funded (minimum $100k) by vehicle license fees.

Other sessions attended dealt with sign ordinances, financing alternatives, and role of city council in litigation. The business portion of the meeting passed three

resolutions, on a consent motion, including the Social Host Liability proposal and two petition resolutions re Additional Constitutional Protection of Local Government Revenues and Opposition to Rule Modifications to Accommodate Southern California Edison Company's Initiative to Install Above-Ground Equipment. The resolution Divesting From Banks/Financial Institutions That Fail to Cooperate With Foreclosure Efforts was withdrawn.

Councilman Marsala was recognized for being one of three councilpeople, in the state, receiving an Advanced Leadership award from the League of California Cities.

<u>High Speed Rail</u>

1. Peninsula Cities Consortium - PCC is meeting this quarter in Burlingame's city council chambers. Besides, the bi weekly meetings of board members from Palo Alto, Menlo Park, Belmont, Burlingame and Atherton, two significant public events were held. A Teach-In included a good mix of speakers informing approximately 300 people of various aspects of HSR. A new party representing the shippers using UP provided some new perspective to the use of the rail corridor.
2. The second event was a 1 ½ day meeting organized by a group of architects who engaged a wide range of experts who helped give community members ideas on how to 'design' the rail corridor to benefit their communities. Several Atherton rail committee members took part in coming up with a 'plan' for the town's portion of the line. Interestingly, Palo Alto, Menlo Park and Atherton 'solutions' all envisioned putting the rail lines underground.
3. While the judge has not stopped work on the Program EIR between San Jose and San Francisco he has declared that the Program EIR has some flaws. The CHSRA has to decertify the original plan and rework to the judge's satisfaction sections of the plan. It is not clear as to what this will mean in terms of their having to revisit the pros and cons of the Altamont route vs the revised Pachaco Pass route.
4. The Atherton Rail committee is working with Duncan Jones on a response to the Alternatives Options as part of the EIR process. So far, above ground, at grade and under ground options for the Atherton segment are still being considered. At the Policy Working Group meeting, HSR consultants said they would consider putting the high speed train in a deep tunnel and the Caltrain tracks above it in a trench which would put the trains out of sight and allow for track crossings to remain at their current grade. In addition, the committee is alerting the North Fair Oaks community that they need to get engaged in the process if they wish to have any impact on the decision making.

<u>Council of Cities meeting</u> was held at the Basque Cultural Center in South San Francisco. I recommend that Atherton host one of these monthly meetings, next year, of the San Mateo County city council members in our town. Perhaps at the Pavilion after the landscaping is completed. It is evident that we will need to partner with other cities to an even greater extent in the future and getting to know the other council members is key to helping influence decisions in the town's best interest. Having personal contacts you can call upon helps build regional cooperation on many fronts including HSR.

Attended

Lindenwood HOA Annual event
San Mateo Grand Jurors Assn. luncheon (Jerry Hill speaker)
Opening events for Menlo/Atherton H.S. Arts Center
C/CAG Compensation Task Force meeting
HSR Community workshop
PCC's – EIR committee
Park walk through with Park & Rec committee members

ITEM 33

DATE: **FOR THE CITY COUNCIL MEETING OF OCTOBER 21, 2009**

TO: **HONORABLE MAYOR AND CITY COUNCIL**
CITY MANAGER, JERRY GRUBER

FROM: **NEAL J. MARTIN, TOWN PLANNER**
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

SUBJECT: **DRAFT 2007-2014 HOUSING ELEMENT UPDATE RECOMMENDED BY PLANNING COMMISSION**

RECOMMENDATION:

Review the Planning Commission Recommended Draft Housing Element Update 2007-2014. Provide direction to Staff to make any additional changes and direct Staff to forward the Draft Housing Element Update to the California Department of Housing and Community Development (HCD) for review and comment.

DISCUSSION:

The Planning Commission reviewed the draft Housing Element Update on April 29, May 18, June 18, August 17 and September 23, 2009. At the conclusion of the September meeting the Commission requested that Staff make certain changes to the draft. Those changes have been made and included in the attached draft. The Commission unanimously recommended that the City Council forward the Draft Housing Element Update to the California Department of Housing and Community Development for review and comment.

The primary means of achieving the 2007-14 Regional Housing Needs Allocation of 83 units plus a possible carry-over from the 1999-2006 Planning Period of 67 units (150 units total) are:

- Planning for 92 new units of faculty, student and staff housing at Menlo School, Menlo College, and Sacred Heart Schools all affordable to extremely low to moderate income individuals and families.[1]
- Planning for 5 net new units of conventional single family homes all affordable to above moderate income individuals and families.
- Planning for 57 new Second Dwelling Units affordable to extremely low to moderate individuals and families.
- Inclusion of additional incentives for the development of new Second Dwelling Units,

[1] Menlo School – 11 units, Menlo College – 79 units, Sacred Heart Schools – 2 units.

including:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow detached or attached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required side or rear yard.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

- Changes to regulations to allow internal living quarters to be counted as second units.

It is recommended that the City Council review the Planning Commission Recommended Draft Update, provide direction to Staff for any other changes desired and adopt a motion directing staff to transmit the Update to HCD for their review and comment in accordance with State law.

FORMAL MOTION:

I move that the City Council direct Staff to transmit the Draft Housing Element Update 2007-2014 to the California Department of Housing and Community Development for review and comment.

Neil J. Martin
Lisa Costa Sanders

Neal J. Martin, Town Planner
Lisa Costa Sanders, Deputy Town Planner

Jerome D. Gruber

Jerome D. Gruber,
City Manager

Attachments:

1. *Housing Element Update 2007 – 2014*, Planning Commission Recommended Draft, September 23, 2009
2. Summary of Sites Required and Planned

ATTACHMENT 1

Town of Atherton

Planning Commission
Recommended Draft

Housing Element Update
2007 – 2014

September 25, 2009

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3.100 INTRODUCTION

3.110 Purpose

The State of California Government Code[1] requires that all cities within the San Francisco Bay Area update the Housing Element of their General Plan by June 30, 2009. The purpose of this document is to meet this requirement by evaluating the existing and projected housing needs of all economic segments of Atherton, evaluating existing policies and programs aimed at the preservation, improvement and development of housing and developing new ones.

The contents of this update includes an analysis of housing needs, statements of goals and policies, a schedule of programs and actions and an estimate of the number of housing units the Town expects to be developed, improved and maintained in the local housing stock. Programs and policies included in the existing Housing Element were evaluated and modified where necessary to reflect changing market conditions and policy priorities.

Atherton is a residential community of approximately 7,200 residents with a land area of approximately six square miles. The Town is bordered by Menlo Park, Woodside, Redwood City and unincorporated San Mateo County. Founded in the early 1920's, Atherton is characterized by large lot residential land use, where minimum lot size is 1/3 to 1 acre throughout the Town. There is no commercial or industrial land use in Atherton. There are eleven schools in Town, three of which are private.

3.120 Definition of Income Categories

Since the determination of housing need is often discussed in terms of income categories, it is important to define the categories used in this update at the outset. The California Department of Housing and Community Development (HCD) has established household income categories based on a proportion of the area's median family income as summarized below:

TABLE HI-1: HCD INCOME CATEGORIES DEFINED

Income Category	Approximate Percent of Median Income
Above Moderate	Above 120% of median
Moderate	80% to 120% of median
Low	50% to 80% of median
Very Low	30% to 50% of median
Extremely Low	Below 30% of median

The income limits established by HCD for San Mateo County in 2008 are presented in

[1] § 65588(e)(2)

Table HI-2.

Housing affordability limits are derived using the Standard Definition of Affordability level. Thirty percent of gross household income is the standard affordability level. A household that spends greater than 30% of its gross income on housing is described as overpaying for housing. The maximum affordable monthly housing costs for each income category are calculated from the income limits established by HCD for San Mateo County in 2008 and are presented in Table HI-3.

TABLE HI-2: ANNUAL INCOME LIMITS BY HOUSEHOLD SIZE - 2008(US$)

	Number of Persons in Family							
Income Category	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Extremely Low	23,750	27,150	30,550	**33,950**	36,650	39,400	42,100	44,800
Very Low	39,600	45,250	50,900	**56,550**	61,050	65,600	70,100	74,650
Low	63,350	72,400	81,450	**90,500**	97,700	104,950	112,200	119,450
Median	66,500	76,000	85,500	**95,000**	102,600	110,200	117,800	125,400
Moderate	79,800	91,200	102,600	**114,000**	123,100	132,200	141,400	150,500

Source: HCD figures for San Mateo County, 2008

TABLE HI-3: MONTHLY MAXIMUM AFFORDABLE HOUSING COST BY HOUSEHOLD SIZE - 2008 (US$)

	Number of Persons in Family							
Income Category	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Extremely Low	594	679	764	**849**	916	985	1,053	1,120
Very Low	990	1,131	1,273	**1,414**	1,526	1,640	1,753	1,866
Low	1,584	1,810	2,036	**2,263**	2,443	2,624	2,805	2,986
Median	1,663	1,900	2,138	**2,375**	2,565	2,755	2,945	3,135
Moderate	1,995	2,280	2,565	**2,850**	3,078	3,305	3,535	3,763

3.130 Relation to Other Elements (including General Plan Consistency Analysis)

The Housing Element is closely related to the Land Use, Open Space and Circulation Elements. In the Housing Element, residential land use is translated into terms of household units to be accommodated in the future. Lands designated for residential use are identified in the Land Use Element; the location, site area and terrain suitable for housing is related to both open space and land use; and the capability of serving residential neighborhoods by an efficient circulation system is discussed in the Circulation Element.

State law requires that all elements of the general plan be consistent with each other. The goals and policies of this Housing Element are consistent with the other elements of the Town's General Plan.

3.200 ASSESSMENT OF HOUSING NEEDS

3.210 Analysis of Population and Employment in Atherton

This section contains background information on the Town's population and employment characteristics, including historic population growth, age and income characteristics of the population and the condition of the housing stock. It also includes an analysis of population and employment trends

3.211 Historic Population Trends

At the time of incorporation, in 1923, the Town of Atherton had a population of 650 people.[1] Over the next three decades, the town expanded to 3,630 people. The most significant growth took place between 1950 and 1960 when the population more than doubled to 7,717 people. Population growth slowed dramatically in the following decade and reached a peak by 1970 of just over 8,000. The 1980 Census counted 7,797 people, a 3.5 percent decline from 1970. The population declined further in 1990 (8.1%) and increased slightly in 2000 (0.4%). In the period 1970-2000 Atherton's population actually decreased by 11 %.

TABLE HII-1: HISTORIC POPULATION TRENDS

Year	Population	Source
1923	650	Historic Publication, City of Atherton
1950	3,630	U.S. Census
1960	7,717	U.S. Census
1970	8,085	U.S. Census
1980	7,797	U.S. Census
1990	7,163	U.S. Census
2000	7,194	U.S. Census

The slight increase in population which took place in Atherton (0.4%) from 1990 to 2000 compares to a countywide increase of 8.9 percent and an overall increase in the Bay Area of 15.1 percent.

[1] Bush, Sarah and Genevieve Merrill, Atherton Lands 1979; printed privately.

TABLE HII-2: RECENT TRENDS IN LOCAL AND REGIONAL POPULATION

	Atherton 1990	Atherton 2000	San Mateo County 1990	San Mateo County 2000	Bay Area 1990	Bay Area 2000
Total Population	7,613	7,194	649,623	707,163	6,051,500	6,783,762

3.212 Age Characteristics

In 1970, the percentage breakdown of Atherton residents in various age groups closely corresponded to the County-wide percentages. Out of a total of 8,085 people, 32 percent were children under 18, 60 percent were between the ages of 18 and 64, and approximately 8 percent were seniors 65 and over.

The 1980 Census revealed an overall aging of the population. The percentage of young people under age 18 declined to 24 percent. The percent of people between the ages of 18 and 64 increased slightly to 63 percent, and the number of seniors increased to nearly 13 percent. County-wide trends were comparable.

TABLE HII-3: AGE CHARACTERISTICS

Age Group (Total Population)	Atherton 1990 Number of Persons[1]	Percent	Atherton 2000 Number of Persons[2]	Percent	Atherton 2008 Number of Persons[3]	Percent	San Mateo County 1990 Percent	San Mateo County 2000 Percent	San Mateo County 2008 Percent
Persons under 19	1,470	20.5	1,703	23.7	1,788	24.3	23.1	22.9	24
Persons Age 19-64	4,370	61.0	4,040	56.2	4,019	54.6	64.6	64.6	64
Persons Age 65+	1,323	18.5	1,451	20.1	1,553	21.1	12.3	12.5	13

The overall aging of Atherton population continued into the 1990's. The percentage of young people declined to about 20 percent. The percentage of people between the ages of 19 and 64 was about 61 percent of the total and seniors grew to over 18 percent. By 2008, the Town's younger population increased to over 24 percent. The senior population increased to over 21 percent and the group between 19 and 64 years decreased to 54 percent.

3.213 Ethnic and Racial Characteristics

From 1990 to 2000 the proportion of African American in Atherton remained essentially

[1] 1990 U.S. Census

[2] 2000 U.S. Census

[3] Clarias Demographic Snapshot, 2008 from 21 Elements, adjusted for consistency with ABAG Projections.

unchanged. The percentage of Asians

TABLE HII-4: RACIAL CHARACTERISTICS

Racial Group (% of Total Population)	Atherton 1990 [1]	Atherton 2000 [2]	San Mateo County 1990	San Mateo County 2000
White	90.9%	85.3%	71.9%	59.5%
African American	0.8	0.7	5.4	3.5
American Indian or Alaskan Native	0.2	0.2	0.5	0.5
Asian or Pacific Islander	7.3	10.2	16.8	21.3
Other	0.8	1.0	5.4	10.2
Two or more Races **		2.6		5.0

and Pacific Islanders have grown by 3% to 10.2% of the population. The racial mix in Atherton is not comparable to the County pattern, however, as shown in the table above. Additionally, in 2000 about 3% of the population stated they were of Hispanic or Latino heritage.

TABLE HII-5: HISPANIC OR LATINO

	Atherton 2000	San Mateo County 2000
Hispanic or Latino	2.8%	21.9%
Not Hispanic or Latino	97.2%	78.1%

3.214 Households

3.214a Household Population

People living in "Households" are differentiated from people living in "Group Quarters" by the Census Bureau and in California Housing Element law. A household includes all persons who occupy a housing unit; such as a house or an apartment, whether related or unrelated. Group quarters include all persons not living in households; such as rooming houses, group homes and school dormitories. The two group quarters facilities existing in Atherton are: Oakwood Home for the Retired Religious at Sacred Heart Schools and Menlo College on-campus residency for students and faculty. Many lower income residents of Atherton reside at Oakwood or Menlo College.

Household population data for 1980-2008 is included in the table below. Household population decreased between 1980 and 1990 following the general pattern of decreasing population during the same period. Household population increased slightly from 1990 to

[1] 1990 U.S. Census

[2] 2000 U.S. Census

2000, however group quarters population decreased, leaving the general population total essentially the same during that period.

TABLE HII-6: HOUSEHOLD CHARACTERISTICS

	1980	1990	2000[1]	2008[2]
Population	7,796	7,163	7,194	7,360
Household Population	7,488	6,675	6,875	N/A
Group Quarters Pop.	308	488	319	N/A
No. of Households	2,496	2,403	2,413	2,452
Persons/Household	3.0	2.78	2.85	2.9

3.214b Number of Households

The number of households in Atherton remained relatively constant during the period 1980-2000. A 3.7 percent decline in the number of households occurred from 1980 to 1990 and an increase of less than 0.5 percent occurred from 1990 to 2000.

3.214c Average Household Size

The population of Atherton is fairly evenly dispersed throughout the community in a low density single family home development pattern. The two greatest concentrations of population are housed in the group quarters at Menlo College and at Sacred Heart Schools.

In 2000, the average household size for all residential units in Atherton was 2.85 persons, slightly higher than the County average of 2.78. For owner occupied units the average was slightly lower at 2.84 persons per unit, and for renter occupied units it was higher than the overall average at 2.94 persons per unit. The average household size measured in persons per household declined by 7 percent from 1980 to 1990 and increased 2.5 percent from 1990 to 2000.

3.214d Household Income

The numbers of households by income category and tenure are shown in the table below. In 2000, approximately 69% of Atherton households had above moderate incomes. Census data shows that there were no renter households in the extremely low, very low or above moderate income categories. Only 5% of households were renters in the low and moderate income categories. Approximately 26% of households were owners in the extremely low to moderate income categories.

[1] U.S. Census

[2] ABAG Projections 2007, CA Dept. of Finance E-5from 21 Elements

TABLE HII-7: HOUSEHOLD INCOME BY TENURE[1]

Income Category	Income Range	Rent	Own	Total
Extremely Low	Less than $30,000	0	68	68
Very Low	$30,000 to $49,999	0	141	141
Low	$50,000 to $84,999	22	244	266
Moderate	$85,000 to $124,999	103	180	283
Above Moderate	$125,000 or more	0	1,655	1,655
Total		125	2,288	2,413

3.214e Household Types

TABLE HII-8: HOUSEHOLD TYPE

Category	Number	Percent
Family without Children	1,180	48.9
Family with Children	804	33.3
Single Person	308	12.8
Non-family Multi-person Household	121	5.0

3.214f Extremely Low Income Households

Table HII-7 shows that in 1999 there were 68 households in Atherton in the Extremely Low Income category. All of these households lived in owner occupied housing units. Given high housing costs in Atherton, this suggests that they were older residents who had owned their homes for a substantial period. In Atherton second dwelling units are the kind of housing that is generally available and suitable for extremely low income households. The existing zoning permits these housing types.

3.215 Overpaying and Overcrowding

3.215a Level of Payment Compared with Ability to Pay

Overpayment is defined by HCD in terms of a percentage of the gross household income a household spends for housing. Thirty percent of gross household income is the standard affordability level. Severe overpaying occurs when households pay 50 percent or more of their gross income for housing.

The median value of housing for the Town taken as a whole was about $3,288,000[2] in June 2008. The median value is also a function of the asking price for homes in the two zoning districts; R-1A (one acre) and R-1B (one-third acre). In June 2008 the median asking price for

[1] 2000 U.S. Census, Table P52 Household Income in 1999 (SF3)

[2] Source: www.paloaltoonline.com/real_estate

homes in the R-1A District was $6,747,000 and in the R-1B District was $1,921,500.

In the year 2000 there were 40 dwelling units in Atherton identified by the U.S. Census as renter occupied units. Thirty one of the units were rented for $2,000 or more per month and nine of the units had "no cash rent". The median contract rent was $2,000+[1]. The most affordable housing is provided through second units and private schools.

The table below shows the number of households in Atherton that had costs or rents of 30 percent or more of the household income in 1999. The countywide median family income for a family of three (the average household size in Atherton) was $74,900 in 2000. The lower income limit was $52,500.

TABLE HII-9: OVERPAYMENT BY TENURE AND INCOME[2]

Tenure and Income Level	Household Income in 1999 (for Lower Income Households)[3]	Number of Occupied Housing Units with Costs or Rents as a Percentage of Household Income	
		30 to 34 %	35 % or more
Owner	< $10,000	0	10
	$10,000-$19,999	0	19
Very Low	$20,000-$34,999	10	23
Low Income	$35,000-$49,999	5	20
	$50,000-$74,999	24	71
Moderate	$75,000-$99,999	30	42
Above Mod.	$100,000-149,999	10	79
	$150,000+	71	123
Renter	< $10,000	0	0
	$10,000-$19,999	0	0
Very Low	$20,000-$34,999	0	0
Low Income	$35,000-$49,999	0	0
	$50,000-$74,999	0	4
Moderate	$75,000-$99,999	0	10
Above Mod.	$100,000+	0	0
Total		150	401

The income limit for a family of three in the very low income category was $33,700 in 2000. Using that gauge there would have been about 62 (11%) very low income households, 34 (6%)

[1] 2000 U.S. Census, Table H54 Contract Rent (SF3)

[2] 2000 U.S. Census Table H73 Household Income in 1999 by Gross Rent as a Percentage of Household Income in 1999 (SF3) and Table H97 Household Income in 1999 by Selected Monthly Owner Costs as a Percentage of Household Income in 1999 (SF3)

[3] Defined as at or below 80 percent of the median income.

low income households, 172 (31%) moderate income households and 283 (51%) above moderate income households in Atherton paying 30 percent or more of their household income for housing. All but 14 of these households were living in owner occupied units.

TABLE HII-10: HOUSEHOLD INCOME IN 1999 BY TENURE

Household Income in 1999 (for Lower Income Households)	Number of Occupied Housing Units	
	Owner Occupied	Renter Occupied
< $10,000	32	0
$10,000-$19,999	26	0
$20,000-$34,999	53	0
$35,000-$49,999	89	0
$50,000-$74,999	179	4
$75,000-$99,999	203	10
$100,000-$149,999	301	26
>$150,000	1,450	0
Total	2,333	40

Table HII-10 shows the total number of households by household income living in Atherton in 1999 so that the reader may obtain a perspective of the household income picture.

3.215b Overcrowding by Tenure

The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded.

Table HII-11 shows occupancy data for Atherton. In 1990 about 0.4 percent of the housing units in Town were considered overcrowded and about 0.2 percent were considered severely overcrowded. Only 15 or 0.6 percent of the dwelling units in Town were considered overcrowded in the 2000 Census enumeration.

The Census data was not available by tenure; however, since 95 percent of Atherton households live in owner occupied units the occupancy by tenure can be extrapolated. It is estimated that 14 of the overcrowded and severely overcrowded units were owner occupied and 1 of the overcrowded and severely overcrowded units were renter occupied.

TABLE HII-11: OVERCROWDING[1]

Persons per Room	1990	Percent	2000	Percent
1.00 or less	2,388	99.4	2,399	99.4
1.01 to 1.50	10	0.4	0	0.0
1.50 or more	5	0.2	14	0.6

3.216 Housing Characteristics

3.216a Number of Housing Units and Type of Housing

A total of 2,496 housing units were counted in Atherton during the 1980 Federal Census, 103 units more than in 1970. That number stayed essentially constant through the year 2000. The 2000 Census counted 2,505 housing units in Atherton. Most of the housing units in Atherton, with the exception of second dwelling units and group quarters, are single-family homes.

Private Schools. Most of the affordable housing in Atherton is concentrated at the several private schools located in the community. The primary group quarter facilities are located at Menlo College, which can accommodate on-campus residency of approximately 450 students and at Oakwood Home for the Retired Religious on the campus of the Sacred Heart Schools which provides congregate housing, similar to SRO's, for approximately 52 residents in a group of buildings devoted to that purpose. The incomes of the residents are considered extremely low.

Menlo School provides 9 small single family detached dwelling units on campus that are rented at low rates to faculty members. The rental structure for these units equates to the very income category[2]. Menlo College currently has 19 on-campus housing units rented exclusively exclusively to faculty and staff. The rental structure for these units equates to the very low income category[3].

Second Dwelling Units. It is estimated that from 194 to 266 second dwelling units and 48 to 121 internal living quarters[4] currently exist in Atherton.[5] Experience during the period 1999 to to 2007 shows that 4 new second dwelling units were constructed. That was a rate of about one new second unit constructed every two years. During the same period it is estimated that about 50 to 75 new internal living quarters were constructed. That was a rate of 6-10 internal living units constructed per year. For comparison purposes there were 265 new main houses

[1] 1990 U.S. Census, Table H021Persons per Room (STF1), 2000 U.S. Census

[2] Current rates range from $465 per month for a 2 bedroom, 1 bath unit to $757 per month for a 4 bedroom, 2 bath unit.

[3] Current rates range from $750 to $1,500 per month.

[4] Internal living quarters do not meet the definition of a second dwelling because they do not have a full kitchen.

[5] Atherton resident survey about second dwelling units, guest houses and internal living quarters, October 2008.

constructed in Atherton over the same 8 year period for an average of 33 new main houses per year.

Most second dwelling units were less than 600 square feet in size. The current zoning regulations restrict second units to a maximum of 600 square feet. A Zoning Ordinance amendment is being considered to increase the minimum size to 1,200 square feet.

Most second dwelling units are reported as attached. All internal living quarters are reported as attached.

Second dwelling units are split nearly evenly between studios and one bedroom units with slightly more studios. Almost 60% of internal living quarters are studios.

Most occupants of second dwelling units and internal living quarters are not charged rent. Where rent is charged it generally ranges from under $600 to $1,500 per month for second units and from under $600 to $1,000 per month for internal living quarters. All second units and internal living quarters were rented at levels affordable to extremely low income and very low income households.

3.216b Tenure Characteristics

The number of households in Atherton remained almost unchanged from 1990 to 2000; growing by only 0.4% or at a rate of 1 household per year. The proportion of renter and owner households also stayed almost constant with ownership growing by about 1.5% during the decade and renter households decreasing by the same amount. ABAG projects that the number of Atherton households will increase to approximately 2,510 by 2015. However, it is expected that the tenure ratio will not change significantly. The housing needs of owners are being met by the resale of existing single family homes and the net increase of new single family homes in Town. The housing needs of rental households are being met by the rental of second units, some limited rentals of single family homes, and housing for students, faculty, and the retired religious provided on institutional sites.

Vacancy rates for all housing units have fluctuated from 1.5 percent in 1980, to 4.6 percent in 1990 and 3.7 percent in 2000.

TABLE HII-12: TENURE

Tenure	1980	1990	2000
Owner Occupied	2,311	2,242	2,288
Renter Occupied	148	161	125
Total Occupied	2,459	2,403	2,413
Vacant	37	115	92
Total Housing Units	2,496	2,518	2,505

3.216c Condition of Housing Stock

A windshield survey of all of the housing stock in Atherton was conducted in May and June 2008 by the Town Planning Staff. During that survey any substandard units (i.e. those in need of rehabilitation [repair] and those in need of replacement [demolition]) were identified with specific notations concerning the elements that contributed to its substandard condition. Only one house was found to be in need of rehabilitation and no house was found to be in need of demolition. All other housing units were found to be in good or excellent condition.

The 2000 Census data showed that about 1,714 or 68 percent of the housing units in Atherton were built before 1960. However, since the mid-and late 1990's a trend of demolishing existing single-family houses and replacing them with larger houses, has developed. That trend continued through the through 2008. Between 1999 and 2006 about 240 existing housing units were demolished and replaced with 245 housing units. An average of approximately 34 houses per year was replaced over the 7 year period of 1999-2006.

The condition of nearly all residential structures in Atherton is well-maintained. Renovation permit requests are common according to Building Department records.

3.216d Vacancy Rates

A vacancy rate of approximately 5 percent is considered to permit normal turnover of single family homes. Atherton has had a vacancy rate of less than 5 percent over the past 25 years. The vacancy rate according to the 2000 U.S. Census was 3.7%.

3.216e Housing Costs and Affordability

The median sales price in 1999 for a single family home in Atherton was $1,975,000. That median sales price increased to $3,065,000 in 2008. The 2008 Atherton median price is compared to those in nearby cities of Menlo Park - $837,500, Redwood City - $830,000 and San Carlos – $945,000. It appears that the purchase of homes in Atherton is only available to above-moderate households. Rental information in Atherton for 2008 is not available[1] but typical rents in other nearby jurisdictions are $1,100 per month for a studio apartment, $1,500 for a one bedroom apartment, $1,800 for a two bedroom apartment and $2,500-$3,500 for a three bedroom two bath house. The Center for Housing Policy estimates that an annual income of $251,541 is necessary to afford a $770,000 home in the San Francisco Bay Area and an hourly wage of $23.83 is necessary in order to afford the rent of a one bedroom apartment and an hourly wage of $29.83 is necessary in order to afford the rent of a two bedroom apartment.

TABLE HII-13: HISTORIC VACANCY RATES

Year	Number of Vacant Units	Percent
1980	37	1.5%
1990	115	4.6%
2000	92	3.7%

[1] Sample universe too small to avoid disclosure of individual information according to 21 Elements

3.217 Special Housing Needs Groups

3.217a Single Parent

In 2000 there were 54 families living in Atherton that had single parent heads of household. Of the total of 1,984 families 1.7 percent (34) were families with single female heads of household and 1.0 percent were families with single male heads of household.

TABLE HII-14: SINGLE PARENT FAMILIES WITH CHILDREN UNDER 18 YEARS[1]

Head of Household	2000
Male	20
Female	34

3.217b Elderly

TABLE HII-15: HOUSEHOLDS OCCUPIED BY PERSONS 65 YEARS AND OVER[2]

Household Type	2000
Total Households	938
One-person Household	174
Family Household	694
Non-Family Household	70

According to the 2000 Census, there were 1,578 elderly residents (65 years of age and older) living in Atherton, representing 21.9% of the total population. In addition, there were 555 residents between the ages of 60 and 64, and 713 residents between the ages of 55 and 59. There were 46 (2.9%) elderly Atherton residents "in poverty". Also, there were 781 or 32% of heads of household age 65 and over. Of these, 763 elderly householders owned their homes and 18 elderly householders rented their homes.[3] The 2000 Census reports that the Town had 938 households or 39 percent of all the households in Atherton with one or more people 65 years and over. Of those 19 percent lived in one-person households, 74 percent lived in family households and 7 percent lived in non-family households. This suggests that a majority of the Town's elderly are likely being cared for by family members or assisted by others in the same household. For elderly residents living alone, obtaining needs such as the provision of meals (due to mobility issues), transportation, and other typical senior services becomes a considerable challenge. These needs are now satisfied through a variety of programs operated and funded by San Mateo County and various social service agencies. With the Town's older population there is a probability that there are a considerable number of single family detached

[1] 2000 U.S. Census, Table P34 Family Type by Presence and Age of Own Children (SF1)

[2] 2000 U.S. Census, Table PCT19 Households by Presence of People 65 Years and Over by Household (SF4)

[3] 2000 U.S. Census from 21 Elements

residential units which are under-utilized due to the fact that they were constructed to accommodate large families and now provide living space for one or two people. The Town permits shared living arrangements such as through the Human Investment Project to provide support for elderly residents and a home for a lower income person.

The California Health and Safety Code Section 1568.031 provides that a residential care facility (defined as a facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed. Similarly, California Government Code Section 65583(c)(1) also requires provisions for supportive housing serving lower income, disabled adults, who may be elderly. The proportion of elderly is expected to grow, and housing for the elderly will be a continuing concern in San Mateo County. Although many elderly can continue to live in their own homes, particularly if structural modifications are made to help them cope with the disabilities that accompany aging, there will nevertheless be an increasing demand for specialized care facilities. The Housing Element includes programs that will allow development of such housing and other opportunities for some long-term Atherton residents who can no longer remain in their homes to continue to living in Atherton.

3.217c Disabled Persons

TABLE HII-16: RESIDENTS WITH DISABILITIES[1]

Disability Type	2000
Total Disabilities Tallied	983
Sensory Disability	78
Physical Disability	343
Mental Disability	172
Self-care Disability	78
Go-outside-home Disability	195
Employment Disability	117

According to the 2000 Census there were 983 persons with some type of disability living in Atherton. This was about 14% of the total population. There were 73 disabled children between the ages of 5 and 15 years old; 59 of which had mental disabilities. There were 365 adults between the ages of 16 and 64 with disabilities. The most reported types of disabilities were physical, "go-outside-of-home", and employment disabilities. However, 64% of this group was employed. There were 545 adults 65 years and over with disabilities; the most common reported disabilities were physical, "go-outside-of-home", and mental. No data is available about the incomes of households with disabled members.

The housing needs of the physically disabled in Atherton are similar to those of the elderly and are usually met by removal of barriers to living within the dwelling and in public areas. Changes to home design features to allow for access to the physically challenged is the responsibility of the homeowner. The Town is responsible for removing barriers to living in

[1] 2000 U.S. Census, Table P41 Age by Type of Disability for the Civilian Noninstitutionaized Population 5 Years and Over with Disabilities (SF3)

responsibility of the homeowner. The Town is responsible for removing barriers to living in public areas such as public streets, library, Town Hall and Holbrook-Palmer Park. The Housing Element includes a program that requires review of the Zoning Ordinance to identify provisions that might pose constraints to the development of housing for persons with disabilities and to, where applicable, establish a reasonable accommodation procedure that will continue to provide adequate flexibility in the development and retrofitting of housing for persons with disabilities.

3.217d Large Families

Large family households are defined as households where 5 or more people reside. In 2000 there were 319 large family households and 9 large nonfamily households living in Atherton[1]. The Census data shows that 310 of these households were living in owner occupied dwellings and 18 were living in renter occupied dwellings. Some data[2] indicates that about 19% or 64 of these large family households are burdened by paying too much for their housing. Overcrowding is rare. A large portion of the housing stock in Atherton is large and spacious, providing ample living space for the larger than average family. Town records indicate that the construction of new residences has maintained this trend, resulting in the addition of large homes which can serve the needs of large families.

3.217e Female Headed Households

In 2000 there were 108 family households that had female heads of household living in Atherton. There were 34 families that had female heads of household with children under 18 years of age and 5 female headed households with incomes under the poverty level. The special needs of this group include low cost housing, suitable for children and located near schools and child care facilities. Innovative shared living arrangements, including congregate cooking and child care, would also be suitable. Policies contained in the Housing Element Update which benefit this group includes those intended to prevent discriminatory housing practices, promote housing affordability and increase the supply of second units.

3.217e Farm Workers

In 2000 there were no people living in Atherton employed as farm workers and the closest agricultural areas are at least 30 minutes distant. ABAG has determined that housing for farmworkers is not suitable in the urbanized portion of the Bay Area located far from agricultural areas.

3.217f Homeless Persons and Families

- *Local Context/Overall Policy and Strategy*

In 2005-2006, a countywide group of diverse stakeholders undertook an intensive community-

[1] 2000 U.S. Census, Table PCT17 Household Type by Household Size (SF4)

[2] State of the Cities Data Systems, CHAS Data

result – entitled "Housing Our People Effectively (HOPE): Ending Homelessness in San Mateo County" ("the HOPE Plan") – lays out concrete strategies designed to end homelessness in our community within 10 years. The report incorporates the experiences and expertise of over 200 stakeholders, including members of the business, nonprofit and government sectors. These stakeholders met in working groups over a period of 12 months to develop the recommendations in the plan. Homeless and formerly homeless persons were represented in the working groups, as well as in several focus groups conducted in emergency shelters and transitional housing programs. The result of this year-long community planning process was the finalized HOPE Plan, which was completed in March 2006. The plan has been formally adopted by the San Mateo County Board of Supervisors and many of San Mateo County's 21 jurisdictions.

One of the key strategies for ending homelessness laid out in the HOPE Plan is to increase the supply of permanent affordable and supportive housing for people who are homeless and develop strategies to help them to move into permanent housing as rapidly as possible (a "housing first" or "rapid re-housing" approach). The HOPE Plan intentionally made no recommendation to expand the supply of emergency or transitional housing. Although the HOPE planners recognized that there is a lack of needed resources throughout the housing continuum, including emergency and transitional housing, the greatest need and the most effective use of new and/or redirected resources is for creating and sustaining quality affordable housing and supportive housing.

- *Existing Resources and Programs*

The following chart provides a summary of the emergency shelter, transitional housing and supportive housing units for homeless people that are located in Atherton. The source of this information is the HOPE Plan (San Mateo County's 10-Year Plan to End Homelessness), which has been updated by the San Mateo County Human Services Agency, Center on Homelessness.

Atherton is committed to expanding the resources for homeless individuals in our community, particularly the supply of permanent supportive housing. The chart below summarizes units in San Mateo County for which a funding source has been either secured or identified.

TABLE HII-17: INVENTORY OF EMERGENCY SHELTER, TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING IN ATHERTON

Facility/Program	Provider	Facility Type	Shelter/TH Beds for Families	Shelter/TH Beds for Individuals	SH Units
Shelter Plus Care Program[1]	San Mateo County Housing Authority	Supportive Housing	0	0	1

[1] Indicates scattered-site/tenant based voucher program. Units have been allocated to jurisdiction based on average distribution of units in these programs from January to October 2008.

TABLE HII-18: EMERGENCY SHELTER, TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING UNITS UNDER DEVELOPMENT IN SAN MATEO COUNTY

Program Name	Provider	No. of Units	Funding Source and Status
Housing Readiness Program	San Mateo County Housing Authority	60	The Housing Authority has requested to convert 60 "welfare to work" tenant-based Section 8 vouchers for use by homeless people. The proposed program is awaiting final HUD approval and is expected to begin in 2009.
Shelter Plus Care Program	San Mateo County Housing Authority	15	Each year San Mateo County is eligible to apply for about 3 additional S+C units from HUD. Over the next five year, it is anticipated that 15 new tenant-based S+C vouchers will be added to the existing S+C program.
Mental Health Services Act Housing Program	San Mateo County Mental Health	45	San Mateo County has been allocated funding from the State of California through the MHSA to create new supportive housing units for homeless people with mental illness. Mental Health is planning to issue RFP's for these housing dollars by the end of 2008 and expects to fund about 45 units. These will be new construction or acquisition/rehab projects. Developers and locations are not yet known.
TOTAL		120	

Since none of these programs currently have identified sites, the number of units that will be developed in Atherton has been estimated based on the percentage of the county's current inventory of supportive housing units that is located in Town.

TABLE HII-19: PROJECTED BREAKDOWN OF UNITS UNDER DEVELOPMENT

Total Units Under Development	Percentage of Existing SH Units Located in Atherton	Estimated Number of New Units To Be Located Atherton
120	1%	1

Homeless people near Atherton also have access to a wide range of supportive services designed to help them gain greater stability and self-sufficiency and to meet their health and behavioral health needs. These services include the ones listed below.

Provider/Program	Services Provided	Service Area
Core Service Agencies		
Samaritan House	Information and referral, emergency assistance, rental and utility assistance	Central County
El Concilio Emergency Services Partnership	Information and referral, emergency assistance, rental and utility	South County

	assistance	
Fair Oaks Community Center	Information and referral, emergency assistance, rental and utility assistance	South County
Emergency Assistance		
Salvation Army	Emergency food and clothing; information and referrals	North, Central, South County
St. Vincent DePaul Society	Emergency food and clothing; information and referrals; homeless help desks	All County (Homeless help desks located in Redwood City, San Mateo, South SF)
Homeless Outreach		
Mateo Lodge Mobile Support Team	Mobile mental health services for homeless people with mentally illness	All County
Health Services		
Mobile Health Clinic (San Mateo County Health Dept.)	Health screening, immunization, etc. for low income and homeless people	All County
Mental Health Services		
Mental Health Association of San Mateo County	Mental health services for homeless people with mental illness	All County
San Mateo County Behavioral Health and Recover Services, Mental Health Access Team	Information, assessment, consultation and referral	All County
Alcohol and Drug Services		
Asian-American Recovery Services	Outpatient services	All County
Free At Last	Outpatient and residential treatment	All County
Women's Recovery Association	Outpatient and residential treatment	All County
Palm Avenue Detoxification Program	Drug and alcohol detox	All County
Latino Commission on Alcohol and Drug Abuse Services	Residential treatment	All County
Project 90	Residential treatment	All County
Youth and Family Services		
Youth and Family Enrichment Services	Services for homeless youth	All County
Family Resource Centers (San Mateo County Human Services Agency)	Prevention and early intervention services at school sites throughout San Mateo County	All County
Domestic Violence Services		
CORA	DV hotline, legal assistance, counseling, prevention services	All County

Employment and Training		
Department of Rehabilitation	Employment and training services for people with disabilities	All County
Peninsula Works (San Mateo County Human Services Agency)	One-stop careers centers	All County
Legal Services		
Legal Aid Society of San Mateo County	Free civil legal services for low income and homeless people	All County

- *Unmet Need – Number and Characteristics of Homeless People*

The January 2007 San Mateo County Homeless Census and Survey found no homeless people in Town, either sheltered or unsheltered. The Town's Police Department confirms that it has not encountered any homeless people living in Atherton in the past year.

Although the 2007 San Mateo County Homeless Census and Survey found no homeless people in Atherton, the Executive Summary of that report provides a useful analysis of the characteristics of the County's homeless population: "the survey indicated that the typical homeless person in San Mateo County is a single man with at least one disability. At least 85% of homeless adults surveyed were single individuals or couples who are not living with children, 66% were men, and 72% had at least one disability (mental illness, substance use, chronic health condition, physical or developmental disability). All had extremely limited incomes and the vast majority (80%) was unemployed. More than one quarter (27%) were veterans of the U.S. Armed Forces."

- *Assessment of Unmet Year Round Need for Emergency Shelter*

Atherton estimates that the Town does not need any year-round emergency shelter beds to meet the needs of the unsheltered homeless people in our community. The following methodology was used to arrive at this estimate:

TABLE HII-20: ASSESSMENT OF UNMET YEAR ROUND NEED FOR EMERGENCY SHELTER

Daily average number of unsheltered homeless people	0
Minus number of available shelter, transitional housing and supportive housing beds	-1
Minus number of supportive housing units under development or for which funding has been identified	-1
Equals unmet need for emergency shelter beds	-2

This methodology has been recommended by consultants to the San Mateo County Housing Element Update Consortium's "21 Elements" project and is consistent with best practices in the field of homeless housing and services, HUD publications on estimating the numbers of homeless people and unmet need for housing.

- *Assessment of Seasonal Need for Emergency Shelter*

There is no data presently available documenting the increased level of demand for shelter in San Mateo County during particular times of the year. Due to the relatively mild climate, the only time of year when increased demand appears to be a factor is during the winter months (December to February). During extremely cold periods, some shelters set up additional cots to accommodate increased demand for shelter and the County periodically opens special "warming shelters" during extended cold spells. Anecdotal evidence suggests that this

additional capacity is sufficient to meet the need during these periods.

Additionally, it should be noted that the biannual homeless count always takes place in the last week of January, which is a period of time when demand for shelter typically is at its highest. Since the year-round need described above is based on that biannual count, we therefore believe that the seasonal need for emergency shelter is no greater than the year-round need.

- *Assessment of Unmet Need for Supportive Housing*

As part of the planning process for the HOPE Plan, a working group was convened to develop an estimate of the number of supportive housing units that would have to be developed to meet the housing needs of all the homeless people in San Mateo County. This working group drew from best practices in the field of supportive housing as well as the expertise of local housing and shelter providers to develop their methodology. The result was an estimate that San Mateo County needed to create 1,682 units of supportive housing for homeless people during the 10-year period from 2006 to 2015. In the two years since the plan was published, 34 supportive housing units for homeless people have been created, leaving a balance of 1,648 units needed.

The estimates presented in the HOPE Plan do not provide a breakdown of unmet need by jurisdiction. However, Atherton has estimated the Town's share of the needed units, based on the percentage of the total number of unsheltered homeless people living in our community. Given that it is estimated that no unsheltered homeless people in the county are residing in Atherton, it is estimated that the Town's has met its need for supportive housing through the Shelter Plus Care program.

- *Policies and Programs to Meet Need – Zoning for Emergency Shelters*

By June 30, 2010, Atherton will establish a zone that meets requirements set forth in SB2 relating to emergency shelters. The Town will amend the existing PFS (Public Facilities and Schools) Zoning District to provide for emergency shelters as an allowable use when located within the Town Civic Center property.

Within this zone shelters will be permitted without a conditional use permit or other discretionary action. The zone will contain approximately 6 acres, which can accommodate up to three shelter beds, providing adequate capacity to meet the identified need. A typical shelter approximately 1,000 sq. ft. in size would be allowed in this zone by right.

Within this zone, shelters will be subject to the same development and management standards as other uses within the zone and require only a building permit. The Town will also develop objective and predictable standards for shelter operation as provided by law.

There is a realistic potential for redevelopment or reuse within the proposed zone since a substantial portion of the site is currently an underutilized parking lot. This zoning district currently allows Town Hall and associated community uses including a library, corporation yard, and public schools. Private schools and associated residential uses are allowed as conditional uses. Properties surrounding the Civic Center are zoned for single family

residential uses. The Civic Center uses are low intensity uses and are compatible with adjacent existing residential uses that have co-existed for many years. A shelter would also be compatible with the residential uses and the Civic Center.

In order to establish this amended zone, the following process steps will be followed. Atherton Planning Staff will develop draft language for the zoning ordinance amendment and development and management standards by December 31, 2009 and present the proposal to the Town General Plan Committee at its January 2010 monthly meeting. A public hearing will be held and recommendation made to the City Council by the Atherton Planning Commission on the proposal by April 30, 2010. The City Council will hold a public hearing and adopt the proposal by June 30, 2010.

- *Zoning for Transitional and Supportive Housing*

By June 30, 2010, Atherton will amend the zoning code to explicitly state that any use is permitted if required by State law. Under this revision, supportive and transitional housing will only need to obtain the same types of permits and approvals as any other residential development. Residential uses, including transitional and supportive housing, will be permitted in the following zones; R-1A and R-1B.

The following process steps will be followed to amend the zoning. Atherton Planning Staff will develop draft language for the zoning ordinance amendment by December 31, 2009 and present the proposal to the Town General Plan Committee at its January 2010 monthly meeting. A public hearing will be held and recommendation made to the City Council by the Atherton Planning Commission on the proposal by April 30, 2010. The City Council will hold a public hearing and adopt the proposal by June 30, 2010.

- *Housing Accountability Act*

The Town has not denied affordable housing, emergency shelters, transitional housing or supportive housing and will comply with the Housing Accountability Act in reviewing any application for one of these uses.

3.218 Affordable Housing Preservation

3.218a Summary of At-Risk Units

"Assisted housing development" means a multifamily rental housing development that receives governmental assistance under any federal, State, county or local program. There are no existing assisted housing developments in Atherton that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage pre-payment, or expiration of restrictions on use. The only multifamily rental housing in Atherton is at Oakwood, Menlo School and Menlo College. The existing low income housing provided at Oakwood, Menlo School and Menlo College was not built with federal or state assistance and consequently is not deed-restricted; its affordability is maintained by those institutions. This type of housing is not considered to be "at-risk housing" as defined in Housing Element Law.

3.220 Employment Characteristics

The total number of people in the labor force decreased by 10% from 1990 to 2000; however the total population remained constant. While the number of males in the labor force has remained relatively constant, the percentage of females has increased, from 29 percent of the women age 16 and over in 1970 to over 45 percent in 1990 but then decreased to 40% in 2000. In 2000 only 57 percent of those Atherton residents 16 and over were in the labor force while County-wide, the proportion was 66.5 percent.

TABLE HII-21: EMPLOYMENT PICTURE[1]

Category	1970	1980	1990	*2000*
Persons Under 16				
Male	1,140	740	617	*763*
Female	1,046	780	602	*750*
Persons 16 & Over				
Male	2,976	3,158	2,907	*2,716*
Female	2,923	3,119	3,037	*2,965*
In Labor Force				
Male	2,125	2,304	2,208	*2,037*
Female	839	1,103	1,381	*1,193*
Not in Labor Force				
Male	851	854	699	*679*
Female	2,084	1,989	1,656	*1,772*
Number Employed				
Male	2,055	2,210	2,171	*2,014*
Female	786	1,113	1,354	*1,152*
Number Unemployed				
Male	70	94	37	*23*

[1] 2000 U.S. Census, Table DP-3 Profile of Selected Economic Characteristics (SF 3)

Female	53	17	27	*41*
Percent Unemployed				
Male	3.3%	4.1%	1.3%	*1.1%*
Female	6.3%	1.5%	0.9%	*3.4%*

3.220a Employment by Industry

TABLE HII-22: EMPLOYMENT BY INDUSTRY[1]

	1990		2000	
Industry	**Number**	**Percent**	**Number**	**Percent**
Agriculture, forestry, and fisheries	22	0.7%	0	0
Mining	6	0.2%	0	0
Construction	93	2.9%	138	4.4%
Manufacturing	347	10.7%	396	12.5%
Wholesale trade	151	4.7%	135	4.3%
Retail trade	462	14.3%	308	9.7%
Transportation, warehousing and utilities	104	3.2%	39	1.2%
Information	20	0.6%	162	5.1%
Finance, insurance, real estate	668	20.7%	433	13.7%
Professional, scientific, management, administrative	495	15.3%	723	22.8%
Educational, health and social services	808	25.0%	558	17.6%
Arts, entertainment, recreation, accommodation and food services	28	0.9%	171	5.4%
Other Services			79	2.5%
Public Administration	25	0.8%	24	0.8%
Total	3229	100.0%	3166	100.0%

Atherton residents are primarily employed in the Finance, Professional, Educational and Health Services sectors of the economy. This has been a consistent pattern over the last 30 years. During that time 54% to 61% of the workforce living in Atherton has been employed in these

[1] 1990 U.S. Census, Table PO77 Industry (STF 3)

2000 U.S. Census, Table P49 Sex by Industry for the Employed Civilian Population 16 Years and Over (SF 3)

sectors. Table HII-22 shows employment by industry category for the years 1990 and 2000. There are no significant changes anticipated in the employment sectors of the workforce living in Atherton during the Planning Period. Consequently there are no anticipated resulting impacts on the housing market.

3.220b Employers in Atherton

A recent survey of employers in Atherton[1] showed that there are about 1,800 jobs in town. The largest sources of employment in Town are the 5 public and 5 private schools located within the City Limits. Approximately 47% of the jobs are with the schools. The numerous construction sites in Town produce an estimated 25% of the jobs and home occupations account for about 16%.

In 2007the annual income[2] of a typical elementary school teacher was $58,241, a police officer was $57,562 and a carpenter was $52,100. A one person household wage-earner in one of these categories would not be able to purchase a home in Atherton; and could probably not purchase a home in another city on the San Francisco Peninsula where the median home price in 2007 was $770,000. However, they could afford to rent a one or perhaps two bedroom apartment in a nearby city such as Redwood City or in unincorporated San Mateo County (e.g. North Fair Oaks).

3.220c Jobs Housing Balance

Jobs/housing balance is a measure of the relationship between employment and dwelling units in an area. The jobs/housing balance is simply a ratio of the number of jobs divided by the number of housing units in a community. A low jobs/housing balance indicates a community that has more housing than employment; sometimes referred to as a "bedroom community". A high jobs/housing ratio indicates an employment center. Although there is no universally accepted ratio for a "balance", it is generally accepted that an area is considered "in balance" if it has a ratio of 1 to 1.5 jobs per housing unit.

Atherton has a jobs/housing ratio of 0.725[3]. That means that the Town has a surplus of housing in comparison with the jobs in the community. A more realistic view of the current jobs/housing status would be to look at the Atherton, Menlo Park, Redwood City area where the jobs/housing ratio is 1.34[4] and considered within the range of the generally accepted definition of "in balance" since many households contain more than one worker.

3.221 Energy Conservation Opportunities

Given the importance of promoting land use and housing strategies to address climate change

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[1] Compiled by Town Planning Staff.

[2] Center for Housing Policy, *Paycheck to Paycheck – 2007 Third Quarter Findings,* San Francisco SMSA

[3] Derived by dividing 1,817 jobs by 2,505 housing units.

[4] 2000 U.S. Census, Tables DP-3 and H34 (SF 3), derived by dividing 59,115 jobs by 44,171 housing units.

and energy conservation, this analysis could facilitate adoption of housing and land use policies and programs in the housing element that meet housing and conservation objectives. Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters. For example, the housing element could encourage green building techniques and materials in new and resale homes, promote energy audits and participation in utility programs, and facilitate energy retrofits upon resale of homes.

The Town will be considering adopting "green building" policies as part of the General Plan during fiscal year 2009-10.

3.300 PROJECTED HOUSING NEEDS

3.310 Analysis of Population and Employment Projections

This section contains information on the Town's population and employment projections. It also includes documentation of Atherton's share of the regional housing need as determined by the Association of Bay Area Governments (ABAG) and the San Mateo County Sub-regional RHNA Process.

3.311 Population Projections

Bi-annually ABAG publishes its 35 year forecast for the San Francisco Bay Area. The forecasts are for population, labor force, households, income and jobs. These projections are made for the 9 county region and then distributed among the counties and cities of the region. The latest study and publication is "Projections-2007" issued by ABAG in December 2006. The forecasts for Atherton are found in Table HIII-1.

ABAG projects that Atherton's population will increase by about 8%, or by about 600 people in the 35 years from 2000 to 2035. That is an increase of slightly over 1% every 5 years. The number of households is projected to grow by about 7 % in the 35 year period. The population per household is projected to hold steady over the time frame.

3.312 Employment Projections

ABAG forecasts that the number of jobs in Atherton will increase by about 9% in the 35 years from 2000 to 2035, for a total of 250 new jobs. Most growth is projected to occur in the Financial & Professional Service, Health, Education and Recreation Service and Other Jobs categories.

3.313 Housing Needs Allocation

During the Planning Period 2007-14 San Mateo County and all 20 cities within the County formed a Sub-region pursuant to California Government Code Section 65584.03. The San Mateo County Sub-region worked together to allocate the housing needs for the County as a whole, to each of the 21 member jurisdictions. A total of 15,738 dwelling units were allocated to the San Mateo County Sub-region jurisdictions. A total of 83 of those dwelling units were allocated to Atherton for the Planning Period. The Allocation made by the Sub-region was approved by ABAG. The Atherton allocation broken down by income categories is found in Table HIII-2. The number of extremely low income units was derived by assigning 50% of the very low income units to the extremely low category.

TABLE HIII-1: ABAG PROJECTIONS – 2007 FOR ATHERTON

	2000	2005	2010	2015	2020	2025	2030	2035
Population	7,194	7,300	7,400	7,500	7,600	7,700	7,700	7,800
Household Population	6,876	7,000	7,100	7,200	7,200	7,300	7,300	7,400
Households	2,413	2,440	2,480	2,510	2,530	2,550	2,570	2,590
Persons per Household	2.85	2.87	2.86	2.87	2.85	2.86	2.84	2.86
Employed Residents	3,234	2,770	2,900	3,050	3,250	3,380	3,430	3,570
Total Jobs	2,830	2,540	2,680	2,780	2,850	2,920	3,000	3,080
Agriculture & Natural Resources	0	0	0	0	0	0	0	0
Manufacturing, Wholesale & Transportation	130	100	100	100	100	100	100	100
Retail	200	150	160	160	160	160	160	160
Financial & Professional Service	450	430	460	480	500	520	540	560
Health, Education & Recreation Svc.	1,520	1,370	1,450	1,520	1,570	1,620	1,670	1,730
Other Jobs	530	490	510	520	520	520	530	530

TABLE HIII-2: ATHERTON'S SHARE OF REGIONAL HOUSING NEEDS ALLOCATION

Income Category	Number of Units
Above Moderate	35
Moderate	16
Low	13
Very Low	10
Extremely Low	9
Total	83

3.314 Carryover from 1999 - 2006

In its 1999 – 2006 Housing Element, the Town was assigned a fair share allocation of 166 units. The Town proposed to meet its RHNA allocation as follows:

	Very Low	Low	Moderate	Above Moderate
RHNA (1999 – 2006)	22	10	27	107
1) Existing Lots that could be subdivided				107
2) Menlo College and Menlo School	22	10	27	31
TOTAL	22	10	27	138
Total Sites Designated	**197**			

However, HCD considered only the Menlo College and Menlo School sites as providing suitable housing sites, and so found that the Town had provided sites for only 90 units, rather than the 166 required.

Under new section 65584.09 of the Government Code, if a city in the prior housing element planning period failed to identify or make available adequate sites to accommodate the regional housing need allocated, then the city must, within the first year of the planning period of the new housing element, zone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period.

While the Town believes that it had designated adequate sites in the prior housing element planning period, it will amend its zoning ordinance to ensure that adequate sites exist as follows:

	Very Low	Low	Moderate	Above Moderate	Total
RHNA (1999 – 2006)	**22**	**10**	**27**	**107**	**166**
1) Units constructed	4			5	9
2) Previously identified sites currently available (Capacity)[1]	22	10	27	31	90
3) Sites rezoned pursuant to Housing Element Program	0	0	0	0	0
4) Sites rezoned (other)[2]	19	18	0	30	67
Remaining Need	**(23)**	**(18)**	**0**	**41**	**0**
Total Remaining Need	**0**				

[1] As identified by HCD. The Town believes that, under prior housing element law, additional sites were availablby income category as shown in the previous table.

[2] Modifications to zoning code to allow all internal living quarters constructed between 1999 and 2006 to be utilized as second units and occupied permanently. Although the Town's survey has shown that virtually all second units are rented at very low income rents, 30 of these units are shown as affordable to above-moderate income households.

3.400 HOUSING RESOURCES

3.410 Inventory of Sites Suitable for Residential Development

3.411 Parcel-specific List of Available Sites

This section contains an inventory of specific sites suitable for residential development so that a comparison may be made with Atherton's new construction need by affordability category with its residential development capacity.

The table below identifies lands suitable for residential development in Atherton. Each site is identified by address and includes the site acreage and existing land use. Existing zoning falls into the categories listed below. It should be noted that Atherton has only four zoning districts, the three listed below plus a Parks and Open Space District.

R-1A (Residential District) - Limits land uses to single-family detached homes on minimum one-acre size lots.

R-1B (Residential District)-Limits uses to single-family detached homes on minimum size 13,500 square foot (0.31 acre) lots.

PFS (Public Facilities and Schools District) - Limits land uses to public and private schools including affiliated residential uses, town hall, library and other similar public and quasi public uses without limitation on lot size. This district also permits single-family and multifamily residences pursuant to a master plan.

There are no vacant parcels in town. The residential parcels included in the table are identified as underutilized since they are of sufficient size to be further subdivided according to the existing zoning and lot size limits.

3.412 Map Showing Location of Sites

The map entitled "Location of Sites Suitable for Residential Development" shows the location of sites in the residential land inventory.

TABLE HIV-1: INVENTORY OF SITES SUITABLE FOR RESIDENTIAL DEVELOPMENT

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments[1] -Other On-Site Constraints
Non-Residentially Zoned Sites that May Be Redeveloped for Residential Use								
1	070-250-190 Menlo College	1000 El Camino Real	22.0	PFS	Public and Quasi-Public Land Use No density specified	79	Private college and faculty housing	Additional units shown in Master Plan
2	070-360-070 Menlo School	50 Valparaiso	14.0	PFS	Public and Quasi-Public Land Use No density specified	11	Private middle school and high school and apartments for faculty and students	Additional units shown in Master Plan
	Subtotal					**90**		
Underutilized Residentially Zoned Sites that Can Be Redeveloped at Higher Density								
3	061-260-140	60 Parkwood	2.40	R-1A	1 DU/Acre	1	Single Fam. Home[2]	C
4	061-232-140	260 Oakgrove	2.48	R-1A	1 DU/Acre	1	Single Fam. Home	C
5	060-210-210	175 Fair Oaks	2.47	R-1A	1 DU/Acre	1	Single Fam. Home	C
6	060-220-060	188 Fair Oaks	2.35	R-1A	1 DU/Acre	1	Single Fam. Home	C
7	060-321-080	2 Fair Oaks	0.74	R-1B	3 DU/Acre	1	Single Fam. Home	C
8	060-321-110	62 Fair Oaks	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
9	060-313-070	77 Fair Oaks	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
10	060-312-060	4 Burmetta	1.03	R-1B	3 DU/Acre	1	Single Fam. Home	C

[1] A – Vacant residentially zoned site.
B – Vacant non-residentially zoned site that allows residential uses.
C – Underutilized residentially zoned sites which are capable of being developed at a higher density or with greater intensity.
D – Non-residential zoned sites that can be redeveloped for, and/or rezoned for, residential use (via program actions).

[2] Requires demolition of an existing dwelling unit

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments -Other On-Site Constraints
11	070-222-150	1 Winchester	0.75	R-1B	3 DU/Acre	1	Single Fam. Home	C
12	070-221-020	3 Odell	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
13	070-221-010	1 Odell	0.80	R-1B	3 DU/Acre	1	Single Fam. Home	C
14	070-250-100	101 Isabella	2.29	R-1A	1 DU/Acre	1	Single Fam. Home	C
15	070-214-110	101 Britton	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
16	070-221-450	124 Isabella	2.70	R-1A	1 DU/Acre	1	Single Fam. Home	C
17	070-250-130	85 Isabella	5.09	R-1A	1 DU/Acre	3	Single Fam. Home	C
18	070-240-050	82 Isabella	4.00	R-1A	1 DU/Acre	2	Single Fam. Home	C
19	070-060-030	137 Alemendral	2.43	R-1A	1 DU/Acre	1	Single Fam. Home	C
20	070-050-080	163 Alemendral	2.56	R-1A	1 DU/Acre	1	Single Fam. Home	C
21	070-110-210	75 Tuscaloosa	2.32	R-1A	1 DU/Acre	1	Single Fam. Home	C
22	070-230-270	29 Atherton	2.39	R-1A	1 DU/Acre	1	Single Fam. Home	C
23	070-120-140	42 Atherton	2.72	R-1A	1 DU/Acre	1	Single Fam. Home	C
24	070-120-130	30 Atherton	3.17	R-1A	1 DU/Acre	2	Single Fam. Home	C
25	070-110-090	52 Atherton	2.88	R-1A	1 DU/Acre	1	Single Fam. Home	C
26	059-281-150	158 Stockbridge	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
27	070-070-250	170 Atherton	4.81	R-1A	1 DU/Acre	3	Single Fam. Home	C
28	070-032-310	396 Atherton	2.60	R-1A	1 DU/Acre	1	Single Fam. Home	C
29	070-180-180	150 Elena	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
30	070-343-170	2 Prado Secoya	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
31	070-343-310	43 Santiago	2.51	R-1A	1 DU/Acre	1	Single Fam. Home	C
32	070-342-260	279 Park Lane	2.06	R-1A	1 DU/Acre	1	Single Fam. Home	C
33	070-310-110	93 Camino Por Los Arboles	2.54	R-1A	1 DU/Acre	1	Single Fam. Home	C
34	070-191-120	207 Atherton	2.43	R-1A	1 DU/Acre	1	Single Fam. Home	C
35	070-380-030	98 Faxon	2.63	R-1A	1 DU/Acre	1	Single Fam. Home	C
36	070-180-100	95 Faxon	3.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
37	070-341-040	270 Park Lane	2.26	R-1A	1 DU/Acre	2	Single Fam. Home	C

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments[1] -Other On-Site Constraints
38	070-341-030	266 Park Lane	3.30	R-1A	1 DU/Acre	1	Single Fam. Home	C
39	070-341-150	223 Camino al Lago	3.19	R-1A	1 DU/Acre	2	Single Fam. Home	C
40	070-310-010	1 Camino por Los Arboles	2.23	R-1A	1 DU/Acre	2	Single Fam. Home	C
41	070-320-160	220 Camino al Lago	5.03	R-1A	1 DU/Acre	1	Single Fam. Home	C
42	070-143-030	236 Camino al Lago	2.00	R-1A	1 DU/Acre	3	Single Fam. Home	C
43	070-180-240	95 Monte Vista	3.10	R-1A	1 DU/Acre	1	Single Fam. Home	C
44	070-180-230	73 Monte Vista	5.30	R-1A	1 DU/Acre	2	Single Fam. Home	C
45	070-131-010	15, 25 Monte Vista	2.00	R-1A	1 DU/Acre	3	Single Fam. Home	C
46	070-170-010	237 Atherton	9.52	R-1A	1 DU/Acre	1	Single Fam. Home	C
47	070-132-150	251 Atherton	2.00	R-1A	1 DU/Acre	7	Single Fam. Home	C
48	070-151-030	34 Linda Vista	2.80	R-1A	1 DU/Acre	1	Single Fam. Home	C
49	070-161-090	83 Fairview	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
50	070-032-440	260 Atherton	5.75	R-1A	1 DU/Acre	1	Single Fam. Home	C
51	070-032-190	270 Atherton	2.35	R-1A	1 DU/Acre	1	Single Fam. Home	C
52	070-032-200	268 Atherton	2.65	R-1A	1 DU/Acre	1	Single Fam. Home	C
53	070-022-820	53 Euclid	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
54	070-0120350	282 Polhemus	2.10	R-1A	1 DU/Acre	1	Single Fam. Home	C
55	070-012-180	290 Polhemus	5.30	R-1A	1 DU/Acre	3	Single Fam. Home	C
56	073-220-030	336 Walsh	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
57	073-220-020	346 Walsh	2.90	R-1A	1 DU/Acre	1	Single Fam. Home	C
58	073-220-010	354 Walsh	2.50	R-1A	1 DU/Acre	1	Single Fam. Home	C
59	0740130-300	86 Tallwood	2.80	R-1A	1 DU/Acre	1	Single Fam. Home	C
60	074-130-320	383 Walsh	10.35	R-1A	1 DU/Acre	8	Single Fam. Home	C

Site No.	Assessor's No.	Address	Area (acres)	Zoning	Gen. Plan Designation and Density	Realistic Unit Capacity	Existing Use	Comments[1] -Other On-Site Constraints
61	073-261-030	10 Sargent	2.43	R-1A	1 DU/Acre	1	Single Fam. Home	C
62	073-263-010	75 Reservoir	3.27	R-1A	1 DU/Acre	2	Single Fam. Home	C
63	073-261-120	19 Sargent	4.43	R-1A	1 DU/Acre	3	Single Fam. Home	C
64	070-012-020	291 Stockbridge	2.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
65	070-022-410	396 Selby	2.58	R-1A	1 DU/Acre	1	Single Fam. Home	C
66	060-332-060	51 Watkins	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
67	060-332-050	59 Watkins	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
68	060-332-040	69 Watkins	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
69	060-332-160	38 Walnut	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
70	060-331-260	32 Maple	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
71	060-332-120	2 Walnut	0.30	R-1B	3 DU/Acre	1	Single Fam. Home	C
72	060-323-080	33/41 Maple	0.48	R-1B	3 DU/Acre	1	Single Fam. Home	C
73	060-321-120	76 Fair Oaks	0.59	R-1B	3 DU/Acre	1	Single Fam. Home	C
74	070-103-390	42 Tuscaloosa	1.85	R-1A	1 DU/Acre	1	Single Fam. Home	C
75	070-120-040	25 Tuscaloosa	1.00	R-1A	1 DU/Acre	1	Single Fam. Home	C
76	070-230-080	78 Winchester	1.04	R-1B	3 DU/Acre	1	Single Fam. Home	C
77	070-223-060	28 Isabella	0.74	R-1B	3 DU/Acre	1	Single Fam. Home	C
78	070-223-030	2 Isabella	0.58	R-1B	3 DU/Acre	1	Single Fam. Home	C
79	060-304-020	48 Lloyden	1.20	R-1B	3 DU/Acre	2	Single Fam. Home	C
	Subtotal					**110**		
	Total					199		

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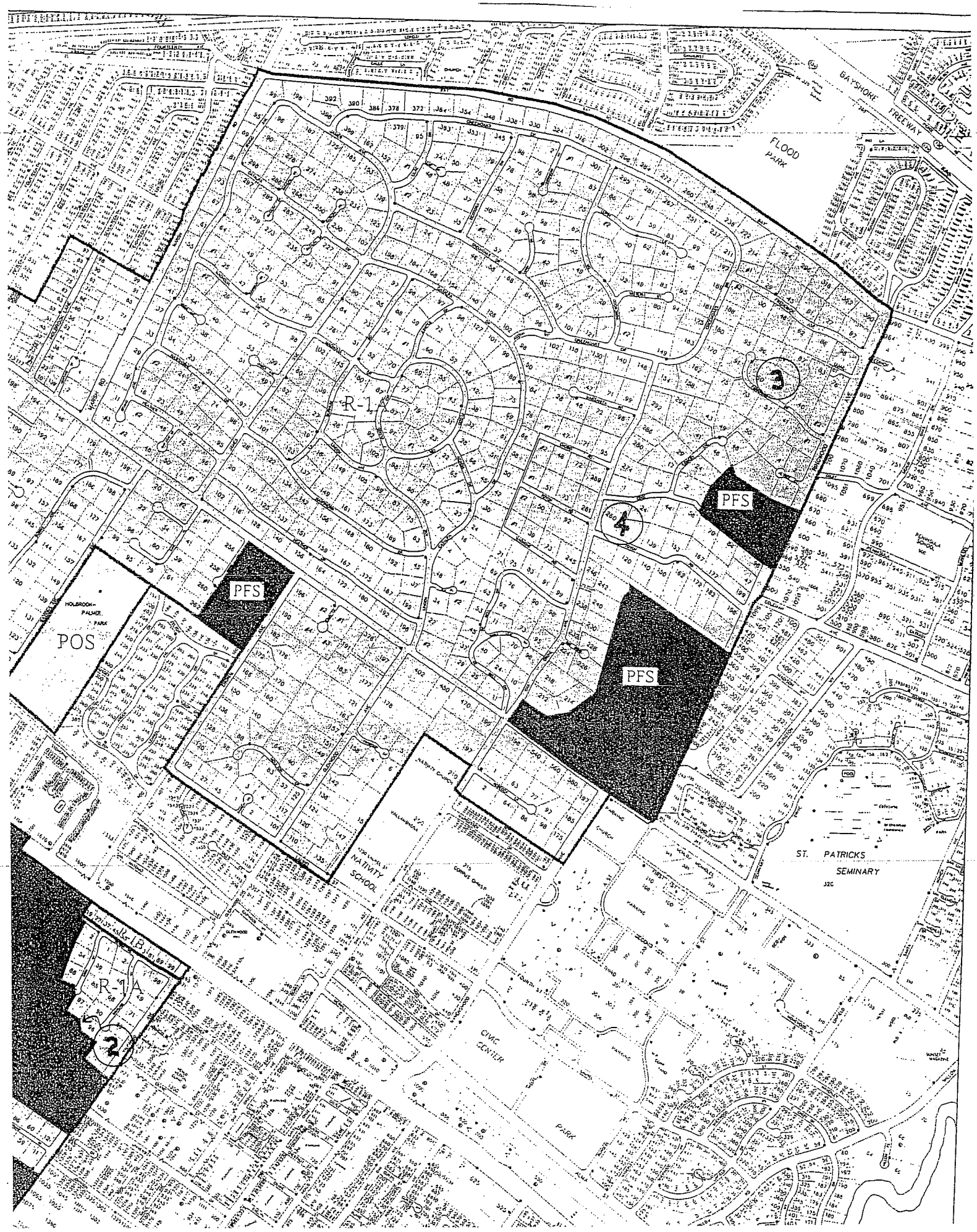
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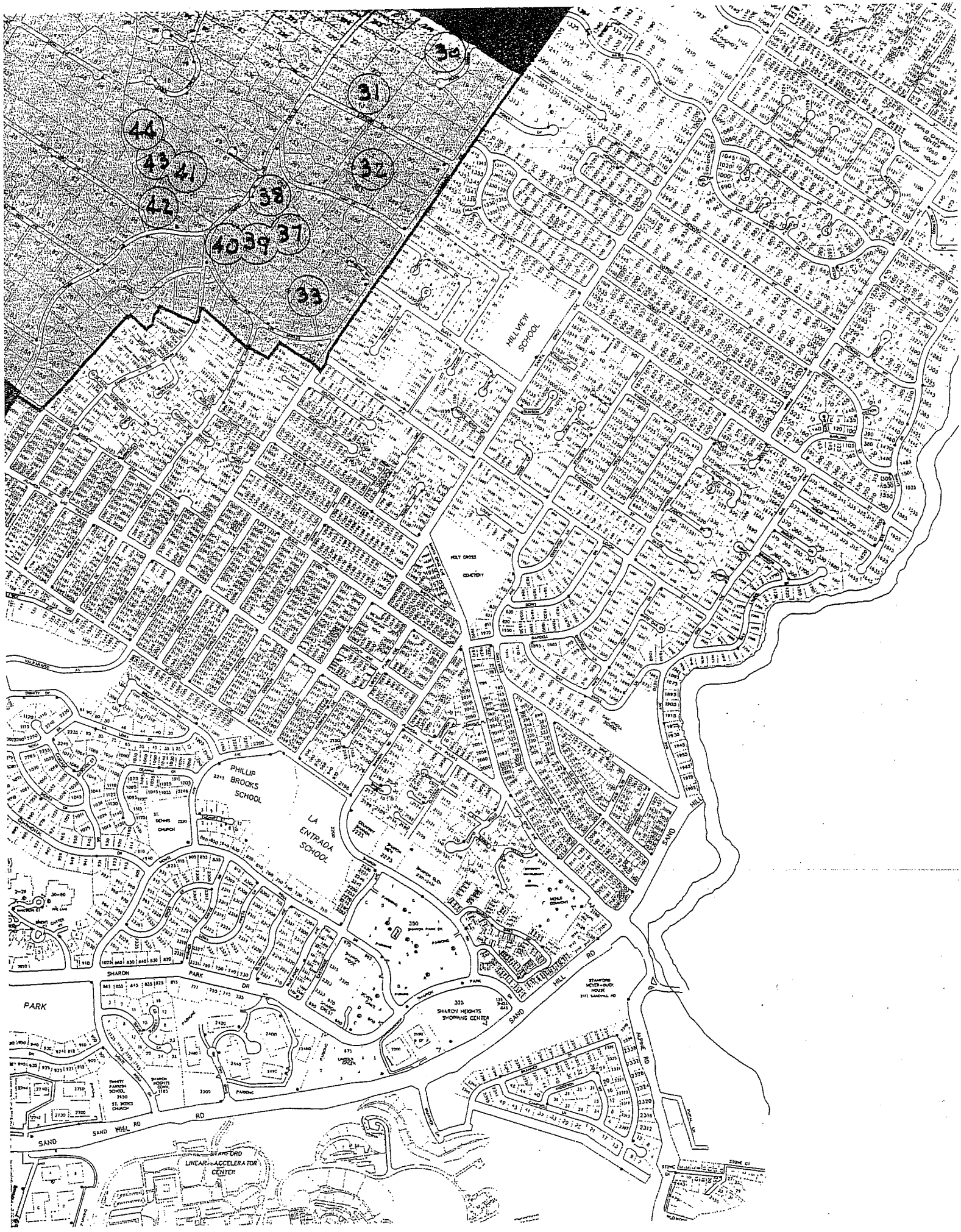
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LA ENTRADA SCHOOL
SHARON PARK DR
SHARON HEIGHTS SHOPPING CENTER
PARK
SAND HILL RD
STANFORD LINEAR ACCELERATOR CENTER

3.413 Environmental Constraints Analysis

The analysis of environmental constraints to development of housing is provided in the discussion below.

1. Areas Subject to Flood Inundation in Event of Dam Failure

The areas below Bear Gulch Reservoir and along Atherton Channel (shown on Environmental Constraints Map HE-2) are subject to flooding in the event that the Bear Gulch Dam were to fail. This dam is located within about 6,000 feet of the Cañada Fault zone and 10,500 feet of the San Andreas Fault zone[1]. Residential development is precluded in the area immediately down stream from the dam by ownership by the California Water Service Company and by open space zoning and General Plan designation. None of these sites are included in the Town's land inventory.

2. Areas Susceptible to Flooding

According to the Federal Insurance Administration, there are no areas in Atherton identified as flood prone. However, in the 1975 San Mateo County "Seismic and Safety Element" of the General Plan, a few areas in the Town of Atherton were identified as being located within the 100 Year Flood Zone (shown on the Environmental Constraints Map HE-2). The main concentration of these areas is along the Atherton Channel with other scattered sites in the area west of El Camino Real. Areas susceptible to flooding do not have any impact on development potential.

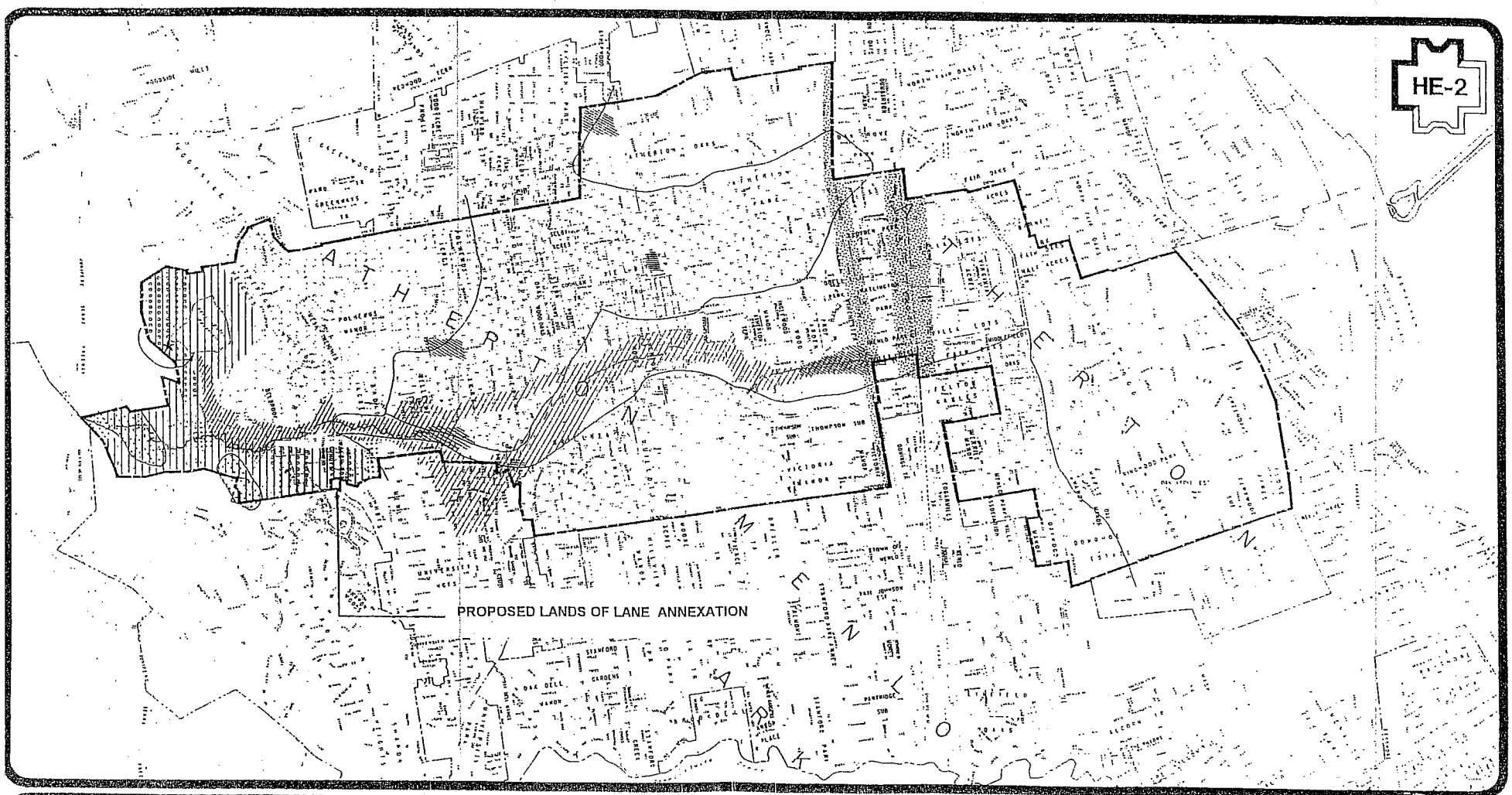
3. Areas Subject to Wildland Fire Hazard

Areas identified on the Environmental Constraints map as subject to Wildland Fire Hazard are generally west of Alameda de las Pulgas in the vicinity of Bear Gulch Reservoir and along Walsh Road and Reservoir Road. Residential building is precluded around Bear Gulch Reservoir because of its ownership by the California Water Service Company, and the open space zoning and General Plan designation. The adopted Fire Code requires all buildings exceeding 1,000 square feet be sprinklered and that roofs be constructed of fire resistant materials. All buildings in the wildland interface must have fire sprinklers to protect the interface from a dwelling fire incident. In addition, the Menlo Park Fire Protection District inspects the area annually and recommends homeowners to clear combustible vegetation near structures. This constraint requires mitigation but does not prevent residential construction.

3.414 Infrastructure Description

Adequate infrastructure exists through out the entire Town to accommodate the existing and planned density of development. This includes existing paved streets, sewer, water supply for domestic and fire suppression purposes and drainage facilities. Available public services

[1] County of San Mateo Geotechnical Hazard Synthesis Map



ATHERTON GENERAL PLAN

ENVIRONMENTAL CONSTRAINTS

0 500 2000 8000
SCALE IN FEET

- COARSE-GRAINED ALLUVIAL FAN DEPOSITS (TYPE a)
- COARSE-GRAINED ALLUVIAL FAN DEPOSITS (TYPE a?)
- UPLAND BEDROCK (TYPE a) 1
- UPLAND BEDROCK (TYPE a) 1
- SUBJECT TO FLOOD INUNDATION IN EVENT OF DAM FAILURE 1
- ONE-HUNDRED YEAR FLOOD ZONE
- WILDLAND FIRE HAZARD AREA 2
- FUTURE NOISE LEVELS INCOMPATIBLE WITH RESIDENTIAL LAND USE 2
- NATURAL VEGETATION OR PARK 2
- AGRICULTURE 2
- SEPARATION JOINT AND INTERSECTION (PROPOSED) 2
- PUBLIC LANDS 2

1 COUNTY OF SAN MATEO, SEISMIC AND SAFETY ELEMENT, 1975
2 MARTIN, CARPENTER, ASSOCIATES CLASSIFICATION, 1982

include Police, Fire, Parks and Recreation, Public Works, Building Inspection and Town Administration.

There are no sites in the Town of Atherton identified as available for housing that are in areas not served by public sewer systems. Consequently there are no sites identified as available for housing for any of the four income level households in areas not served by a public sewer system.

3.420 Zoning Appropriate to Accommodate the Development of Housing Affordable to Lower Income Households

The Town is required to provide sites suitable for construction of 32 lower income units (13 low income and 19 very low income). As described below, currently available sites (not requiring any change in the Town's zoning) provide available sites for at least 67 lower income units, primarily housing planned at Menlo College and Menlo School.

However, to enhance the production of affordable housing in the Town, zoning ordinance modifications are being proposed that will increase the expected production of affordable second units to a total of 120 units[1] over the 2007 – 2014 planning period.

3.420a 1000 El Camino Real - Menlo College

This is site number 1 in the Inventory of Sites Suitable for Residential Development. The Menlo College Master Plan calls for the development of 79 additional units of faculty and student housing units. The Master Plan calls for the development of 16 new faculty units in townhouse style at densities of approximately 9 dwelling units per acre. The Master Plan also calls for development of 63 new student housing units for juniors and seniors designated for independent living with separate entries, kitchens, baths, and living space. These units would be in apartment style buildings at densities of 20-25 units per acre. The Menlo College Master Plan was filed with the Town in 2002 and was most recently updated in spring 2008. The capacity of this site was established based on the Menlo College Master Plan. Based on the affordability levels of current on-campus faculty and student housing ($750 to $1,500 per month), all units should be affordable to households in the extremely low and very low income categories. However, to be more conservative, the 16 faculty units are shown as moderate-income housing, and the 63 units to be built at densities of 20-25 units per acre are shown to be suitable for lower income housing.

This site is zoned PFS (Public Facilities and Schools) District which allows private schools and accessory uses (faculty and student housing are considered accessory uses) upon the issuance of a Conditional Use Permit. The zoning encourages the preparation of a Master Plan for future development. The purpose of providing faculty and student housing on campus is to retain quality faculty and attract students through the provision of affordable housing at below market levels.

[1] 92 units in the extremely low, very low and low income category and 28 units in the moderate category.

3.420b 50 Valparaiso Avenue - Menlo School

This is site number 2 in the Inventory of Sites Suitable for Residential Development. The Menlo School Master Plan calls for the development of 11 additional units of faculty housing on campus. These units would be in the townhouse style at densities of approximately 9 dwelling units per acre. The Menlo School Master Plan was filed with the Town in 2002 and was most recently updated in spring 2008. The capacity of this site was established based on the Menlo School Master Plan. Based on the affordability levels of current on-campus faculty housing ($465 to $757 per month), all units should be affordable to households in the extremely low category. However, to be more conservative, and because these are intended to be townhouse-style units, the 11 faculty units are shown as moderate-income housing.

Like Menlo College, his site is zoned PFS (Public Facilities and Schools) District which allows private schools and accessory uses (faculty housing is considered an accessory use) upon the issuance of a Conditional Use Permit. The purpose of providing faculty housing on campus is to retain quality faculty through the provision of affordable housing.

3.420c 150 Valparaiso Avenue – Sacred Heart Schools

The Sacred Heart Schools Master Plan calls for the development of 2 additional units on the campus to be available to very low income staff. The Sacred Heart Schools Master Plan was filed with the Town in 2002 and was most recently updated in 2008. Like the other schools in Town, the site is zoned PFS (Public Facilities and Schools) District which allows private schools and accessory uses (staff housing is considered an accessory use) upon the issuance of a Conditional Use Permit. The purpose of providing staff housing on campus is to retain quality staff through the provision of affordable housing.

3.420d Second Dwelling Units

Second dwelling units in Atherton provide needed extremely low income and very low income housing. The Atherton second unit survey revealed that 100% of the existing second units, and internal living quarters were affordable to households in the extremely low and very low income categories (compared with 80 percent of second units in the County as a whole). This level of affordability applied to all second units, not just older second units. Therefore, all new second units are projected to be available to households in the extremely low and very low income categories.

During the previous Housing Element Planning Period (1999 – 2006) there were only 4 new second dwelling units permitted and constructed. There are proposals in this Housing Element Update to expand the allowable size of second units to greater than the current maximum of 600 square feet (up to 1,200 square feet), to allow some encroachment into the side and rear setbacks, to exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet (but not to exceed 10% of the allowed floor area for the lot), to eliminate the minimum lot size provisions, and to waive building permit fees in order to substantially increase the rate of second unit production in the future. In addition, the Town intends to allow a full kitchen in internal living quarters, so that they also

may be considered as second dwelling units. Internal living quarters were built at a rapid rate between 1999 and 2006. As described below, if these units are considered as dwelling units, and based on the rates of construction of second units, and internal living quarters between 1999 and 2006, the Town estimates that 52 to 80[1] second units will be built between 2007 and 2014.

- Zoning Changes Proposed in Relation to Second Dwelling Units

Currently zoning regulations limit the size of second dwelling units to a maximum of 600 square feet of floor area, require the same setbacks as a main dwelling prohibit second units on smaller lots, require that the second unit floor area be counted as part of the total allowable floor area on a lot and are charged normal building permit fees. In order to provide incentives for the construction of additional second dwelling units in Atherton, changes to the zoning ordinance listed below are proposed:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow detached or attached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required setback.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

- Zoning Changes Proposed in Relation to Internal Living Quarters

Currently zoning regulations prohibit internal living quarters from having full kitchen facilities, therefore they cannot be classified as dwelling units. However, there is a proposal included in this Housing Element Update to allow full kitchen facilities in internal living quarters thereby allowing them to be occupied and counted as second dwelling units. Building Department data show that from 1999 to 2007 about 50 to 75 new internal living quarters were constructed. That was a rate of 6 to 10 new internal living quarters per year. Therefore, the projected number of new second dwelling units (i.e. second dwelling units plus internal living quarters) available for full time occupancy will be from 52 to 80 units during the 2007 – 2014 Planning Period.

An Atherton survey in November 2008 indicated that there are from 50 to 125 existing internal living quarters in Atherton.

Table HIV-2 shows the expected additional 57 second units to be constructed in the Town if these zoning ordinance changes are made.

[1] Based on 10 new second units and 6-10 internal living quarters units/year times 7 years = 52-80.

3.421 Moderate and Above Moderate Income Housing

As noted, Master Plans for Menlo College and Menlo School include plans for 27 units of townhouse-style faculty housing. In the past rents for such housing have been affordable to very low income households, but to be conservative, the Housing Element projects these as moderate-income units.

Sites numbered 3 - 79 in the Inventory of Sites Suitable for Residential Development are suitable for above-moderate income housing. The inventory lists 79 sites with the potential for the development of 110 new, above market rate housing units. The listed sites are either large enough to be subdivided into smaller lots consistent with the existing zoning density limitations or are already legal lots that have been combined into a single building site. All are currently developed with a single family residence. There are no zoning or other constraints adopted by the Town that would prevent development of these 110 new homes.

However, over the past 20 years there has been a trend to demolish existing, older homes and replace them with new, larger homes. For example, during the last housing element period (1999 – 2006), there were 240 single family homes demolished and 245 new homes built for a net increase of 5 homes. The increase was the result of some parcels being subdivided into additional building sites and others where a home was demolished to use 2 or more existing lots. This was a rate of approximately 0.75 net new dwelling unit per year. The current rate is projected to continue during the 7 year 2007-2014 Housing Element Planning Period, resulting in the addition of 5 net new above moderate income housing units. This is an extremely conservative number, as market conditions may change, and the Town has imposed no obstacles to the addition of the 110 new homes permitted by current zoning.

In addition, rents for all second units in Atherton also were affordable to above moderate-income households, according to the *21 Elements* survey and the Town's own survey. Although the Town's own survey indicated that all units were affordable to very low income households, to be conservative 30 units are shown as above-moderate income units.

TABLE HIV-2: SUMMARY OF AVAILABLE SITES BY INCOME CATEGORY

	Household Income Categories					
Sites	**Extremely Low**	**Very Low**	**Low**	**Moderate**	**Above Moderate**	**TOTAL**
RHNA Allocation	**32**			**16**	**35**	**83**
Currently Available Sites						
1000 El Camino Real	63			16		79
50 Valparaiso				11		11
150 Valparaiso	2					2
Town-wide Above Market Homes					5	5
Town-wide 2nd Dwelling Units*	27			0	30	57
Total	**92**			**28**	**35**	**154**

*While surveys show that all of these units are expected to be affordable to extremely low and very low income households, as a conservative estimate, some are projected to be affordable to moderate and above moderate income households.

3.430 Analysis of Zoning that Encourages and Facilitates a Variety of Housing Types

As required by State law, the Town allows factory-built housing or mobilehomes on permanent foundations under the same terms applicable to other single-family homes in the R-1A and R-1B zones. The Town does not have architectural review of new homes, and consequently does not impose architectural review on factory-built housing.

Multifamily rental housing and single-room occupancy units are permitted in the PFS zones when included in an approved master plan and with a use permit. Multifamily housing now exists on the Menlo College site, and congregate housing for the retired religious on the Sacred Heart Schools site.

3.440 Identification of Adequate Sites for Emergency Shelters

As stated in Section 3.318, by June 30, 2010, Atherton will establish a zone that meets requirements set forth in SB2 relating to emergency shelters. The Town will amend the existing PFS (Public Facilities and Schools) Zoning District to provide for emergency shelters as an allowable use when located within 500 feet of the Town Civic Center. Within this zone shelters will be permitted without a conditional use permit or other discretionary action. The zone will contain approximately 6 acres, which can accommodate up to three shelter beds, providing adequate capacity to meet the identified need. A typical shelter approximately 1,000 sq. ft. in size would be allowed in this zone by right, and the Town would adopt management and other standards as permitted by State law.

3.450 Identification of Adequate Sites for Transitional and Supportive Housing

As stated in Section 3.318, by June 30, 2010, Atherton will amend the zoning code to explicitly state that any use is permitted if required by State law. Under this revision, supportive and transitional housing will only need to obtain the same types of permits and approvals as the same type of residential development in that zone. Residential uses, including transitional and supportive housing, are permitted without discretionary permits in the following zones; R-1A and R-1B; and are permitted with a use permit in the PFS zone.

3.460 Identification of Adequate Sites for Farm Worker Housing

As stated in previous sections, there are no agricultural jobs and no farm workers living in Atherton. The closest significant location of agricultural employment is located at least 30 minutes drive away. Since there is no need for farm worker housing in Atherton, no sites are identified.

3.470 Other Housing Resources

The Town has no financial resources to spend on affordable housing. However, the Town is willing to consult with other agencies such as the County of San Mateo or non-profit institutions in the County about resources that might be available to the Town for affordable housing.

3.500 CONSTRAINTS ON HOUSING

This section contains analyses of potential governmental constraints contained in the Town ordinances, codes and policies that could constitute a barrier to the maintenance, improvement or development of housing for all income levels.

3.510 Governmental Constraints Analysis

3.511 Land Use Controls

The General Plan and Zoning Ordinance of a community are two primary tools for planning and regulating land use.

General Plan - The Town of Atherton updated its General Plan in 2002. The land use character of the Town has remained that of a mainly single family residential and institutional (e.g. schools) nature. The General Plan reveals that the most significant constraint to housing development is land availability. There is no vacant developable land in the Town, and most of the Town's land acreage is developed at existing General Plan densities.

Zoning Ordinance - The Atherton Zoning Ordinance designates land uses, height, bulk, density and parking standards throughout the city. The Zoning Ordinance was designed for consistency with the General Plan. The General Plan's four basic land use designations: Single-Family Residential, Single Family Residential Low Density, Public Facilities and Schools, and Parks and Open Space are directly reflected by the zoning districts of the R-1A (Single Family Residential one acre minimum), R-1B (Single Family Residential – 0.31 acre minimum), PFS (Public Facilities and Schools), and POS (Parks and Open Space). Table HVI-1 presents the Atherton Zoning Categories and Standards of density, setbacks, height limits, floor area ratios, lot coverage and parking requirements.

The zoning categories reflect the Town's low-density residential, large lot, single-family character. Commercial and industrial land uses are prohibited. The standards require large setbacks, limited floor area ratios and height restrictions. However, some standards are quite unrestrictive compared to other cities. For example, Atherton does not require on-site parking, nor is architectural review and approval required. Consistent with State law, the Town allows factory-built housing or mobilehomes on permanent foundations under the same terms applicable to other single family homes.

Second Dwelling Units are permitted in both the R-1A and R-1B zoning districts. The zoning ordinance was amended in 2003 to make Second Dwelling Units permitted by right in the R-1 districts. A second dwelling unit requires the same setbacks as the main dwelling but is limited to 15 feet in height and 600 square feet of floor area. The size and setback limits could be considered constraints to construction of new second units or conversion of existing Guest Houses to full time occupied second units.

Internal Living Quarters (additional living quarters inside homes) are permitted by right in both the R-1A and R-1B zoning districts. These may include a bedroom, a bath and two of three

kitchen elements (stove, sink, and/or refrigerator). Internal living quarters are also commonly constructed in Atherton (approximately 7 per year), and the limitation on kitchen facilities is a constraint on the development of new affordable dwelling units

TABLE HV-1: ATHERTON'S ZONING CATEGORIES AND STANDARDS

Zoning	Density	Front Setbacks	Side Setbacks	Rear Setbacks	Height Limit	FAR	Max Lot Coverage	Parking Required	Arch. Approval
R-1A (Single Family Residential)	1 d.u./ acre	60'	50'	60'	30*	18%	N/A	None	None
R-1B (Single Family Residential)	0.3 d.u./ac.	30'	26'	30'	28'	18%	N/A	None	None
PFS (Public Facilities and Schools)	None	60'	75'	75'	34'	N/A	40%	None	None
POS (Parks and Open Space)	None	60'	Varies	60'	34'	N/A	20%	None	None

* 34' maximum with increased setbacks and Conditional Use Permit

The Municipal Code and Ordinance provides a variety of lot sizes with densities ranging from one dwelling unit per five acres to three units per acre. Although the Town's low allowable densities constitute a constraint to affordable housing development, the impact is offset somewhat by the relatively large proportion of homes containing second dwelling units. In addition, Atherton's large homes provide opportunities for internal living quarters. These characteristics of the local housing stock assists the Town in meeting its regional share of affordable housing. Housing associated with the underlying use (including multifamily rental housing and single room occupancy units) is permitted in the PFS (Public Facilities and Schools) Zoning District.

Recommendations for Removal of Land Use Constraints

1. Amend the Second Dwelling Unit provision of the zoning ordinance to allow construction of attached and detached units to encroach up to 20% into side and rear yard setback areas, if located behind the rear line of the main build.
2. Amend the Second Dwelling Unit provision of the zoning ordinance to increase their allowable size up to 1,200 square feet and to exempt the floor area of the Second Dwelling Unit from maximum floor area limits on the building site.
3. Amend the zoning ordinance to eliminate restrictions on minimum lot sizes for Second Dwelling Units.

4. Amend the zoning ordinance to permit Internal Living Quarters that may include all three kitchen elements (stove, sink, and refrigerator).
5. Waive building permit fees for Second Dwelling Units.

3.512 Codes and Enforcement

The latest edition of the Uniform Building Code is enforced in Atherton. The Town's Building Department sees that new residences, additions, auxiliary structures, etc., meet all of the latest construction and safety standards. Building permits are required for any construction work. The Town has not adopted any local amendments to the State Housing Law or the Uniform Building Code. The Uniform Building Code is imposed by State law and does not pose an unusually significant constraint to housing development, maintenance or the supply and affordability of housing.

The Town has recently instituted a part-time code enforcement program. This is primarily a land use enforcement, complaint-based program. Typical complaints and violations relate to noise, construction activity without a Building Permit and parking of contractors' vehicles and has not resulted in housing being deemed unfit for human habitation or vacated. The code enforcement program does not pose a constraint to housing development, maintenance or the supply and affordability of housing.

3.513 On and Off-Site Improvement Requirements

The on and off-site improvements required for residential development in Atherton are listed below.

Street Width:	20 feet
Curbs and Gutters:	Rolled curbs and gutters required for new subdivisions
Sidewalks:	Prohibited
Water and Sewer Connections:	Required
Drainage:	Storage improvements required to prevent increased runoff during storm conditions (required by the San Francisco Bay Area Regional Water Quality Control Board)

Since Atherton is a completely developed urban area all streets are paved, water mains and sewer trunks have been installed and major drainage improvements are in place. Atherton's improvement standards are substantially less restrictive than those imposed by many communities, which often require wider streets and additional off-site improvements. The on

and off-site improvement requirements do not pose a significant constraint to housing development, maintenance or the supply and affordability of housing.

3.514 Fees and Exactions

In Atherton development fees are charged for both planning review and building permits. Planning fees are charged in order to recover the costs associated with the administration of the Town's land use regulations. Planning fees for review of projects that do not require Planning Commission action are charged on an hourly rate and do not require a set fee or deposit. Most of the residential projects in Atherton fall into this category. Review times are typically 1 to 5 hours. Planning fees for projects that require Planning Commission action consist of a non-refundable fee and a deposit, against which professional planning staff charge to provide review services. Charges currently range from $70 to $175 per hour depending upon the level of personnel involved in the review. Unused portions of the deposit are returned to the applicant at the end of the process. The fee structure reflects the Town's actual cost for the service. The Town reviews its fee structure and levels on a regular basis to ensure they reflect the cost of delivering services. Typical planning fees are shown in the table below.

TABLE HV-2: PLANNING FEES - 2008

Type of Fee	Fee	Deposit
Conditional Use Permit	$1,500	$2,000
Variance	$1,500	$2,000
Subdivision	$5,000	$2,500
Lot Line Adjustment	$2,500	$1,000

The Atherton planning fees are consistent with similar charges in other small jurisdictions and do not pose a significant constraint to housing development, maintenance or the supply and affordability of housing.

Building fees are charged to cover costs associated with checking that the building plans conform to requirements of the Uniform Building Code (UBC) as well as costs associated with conducting building construction inspections. Fees charged for building permits are based on the valuation of construction. The fee structure reflects the Town's actual cost for the service. The Town reviews its fee structure and levels on a regular basis to ensure they reflect the cost of delivering services. Currently[1] new construction valuation is determined by use of a standard factor of $350 per square foot for habitable space and $250 per square foot for non-habitable space. The same factor is used for remodeling projects however, the Building Department has the option to adjust the permitted value to the actual cost of the remodeling provided evidence is presented in the form of an executed contract substantiating the value. The actual building permit fee is determined using Table 1-A of the UBC. For example, where construction is valued over $1,000,000 the fee is calculated as $5,608.75 for the first $1,000,000 plus $3.65 for each additional $1,000 or fraction thereof. An additional 65% of the building permit fee is charged for plan checking.

[1] City Council Fee Resolution No. 07-17 adopted June 18, 2007.

The Town charges a Road Impact Fee on all building construction projects. A road impact fee of 0.71% of the project valuation is required for all construction projects. Road impact fees and are used to fund roadway projects to maintain and repair local roadways, including normal engineering, administrative overhead and other associated costs. For example, a project valued at $1,000,000 would require a Road Impact Fee of $7,100. The fee is based on a nexus study completed by the Town in 2005.[1]

While not imposed by the Town, local school districts charge a fee that is based on the square footage of new construction and must be paid prior to issuance of the building permits. The purpose of the fee is to compensate the school districts for the costs associated with the demand or additional services and classroom space generated by new residential construction. The Sequoia Union High School District collects the fees and distributes a portion to one of the three elementary school districts serving Atherton (i.e. Las Lomitas School District, Menlo Park City School District and Redwood City School District). In areas served by the Menlo Park City School District the current fee is $2.97 per square foot with $1.052 distributed to the Sequoia District and $1.918 distributed to the Menlo Park District. In areas served by the Las Lomitas and Redwood City School Districts the current fee is $2.63 per square foot with $1.284 distributed to the Sequoia District and $1.346 distributed to the Las Lomitas or Redwood City Districts.

The Town does not have any park, open space, parking or other similar development or impact fees. Nor does it have any in-lieu housing or other fees, below-market-rate housing requirements or specific land dedication requirements for streets, public utility rights-of-way, easements, parks or open space.

A recent survey by 21 Elements[2]revealed that a 2,800 square foot house built in Atherton would have a land cost of $3,000,000, building construction costs of $980,000 to $1,400,000, building permit fees of $10,785, sewer connection fee of $550, recycling fee of $1,000, street impact fee of $6,674, business license fee of $3,384 and school district fees of $8,316 for a total cost of $4,010,709 to $4,430,709. The 21 Elements Fee Survey revealed that 14 cities in San Mateo County had development fees for single family homes that were higher than Atherton's; some had fees 1.5 and 2 times higher. With fees substantially lower than those of adjacent communities, they do not pose a constraint on housing construction.

3.515 Processing and Permit Procedures

The following table describes the Town's permit process procedures in general. These processes are required for the development of all housing for all income categories. Only two levels of residential permit processing are available; a Conditional Use Permit or a Building Permit. The Town does not have an Architectural Review and approval

[1] Analysis performed by Town Staff in consultation with Kimley Horn and Associates.
[2] 21 Elements: San Mateo Countywide Housing Element Update Kit, *Development Fees Survey,* September 17, 2008

process.

Most residential construction, including second dwelling units and guest houses (estimated 90% to 95% of building permits) does not require Planning Commission action or permits. Only Planning Department review of the project for conformance with Town zoning standards and Building Department review for Building Code conformance are required.

Where Conditional Use Permits are required, the process involves submitting an application to the Planning Commission for review of the proposal. Preliminarily site plans and elevations are required as part of the submittal. An advertised public hearing is held by the Planning Commission with mailed notice to all property owners within 500 ft. of the proposed project. Upon Planning Commission approval, plans may be submitted to the Building Department for Building Plan Check and Building Permit issuance.

Building permits must be secured before commencement of any residential construction, reconstruction, conversion, alteration or addition. Approval of permit applications is based on conformity with the Uniform Building Code and the Zoning Ordinance, although the Town has the power to grant variances from the terms of the Zoning Ordinance within the limitations provided in the Ordinance.

The Building Permit process has very little impact on the development of above moderate income housing in Atherton as evidenced by building activity and the number of replacement housings being constructed. The Building Department currently has approximately 800 active permits and approximately 30 - 40 houses are demolished and replaced with new houses each year. While removal of the process and reduction of fees might function to reduce costs slightly, there are many other factors that act to deter development of such housing. Factors such as the high cost of land (currently at about $3 million per acre), the limitations on density and non-availability of funds (e.g. in the private educational institutions and from local public sources) are the most likely deterrents to the development of low and moderate-income housing.

TABLE HV-3: RESIDENTIAL PERMIT PROCESSING PROCEDURES AND TIMES

Type of Construction	Use Permit	Building Permit	Plan Commission Public Hearing	Typical Time for Staff Plan Check & Building Permit Issue (weeks)
Single Family Residential		X		6
Second Dwelling Unit		X		6
Guest House		X		6
Housing on PFS Sites	X	X	X	9

The Town does not have any overly zones such as community plan implementation zones, hillside overlay zones or environmentally sensitive areas.

Atherton has only two residential zoning districts; R-1A where the minimum lot size is 1 acre and R-1B where the minimum lot size is 13,500 square feet. Single family detached dwelling units, second dwelling units and guest houses are permitted by right in these districts. Attached and multiple family dwelling units are not permitted in either district. All construction in PFS zoning districts, including attached and multiple family dwelling units and single room occupancy units requires a conditional use permit. Housing in PFS zoning districts is permitted when the residential use is associated with a conditional or permitted use in that district. Such residential uses are typically associated with private schools.

3.520 Non-Governmental Constraints Analysis

3.521 Land Prices

Land scarcity and high real estate prices are the most significant non-governmental constraints to affordable housing in Atherton. There are virtually no vacant lots in Atherton. Land currently sells for about $3 million per acre and can only be acquired by purchase of a developed parcel or by subdividing the property, which also most likely involves the removal of an existing residence. The inventory of sites suitable for residential development described in section 3.230 showed a potential of 107 new parcels that can be created by subdividing existing developed parcels. Vacant lots are few in number and render discussions of lot prices virtually meaningless. This is a result of economic forces which are well beyond the capacity of the local government to influence or control. In this context, it is difficult to think in terms of market-based affordable housing provision.

3.522 Construction Costs

Construction costs are also high in the San Francisco Peninsula. Building costs range from $225 to over $500 per square foot. Such costs are not particularly higher in Atherton than in other surrounding jurisdictions.

3.523 Financing Availability

Prior to the 2008 mortgage credit crisis, home financing was generally available in Atherton and there did not appear to be any mortgage deficient areas within the community. The availability of financing is usually not a constraint to the construction of housing units consistent with Atherton's regional housing needs and, even in 2008, financing can be obtained for home purchases, albeit on stricter terms.

3.600 REVIEW AND EVALUATION OF THE 1999-2006 HOUSING ELEMENT

3.610 Effectiveness of the Element

A detailed analysis of the goals, objectives, policies and programs contained in the 1999-2006 Housing Element Update is presented in the table below.

3.620 Progress in Implementation

A comparison of the number of projected or planned housing units (i.e. 1999-2006 Housing Need Allocation) with what was actually achieved is summarized in Table H-2 below.

TABLE HVI-1: PROGRESS IN IMPLEMENTATION

		Actual Achievement			
Income Group	**1999-2006 Housing Need Allocation**	**Private Const-ruction**	**Second Dwelling Unit Program**	**Total**	**Met (M), Exceeded (E) or Fell Short (S) of Goal**
Very Low	22	2	4	6	S
Low	10				S
Moderate	27				S
Above Moderate	107	5		5	S
Totals	166	7	4	11	S

The construction of new market rate housing fell short of the 107 unit objective. Although 245 new market rate units were constructed in Atherton between 1999 and 2006, 240 existing units were demolished to accommodate the new units. Therefore, a net five new market rate units were added to the housing stock. Only one subdivision occurred during the Planning Period where four new lots were created.

During the Planning Period it was anticipated that new faculty housing would be constructed at Menlo School and Menlo College. A net of eleven new faculty units affordable to very low and moderate income households were planned at Menlo School and sixteen new faculty units affordable to very low and moderate income households were planned at Menlo College. Although the plans for these units remain on the Master Plans for these institutions there were insufficient funds available to construct them during the Planning Period. It is recommended that this program be carried forward to the 2007-14 Planning Period.

It was also anticipated that 63 new student housing units affordable to very low, low, moderate and above moderate income households would be constructed at Menlo College. Although the plans for these units remain on the Master Plans for these institutions there were insufficient funds available to construct them during the Planning Period. It is recommended that this program be carried forward to the 2007-14 Planning Period.

Two very low income units were privately constructed at Sacred Heart Schools during the 1999-2006 Planning Period. The units were added to the "castle" in 2000 and the Rosewood addition to Oakwood in 2003-4.

During the Planning Period there were four new Second Dwelling Units were constructed. A survey of second units in the Town has shown that all are affordable to low income households (with 80% affordable to extremely low income households).[1] The objective was construction of ten Second Dwelling Units. During the Planning Period the requirement for a Conditional Use Permit for Second Dwelling Units was removed and they are now permitted by right.

The Town supports the Shared Housing Program sponsored by the Human Investment Project, a San Mateo County non-profit organization that helps match people or households seeking affordable housing with owners of housing who are interested in renting or sharing space in their home. One placement was made in Atherton in a unit affordable to low income households during the Planning Period. However, because the shared housing program does not create new dwelling units, the unit is not shown in the table above.

Although few second units were constructed in the Town, numerous internal living quarters were built from 1999 and 2006. These are very similar to second units but have not been considered as "dwelling units" because internal living quarters do not have a complete kitchen. However, internal living quarters in fact provide housing affordable primarily to extremely low income households. The Town has committed to amending its zoning ordinance so that these units added to the housing stock.

3.630 Appropriateness of Goals, Objectives and Policies

The goals, objectives, policies and programs, which are new or revised and are appropriate for use in the 2007-14 Planning Period, are shown in Table HIV-3.

[1] Based on results contained in the study: *Affordability of Second Units in San Mateo County,* 21 Elements: San Mateo Countywide Housing Element Update Kit, October 24, 2008 and on the study *Atherton Second Unit Survey, December 2008.*

TABLE HVI-3: EVALUATION OF EXISTING GOALS, OBJECTIVES, POLICIES AND PROGRAMS

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.312 Work with private developers to encourage new housing development.	107 new housing units in the above-moderate income category	Net 5 new housing units developed in the above-moderate income category	5% of objective met due to : • Market choosing to construct 1 unit for each demolished unit. • Extremely limited supply of land available for subdivision.	Modify: Project development of approx. 5 net new housing units in the above moderate income category in 2007-14 Planning Period
3.321 Encourage the construction of new housing units affordable to moderate and low income households.	59 new housing units in the moderate to very low income category	4 new housing units constructed in the extremely low and very low income category (these were 2nd Units as described in §3.331 below).	7% of objective met due to: • Ordinance limiting size of 2nd units to 600 sq. ft. • Ordinance limiting occupancy of guest houses to 30 days per year. • Market failed to construct any faculty or student units during the planning period.	Continue: Modify second unit ordinance in 2007-14 Planning Period as described in next item.

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.331 Construction of 2nd dwelling units for occupancy by moderate to very low income households.	10 new 2nd dwelling units	• 4 new 2nd dwelling units (also described in §3.321 above. • Zoning Ordinance amended to eliminate Use Permit requirements for 2nd units (Ord. #544, 9/17/03)	40% of 2nd dwelling unit construction objective met. Zoning Ordinance amendment objective met.	Modify: take the following actions in the 2007-14 Planning Period: Allow internal living quarters to be second units by taking the following actions: • Amend 2nd unit ordinance to permit larger units (up to 1,200 s.f.). • Amend 2nd unit ordinance to permit construction in portions of side and rear setback areas. • Publicize the Town's 2nd unit ordinance in the Town newsletter and in the Building Department. • Allow internal living quarters to have a full kitchen.
3.332A Encourage rental of existing legal, full time 2nd units.	None	Survey showed that many second units are rented.		Delete: City cannot require owners to rent 2nd units. However, City intends to encourage more second unit rental through a public outreach program.

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.332B Continue to implement the 2nd unit ordinance.	None	4 new 2nd units were constructed in the planning period	Same as §3.331 above.	Same as §3.331 above.
3.342 Encourage private schools to provide affordable faculty and student housing on their campuses.	27 new faculty units and 63 new student housing units with kitchens in the mod-erate to very low income categories	No new units constructed.	Objective not met because market failed to construct any faculty or student units during the planning period.	Retain program. Seek to encourage production of these units.
3.352A Promote conservation and improvement of the condition of the existing affordable housing stock.	None	Oakwood, a home for the retired religious at Sacred Heart Schools providing residence for about 52 people was expanded and renovated during the planning period.	Objective met.	Continue policy, Oakwood provides housing affordable to extremely low income persons. However, units do not have kitchens and so are not considered to be dwelling units.

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.352B Encourage the provision of 2nd units by publicizing its 2nd dwelling unit program.	None	Building and Planning Staff have encouraged homeowners and developers to construct new 2nd units.	40% of construction objective met.	Modify by the actions below: • Annually publicize the program in the Town newsletter. • Publicize the program at the Building Permit counter. • Modify the second unit ordinance so that internal living quarters may be considered as dwelling units. Based on past construction this should add 52-80 dwelling units in the current planning period.
3.362A Continue to enforce the Uniform Building Code provision of handicap access in residential structures.	None	Handicap access provisions of UBC were enforced by the Building Department.	Provision successful	Continue
3.362C Contribute funds to the Shelter Network Program that provides shelters and homeless assistance in San Mateo County.	None	No funds contriuted	Town budget constraints preclude its ability to contribute.	Monitor

Policy/Program Ref. # and brief description	Quantified Objective	Result	Evaluation	Continue/Modify/Delete
3.372 Actively support housing opportunities for all persons regardless of race, sex, marital status, ancestry, national origin or color.	None	Town cooperates with District Attorney to enforce fair housing laws	Objective met	Continue
Continue to support the Shared Housing Program implemented by the Human Investment Project.	None	One low income household was accommodated through home sharing during the planning period.	Program assists low income individuals but does not result in any net new housing units.	Continue

3.700 HOUSING GOALS, QUANTIFIED OBJECTIVES AND POLICES

This section contains the Housing Goals, Quantified Objectives and Polices of the Town. These goals, objectives and polices will be implemented by the Housing Programs described in Section 3.800 of this Element.

3.710 GOAL: FACILITATE THE PRIVATE DEVELOPMENT OF HOUSING TO MEET A PORTION OF THE ABOVE MODERATE INCOME HOUSING NEED IDENTIFIED FOR ATHERTON

3.711 OBJECTIVES

A. Realize the construction of approximately 5 net new housing units in the above-moderate income category in Atherton from 2007-2014.

3.712 POLICIES

A. Within the limitations of the private housing market the Town shall work with private developers to encourage new housing development.

3.720 GOAL: USE SECOND DWELLING UNITS TO MEET A SUBSTANTIAL PORTION OF THE TOWN'S MODERATE TO VERY LOW INCOME HOUSING NEED.

3.721 OBJECTIVES

A. Realize the construction of 57 new second dwelling units planned for occupancy by moderate to extremely low income households in Atherton from 2007-2014.

3.722 POLICIES

A. Amend the Atherton Zoning Ordinance as listed below:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow detached or attached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required setback.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

B. Amend the Atherton Zoning Ordinance to allow the construction and occupancy of internal living quarters containing a full kitchen, and facilities

for living and sleeping.

C. Encourage occupancy of legal, full time second units and internal living quarters.

D. Implement the Town's second dwelling unit ordinance.

E. Encourage the private provision of second unit dwellings by publicizing the existence of its Second Dwelling Unit Program.

3.730 **GOAL:** FACILITATE THE DEVELOPMENT OF FACULTY AND STUDENT HOUSING ON SCHOOL CAMPUSES TO MEET A PORTION OF THE MODERATE AND VERY LOW INCOME HOUSING NEED IDENTIFIED FOR ATHERTON

3.731 **OBJECTIVES**

A. Encourage the construction of 27 new faculty housing units and 63 new student housing units with kitchens at private schools in the moderate to very low income categories in Atherton from 2007-2014.

B. Encourage the construction of 2 new staff housing units at Sacred Heart Schools in the moderate to extremely low income categories in Atherton from 2007-2014.

3.732 **POLICIES**

A. Encourage schools in Atherton to provide affordable faculty, staff and student housing on their campuses.

3.740 **GOAL:** PROMOTE PRIVATE EFFORTS TO CONSERVE AND IMPROVE ATHERTON'S EXISTING HOUSING SUPPLY.

3.741 **OBJECTIVES**

A. Promote the improvement, maintenance and enhancement of the existing housing stock through ongoing private and public rehabilitation efforts, with the objective of processing 1,000 applications for rehabilitation and home improvement between 2007 and 2014.

B. Obtain support from local lending institutions to provide loans for property improvement.

3.742 **POLICIES**

A. The Town shall promote conservation and improvement of the condition of its existing affordable housing stock with the goal of conserving all existing affordable units.

3.750 **GOAL:** ENCOURAGE SPECIAL CONSIDERATION TO THE MAINTENANCE AND EXPANSION OF HOUSING OPPORTUNITIES

FOR ELDERLY, HANDICAPPED AND LOW AND MODERATE INCOME AND HOMELESS PERSONS

3.751 **OBJECTIVES**

A. Enforce uniform building code regulations regarding provision of access for handicapped in residential structures, where applicable.
B. Support the conservation and development of affordable housing for citizens of modest means.

3.752 **POLICIES**

A. The Town shall continue to enforce the uniform building code regulations regarding provision of handicapped access in residential structures.
B. The Town shall continue to encourage the production and availability of more affordable housing through the development of new second dwelling units, internal living units, and private school faculty and student housing.
C. The Town shall cooperate with agencies providing emergency shelter, transitional and supportive housing for the homeless and those in crisis.

3.760 **GOAL:** CONTINUE TO PROMOTE HOUSING OPPORTUNITIES FOR ALL PERSONS REGARDLESS OF RACE, SEX, MARITAL STATUS, ANCESTRY, NATIONAL ORIGIN OR COLOR

3.761 **OBJECTIVES**

A. Eliminate discrimination in housing to the extent feasible through Town actions.

3.762 **POLICIES**

A. The Town shall actively support housing opportunities for all persons regardless of race, sex, marital status, ancestry, national origin or color.

3.800 HOUSING PROGRAMS

This section contains Atherton's Housing Programs for the Planning Period 2007 – 2014.

3.810 New Construction, Conservation and Rehabilitation

3.811 New Construction of Above Moderate Units

a. Continue to facilitate and expedite the development of new **above moderate income housing** units. An average of 33 new homes in this income category is constructed in Atherton each year. However an almost equal number of homes are demolished. It is projected that a net of 5 additional homes in the above moderate income category will be constructed during the 2007 – 2014 Planning Period.

Time frame for implementation: January 1, 2014 (Long-term Action)

Agency/Official responsible for implementation: Building Department

Proposed Measurable Outcomes: Construction of net 5 new above moderated income dwelling units

Funding Sources: General Fund, Building Department Budget

3.812 New Construction of Affordable Units

a. Amend the Atherton Zoning Ordinance to permit **Internal Living Units** that may include all three kitchen elements (stove, sink and refrigerator).

b. Amend the **Second Dwelling Unit** provision of the zoning ordinance as listed below:

- Expand the allowable size of second units to a maximum of 1,200 square feet.
- Allow attached and detached second units, if located behind the rear line of the main building, to encroach into the side and rear yard setbacks by not to exceed 20% of the required setback.
- Exempt the floor area of the second unit from the accessory structure and overall lot floor area limitation up to 1,200 square feet, but not to exceed 10% of the allowed floor area for the lot.
- Eliminate the minimum lot size provisions for second units.
- Waive building permit fees for second units.

Time frame for implementation (both items a. and b.): Prior to June 30, 2010 (Immediate Action)

Agency/Official responsible for implementation: City Council/Planning Commission/Town Planner

Proposed Measurable Outcomes: Construction of 52 to 80 new Second Dwelling Units in the extremely low and very low income categories by January 1, 2014 (Long-term Action)

Funding Sources: General Fund, Planning Department Budget

c. Actively promote the **Second Dwelling Unit** provision of the Atherton Zoning Ordinance by encouraging homeowners and developers to include attached or detached Second Dwelling Units in existing or new homes.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Commission/Town Planner

Proposed Measurable Outcomes: Construction of 52 to 80 new Second Dwelling Units in the extremely low and very low income categories by January 1, 2014

Funding Sources: General Fund, Planning Department Budget

d. Work and cooperate with Menlo School, Menlo College and Sacred Heart to facilitate development of affordable **faculty, student and staff housing** on school properties, and provide incentives for development through and expedited review process.

Time frame for implementation: January 1, 2014 (Long-term Action)

Agency/Official responsible for implementation: Planning Department and Building Department

Proposed Measurable Outcomes: Construction of 11 new faculty units at Menlo School, 79 new faculty and student units at Menlo College and 2 new staff units at Sacred Heart Schools in the extremely low to very low income category by January 1, 2014

Funding Sources: General Fund, Building Department Budget

3.813 Conservation and Rehabilitation of Existing Units

a. Continue to facilitate and expedite the **rehabilitation and reconstruction** of

existing residential units. The prompt processing of subdivision, planning review and building permit issuance has resulted in average review times that are some of the most reasonable in San Mateo County. The Town will continue to assist the property owners and development community in the housing development, conservation and rehabilitation process.

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Planning and Building Departments

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning and Building Department Budgets

3.820 **Special Housing Needs**

3.821 Seniors

a. Facilitate the provision of board and care opportunities, particularly for seniors, some of whom may be longtime Atherton residents who can no longer remain in their homes and who wish to continue living in Atherton. State law provides that a **residential care facility** (defined as a facility serving six or fewer persons) is a residential use and must be permitted wherever residential uses are allowed.

The Town will amend its Zoning Ordinance to specify that residential care facilities are allowable uses in the R-1A and R-1B Zoning Districts and are permitted by right.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

b. The Town will provide information at Town Hall regarding the numerous Senior Centers in San Mateo County that offer **assistance in home repairs**. Some of these programs offer subsidized services and others maintain a list of skilled workers who charge below market rates. The information will also include San Mateo County's Home Repair Program to assist low and moderate homeowners in rehabilitating their residences. The Town will occasionally publicize the availability of these services in the Town newsletter.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

c. The Town will continue to support the County **Property Tax Postponement Program**, which provides seniors with a means of postponing property tax payment. This program has the benefit of extending the length of time they can remain in their homes. Inquiries will be directed to the County Tax Collector's Office and information regarding the program will be available at Town Hall and occasionally publicized in the Town's newsletter.

3.822 Disabled Persons

a. Continue to review new residential developments and major remodels for **compliance with the Americans with Disabilities Act** (ADA).

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Building Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Building Department Budget

b. Continue to support the **County Housing Accessibility for Disabled Persons** program at the Center for the Independence of the Disabled. The Town will direct inquiries for house modifications for the disabled to the County program. Public information regarding the program will be available at Town Hall and occasionally publicized in the Town's newsletter.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

c. Review the Zoning Ordinance to identify provisions that could pose constraints on the development of housing for persons with disabilities, and amend the ordinance as needed to expedite retrofit efforts to comply with the ADA, require ADA compliance in all new development that is subject to ADA, and provide adequate flexibility in the development of housing for persons with disabilities.

Time frame for implementation: June 30, 2011 (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.823 Equal Housing Opportunity

a. Refer complaints of discrimination in housing access based on race, religion, national origin, age, sex, marital status or physical handicap, and other arbitrary barriers that prevent choice of housing to groups such as the Midpeninsula Citizens for Fair Housing.

Time frame for implementation: Ongoing (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.824 Emergency Shelters, Transitional and Supportive Housing

a. Establish a zone that meets requirements set forth in SB2 relating to **emergency shelters**. The Town will amend the existing PFS (Public Facilities and Schools) Zoning District to provide for emergency shelters as an allowable use when located within the Town Civic Center **property.**

Within this zone shelters will be permitted without a conditional use permit or other discretionary action. The zone will contain approximately 6 acres, which can accommodate up to three shelter beds, providing adequate capacity to meet the identified need. A typical shelter approximately 1,000 sq. ft. in size would be allowed in this zone by right.

Within this zone, shelters will be subject to the same development and management standards as other uses within the zone and require only a building permit. The Town will also develop objective and predictable standards for shelter operation.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: Designation of a location in Town when an emergency shelter is permitted

Funding Sources: General Fund, Planning Department Budget

b. Amend the Atherton Zoning Ordinance to explicitly state that any use is permitted if required by State law. Under this revision, **supportive and transitional housing** will only need to obtain the same types of permits and approvals as any other residential development. Residential uses, including transitional and supportive housing, will be permitted in the following zones; R-1A and R-1B.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: Designation of a location in Town when an emergency shelter is permitted

Funding Sources: General Fund, Planning Department Budget

3.830 **Consistency with State Requirements**

3.831 Energy Conservation

a. Continue to require compliance with Title 24 of the State's Building regulations. In addition, disseminate energy conservation information available from other agencies, such as PG&E's solar subsidy program and energy audits.

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Building Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Building Department Budget

3.831 Mobile and Manufactured Homes

a. The Town will amend the Zoning Ordinance to clarify that "manufactured housing" (modular or mobile homes on foundations) is allowed, subject only to the same development standards that apply to a conventional single family residential dwelling on the same lot, including, but not limited to, building setback standards, vehicle parking, and minimum square footage requirements.

Time frame for implementation: June 30, 2010 (Short-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: N/A

Funding Sources: General Fund, Planning Department Budget

3.840 **Other Housing Programs**

3.841 Shared Housing

a. The Town will continue to support the Human Investment Program (HIP), a non-profit organization that matches people needing housing and people owning a home who desire additional income and/or companionship. The Town will make information about the Home Sharing program available at Town Hall and will publicize the effort through the Town's newsletter. (Home sharing does not count toward the Town's Housing Needs Allocation.)

Time frame for implementation: On-going (Long-term Action)

Agency/Official responsible for implementation: Planning Department

Proposed Measurable Outcomes: 1 - 2 home-share matches each year

Funding Sources: General Fund, Planning Department Budget

3.900 EFFORTS TO ACHIEVE PUBLIC PARTICIPATION

Extensive public participation is an essential component to the housing element update process. During this Planning Period Atherton has made a major effort to involve current and potential beneficiaries of housing programs and services and their advocates (e.g. lower-income representatives, tenants of affordable complexes groups targeted for special housing needs consideration, community based organizations, health and human service providers, homeless shelter and service providers) in the update process. Various community stakeholders including neighborhood leaders, local businesses, employers and environmentalists have been invited to participate. The participation of development professionals including local builders, for- and non-profit developers, architects, trade labor unions, realtors, mortgage bankers and brokers, area lenders, and others has been requested.

The process was started with a joint City Council, Planning Commission, General Plan Committee workshop on the housing element update held on September 23, 2008. The workshop focused on State housing element statutory requirements and strategies for compliance. An extensively publicized community-wide workshop on the Atherton Housing Element Update was held on October 29, 2008. Current and potential beneficiaries of housing programs and services, community stakeholders and development professionals were invited to attend and participate. Notice was also mailed to every Town resident and a notice was published in The Almanac, the local newspaper of general circulation in Atherton.

Beginning on January 7, 2009 the Atherton General Plan Committee began holding public meetings on the draft Housing Element Update. A total of three such meetings were held. In order to ensure a significant and inclusive public process, citizen committees, the public, current and potential beneficiaries of housing programs and services, community stakeholders and development professionals and elected officials were invited to attend and to review and consider the document and policy recommendations.

An article about the Housing Element Update process and a local survey about second dwelling units, guest houses and internal living quarters were included in The Athertonian, the Town's newsletter in early October 2008. The Athertonian is mailed to every resident in Town. The survey served to obtain updated information on second units, guest houses and internal living quarters such as number of units, rental rates and other information. The article provided Town residents with information about the update process and tentative review schedule.

Copies of a summary of the draft were circulated to and comments requested from local citizens, affordable housing advocates and other interested parties. The draft was available upon request. The distribution list included:

- Atherton General Plan Committee (eight Atherton residents)
- Mid-Peninsula Housing Coalition
- Human Investment Project
- Housing Leadership Council
- Center for the Independence of the Disabled

- Samaritan House
- Peninsula Policy Partnership—Housing Action Team
- C.A.L.L. Primrose Center
- Shelter Network
- C/CAG (City/County Association of Governments)
- SAMCAR (San Mateo County Association of Realtors)

In addition, the draft summary and public hearing information was disseminated in the following ways:

- An article was published in the Athertonian, a Town sponsored newsletter that is mailed to every household in Atherton describing the Element and inviting residents to Planning Commission and City Council public hearings.
- Press Release- a press release went to all local newspapers
- Letters of invitation to all housing-related institutions that the Town has worked with such as Shelter Network, Samaritan House, Human Investment Project, C.A.L.L. Primrose Center, SAMCEDA, Mid-Peninsula Housing Coalition, Center for the Independence of the Disabled, and Housing Leadership Council.
- Posting in City Hall
- Mailing to the City Council and Planning Commission
- Mailing to the school district
- Distributed to the Police Department

In addition, the Planning Commission held noticed public hearings on the draft Update on April 29, May 18, June 18, August 17 and September 23, 2009. At the conclusion of the hearings the Planning Commission recommended that the City Council forward the Draft Housing Element to the California Department of Housing and Community Development for review and comment.

ATTACHMENT 2

Atherton Draft Housing Element 2007 - 2014

Summary of Sites Required and Planned

Planning Commission Recommended Draft

Sites Required

Basic 2007-14 Allocation	83
Carry-over from 1999-2006 (166 basic allocation minus 90 sites at Menlo School & College minus 9 net sites actually built)	67
Total	150

Sites Planned

Menlo School & College (not built; recycled)	90
Sacred Heart Schools	2
Conventional Houses (from 1999-2006 experience)	5
Second Units	57
Total	154

ITEM 34

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **JEROME D. GRUBER, CITY MANAGER**

DATE: **FOR THE REGULAR MEETING OF OCTOBER 21, 2009**

SUBJECT: **CONSIDERATION TO DIRECT PARKS & RECREATION COMMISSION TO REVIEW THE STORAGE FACILITIES SITUATION AT HOLBROOK-PALMER PARK**

RECOMMENDATION:

To Be Determined

BACKGROUND:

At the August 2009 regular City Council meeting Council Member Marsala requested to add the following item to the Agenda for discussion and vote:

Consideration to Direct Parks & Recreation Commission to review the storage facilities situation at Holbrook-Palmer Park.

Council voted unanimously to add this to the Council Agenda.

Council Report – Elizabeth Lewis
September 16 – October 21, 2009

October 8 – C/CAG meeting in San Carlos as Alternate for Mayor Carlson. Approved the CPUC Grant for 4-year, $3.5m contract with PG&E for Local Government Partnerships.
The Countywide Transportation Plan for 2035 was outlined. This is a work in progress and is estimated to be delivered to C/CAG by September 2010 for adoption. The proposed vision statement is: *"Promote an integrated transportation system that is cost-effective, sustainable, and equitable by providing travel choices, enhancing community livability, preserving environmental quality, and promoting travel safety."*
Members of the community are urged to be involved in the development and public workshops for this Plan. Members of Atherton Council should also weigh in to make sure our needs are considered.
October 7 – Closed session Council meeting – ½ hour
October 7 – San Francisco Community RoundTable, Millbrae. Update on the Oceanic arrivals over Portola Valley and Woodside with discussion on why altitude arrivals below the negotiated 8,000' level have been increasing. Climate conditions (fog) safety issues, traffic creates more vectoring over Woodside vor. . Another reason may be the increase in the voluntary OTA's (Oceanic Tailored Arrivals) by certain aircraft which follows a computerized glide path and may fly in at lower altitude, however the noise level is lessened because of less use of engines to stay at high altitude and then descend in stair-step fashion. Two residents from Woodside spoke about aircraft noise One resident lives on Skyline at 2,300 feet. A sub-committee was formed to establish a policy and protocols for information and data requests of staff and to amend the Bylaws accordingly.
October 1 – Attended the Lucile Packard Foundation dinner hosted by Atherton residents Mr. & Mrs. Koenig at their home at 158 Almendral Avenue.

September 30 – Grand Boulevard Task Force Meeting, Sunnyvale 10am – noon. Overview of strategies for restructuring El Camino Real. Re-cap of the very successful and well-attended public forum held at the Fox Theater in Redwood City June 20, 2009 where key-note speaker Michael Freedman presented.

September 25 – Attended a private luncheon hosted by the San Jose Chamber of Commerce for California Governor Candidate Meg Whitman at the Capital Club in San Jose. In attendance were several Atherton residents also.

September 24 – Went on all day field trip with members of the San Francisco Community RoundTable to Sacramento for a tour of the NORCAL TRACON high security air traffic control facility. The facility is only 1 of 4 in the nation and manages air traffic arrivals and departures in our Bay Area airports.

September 23 – Special Council meeting – MBIA presentation and other matters

September 23 – Attended Planning Commission meeting.

Council Report of Kathy McKeithen

October 2009

On October 14, 2009 I attended the regular meeting of the Atherton Friends of the Library. Duncan Jones, Atherton Director of Public Works, presented the results of the seismic study and life safety analysis for the Atherton council chambers and public library. He reported that the study did not find any imminent threat of catastrophic collapse of the buildings in an earthquake, but did discern two problems – one external and one internal. The first was that that some roof tiles were loose. The second was that the buildings probably did not allow for sufficient flexibility for the window panes to avoid breakage or pop-out in the event of a quake. It was decided that until such time as a needs assessment was completed to determine how the Town wished to proceed regarding the Library building, rather than spend $305,000 for a complete retrofit, the cost efficient alternatives were to hire a roofer to tighten the roof tiles and to film the windows and place screens over them.

The Boy Scouts have refurbished the benches outside the library with wood from trees in the Park. The Friends would like to thank the Scouts publicly for their generosity of time and labor at such time as the Council acknowledges their donation at its Council meeting.

Anne-Marie Despain, Director of the County Library system reported that the Library has accepted the proposal of Anderson Brule Architects of San Jose to perform the needs assessment for our library. The needs assessment will have two primary goals. The first is to describe how the building enables or limits the provision and enjoyment of the library's collection and services. The second will outline the space required for the library's collections and services currently and in the future. Working collaboratively with key stakeholders from Friends of the Library, staff, the community, Anderson Brule will evaluate existing conditions, identify opportunities and identify space needs in accordance with the system's strategic plan.

On October 13, 2009, Carine Risley, head of the Atherton library met with representatives of Anderson Brule to define the scope and schedule of the process. The schedule is an ambitious one. It involves three key elements.

(1) A survey will be conducted October 20-November 17, 2009. It will be widely publicized with hard copies available in key locations but primarily on-line, in English and in Spanish. Notice will be posted in our library and in other locations. The survey will attempt to have a broad focus – for example, beyond the Atherton community, the potential for far-reaching technological changes, the desirability of a green building, the effect of an aging population, potential needs 20 years from now.

(2) On October 19, 2009 Anderson Brule will conduct key informant interviews with three people who are best able to be in tune with the community needs and desires.

(3) A focus group will meet on October 27th at 2:30-4:30 of no more than 15 people representing different aspects of the surrounding community including those who do and do not use the library.

It is anticipated that the final Needs Assessment Report will be completed by the end of December and presented to the Atherton Town Council and the JPA Governing Board in late December or early January.

The will be a Holiday Open House in the Library from 2-5 p.m. December 9, 2009.

Charles Marsala

Council Reports:

I attended the League of Cities conference in San Jose September 24th-26th. Concern about the state withholding city funds is a concern as is pension funding.

The Blue Ribbon Task Force met on Oct 5th and approved the final draft for its report to the council. The report will be presented in November.

October Council Report – J. Carlson

League of California Cities Conference

I attended the annual conference of the League of California Cities as a continuing education opportunity for being on the council.

1. One of the key note speakers explained how new communications technology is aiding communities to more effectively connect with residents by helping to get the message out in a more timely basis, encouraging interactive resident engagement on various issues. Some cities have sites to post responses on 'how to make our city a better town?'; and 'what needs improving in the town?'. Such interaction is a means for taking the 'public's pulse' and finding out what are the things people are thinking about . Hand held devices can be used for reporting problems with roads, drainage and ordinance violations by using City Source 311 technology service to send handheld pictures and the GPS location of potholes in the road and other problems. The City of Davis uses the technology in helping Public Works to prioritize projects road repair projects. My take away – Find two or three communication technology residents to volunteer to see how Atherton might best use evolving communications technology for the benefit of the residents and for increasing the efficiency of staff time and making town government more responsive to resident needs and priorities.

2. There is a California Communities Program that may allow Atherton and other agencies to recoup the State's planned taking of 8% of its property tax. The town will need to enroll in the program in order to participate. The alternative will be for the State to borrow the funds for three years and pay back with interest. The CCP program would be a dollar for dollar recovery with no interest within a short period. Detailed information www.cacommunities.org or 1-800-635-3993.

3. A labor negotiations panel including the President Fresno Police Officers Association, two city managers and an attorney all agreed that council members should not be directly involved in labor negotiations. Providing guidance in a closed session to the labor negotiator is a good process to follow. Fresno police officers deferred a 2% pay raise due to economic problems but it took a large amount of effort by the president of the POA in educating the members to accept the deferral. He invited any public agency interested to make contact. The importance of using market surveys was down played by the panel in favor of negotiating specific issues such as more paying for performance. The importance of building a well documented record of the negotiating process including information requests, responses, minutes and all documents exchanged was stressed. The biggest problem/issue for all agencies is the cost of retiree benefits.

4. Reserve accounting will be modified by GASB 45. The outside auditors should inform the town how the new pronouncement will affect annual report for June 30, 2011. There is also a change in accounting for intangible assets (software). Expedia case (attorney should review) that it should be subject to a bed tax in the city where the transaction occurs needs to be further looked into. Prop 218 may not apply on franchised solid waste contracts when town sets a ceiling rate for five years before it has to be renoticed. The COPS program will continued to be funded (minimum $100k) by vehicle license fees.

Other sessions attended dealt with sign ordinances, financing alternatives, and role of city council in litigation. The business portion of the meeting passed three

resolutions, on a consent motion, including the Social Host Liability proposal and two petition resolutions re Additional Constitutional Protection of Local Government Revenues and Opposition to Rule Modifications to Accommodate Southern California Edison Company's Initiative to Install Above-Ground Equipment. The resolution Divesting From Banks/Financial Institutions That Fail to Cooperate With Foreclosure Efforts was withdrawn.

Councilman Marsala was recognized for being one of three councilpeople, in the state, receiving an Advanced Leadership award from the League of California Cities.

<u>High Speed Rail</u>

1. Peninsula Cities Consortium - PCC is meeting this quarter in Burlingame's city council chambers. Besides, the bi weekly meetings of board members from Palo Alto, Menlo Park, Belmont, Burlingame and Atherton, two significant public events were held. A Teach-In included a good mix of speakers informing approximately 300 people of various aspects of HSR. A new party representing the shippers using UP provided some new perspective to the use of the rail corridor.
2. The second event was a 1 ½ day meeting organized by a group of architects who engaged a wide range of experts who helped give community members ideas on how to 'design' the rail corridor to benefit their communities. Several Atherton rail committee members took part in coming up with a 'plan' for the town's portion of the line. Interestingly, Palo Alto, Menlo Park and Atherton 'solutions' all envisioned putting the rail lines underground.
3. While the judge has not stopped work on the Program EIR between San Jose and San Francisco he has declared that the Program EIR has some flaws. The CHSRA has to decertify the original plan and rework to the judge's satisfaction sections of the plan. It is not clear as to what this will mean in terms of their having to revisit the pros and cons of the Altamont route vs the revised Pachaco Pass route.
4. The Atherton Rail committee is working with Duncan Jones on a response to the Alternatives Options as part of the EIR process. So far, above ground, at grade and under ground options for the Atherton segment are still being considered. At the Policy Working Group meeting, HSR consultants said they would consider putting the high speed train in a deep tunnel and the Caltrain tracks above it in a trench which would put the trains out of sight and allow for track crossings to remain at their current grade. In addition, the committee is alerting the North Fair Oaks community that they need to get engaged in the process if they wish to have any impact on the decision making.

<u>Council of Cities meeting</u> was held at the Basque Cultural Center in South San Francisco. I recommend that Atherton host one of these monthly meetings, next year, of the San Mateo County city council members in our town. Perhaps at the Pavilion after the landscaping is completed. It is evident that we will need to partner with other cities to an even greater extent in the future and getting to know the other council members is key to helping influence decisions in the town's best interest. Having personal contacts you can call upon helps build regional cooperation on many fronts including HSR.

Attended

Lindenwood HOA Annual event
San Mateo Grand Jurors Assn. luncheon (Jerry Hill speaker)
Opening events for Menlo/Atherton H.S. Arts Center
C/CAG Compensation Task Force meeting
HSR Community workshop
PCC's – EIR committee
Park walk through with Park & Rec committee members