



FINAL REPORT

SBWMA REPORT ON REVIEW OF 2011 SOUTH BAY RECYCLING COMPENSATION APPLICATION

October 1, 2010

October 1, 2010

Subject: Review of 2011 South Bay Recycling Compensation Application

Dear SBWMA Board Members:

This Report documents findings and recommendations from the SBWMA staff review of the 2011 South Bay Recycling (SBR) Compensation Application for completeness, accuracy and consistency with the requirements of the Shoreway Operations Agreement (“Agreement”). The Agreement Article 7.12 prescribes the process by which this application is reviewed and the company’s compensation is approved. The SBWMA staff is required to submit this Report to the Board on or before September 1 of each year. While the Board is not required to take action on this Report until on or before October 31st each year staff is bringing the Final Report forward simultaneously with the Recology San Mateo County (RSMC) rate report. Thus, as with the Recology report, we requested Board Members submit their questions, comments and concerns to staff in writing by September 11. This Final SBR Report was approved by the Board of Directors at its September 23, 2010 meeting.

It is important to note that the approved compensation for SBR will be added to the SBWMA operating costs (ie., SBWMA program budget, disposal and processing expense, franchise fees to City of San Carlos, and debt service payments) in calculating the tipping fees to be charged to customers using the Shoreway facility, including franchised customers. Shoreway tipping fees are included as an other pass through expense in the calculation of each Member Agency’s total revenue requirement, shown as **“Disposal and Processing Fees” in Table 11 of the Recology rate report**, for setting solid waste collection rates. These other pass through costs are preliminary estimates at this time and will be finalized as part of the final consolidated rate report submitted to the Board at the October 28th Board meeting.

We look forward to answering any questions you may have regarding this rate report.

Sincerely,

Kevin McCarthy
Executive Director

Marshall Moran
Finance Manager

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SECTION 1 BACKGROUND

1.A Contractor Procurement Process

In 2005, the SBWMA and its Member Agencies initiated a five and a half year contractor selection process for new franchised collection services and Shoreway operations. South Bay Recycling (SBR) was selected as the new facility operator on April 23, 2009 and a final Shoreway Operations Agreement (“Agreement”) was approved by the Board on July 23, 2009. This Agreement included updated cost forms that reflected 2009 costs not the original proposal costs from 2008; thus the cost adjustments submitted by SBR in their 2011 Compensation Application (“Application”) are for rate years 2009 to 2011.

1.B Shoreway Operations Agreement Terms

Article 7 and Attachments 12-A and 12-C (see **Appendix A**) of the Agreement prescribe that the SBWMA is responsible for conducting the annual review and analysis of SBR’s compensation application due by July 1 each year. The SBWMA is charged with performing a preliminary review to ensure the application is complete and a thorough review that will be used to draft the analysis contained in this report. SBR is obligated to promptly address missing information and provide explanations to the SBWMA upon request during the compensation application review process.

1.C Calculation of Pass-Through Expenses

As part of reviewing the SBR Application, staff updated financial projections related to our operating budget for calendar year 2011. The recommended compensation for SBR needs to be included with all other SBWMA operating budget expenses (e.g., program budget, disposal expense, franchise fees, debt service, etc.) to set Shoreway tip fees. The tip fees become the basis for setting pass through disposal expenses and included in the total revenue requirement for Member Agencies to set solid waste rates for 2011; these costs are described as “Other Pass Through Costs” in the 2011 Recology draft Rate Report. These disposal pass through expenses are a result of the actual tipping fees charged on franchised tonnage delivered to the Shoreway facility; tipping fees are calculated after consideration for all revenues sources (e.g., commodity revenue). The tip fees shown in this Report have not changed from previous forecasts.

Projected disposal expenses shown in the RSMC rate report are estimates and will be finalized for inclusion in the final rate report for the October 28th Board meeting.

1.D Description of Cost Components

As described in Article 7.03 of the Agreement, SBR’s basic compensation includes three components as follows (fees shown are base year 2009 figures):

- **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 \$9.70 per Ton.
- **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 gross MRF Fee is \$67.34 per Ton. The contractor pays for MRF residue of \$3.90 per Ton including transportation which is deducted from gross MRF fee. The net MRF Payment is \$63.44 per Ton.

- **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 for 2009 base costs are \$1.006 per Ton/Mile for Solid Waste, \$1.042 per Ton/Mile for inerts, \$0.687 per Ton/Mile for C&D debris, \$0.613 per Ton/Mile for Plant Materials, and \$0.744 per Ton/Mile for Organics.

In addition to basic compensation, there are one-time contractual adjustments to compensation as follows:

- Per Article 7.02 there's a one-time reimbursement of \$276,462 (base year 2009 figure) for management costs related to the MRF sorting equipment installation. 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.
- Per Article 7.04 there are adjustments to basic compensation to reflect interim operations due to masterplan construction activities related to the MRF and Transfer Station operations.

This report is primarily focused on the three components of SBR's basic compensation, namely the fees paid for Transfer Station operations, MRF operations, and Transportation services. As described in Attachment 12-A (see **Appendix A**), each fee is comprised of four distinct cost components as follows:

- A. Labor costs
- B. Fuel and Power costs
- C. Depreciation
- D. Other Operating and Maintenance costs

In turn the cost components of each fee have subcomponents that are the actual items to which compensation adjustment factors (*see parenthetical reference to whether index or non-index cost adjustments*) are applied. The subcomponents of each cost component are as follows:

- A. Labor Costs
 1. Wages for CBA labor (*non-index*),
 2. Benefits for CBA labor (*non-index*);
 3. Workers' compensation insurance (CBA labor) (*index*);
 4. Payroll taxes (CBA labor)(*non-index*); and
 5. Outside contracted workers from third party sources (*actual Yr. 1 and index thereafter*).
- B. Fuel and Power Costs
 1. Electricity (*non-index*); and
 2. Fuel (*index*).
- C. Depreciation (*index*)
- D. Other Operating and Maintenance Costs (*index*)
 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.

1.E Cost Adjustment Process

Article 7.04 and Attachment 12-A of the Agreement prescribe a detailed cost adjustment methodology based predominantly on various cost indices. As noted further in this Report, there are some cost adjustments based on actual CBA wage and benefit rates. This methodology was the basis for SBR's Application submittal on July 1 and SBWMA staff's subsequent review for completeness, accuracy, and consistency with the requirements of the Agreement. The methodology is used to adjust SBR's 2009 fees, as detailed in the approved Agreement, to 2011 (rate year one) dollars.

Although not part of the scope of this Report, Article 7.05 and Attachment 13-A of the Agreement, address the compensation methodology for adjusting compensation for subsequent rate years (ie., 2012-2019).

1.F Commodity Revenue Sharing

Commodity revenue sharing is another component of SBR's compensation though not part of the scope of the Report. Per Article 7.07 of the Agreement, SBR receives twenty five percent of the commodity revenue after the revenue guarantee is met. In 2011, the revenue guarantee is \$6.5 million, but the guarantee is subject to a one-time proration due to interim MRF operations.

SECTION 2 2011 SOUTH BAY RECYCLING COMPENSATION APPLICATION

2.A Analysis of SBR 2011 Compensation Application

The SBWMA staff conducted the review of the SBR Application and worked closely with the company to ensure that questions and concerns were answered and the final application was complete. Staff has verified that the SBR Application is complete and meets the requirements of the Agreement.

2.B Description of Cost Adjustments

Two types of cost adjustments are used in the 2011 SBR Compensation Application as required in the Agreement. These cost adjustments include:

1. Adjustments to the 2009 costs contained in the Shoreway Agreement with SBR as discussed in section 2.C.
2. The adjusted 2009 costs are then adjusted to reflect costs in 2011 (ie., CBA and index related adjustments) as discussed in section 2.D.

2.C Adjustments to 2009 Costs

The SBWMA initiated two operational changes that have a net increase of \$452,322 on SBR’s original 2009 cost base as follows:

- **Fuel.** Decrease in the cost of fuel by \$10,991 due to a change from the use of B-20 biodiesel to B-5 or low sulfur diesel. The 2009 base cost for fuel was multiplied by a ratio of 3.39/3.45 to reflect that use of biodiesel is not expected to be required (*although SBWMA has not yet revised the Operating Agreement to delete this requirement*). These figures were provided by Recology.
- **Adjusted Transportation Fee for Organics and Plant Materials.** The Board approval of the Organics Processing Agreements at the April 22, 2010 Board meeting resulted in a change in the assumed (for the 2008 and 2009 transportation cost forms) end destinations for the materials from all material going to BFI Newby Island (Milpitas, CA) to the tonnage split 50/50 with Recology Grover Environmental Products (Vernalis, CA). The added cost is \$463,313 due to an increase in the one-way haul distance from 27 miles to 73 miles. As noted in the April 22nd staff report, though, the combined transportation and processing costs were lower than was assumed in our bond proforma cost projections resulting in a net savings for ratepayers. Stated another way, while we are showing higher Grover transportation costs we have included lower processing costs for composting in our other SBWMA pass through costs which are not part of SBR’s compensation.

2.D Adjustments to 2009 Costs to 2011

Table 1 below provides the overall results from making all compensation adjustments from 2009 to 2011. More specifically, this table provides the details of the adjusted 2009 costs, adjusted 2011 costs, the overall change in costs and estimated compensation based on the 2009 assumed tonnage for comparative purposes.

Appendix B contains the detailed index adjustments sheets for each of the three cost components shown below in **Table 1**.

Table 1					
2009 Base Year Payment/Ton vs. 2011 Adjusted Payment/Ton					
COST COMPONENTS	Adjusted 2009		Rate Adjustment	2011	
	Total Costs	Payment/ ton	%	Payment/ ton	Total Costs
Transfer Station	\$ 3,471,026	\$ 9.70	7.1%	\$ 10.39	\$ 3,717,398
Recyclables Materials Processing, net of Residue	\$ 4,696,170	\$ 63.44	4.7%	\$ 66.45	\$ 4,918,606
Transport (<i>cost / ton-mile</i>)	\$ 5,390,840	\$ 0.841	5.4%	\$ 0.886	\$ 5,683,543
<i>Transport (cost / ton)</i>		\$ 15.07	5.4%	\$ 15.89	
Total Operating Cost	\$ 13,558,036		5.6%		\$ 14,319,547
Contractor Pass-Through Costs					
Total Interest (Year 1)	\$ 308,120				\$ 308,120
Buyback Payments (estimate)	\$ 1,214,120				\$ 1,322,230
Regulatory Changes					
Total Contractor Pass-Through Cost	\$ 1,522,240				\$ 1,630,350
TOTAL COMPENSATION	\$ 15,080,276		5.8%		\$ 15,949,897

Costs are adjusted based on the following criteria: 1) actual or estimated CBA wages and benefit rates, 2) power cost is adjusted based on the change in actual rates from PG&E, and 3) various indices such as CPI.

Depreciation expense is only adjusted in the first year. It is also adjusted for only one year since the purchase will occur in 2010. Depreciation expense has been adjusted by an index pending proof of actual cost of capital which SBR had not finalized as of July 1. The lower of index cost or actual cost is the final basis for depreciation. Based on the Rate Application of preliminary capital cost, the index adjustment will be lower than the actual cost of capital.

The index based adjustments for the period of 2009 to 2011 are summarized in **Table 2**. The same adjustment for 2010 is repeated for 2011 to arrive at the two year adjustment. In rate year 2012, the actual index adjustment for 2011 will be used to adjust to 2012 costs. Essentially the next Rate Year is adjusted by the index adjustment from the prior year to resolve timing issues.

Table 2							
COST ADJUSTMENTS FROM INDEX CHANGES							
COST CATEGORY							
LABOR COSTS: Workers Comp. and Outside Contracted Workers from Third Party Sources							
<i>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. CIU203000000000A).</i>							
1		2011	2010	2009	2008	2007	
	Ave. Index - April		109.08	107.60	105.35	102.63	
	% Change		1.37%	2.14%	2.66%		
FUEL AND POWER COSTS: Fuel							
<i>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).</i>							
2		2011	2010	2009	2008	2007	
	Index		204.4	269.1	273.1	217.2	
	% Change		-24.06%	-1.47%	25.78%		
OTHER OPERATING AND MAINTENANCE COSTS							
<i>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).</i>							
3		2011	2010	2009	2008	2007	
	Index (Annual)		216.19	215.14	210.13	203.23	
	% Change		0.49%	2.39%	3.39%		
DEPRECIATION							
<i>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).</i>							
4		2011	2010	2009	2008	2007	2006
	Index		216.58	215.50	205.86		
	% Change		0.50%	4.68%			
	<i>used for depreciation, Yr 1 only</i>						

Table 3 on the following page denotes all of the cost categories and the full two year adjustment from all sources that were applied to the associated cost category from 2009 to 2011.

**Table 3
Results of Two Year's Cost Adjustments**

The contractor submitted costs in 2009 dollars, these costs are then adjusted to 2011 estimated costs. For non-CBA costs, various indexes are used to adjust cost. The index is calculated to April 2010 and then the same percent adjustment is used to adjust to 2011 costs. Contractor compensation is based on 2011 costs per ton. Payment is based on the calculated cost per ton and the actual monthly tons.

<u>Cost Category</u>	<u>Adjustment %</u>	<u>Basis for Adjustment</u>	<u>Explanation</u>
Direct Labor - CBA			
Wages	10.7%	CBA Agreement	CBA wage adjustment based on 2011 rates in CBA Agreements for MRF Operators and Mechanics.
Benefits	21.3%	CBA Agreement	CBA benefit adjustment based on estimated 2011 rates in CBA Agreements for MRF Operators and Mechanics and includes the Mechanics change from a Mechanic CBA to Teamster CBA.
Worker's Compensation Insurance	2.8%	Index	Workers Comp adjustment based on an index which increased 1.37% in 2010 which is then used again to estimate the adjustment in 2011.
Payroll Tax	10.7%	Tax rates and change in wages	The payroll tax rate changes with any changes in federal or state payroll tax rates. There are no tax rate changes for 2011. Therefore, the PR tax expense changes with the change in wages. In 2011, the 10.7% adjustment matches the 10.7% adjustment to wages.
Power	-22.2%	PG&E Rates	Power expense is adjusted by the actual change in PG&E electricity rates. The change in rates in 2010 was -11.8%. This rate change is repeated for an assumed change in 2011. The actual rate change in 2011 will be adjusted in next year's Rate Application.
Fuel	-42.3%	Index	Fuel expense is adjusted by the actual change in a fuel index. The index change in 2010 was -24.1%. This rate change is repeated for an assumed change in 2011. The actual rate change in 2011 will be adjusted in next year's Rate Application.
Depreciation	0.5%	Index	Depreciation expense is based on total capital cost divided by the number of years used by the contractor. Capital cost is adjusted by the lower of actual cost paid or an indexed adjustment. The index for trucks increased by 0.5% in 2010. Although SBR has not purchased all their capital equipment by July 1, it appears that their actual capital cost will be higher than the indexed cost so the index was used in the Rate Application. Actual costs will be verified when the purchases are made and any adjustment will be made in next year's Rate Application.
Other Operations & Maintenance	0.8%	Index	Other O&M expense includes non-CBA personnel, maintenance parts, insurance, general office expense, safety, etc. Other O&M expense is adjusted by an index. In 2010, the index increased by 0.49% and this 0.49% is used to estimate the adjustment for 2011.
Clerical CBA wages & benefits	111.0%	CBA Agreement	SBR included three office clerical employees in their proposal. Since then, the office clerical staff has voted to join the Teamsters union. Costs have been changed to reflect the new CBA contract.

Note: Based on Transfer Station Cost adjustment. Each section is slightly different due to mix of costs and headcount by each of three CBA agreements.

The cost adjustments summarized in **Table 3** also reflect an increase in headcount of one Admin./Clerical person due to inclusion of these employees in a CBA, which was not contemplated at the time of the original submittal in 2008. Based on the assumed actual work days (net of holiday, vacation and leave days) in the current Teamster CBAs vs. what the current Admin./Clerical workers currently receive, the result is 42.5 extra days off/year for SBR's assumed 3 full-time clerical workers. This is equivalent to ½ (actually, 49%) of the 3 positions assigned to clerical staff. Thus 4 CBA positions are required to provide the same number of working days per annum as the 3 non-CBA hourly positions working under the base assumptions.

In terms of future cost adjustments in 2012 the following should be noted:

- The payment per ton will be adjusted in 2012 retroactively for final CBA agreement terms that vary from the estimates used for 2011.
- The VRS contract was not final as of September 16th and any variance in the final terms to the cost estimate will be retroactively adjusted in 2012 back to 2011.

2.E Pass-Through Costs

There are two Contractor Pass-Through costs in the Agreement (Article 7.09) in addition to any future change in regulatory fees or disposal of E-Waste, U-Waste, or HHW dropped off at the Buyback center which are paid for by SBR. Pass-Through costs are not subject to profit but reimburse contractor for actual cost. These two Pass-Through costs are:

- Interest expense on allowed capital is paid to SBR monthly at one twelfth of the annual interest expense denoted in Attachment 12A, Interest Cost Form 3-M, which schedules out interest expense for the ten year life of the contract on a sliding scale. The annual interest expense for 2011 is \$308,120.
- Payments to Buyback customers for purchase of recyclables are also a Pass-through expense. Actual Buyback payments to customers will be reimbursed monthly in arrears.

Additionally, any new or changes to regulatory fees would be a Pass-through cost.

2.F Recommended Adjustment to SBR Compensation for 2011

As shown in **Table 4** Staff is recommending and the Board approved the following rate adjustments reflected as payments per ton:

Table 4			
SBR - 2011 Fee Adjustments to Basic Compensation			
	Adjusted 2009	Fee Adjustment	2011
COST COMPONENTS	Payment/ ton	%	Payment/ ton
Transfer Station	\$ 9.70	7.1%	\$ 10.39
Recyclables Materials Processing, gross	\$ 67.34	4.8%	\$ 70.55
Transport (<i>cost / ton-mile</i>)	\$ 0.841	5.3%	\$ 0.886
<i>Transport (cost / ton)</i>	\$ 15.07	5.4%	\$ 15.89
Total Adjustment		5.6%	

Table 5 below shows the MRF Processing Fee breakout, gross and net of residue.

Table 5			
Recyclables Materials Processing Fee Breakout			
MRF PROCESSING FEE	Adjusted 2009	Fee Adjustment	2011
	Payment/ ton	%	Payment/ ton
Recyclables Materials Processing, gross	\$ 67.34	4.8%	\$ 70.55
MRF residue (estimate)	\$ 3.90	5.1%	\$ 4.10
Net MRF estimated cost	\$ 63.44	4.7%	\$ 66.45
Note: Actual MRF residue is deducted from the gross MRF rate shown above.			

SECTION 3 TOTAL SBWMA FINANCIAL PROJECTIONS FOR 2011

An important step in calculating Member Agency’s total revenue requirement is to determine tipping fees to be charged to franchised customers of the SBWMA’s Shoreway Facility, which consists of a transfer station and recyclable materials processing facility (MRF), commencing January 1, 2011. In addition to SBR’s approved annual compensation, tipping fees must cover the annual cost of: 1) disposal at Ox Mountain Landfill and other processors; 2) debt service payments for revenue bonds issued in 2009 for the demolition, construction, and renovation of the Shoreway Facility; 3) the costs for the management of the SBWMA; and 4) franchise fees paid to the City of San Carlos. Commodity revenue is used to offset these costs to determine appropriate tip fees along with projected tonnage volume. Debt service covenants are another component of setting tip fees. All of these factors will determine the revenue requirement for 2011.

The tip fees at the Shoreway facility become the basis for setting the disposal expense for the franchised tonnage collected by Recology in 2011. The tipping fees and projected tonnage are included as a pass through expense (ie., see “Disposal and Processing Fees” in Table 11 of the Recology rate report) in the calculation of each Member Agency’s total revenue requirement for setting solid waste collection rates. The tip fees are preliminary estimates at this time and will be finalized as part of the final rate report submitted to the Board at the October 28th Board meeting. In addition to updating our projections, the Allied Rate Application for 2010 will be added to our revenue requirement projection.

The estimated tip fees for 2011 shown in **Table 6** have not changed from previous Board presentations.

Table 6			
<u>PROPOSED TIPPING FEES PER TON OR CUBIC YARD</u>			
<u>Transfer Station Tip Fee Increases</u>	<u>Current Rates 7/1/10</u>	<u>Proposed Rates (1/1/11)</u>	<u>% Increase</u>
SBWMA Solid Waste, <i>Franchise</i>	\$84.00 per ton	\$93.00 per ton	10.70%
SBWMA Organics, <i>Franchise</i>	\$70.00 per ton	\$79.00 per ton	12.90%
Non-SBWMA Weighed Tons (Dirt, concrete, asphalt, roofing), <i>Non-Franchise</i>	\$83.00 per ton	\$88.00 per ton	6.00%
Public Solid Waste Yards, <i>Non-Franchise</i>	\$35.00 per yard	\$40.00 per yard	14.30%
C& D Yards, <i>Non-Franchise</i>	\$28.00 per yard	\$28.00 per yard	0.00%
Public Green Waste Yards, <i>Non-Franchise</i>	\$25.00 per yard	\$29.00 per yard	16.00%

Table 7 shows projected 2011 tonnage and revenue by the tipping fee categories in Table 6.

Table 7				
<u>2011 PROJECTED TONS & REVENUE</u>				
<u>Transfer Station:</u>	<u>Tonnage / Yards</u>	<u>Proposed Rates 1/1/11</u>	<u>Revenue</u>	<u>% Revenue</u>
SBWMA Solid Waste, <i>Franchise (tons)</i>	188,948	\$93.00 per ton	\$ 17,572,200	57%
SBWMA Organics, <i>Franchise, (tons)</i>	88,354	\$79.00 per ton	\$ 6,980,000	23%
Non-SBWMA Weighed Tons (Dirt, concrete, asphalt, roofing), <i>Non-Franchise</i>	11,289	\$88.00 per ton	\$ 993,400	3%
Public Solid Waste Yards, <i>Non-Franchise</i>	64,560	\$40.00 per yard	\$ 2,582,400	8%
C& D Yards, <i>Non-Franchise</i>	37,925	\$28.00 per yard	\$ 1,061,900	3%
Public Green Waste Yards, <i>Non-Franchise</i>	46,293	\$29.00 per yard	\$ 1,342,500	4%
Other (appliances, mattresses, tires, etc)			\$ 320,000	1%
TOTAL			\$30,852,400	100%

The result of the above mentioned projections including SBR operating costs, solid waste and recycling volume, disposal and processing expense, commodity pricing, and SBWMA program and debt expense result in the preliminary financial results for 2011 as shown in **Table 8** below.

Table 8	
SBWMA – 2011 Calendar Year Financial Summary	
Comparison of Bond Proforma vs. Rate Projection	
	2011 Rate Projection (000s)
Operating Revenue	
Tip Fee Revenue - Franchise	\$ 24,809
Tip Fee Revenue - Public	\$ 6,043
Commodity Material Sales	\$ 11,856
Total Operating Revenue	\$ 42,709
Operating Expenses	
Total Operating Cost	\$ 17,061
Commodity Revenue Sharing	\$ 882
Disposal & Buyback Expense	\$ 14,262
SBWMA Operating Budget	\$ 3,066
Franchise Fee to City of San Carlos	\$ 1,181
Miscellaneous	\$ 252
Total Operating Expense	\$ 36,704
Non-Operating	
Debt Net of Interest Income	\$ (3,032)
Net surplus / Shortfall	\$2,973
% of Revenue	7.0%