March 15, 2013

Richard F. Luthy Jr.
Executive Director
Napa-Vallejo Waste Management Authority
1195 Third Street, Suite B-10
Napa, CA 94559

Subject: Response to Request for Proposals for Long-Term Residue Disposal and ADC Capacity Services

Dear Mr. Luthy:

On behalf of Recology and our wholly-owned subsidiary Recology Hay Road I want to thank the Napa-Vallejo Waste Management Authority (Authority) for the opportunity to submit this proposal to provide long-term residue disposal and ADC capacity services to the Authority. As described in our proposal, Recology is eminently qualified to undertake the provision of these services to the Authority.

Recology and our subsidiaries have proudly provided integrated resource recovery services in California since 1920. Recology currently provides high-quality, professionally delivered collection, recycling, composting, transfer, disposal, street sweeping, and household hazardous waste services to more than 670,000 households and 95,000 businesses in over 100 communities in California, Nevada, Oregon, and Washington.

Recology operates five landfills, three of which we own, including:

- Recology Hay Road in Vacaville, California
- Recology Ostrom Road in Wheatland, California
- Recology Crestline near Panaca, Nevada

Additionally, we operate ten transfer stations, five of which we own, and six material recovery facilities and seven composting facilities, all of which we own.

Our proposed disposal site for provision of services to the Authority is the Recology Hay Road landfill, located near Vacaville, California. Recology Hay Road provides residential and commercial disposal and composting services for the public and municipal clients.

A Long-Term Residue Disposal and ADC Services Agreement with the Napa-Vallejo Waste Management Authority will be executed by Recology Hay Road, whose contact information is as follows:

Name: Greg Pryor, General Manager
Address: 6426 Hay Road
Vacaville, CA 95687
Telephone: 707.678.3257
Cell: 707.249.1703
e-mail: gpryor@recology.com
Fax: 707.678.5148

Recology and Recology Hay Road are each incorporated in the State of California as S-corporations. No other entity will share significant, substantive responsibilities as team members in performing under the proposed Agreement. Recology warrants that we have reviewed the requirements of the project as described in the Request for Proposals and its enclosures.

As an employee-owned company through an Employee Stock Ownership Plan, our employees are driven to provide high-quality and efficient service for all of our clients. This quality is exemplified by the fact that most of our service agreements with cities and counties are renewed, and we have maintained long-term, stable relationships with our customers. It is this long-term and forward-thinking outlook by Recology, and the dedication of our employees, that have made Recology a leader in the resource recovery industry.

As technologies continue to develop, Recology remains committed to staying at the leading edge of sustainability, as evidenced by our partnerships and development projects in the area of anaerobic digestion of food waste and green waste, and renewable energy production. Recology is also evaluating the development of solar farms and other sustainable programs on buffer properties adjacent to our landfills. As these projects become reality, they will further offset our facilities' energy consumption and reduce our carbon footprint.

Our commitment is to *Waste Zero,* as evidenced by the incorporation of this term as our corporate tag line. We take environmental stewardship very seriously. Recology has developed an excellent record of establishing and maintaining innovative and long-term resource recovery solutions for communities in California, Oregon, Nevada, and Washington. Sustainable practices are more than part of our motto – they reside at the very core of our culture at Recology. I believe you will find us to be well qualified to provide long-term residue disposal and ADC capacity services to the Authority.

Sincerely yours,

Michael J. Sangiacomo
President and Chief Executive Officer
Recology

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ATTACHMENTS

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EXECUTIVE SUMMARY

Recology Hay Road (RHR) and our parent corporation, Recology, are pleased to present this proposal to provide long-term residue disposal and ADC capacity services to the Napa-Vallejo Waste Management Authority.

Proposed Tip Fees

We believe our tip fee proposal represents an exceptional value to the Authority. Our pricing for both residue disposal and ADC is well below the current rates paid by the Authority and would save the Authority on the order of $600,000 over the current contract rate in Year One alone. Further, we propose to minimize risk to the Authority by fixing the disposal component of the rate for the first three years of both the 5- and 20-year terms. All other adjustments will apply.

Additionally, the Authority will receive the lower of the following two rates: the rate provided in the pricing form and the rate offered in the Additional Proposals section of this response, which is based on multiplying the initial rate in Year One by 85% of CPI in each subsequent year of the agreement. A description of this adjustment is described in further detail later in this proposal. This CPI-based rate will also include all other adjustments as described in the draft Agreement.

Company Description

Recology Hay Road

Recology Hay Road is a wholly-owned subsidiary of Recology. The RHR landfill, a Permitted Class II solid waste disposal facility, is located at 6426 Hay Road, approximately 8 miles east of Vacaville, in Solano County, and approximately 33 miles northeast of the Authority's Devlin Road Transfer Station (DRTS). The landfill is sited on a 640-acre parcel, 256 acres of which encompass the landfill footprint. The facility has been in continuous operation since 1964, and built its first liner system in 1992.

Recology

Recology and its subsidiaries have proudly provided integrated resource recovery services in California since 1920. Recology currently provides high-quality, professionally delivered collection, recycling, composting, transfer, disposal, street sweeping, and household hazardous waste services to more than 670,000 households and 95,000 businesses in over 100 communities in California, Nevada, Oregon, and Washington.

Recology operates five landfills, three of which it owns, including:

- Recology Hay Road in Vacaville, California
- Recology Ostrom Road in Wheatland, California
- Recology Crestline near Panaca, Nevada

Additionally, Recology operates ten transfer stations, five of which it owns, and six material recovery facilities and seven composting facilities, all of which it owns

Landfill Operations

Inbound tonnage originating from the Devlin Road Transfer Station will be tracked on a load-by-load basis using the Recology Hay Road landfill's PC Scales Weight Tag system, which records the date, time, commodity, customer, and origin of each incoming load. Site management then reports the use of each commodity to the landfill accounting department. Uses reported and recorded by site management include but are not limited to use as Alternative Daily Cover, Alternative Intermediate Cover, Non-cover beneficial reuse, recycling, composting, off-site reuse, and disposal. This information can be easily retrieved by Recology Hay Road for reporting to the Authority to ensure compliance with the reporting requirements in the Agreement with the Authority.

The site's permitted days and hours of operation are 7 days per week, 24 hours per day. The public tipping area is open from 8:00 a.m. to 4 p.m., 361 days per year. The site is closed on New Years Day, Easter, Thanksgiving, and Christmas. The permitted traffic volume is 620 vehicles per day. There are no load restrictions at the Recology Hay Road landfill.

Recology Hay Road is committed to environmental stewardship by actively excluding toxic, hazardous and universal wastes from the landfill, through a comprehensive load check program. In addition to the formal loadchecking provisions described below, loads are also closely scrutinized by landfill operators and site personnel trained in hazardous materials recognition to identify materials that may harm the equipment, human health and safety, and the environment.

The working face currently ranges from 75 feet to 200 feet in width. The waste is unloaded in a designated area and then spread and compacted. Loads brought by commercial haulers will be unloaded near the active face, well away from unloading transfer trucks and from equipment working to push and compact transfer truck loads. A spotter will direct all traffic to the unloading area.

Landfill Capacity

The permitted maximum daily tonnage of the RHR landfill is 1,200 tons per day averaged over a 7-day week, with a peak tonnage limit of 2,400 tons per day. The remaining Net Refuse Capacity as of June 30, 2012 is approximately 16.1 million tons. The remaining uncommitted capacity as of June 2012 is approximately 15 million tons. Based on current and projected rates of usage, we project 60 permitted years to closure of Recology Hay Road, in 2073.

RHR currently accepts an average of 200 tons per day for disposal from the City of Vacaville and an average of 600 tons per day from other users, approximately 400 of which is contracted tonnage, for a total average of 600 tons per day. Thus, an available, uncommitted balance of approximately 600 tons per day exists at the site on a seven day a week basis. This is equivalent to 840 tons per day on a five day a week basis. Sufficient capacity exists at Recology Hay Road to accommodate the volumes of residue and ADC contemplated by the Authority under a new Agreement.

Recycling and Diversion Programs

Recology Hay Road currently maintains a variety of recycling and diversion programs. Those programs that would benefit the Authority, as its needs are presented in the RFP, include the diversion and recycling of:

- Construction & demolition material recovery facility (MRF) fines
- Contaminated soils
- Biosolids drying and reuse
- Shredded tires
- Ash
- Geosynthetic fabric or panel products
- Foam products

Additional Proposals

In addition to proposing to provide the disposal and ADC services specified in the Authority's Request for Proposal, Recology Hay Road presents, here, additional proposals for services not contemplated in the Authority's RFP, including the following:

Indexed Pricing – As an alternative to fixed-only pricing Recology offers the Authority the lesser of two rates: the listed rate included in the Cost Proposal and an indexed rate based on the following formula:

> The Base Disposal Component would be annually adjusted to reflect the product of 85% of the Consumer Price Index (CPI) adjustment factor and annual inflation rate measured as the percentage increase in the CPI over the previous twelve months. The adjustment would be made using the change in the Consumer Price Index – All Urban Consumers for San Francisco-Oakland-San Jose, Series ID CUURA422SA0. If the CPI is discontinued or revised during the term by the United States Department of labor, a similar governmental index or computation would be agreed upon by Recology and the Authority.

Each rate will have a fixed disposal component for the first three years. All other applicable adjustments from year one and on would apply. Each rate would be calculated and compared beginning in year four and continuing each year thereafter through the end of the agreement. The lesser of the two rates would apply.

Landfill Cycle Time Enhancements – Specifically for the 20-year term and for an additional per-ton fee, Recology can provide the Authority use of several Recology-owned "live-floor" transfer trailers to allow the current transport contractor to immediately swap loaded trailers for empty trailers once arriving at the Recology Hay Road landfill. A Recology 'yard goat' and employee would be used to eject the loaded trailers at the active face and return the emptied trailers to the on-site swap-out location, thus minimizing cycle time for the transport contractor.

Alternatively, specifically for the 20-year term and for a per-ton fee, Recology can provide the Authority a dedicated scale and RFI automated tag system to minimize cycle time at Recology Hay Road.

Carbon Footprint Reduction – Recology offers to enter into negotiations with the Authority and/or the current transport contractor for Recology-provided transfer of all MSW and ADC between the Devlin Road Transfer Station and the Recology Hay Road landfill using "possum belly" trailers to minimize truck trips and fuel consumption. Through added capacity, when compared to the live-floor trailer, the truck trip reduction would result in a corresponding fuel consumption reduction of approximately 8,000 gallons of diesel fuel per year based on 140,000 tons of MSW per year.

Alternative Capacity Assurance – In the unlikely event the daily permitted capacity limit is reached at the Recology Hay Road landfill and it becomes necessary to utilize Recology's designated alternative disposal site to accommodate the Authority's waste stream, Recology will do so at the same disposal tip fee and will cooperate with the Authority's transport

contractor and/or the Authority to ensure that appropriate and reasonable costs due to the increased transportation distance are reimbursed.

Green Energy/Landfill Gas Revenue Sharing – As an offset to tip fee costs Recology will share with the Authority 50% of landfill gas sales revenue received from its energy partner for that portion of actual gas sales attributable to the Authority's waste stream as calculated by Recology's engineering consultant. Gas production increases non-linearly over time, but an estimated average per-ton benefit over the life of a twenty-year agreement is approximately $0.30/ton in current dollars. This number is provided for order of magnitude purposes and does not reflect a guaranteed rate.

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TECHNICAL COMPONENT

Recology's proposed facility for the provision of residue disposal and ADC capacity services to the Napa-Vallejo Waste Management Authority is the Recology Hay Road landfill, a Permitted Class II solid waste disposal facility owned and operated by Recology Hay Road (RHR), a wholly owned subsidiary of Recology. RHR is located at 6426 Hay Road, approximately 8 miles east of Vacaville, in Solano County, and approximately 33 miles northeast of the Authority's Devlin Road Transfer Station (DRTS). The landfill is sited on a 640-acre parcel, 256 acres of which encompass the landfill footprint. The facility has been in continuous operation since 1964, and built its first liner system in 1992.

Administrative, engineering, environmental compliance, safety, and accounting technical support for the operation of the Recology Hay Road landfill and all other Recology landfill and compost facilities is provided by Recology Environmental Solutions, Inc., a wholly owned subsidiary of Recology located in Dixon, California, 10 miles north of the Recology Hay Road landfill.

Recology Hay Road provides solid waste disposal services to municipal, commercial, and self-haul customers in the San Francisco Bay Area and the Sacramento Valley, and primarily serves Recology Vacaville Solano, Recology Dixon, and Solano County.

This section of our proposal addresses the following:

- Methods and procedures for scale house operations
- Capacity for Authority's residue
- Landfill load checking program,
- Tipping pad management
- Required staffing and equipment

Methods and Procedures for Scale House Operations

Inbound tonnage originating from the Devlin Road Transfer Station will be tracked on a load-by-load basis using the Recology Hay Road landfill's PC Scales Weight Tag system, which records the date, time, commodity, customer, and origin or jurisdiction of each incoming load. Each inbound transfer vehicle will be weighed at the scale house prior to tipping, to capture the gross vehicle weight, recording the vehicle identification number. The scale system will then subtract the vehicle tare weight, based on equipment weight data previously stored in the scale system, and calculate the net weight of the load for reporting purposes. The use of tare weights will significantly improve turnaround times for Napa-Vallejo trucks by allowing them to bypass the outbound scale. Transaction receipts will be generated for the driver during the inbound weighing. Should the Authority so desire, Recology can upload an electronic file of transactions to further minimize driver cycle time at the landfill.

The PC Scales reporting system allows for analyses to be performed on a single load and/or aggregated basis. The system compiles the data on inbound commodities in a reportable form. Site management then reports the use of each commodity to the landfill accounting department. Uses that are reported and recorded by site management include but are not limited to Daily Cover, Alternative Intermediate Cover, Non-cover beneficial reuse, recycling, composting, off-site reuse, and disposal. This information can be easily retrieved by Recology Hay Road for reporting to the Authority to ensure compliance with the reporting requirements in the Agreement with the Authority.

Waste Receiving and Unloading

In this section of our proposal are discussed the following elements of waste receiving and unloading at the Recology Hay Road Landfill:

- Days and hours of operation
- Traffic / load restrictions
- Landfill load checking program
- Tipping pad management

- Required staffing and equipment

Days and Hours of Operation

Permitted Days and Hours of Operation

The site's permitted days and hours of operation are 7 days per week, 24 hours per day. The public tipping area is open from 8:00 a.m. to 4 p.m., 361 days per year. The site is closed on New Years Day, Easter, Thanksgiving, and Christmas. Per the Solid Waste Facility Permit, arrangements can be made with commercial haulers to haul in residue and ADC earlier or during general tipping hours. Accordingly, site operations can be conducted up to 24-hours per day, thus accommodating extended hours of operation during an emergency situation.

Unanticipated Closure of Operations

Circumstances that might lead to the closure of the Recology Hay Road landfill would include a catastrophic earthquake, blizzard, or other similar natural occurrence.

The Recology Hay Road landfill has never been closed during normal business hours.

Traffic / Load Restrictions

The permitted traffic volume is 620 vehicles per day. There are no load restrictions at the Recology Hay Road landfill.

Landfill Load Checking Program

Recology Hay Road is committed to environmental stewardship by actively excluding toxic, hazardous and universal wastes from the landfill, through a comprehensive load check program. The load checking program is conducted by the site's working foreman and is briefly described in the following paragraphs. In addition to the formal loadchecking provisions described below, loads are also closely scrutinized by landfill operators and site personnel trained in hazardous materials recognition to identify materials that may harm the equipment, human health and safety, and the environment. This provision indirectly provides another level of screening to identify and remove any prohibited materials that may be delivered to the Facility in accordance with 14 CCR, §17867(a)(1), (a)(3).

The complete Program is included with this proposal as Attachment 1 – Load Checking Program.

Detection of Unacceptable Waste

At the Recology Hay Road landfill, incoming loads are screened initially by the weigh master or other entrance personnel for the presence of prohibited wastes. In addition, the customer is queried as to whether they have any hazardous or otherwise prohibited wastes. If prohibited waste is not visible or suspected, the vehicle is allowed to proceed to the disposal area or tipping area. If prohibited wastes are observed or suspected, the customer is reminded of the facility's prohibited waste policy and is not allowed to unload the prohibited waste. The weigh master then notifies the working foreman of the load.

When the load arrives at the appropriate tipping area, the spotter directs the vehicle where to unload. This is also an opportunity to survey the waste for prohibited wastes. If prohibited wastes have been previously identified, the spotter will observe the customer to confirm that the prohibited wastes are not unloaded. If prohibited wastes are discovered or suspected by the spotter, or if the customer is uncooperative, the spotter notifies the working foreman.

The working foreman conducts surveillance of the incoming waste at the tipping area. At this point, surveillance of the load involves observing the waste as it is unloaded from the vehicle. The working foreman may examine some of the wastes more closely to confirm the status of the waste. If the waste is deemed acceptable, it can be unloaded. If the waste is deemed unacceptable, the customer is asked to retain the material that is prohibited.

Observations of this activity are recorded in a load checking log. If a more detailed review of the waste load is desired, a waste inspection is performed. As the vehicle leaves the facility, the weigh master may survey the load again to ensure that prohibited wastes detected earlier were not unloaded.

Management of Prohibited Wastes

When possible, prohibited wastes identified at the facility are returned to the generator. If the generator is not on site, or if the waste is from an unknown or recalcitrant generator, the waste is properly stored in the facility's hazardous materials storage container until removal.

Tipping Pad Management

Non-hazardous solid wastes are directed to the working face for disposal. The working face currently ranges from 75 feet to 200 feet in width. The waste is unloaded in a designated area and then spread and compacted as described below. Transfer trucks will require approximately 150 feet perpendicular to the working face to unload and maneuver. Loads

brought by commercial haulers will be unloaded near the active face, well away from unloading transfer trucks and equipment working to push and compact transfer truck loads. A spotter will direct all traffic to the unloading area.

The landfill utilizes a variety of methods to unload inbound trucks. These methods include:

- Use of transfer trailers equipped with “walking floors” to empty their loads
- Use of a tipper designed to raise conventional transfer trailers until the contents slide out
- Conventional dumping
- Use of roll-off bins by raising the loaded bin until the contents of the bin slides out.

Recology Hay Road currently has two tippers, one used at the landfill and one used at the on-site compost facility. We continue to evaluate tipper and traffic logistical alternatives to ensure the shortest turnaround time. All DRTS transfer trucks will have tare weights recorded in the PC Scales system at Recology Hay Road to avoid the need for outbound scale time. This results in an estimated turnaround time of approximately 20 minutes per vehicle.

Access to the wet-weather areas is via all-weather access roads. Unloading aprons or tipping pads are surfaced with compacted rock or concrete rubble and sloped to provide a free-draining surface for use by refuse vehicles during inclement weather. Refuse fill discharged along the edge of the apron is broken down by one or more passes of the compactor before it is pushed to the working face. The maximum push distance from the dumping aprons to the working face is approximately 250 feet during the initial dumping operations. The push distance will subsequently decrease as lifts are advanced toward the respective aprons.

Required Staffing and Equipment

Landfill Staffing

Recology Hay Road landfill operations staffing currently includes:

1 General Manager

1 Site Manager

1.5 Working Foremen

3 Equipment Operators

2.8 Weigh Masters

1 Spotter

2 Laborers

1 Mechanic

1 Office Clerk

No increase in staffing is contemplated to fulfill the requirements of an Agreement with the Authority.

Landfill Equipment

Recology Hay Road landfill operations equipment currently includes:

1 Cat 826H Compactor

1 Cat D9R Dozer

1 Cat D8T Dozer

1 Cat 623 Scraper

1 Cat 140 Motor Grader

1 Cat 950 Loader

1 Cat D6 Dozer

1 Water Truck

1 Columbia Low Profile Tipper

No increase in equipment is contemplated to fulfill the requirements of an Agreement with the Authority.

Capacity for Authority's Residue

In this section of our proposal are discussed the following considerations related to the capacity of the Recology Hay Road landfill to accept the Authority's residue:

- Existing permitted capacity
- Recent waste inflow tonnages
- Existing contractual commitments
- Planned expansions

Existing Permitted Capacity

The current permitted annual tonnage for disposal at Recology Hay Road landfill is 433,200 tons.

The permitted maximum daily tonnage is 1,200 tons per day averaged over a 7-day week, with a peak tonnage limit of 2,400 tons per day. The tonnage limit for hazardous asbestos is 2,500 tons per month.

The site has a permitted landfill footprint of 256 acres for disposal. The Design Capacity for Recology Hay Road is 34.6 million cubic yards as of June 30, 2012. The remaining Net Refuse Air Space as of June 30, 2012 was 28,592,000 cubic yards. As of June 30, 2012 the remaining Net Refuse Capacity was 16,133,000 tons.

The remaining Net Refuse Capacity as of June 30, 2012 is approximately 16.1 million tons. The remaining uncommitted capacity as of June 2012 is approximately 15 million tons. Based on current and projected rates of usage, we project 60 permitted years to closure of Recology Hay Road, in 2073.

Recent Waste Inflow Tonnages

In fiscal year 2011, Recology Hay Road accepted an average daily MSW tonnage of 568 tons per day. In fiscal year 2012, Recology Hay Road accepted an average daily MSW tonnage of 651 tons per day on a seven-day-a-week basis.

Existing Contractual Commitments

The current permitted maximum daily tonnage at RHR is 1,200 tons per day of MSW averaged over a 7-day week, with a peak tonnage limit of 2,400 tons per day. As the current designated disposal facility, RHR currently accepts an average of 200 tons per day for disposal from the City of Vacaville and an average of 600 tons per day from other users, approximately 400 of which is contracted tonnage, for a total average of 600 tons per day. Thus, an available, uncommitted balance of approximately 600 tons per day exists at the site on a seven-day-a-week-basis. This is equivalent to 840 tons per day on a five-day-a-week basis. Sufficient capacity exists at Recology Hay Road to accommodate the volumes of residue and ADC contemplated by the Authority under a new Agreement. No future commitments are currently pending.

Planned Daily Capacity Increase

Recology has been issued a Use Permit from the Solano County Department of Environmental Management which increased the average daily allowable tonnage limit from 1,200 tons per day to 2,400 tons per day. Recology is currently in the process of updating the Solid Waste Facility Permit issued by CalRecycle to increase the average daily allowable tonnage limit from 1,200 tons per day to 2,400 tons per day. This permit is anticipated to be fully approved in the fall of 2013.

Recycling and Diversion

Recology Hay Road currently maintains a variety of recycling and diversion programs. Those programs that would benefit the Authority, as its needs are presented in the RFP, are described below, and include:

- Construction & Demolition Material Recovery Facility (MRF) Fines
- Contaminated Soils
- Biosolids Drying and Reuse
- Shredded Tires
- Ash
- Geosynthetic Fabric or Panel Products
- Foam Products

Construction & Demolition Material Recovery Facility (MRF) Fines

C&D Fines are used on site as ADC in accordance with 27 CCR 20690(b)(9) and as approved by the Solano County LEA.

Contaminated Soils

Contaminated sediment, dredge spoils, foundry sands, and other contaminated soils will be delivered directly to the working face for use as ADC except when an excess of material is received. These materials will be stockpiled near the working face when not needed immediately for cover operations

Biosolids Drying and Reuse

Recology Hay Road accepts biosolids from local publically owned treatment works facilities. Biosolids are then stored through the winter in a permitted storage pond and dried during the non-rainy season (April to October). Dried biosolids are then stockpiled for use in construction activities over lined areas on site or, if, necessary as ADC.

Shredded Tires

Shredded tires will be delivered directly to the working face for use as ADC except when delivery rates exceed daily usage needs.

Ash

Ash and cement kiln dust materials are currently received moisture-conditioned for use as ADC. If it is not received in a moisture-conditioned state, it will be treated on site to prevent windblown ash nuisances and conform to State Minimum Standards.

Geosynthetic Fabric or Panel Products

Tarps or blankets will be used as ADC in accordance with 27 CCR 20690 and consistent with manufacturer specifications.

Foam Products

Foam products will be used as ADC in accordance with 27 CCR 20690 and consistent with manufacturer specifications.

Additional recycling and diversion programs maintained at Recology Hay Road, which are available to the Authority, are described below and include:

- Composting

- Metal and white goods recycling
- Freon-containing appliances
- Used oil recycling
- Concrete and asphalt recycling
- Construction and demolition wood recycling

Composting

Feedstocks such as residential and commercial food waste and green waste including yard trimmings, brush, branches, sticks, leaves, grass, and otherwise unaltered wood products are delivered to the Jepson Prairie Organics compost facility, located within the Recology Hay Road footprint, from local municipalities and private commercial customers for processing. Jepson Prairie Organics utilizes an Aerated Static Pile system to compost feedstocks delivered to the facility. Residual organics known as “overs” are further processed and sold as a beneficial product or are used on site as ADC.

Metal and White Goods Recycling

A designated white goods and metal storage area has been established on site to accumulate recyclable products. Metal and white goods are stored onsite for delivery to a broker for recycling.

Freon-Containing Appliances

Freon-containing appliances are segregated from the waste stream and set aside adjacent to the other white goods. A certified extractor extracts the Freon, and then notices are applied to the appliances certifying that the Freon has been properly recycled. The certified appliances are loaded into the white goods storage bin.

Used Oil Recycling

Recology Hay Road has established a used oil recycling area that allows public customers to properly dispose of used oil and associated products such as oil filters. These products are then sent by Recology Hay Road to proper recyclers.

Concrete and Asphalt Recycling

Concrete and asphalt are diverted from the waste stream and stockpiled on site. The materials are used on site for construction of all weather surfaces such as tipping pads and

access roads. If market conditions exist, this material may be taken off site for alternate uses.

Construction & Demolition Wood Recycling

Loads comprised primarily of C&D wood are segregated at the active landfill face. Loads are then sorted to generate two products: a wood product that is ground and dyed to make colored mulch and a wood product that is ground and sent as co-generation fuel.

Additional Considerations

Three additional considerations for the operation of the Recology Hay Road landfill include:

- Landfill gas control
- Certification of standards
- Alternative disposal site

These considerations are discussed in the following paragraphs.

Landfill Gas Control

Recology Hay Road controls landfill gas (LFG) by utilizing an active LFG collection system connected to an enclosed landfill gas flare. The collection system includes 41 landfill gas wells and connection to the leachate collection and removal systems (LCRS). The enclosed flare has a maximum capacity of 1500 standard cubic feet per minute (scfm) and a minimum capacity of 150 scfm. The site currently collects about 600 scfm of landfill gas.

Recology's commitment to reducing organics in the landfill and to sustainable practices is unparalleled in the industry. In addition to lowering the generation of landfill gas by reducing the disposal of organics, Recology is dedicated to the production of renewable energy at both the Recology Hay Road and Recology Ostrom Road landfills.

At our Ostrom Road site, landfill gas is captured and used as a bio-fuel in a state-of-the-art gas-to-electricity power plant, pictured here. The Ostrom Road facility is currently expanding to include a second engine, which will double the electrical output from 1.6 MW to 3.2 MW.

A similar facility is currently being constructed at the Recology Hay Road landfill. This plant will generate 1.6 MW of electrical power and has been designed for future expansion. Not only do these power plants convert greenhouse gasses into a renewable energy, they also serve as a best available control technology in minimizing emissions to the atmosphere.

As technologies continue to develop, Recology remains committed to staying at the leading edge of sustainability, as evidenced by our partnerships and development projects in the area of food waste anaerobic digestion and renewable energy production.

Recology is also evaluating the development of solar farms on buffer properties adjacent to our landfills. As these projects become reality, they will further offset our facility's energy consumption and reduce our carbon footprint.

Certification of Standards

The current fill area at Recology Hay Road landfill was approved by the Central Valley Region of the RWQCB on August 30, 2012. The system includes a secondary 60-mil HDPE geomembrane, leak detection layer, 2.5 feet of compacted clay ($k \leq 1x10^{-7}$ cm/s), a primary 60-mil HDPE geomembrane, a leachate collection and removal system consisting of 6-inches of gravel, an 8-oz. geotextile filter layer and a 1 foot thick operations layer. The side slope system consists of a geosynthetic clay liner, a primary 60-mil HDPE goemembrane, LCRS geocomposite and 1.5 feet of operation soil. The liner system was constructed in accordance with the standards and performance goals of Title 27 CCR.

Alternative Disposal Site

To accommodate disposal capacity backup in the event the primary site is not available due to circumstances caused by Recology, we propose as a secondary disposal site the Recology Ostrom Road landfill, located in Yuba County, approximately 75 miles northeast of the Recology Hay Road landfill, at 5900 Ostrom Road near Wheatland, California.

Recology Ostrom Road is a class II landfill facility. The facility is located directly south of Beale Air Force Base and approximately 14 miles southeast of the City of Marysville. Recology Ostrom Road began operation in 1995. To date, 66 acres out of a total permitted landfill development of 225 acres has been constructed and are being used for disposal operations. Recology Ostrom Road receives waste from commercial haulers but is not open to the public. Recology Ostrom Road is permitted for disposal of non-hazardous municipal solid waste (MSW), construction/demolition debris, sludge (Biosolids), green waste and food waste, contaminated soils, and non-friable asbestos.

During circumstances caused by Recology, the tip fee for the alternative disposal site will be the same as the then-current tip fee for Recology Hay Road during such period when the primary site is not available. During these circumstances, Recology will cooperate with the Authority's transport contractor and/or the Authority to ensure appropriate and reasonable costs due to the increased transportation distance are reimbursed.

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QUALIFICATIONS

In the following pages are discussed elements of the qualifications of Recology Hay Road in successfully operating our landfill, including:

- Basic information
- Designated Services Coordinator
- Staff responsibilities
- Company qualifications
- Litigation history
- Environmental Compliance
- Landfill site operating permits
- Innovation and quality performance

Basic Information

A Long-Term Residue Disposal and ADC Services Agreement with the Napa-Vallejo Waste Management Authority will be executed by Recology Hay Road. The person to be contacted regarding this proposal is:

Name: Greg Pryor, General Manager
Address: Recology Hay Road
6426 Hay Road
Vacaville, CA 95687
Telephone: 707.678.3257
Cell: 707.249.1703
e-mail: gpryor@recology.com
Fax: 707.678.5148

Administrative, engineering, environmental compliance, safety, and accounting technical support for the operation of the Recology Hay Road landfill and all other Recology landfill and compost facilities is provided by Recology Environmental Solutions, Inc., a wholly owned subsidiary of Recology located in Dixon, California, 10 miles north of the Recology Hay Road landfill.

Designated Services Coordinator

Recology's Designated Services Coordinator who will be the primary contact and representative for the company or entire team throughout the term of the Agreement is Greg Pryor, General Manager of Recology Hay Road.

Greg has been employed by Recology for the past 21 years, since 1992. Greg is responsible for all landfill and composting operations at Recology Hay Road, including development of facility plans, the management of day-to-day operations, and preparation of capital and operating budgets. In addition, during his tenure with Recology, Greg has been responsible for the business and operational management of multiple operating facilities within the Recology family of companies.

Greg will be responsible for ensuring that Recology Hay Road has the management and operational resources to provide high-quality, environmentally secure, and sustainable practices during the term of an Agreement with the Authority.

Prior to working for Recology, Greg was a superintendent for construction of landfill liner systems and general engineering construction projects. He was a project manager for the City of Sacramento for closure of the City's 28th and A Street landfill.

Staff Responsibilities

One of many outstanding features of Recology's local staff and corporate management is the many years these individuals have worked together, implementing high-quality and efficient disposal solutions for municipal and private clients. Recology's landfill facilities and personnel are known for their proven reputation as "recyclers first," providing environmentally safe and secure disposal facilities.

In this section of our proposal are described the following:

- Key personnel
- Employee training
- Employee screening

Key Personnel

We are pleased to introduce here our team members who will be responsible for fulfilling the requirements of an Agreement with the Napa-Vallejo Waste Management Authority:

Recology Hay Road

In addition to Greg Pryor, General Manager of Recology Hay Road and introduced above as our Designated Services Coordinator, the following personnel are directly responsible for the management and supervision of operations at the Recology Hay Road landfill:

- Chris Taylor, Site Manager
- Jim Thiessen Sr., Foreman
- Toby Soares, Foreman

Brief résumés for the above individuals are included below.

CHRIS TAYLOR
Site Manager
Recology Hay Road

Responsibilities

Chris Taylor has been employed by Recology Hay Road since 1996. Chris reports to the General Manager, and in conjunction with him, prepares capital and operating budgets, manages to those budgets, oversees day to day operations of the facility, aids in the development of facility plans and operations, oversees maintenance of site structures and equipment, and manages site projects and contractors.

Chris, in conjunction with the General Manager, will ensure that Recology Hay Road has all the resources needed on a daily basis to provide all the services required by the agreement. Those resources will be evaluated to ensure that the site is managed in an environmentally sound and sustainable fashion.

Experience

Prior to employment with Recology, Chris worked for a general contractor during high school and college, building restaurants throughout California.

Contact Information

Address: Recology Hay Road
6426 Hay Road
Vacaville, CA 95687

Telephone: 707.678.4718 X 17
Cell: 707.249.6184
e-mail: ctaylor@recology.com

Jim Thiessen Sr.
Foreman
Recology Hay Road

Responsibilities

Jim Thiessen Sr. has been employed by Recology Hay Road since 1989. Jim is responsible for the operation of the asbestos mono-cell, leachate collection and removal systems operation, leachate disposal, borrow pit dewatering, compost treatment pond operation and maintenance, landfill laborers, and landfill active face operations.

Experience

Prior to employment with Recology Hay Road, Jim worked as an equipment operator for a general engineering contractor, as well as a laborer in the Laborer's Union.

Contact Information

Address: Recology Hay Road
6426 Hay Road
Vacaville, CA 95687
Cell: 707.249.6682

Toby Soares
Foreman
Recology Hay Road

Responsibilities

Toby Soares has been employed by Recology Hay Road since 1988. Toby, as one of the foreman, is responsible for the operations of the active face of the landfill, including tipper operations, public tipping areas, pad maintenance and safety. He is also responsible for maintenance of internal haul roads, refuse compaction, grading and covering.

Experience

Prior to employment with Recology Hay Road, Toby worked as an equipment operator for a general engineering contractor specializing in commercial building pad construction.

Contact Information

Address: Recology Hay Road
6426 Hay Road
Vacaville, CA 95687
Cell: 707.249.1706
e-mail: tsoares@recology.com

Recology Environmental Solutions

As stated earlier in this proposal, administrative, engineering, environmental compliance, safety, and accounting technical support for the operation of the Recology Hay Road landfill and all other Recology landfill and compost facilities is provided by Recology Environmental Solutions, Inc., a wholly owned subsidiary of Recology located in Dixon, California, 10 miles north of the Recology Hay Road landfill.

Key personnel of Recology Environmental Solutions include:

- Tim Daleiden, Engineering and Project Manager, Landfill and Compost Group
- Bryan Clarkson, Group Environmental Manager, Landfill and Compost Group
- Teri Schultz, Safety Manager, Landfill and Compost Group
- Marchell Nelson, Group Controller, Landfill and Compost Group
- Paul Yamamoto, Vice President and Group Manager
  Landfill and Compost Group

Brief résumés for the above individuals are included below.

TIM DALEIDEN
Engineering and Project Manager
Landfill and Compost Group

Responsibilities

Tim Daleiden, P.E. is a project manager with an extensive background in landfill, composting, and other resource recovery facility engineering and management. Over the last 17 years, Tim has managed in excess of $75 million worth of capital improvements for Recology's landfill and composting management business. In addition to capital improvement management, Tim has provided engineering, planning, operational, and management support for Recology's landfill and composting operations.

Tim's project experience includes the construction of landfill containment structures (base liners and final covers), storm drainage improvements including biological treatment systems, landfill gas collection and treatment facilities (both flaring and energy development), construction of food and green waste composting facilities including screening and sorting operations, transfer station expansions, state highway and county roadway improvements, construction of a truck maintenance facility and administration office, and development of various operating contracts.

Experience

Prior to joining Recology, Tim was a project engineer at Emcon where he worked on numerous waste industry design projects related to the construction, permitting, and development of landfills in California. Tim received his bachelor of science in civil engineering from Santa Clara University. He is a registered civil engineer in the state of California.

Contact Information

Address: Recology Environmental Solutions, Inc.
235 North First Street
Dixon, CA 95620
Telephone: 707.693.21114
Cell: 707.249.1652
e-mail: tdaleiden@recology.com

BRYAN CLARKSON
Group Environmental Manager
Landfill and Compost Group

Responsibilities

Bryan Clarkson has over 12 years of experience in the resource recovery industry managing environmental compliance and permitting for landfills, transfer stations, and compost facilities. As a Group Environmental Manager, he has been involved with Recology's operations in California, Nevada, and Oregon. Bryan's responsibility for managing the company's groundwater, surface water, and landfill gas programs, along with oversight of operational regulatory compliance, has enabled him to provide valuable knowledge during permitting processes.

Experience

Prior to joining Recology, Bryan gained considerable experience in the hazardous waste industry, enabling him to oversee Recology's designated and hazardous waste acceptance programs. Bryan received his Bachelor of Science in Managerial Economics from U.C. Davis and a Certificate in Land Use and Environmental Planning from U.C. Davis Extension.

Contact Information

Address: Recology Environmental Solutions, Inc.
235 North First Street
Dixon, CA 95620
Telephone: 707.693.2108
Cell: 707.249.1546
e-mail: bclarkson@recology.com

TERI SCHULTZ
Safety Manager
Landfill and Compost Group

Responsibilities

As Group Safety manager Teri is responsible for:

- Ensuring compliance with regulatory agency requirements of the State and Federal OSHA, Department of Transportation, applicable consensus standards such as the American National Standards Institute and Corporate requirements.
- Managing occupational safety and health program elements and activities to achieve safety goals and objectives while ensuring each assigned company maintains a comprehensive safety program fitted to its unique operations and exposures.
- Facilitating safety training of supervisors, managers, and hourly employees, and providing instruction on programs designed to give employees the knowledge and skills necessary to perform their job tasks and responsibilities safely and effectively.
- Performing job hazard analysis and implementing methods/procedures to identify, evaluate and correct unsafe conditions or behaviors in order to prevent personal injury or illness, violations of safety and health codes or regulations, or property damage.
- Conducting safety inspections and observations, and developing countermeasures for implementation to resolve issues.
- Investigating accidents to determine cause, and implementing corrective/preventive actions to minimize future events; also performs analysis to identify accident and loss trends.
- Ensuring the timely reporting and effective management of worker compensation and liability claims to the Third Party Administrator (TPA), monitoring claims administration activities to facilitate expedient and cost-effective resolution and closure of claims.
- Conducting environmental compliance functions as directed by the Compliance Program Manager.

Experience

Teri has worked in the safety and/or environmental compliance field since 1989. With 22 years of active-duty military service in the U.S. Air Force, including 11 years of safety and/or environmental experience and 10 years experience with Genentech, Inc., as an Environmental, Health and Safety Specialist, she has held positions of increased responsibility in management and supervision of personnel, resources, and highly visible programs. Her "in the field" approach allowed her to achieve health and safety objectives and maintain regulatory compliance while fostering a vested interest for employees to incorporate environmental, health and safety (EHS) requirements into daily work practices.

Teri holds a Bachelor of Science Degree (Work Force Education and Development) from Southern Illinois University and has completed numerous safety and environmental courses and certificate programs with the University of California, Davis.

Contact Information

Address: Recology Environmental Solutions, Inc.
235 North First Street
Dixon, CA 95620
Telephone: 707.603.2132
Cell: 707.756.2031
e-mail: tschultz@recology.com

MARCHELL NELSON
Group Controller
Landfill and Compost Group

Responsibilities

Marchell Nelson is the Group Controller for Recology's Landfill and Compost Group. She is responsible for the supervision of accounting staff, to ensure that the Group subsidiaries comply with weekly/monthly other corporate policies and reporting deadlines, as well as multi-jurisdictional contract and reporting requirements. In addition, she assists independent auditors in the completion of annual audits, and verifies the accuracy of multi-jurisdictional financial statement presentations. Marchell supervises preparation of a $75 million annual budget, for 12 operating companies, and supervises the preparation of monthly and quarterly variance

analyses, along with creation of local ad-hoc reports to assist the Group Manager with additional analyses.

Experience

Prior to joining Recology, Marchell served in senior accounting roles for multiple privately held businesses.

Contact Information

Address: Recology Environmental Solutions, Inc.
235 North First Street
Dixon, CA 95620
Telephone: 707.693.2127
Cell: 707.249.3093
e-mail: mnelson@recology.com

PAUL YAMAMOTO
Vice President and Group Manager
Landfill and Compost Group

Responsibilities

Paul Yamamoto joined Recology in January of 2006, serving as the Vice President and Group Manager of Recology's landfill and compost operations. Paul is responsible for all operational, compliance, and business development aspects of the composting business for Recology. He has over 20 years of business, operations, general management, project management and professional engineering experience in the recycling, waste, and petroleum industries.

Experience

Prior to Recology, Paul was employed by Waste Management, Inc. where he served in the capacity of District Manager as well as Market Area Vice President, and directed business opportunities, operations, community relations, financial performance and customer service for recycling, composting, transfer, hauling and landfill operations throughout the Bay Area.

Paul holds a Bachelor of Science degree in Mechanical Engineering from the University of California at Berkeley and is a licensed Professional Engineer in the state of California.

Contact Information

Address: Recology Environmental Solutions, Inc.
235 North First Street
Dixon, CA 95620
Telephone: 707.693.2103
Cell: 707.689.3204
e-mail: pyamamoto@recology.com

Recology

The team that will be directly responsible for providing long-term residue disposal and ADC capacity services to the Authority will have the full support of our parent corporate management at Recology, in San Francisco. These individuals are recognized leaders in providing modern and efficient recycling, solid waste collection, and disposal services to municipalities throughout California. The vast experience of the parent corporate management team is exemplified by the numerous long-term contractual associations Recology and its subsidiaries have maintained in over 100 communities in California, Nevada, Oregon, and Washington.

We are pleased to introduce here the following executive personnel of Recology:

- Michael J. Sangiacomo, President and Chief Executive Officer
- George P. McGrath, Executive Vice President and Chief Operating Officer
- Mark R. Lomele, Senior Vice President, Chief Financial Officer, and Treasurer

Brief biographies of these individuals are provided below.

MICHAEL J. SANGIACOMO
President and Chief Executive Officer

Mike Sangiacomo has served as a director of Recology since November 1990 and as Chief Executive Officer and President since January 1991. From November 1990 to January 1991 Mike served as Acting Chief Executive Officer and President of Recology. From August 1988 until November 1990, he served as Chief Financial Officer of Recology, and held the additional title of Senior Vice President from January to November 1990. Mike serves as a director and an executive officer of all of Recology's subsidiaries. He also serves as an executive officer of Nortech Waste LLC, a joint venture in which the Company is a minority investor.

Mike was a Director of the San Francisco Chamber of Commerce from 1999 through 2004, where he served as Chair in 2002. He has served on a variety of nonprofit boards and committees, including the San Francisco Planning and Urban Research Association (SPUR), the San Francisco 49ers Foundation, the San Francisco AIDS Foundation, and the advisory board for the School of Business and Management at the University of San Francisco.

Mike holds a B.S. degree in Business Administration from the University of San Francisco and practiced as a certified public accountant from 1971 to 1978.

GEORGE P. MCGRATH
Executive Vice President and Chief Operating Officer

George McGrath is Executive Vice President and Chief Operating Officer of Recology, responsible for all collection, processing, and disposal subsidiary operations. George previously served as Senior Vice President and Chief Information Officer of Recology, responsible for the strategy and management of the company's information systems. From July 1996 to June 1997 George served as Vice President and General Manager of Environmental Services, Inc., a Recology subsidiary that markets certain types of landfill space to third parties and contract landfill operations with municipalities.

Prior to joining Recology in October 1995, George served as Vice President and Area General Manager for Chemical Waste Management, Inc. in the Western Region of the United States from October 1990 to February 1995.

George holds a B.S. degree in Psychology from Western Michigan University.

MARK R. LOMELE
Senior Vice President, Chief Financial Officer, and Treasurer

Mark Lomele has served as Senior Vice President, Chief Financial Officer, and Treasurer of Recology since January 1997 and as a Vice President since November 1990. From September 1988 to July 1996 Mark served as Recology’s Corporate Controller and from July 1996 to January 1997 as Acting Chief Financial Officer.

Mark serves as a director and an executive officer of all of Recology’s subsidiaries. He also serves as an executive officer of Nortech Waste, LLC. From April 1996 to September 1996 he served as General Manager of Nortech. Mark has been a member of the ESOP’s Administrative Committee since 1991 and has served as its

Chair since February 1, 1995. He is a board member of the ESOP Association and of the Employee Ownership Foundation.

Mark holds a B.S. degree in Business Administration from the University of San Francisco.

Employee Training

Recology and its subsidiaries are committed to maintaining a safe work environment for all of our employee-owners, and are proud of our safety record and reputation for superior service. We maintain training programs with adherence to OSHA standards and procedures for our employees

All new employees are required to participate in an operational orientation, which familiarizes them with the company, operations, equipment, vehicles, and the importance of providing outstanding customer service. Relative to the performance of new employees' specific job functions, areas covered in their training may include but not be limited to:

- Facility layout, function, and traffic flow
- Injury, Illness, and Prevention Program (IIPP)
- Emergency Response Program
- Blood borne pathogens
- Vehicle and equipment operations
- Personal protective equipment
- Sorting procedures and safety with moving loaders and vehicles
- Defensive driving techniques (equipment operators)
- Spill response procedures
- Fire prevention
- Hazardous Communication Program
- Proper signage of safety hazards
- Hazardous materials recognition and handling
- Customer service orientation

- First-aid instruction (managers and supervisors)

On an ongoing basis training is provided in the above and other areas for all employees, relative to their job functions, in order to maintain their awareness and to introduce new concepts and procedures as they are developed.

Employee Screening

After interviewing candidates for an open position and determining which candidate is most qualified for the position, the hiring manager will initiate the background check process, which is undertaken by a third-party background check service provider, and is summarized as follows:

- Criminal history
- Verification of information provided by the candidate on the employment application, on a submitted resume, and in interviews for the position
  - Employment verification
  - Professional references
  - Education
  - Professional certifications
- DOT Compliance, for positions regulated by the DOT
  - Accident history
  - Violations of DOT alcohol and drug regulations
  - Completion of a substance abuse rehabilitation program, if required
- Driving record, for positions that require driving
- Credit record, for positions that require handling of money
- Pre-employment exams:

Type of Position	Physical Exam	Alcohol Screen	Drug Screen
DOT & Safety-Sensitive Positions	Yes	Yes	Yes
Office Positions*	No	No	Yes
All Other Positions	Yes	No	Yes

*If the office position also qualifies as a DOT position, the exams required for "DOT & Safety Sensitive Positions" are required.

Company Qualifications

Introduction

Recology Hay Road can accept up to 2,400 tons per day, averaging 1,200 tons per day over a 7-day week. The facility is permitted and currently accepts municipal solid waste, wastewater treatment sludge, construction and demolition materials, green waste, food waste, contaminated soils, friable and non-friable asbestos, tires, ash, and other designated waste approved by specific acceptance criteria and permit. Recology Hay Road accepts under contract the City and County of San Francisco's wet wastewater treatment sludge in its specially designed Class II waste containment area.

In June 2008 Recology Hay Road received an approved landfill expansion permit. Based on its revised current design and rate of fill, the landfill has approximately 60 years of remaining life.

Recology San Francisco transports green waste and food waste for the City and County of San Francisco to the compost facility, Jepson Prairie Organics, located on 56 acres within the Recology Hay Road footprint, which has been recognized nationally for its innovative nature and quality compost products. Finished compost products are sold to organic farms, landscape supply yards, vineyards, and landscape contractors. Processing residuals are used beneficially on site or sold for use off site.

Scope of Services

The following is a summary of services provided by the Recology Hay Road landfill currently and in the past that are directly relevant to the services described in the Authority's current Request for Proposals:

Municipality Dates of Service	Services Provided
County of Sonoma **September 2011 - Present**	Recology Hay Road provides MSW disposal services for the County of Sonoma through contract with the Ratto Group of Companies. MSW is delivered to the facility by the customer.
City of Vallejo **Circa 2005 - Present**	Recology Hay Road administers ADC and other beneficial reuse programs for the City of Vallejo as part of a franchise agreement. These services include the delivery of asphalt and concrete for processing and use on site as road base, drying and processing of waste water treatment plant (WWTP) sludge for use as ADC or for other construction activities, and the delivery of green waste feedstock for composting. These materials are delivered to the facility by Recology Vallejo.

Municipality Dates of Service	Services Provided
City of Dixon **Circa 1986 - Present**	Recology Hay Road provides MSW disposal and green waste composting services for the City of Dixon as part of a franchise agreement. Materials are delivered to the facility by Recology Dixon.
City of Vacaville **Circa 1986 - Present**	Recology Hay Road provides MSW disposal and green and food waste composting services for the City of Vacaville as part of a franchise agreement. In addition, clean loads of construction and demolition wood delivered to the facility as part of the MSW waste stream are segregated for grinding and beneficial reuse off site. Materials are delivered to the facility by Recology Vacaville Solano.
City and County of San Francisco **Circa 1996 - Present**	Recology Hay Road provides green waste and food waste composting services for the City and County of San Francisco. In addition to delivering green waste and food waste feedstocks, Recology San Francisco also delivers process "fines" from the Recology San Francisco Material Recovery Facility (MRF). The MRF fines are utilized at Recology Hay Road as an ADC material.
City of San Bruno **June 2012 - Present**	Recology Hay Road provides MSW disposal services for the City of San Bruno as part of a franchise agreement. Materials are delivered to the facility by Recology San Bruno.
City of Petaluma **Circa 2002 – Present**	Recology Hay Road provides drying and processing of WWTP sludge for use as ADC or for other construction activities under an annual disposal contract. Materials are delivered to the facility by an independent transporter.
City of Benicia **Circa 2007 - Present**	Recology Hay Road provides drying and processing of WWTP sludge for use as ADC or for other construction activities under an annual disposal contract. Materials are delivered to the facility by Recology Vacaville Solano

References

The following are representatives of municipal clients to which the Recology Hay Road landfill has provided services over the last five years similar to those that are addressed in this proposal:

- **Steve McCaffrey**
  Political Liaison
  Redwood Empire Disposal
  PO Box 1916, Santa Rosa CA 95402
  (707) 586-7753

- **Michael Schreiner**
  Maintenance Superintendent, Streets & Traffic
  City of Vallejo
  111 Amador Street, Vallejo, CA 94590
  (707) 648-4319

- **Nancy Huston**
  City Manager
  City of Dixon
  600 East A Street, Dixon, CA 95620
  (707) 678-7000

- **Brian McLean**
  General Services Division Manager
  Public Works Department
  City of Vacaville
  650 Merchant Street, Vacaville, CA 95688
  (707) 469-6504

- **Jack Macy**
  Commercial Recycling Coordinator
  City and County of San Francisco
  11 Grove Street, San Francisco, CA 94102
  (415) 355-3751

- **Connie Jackson**
  City Manager
  City of San Bruno
  (650) 616-7056

- **Lena Cox**
  Environmental Services Supervisor
  City of Petaluma
  202 N. McDowell Blvd, Petaluma, CA 94954
  (707)776-3729

- **Jeff Gregory**
  Superintendent
  City of Benicia
  614 East Fifth Street, Benicia, CA 94510
  (707) 746-4790

Litigation History

Neither Recology nor Recology Hay Road nor any corporate officer has been involved within the past five years in litigation arising out of performance of a solid waste agreement or violation of environmental laws, regulations or permits; arising out of or connected with violation of state or federal antitrust laws; or arising from or connected with allegation of corrupt practices.

Environmental Compliance

The following is a summary of environmental compliance-permit violations incurred by the Recology Hay Road landfill in the past five years:

Recology Company	Regulatory Agency or Entity	Violation Type	Date	Description	Corrective Action
Recology Hay Road	RWQCB (Central Valley)	NOV	Oct-31-12	Construction design plans not submitted 90 days prior to beginning construction	Reporting procedures updated
Recology Hay Road	YSAQMD	NOV	Jan-18-12	Self identified and reported exceedance of daily VOC limit for contaminated soil.	Implemented additional measures to prevent future VOC calculator errors.
Recology Hay Road	YSAQMD	NOV	May-24-11	Average CO level detected above limit during source test	Adjusted flare settings and re-performed source test to verify compliance.
Recology Hay Road	YSAQMD	NOV	Dec-05-10	Flare shutdown notification not provided within required time window.	Personnel retrained and notification procedures updated
Recology Hay Road	YSAQMD	NOV	Oct-19-10	Self identified and reported exceedance of daily VOC limit for contaminated soil.	Implemented additional scheduling and tracking procedures.
Recology Hay Road	RWQCB (Central Valley)	NOV	May-13-10	Slight exceedance of dewater pumping discharge limits (Total Suspended Solids)	Changed pump inlet and identified alternative permitting standard with RWQCB
Recology Hay Road	RWQCB (Central Valley)	NOV	Apr-20-10	Lack of required information in monitoring report	Provided required information and instituted reporting changes to include information in future reports.
Recology Hay Road	YSAQMD	NOV	Mar-31-10	Unable to meet H2S requirement during source testing at flare	Revised air permit to manage for constituent of concern (SOx)

Recology Company	Regulatory Agency or Entity	Violation Type	Date	Description	Corrective Action
Recology Hay Road	YSAQMD	NOV	Jan-22-10	Breakdown report not submitted after a breakdown of the voluntary/early action carbon filtration system	Reporting procedure updated and notification was submitted as required.
Recology Hay Road	Solano County DRM	NOV	Apr-07-09	Unintended disposal of alkaline waste (spent paint remover from asbestos demolition project) in asbestos module.	Re-trained employees on newly implemented asbestos management procedures focusing on manifest review and waste identification.$47,780 penalty originally sought.

The following is a summary of significant environmental compliance-permit violations incurred by other Recology-owned landfills in California in the past 5 years:

Recology Company	Regulatory Agency or Entity	Violation Type	Date	Description	Corrective Action
Recology Yuba Sutter	RWQCB (Central Valley)	NOV	Mar-28-12	Possible landfill impacts to groundwater	Expanding monitoring system and evaluating corrective actions
Recology Yuba Sutter	RWQCB (Central Valley)	NOV	Aug-12-11	Settlement of landfill cover	Instituted drainage improvements to promote drainage
Recology Yuba Sutter	RWQCB (Central Valley)	NOV	Apr-14-11	Possible landfill impacts to groundwater	Submitted plan to evaluate monitoring system and corrective actions
Recology Ostrom Road	RWQCB (Central Valley)	NOV	Dec-08-10	Groundwater and vadose zone beneath the landfill are impacted by landfill	Expanded landfill gas monitoring and control system
Recology Ostrom Road	FRAQMD	NOV	Feb-12-10	Operation of backup engine lacking permit	Submitted permit application for backup engine

Landfill Site Operating Permits

The Recology Hay Road landfill operates within the provisions of the permits described below.

- Waste Discharge Requirements, issued as Order No. R5-2008-0188 by the RWQCB, Central Valley Region on December 5, 2008.

  Contact Person: Jeff Huggins
  Central Valley Regional Water Quality Control Board

11020 Sun Center Drive, Suite 200
Rancho Cordova, California 95670-6114
Phone Number: 916.464.4639

- Solid Waste Facilities Permit for facility 48-AA-0002, issued by the Solano County Department of Resource Management on June 23, 2008. Due to be reviewed by June 23, 2013.

  Contact Person: Ricardo Serrano
  Solano County Local Enforcement Agency, Department of Environmental Management
  470 Chadbourne Road, Suite 200
  Fairfield, California 94534
  Phone Number: 707.421.6765

- Land Use Permit No. U-91-28/RP-91-04 issued by the Solano County Department of Resource Management on December 7, 1995 and updated on June 5, 2007.

  Contact Person: Mike Yankowich
  Solano County Planning Commission Department of Environmental Management
  470 Chadbourne Road, Suite 200, Fairfield, California 94534
  Phone Number: 707.421.6765

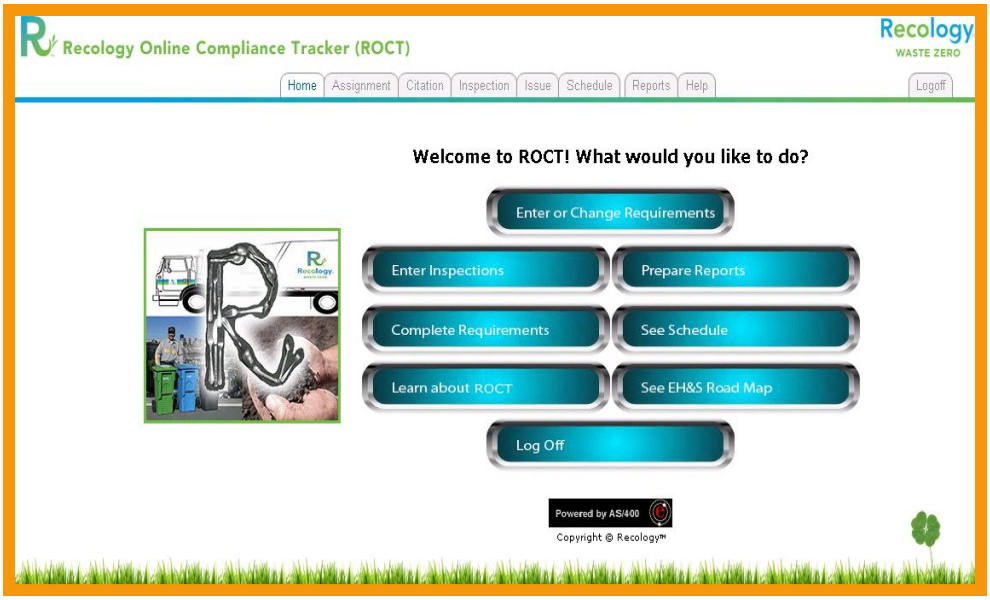
- Title V Operating Permit No. F-01059-4 issued by the Yolo-Solano Air Quality Management District on May 12, 2009. Expires December 2, 2013.

  Contact Person: Susan McLaughlin
  Yolo-Solano Air Quality Management District
  1947 Galileo Court, Suite 103, Davis, California 95616
  Phone Number: 530.757.3667

Innovation and Quality Performance

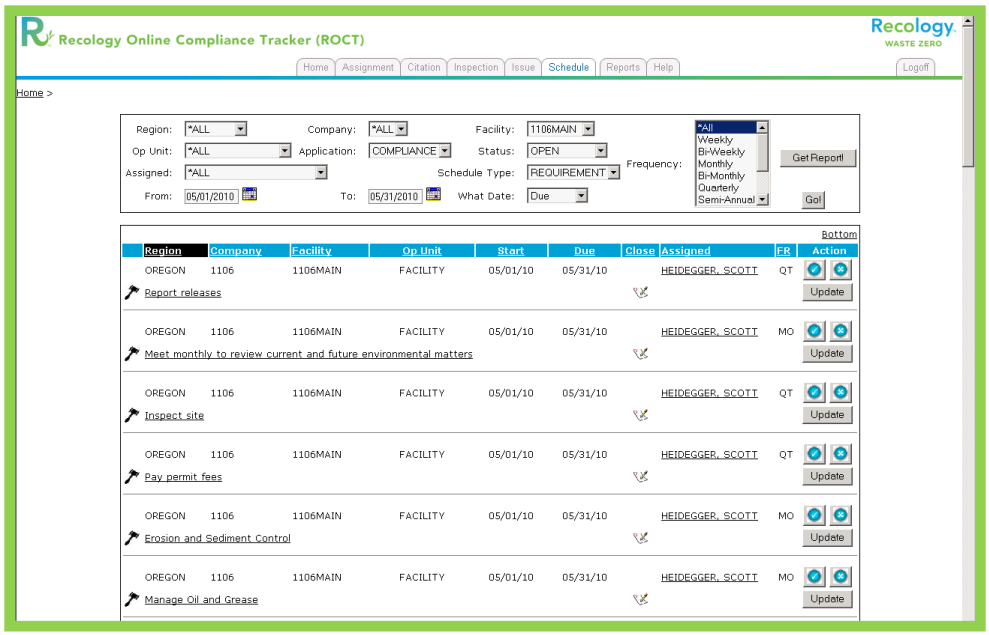
Managing Environmental Compliance

A unique and innovative cornerstone in planning and managing Recology's environmental compliance efforts, and ensuring the protection of our customers and personnel, is our Recology Online Compliance Tracking (ROCT) System, a web-based database system to manage and track environmental as well as safety tasks and assignments. ROCT provides Recology with a tool to provide the highest level of environmental compliance, to minimize environmental and safety impacts, and foster continual improvement. ROCT was developed and implemented by Recology personnel in 2003 and is continually updated to remain current with ever-changing conditions.



The system is designed to capture current environmental requirements for all Recology facilities, to display scheduled environmental and safety related tasks and assignments, to encourage proactive scheduling, and to allow modification for future needs. The system also has a reporting functionality for assignments and task completion.

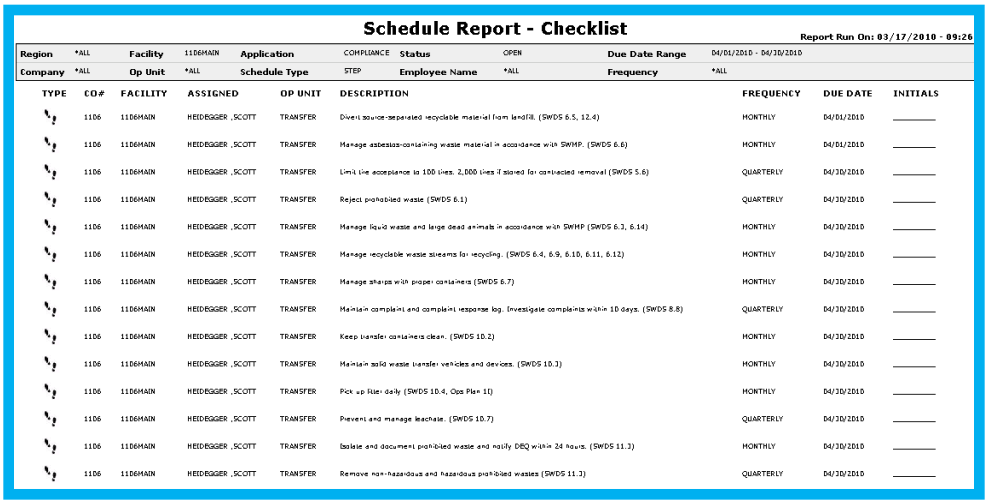
Scheduling Module Establishes Action Dates



ROCT allows Recology environmental and safety compliance managers to enter site-specific tasks and assignments, including permit and ongoing monitoring/reporting

requirements, local regulations, and regulatory inspections. ROCT incorporates tasks and assignments pertaining to hazardous waste management, including proper storage, handling, shipment, and documentation of electronic and universal wastes. ROCT also is a repository of inspection reports, and can provide historical snapshots of what happened and when, and how issues were resolved.

A Checklist of Scheduled Actions Tracks Progress



Schedule Report - Checklist

Report Run On: 03/17/2010 - 09:26

Region	*ALL	Facility	1106MAIN	Application	COMPLIANCE	Status	OPEN	Due Date Range	04/01/2010 - 04/30/2010
Company	*ALL	Op Unit	*ALL	Schedule Type	STEP	Employee Name	*ALL	Frequency	*ALL

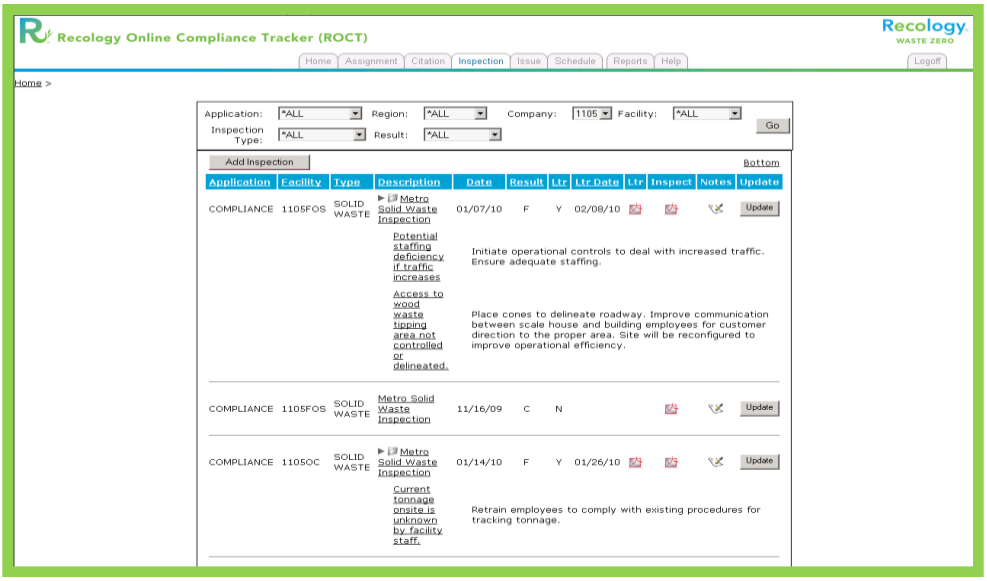
TYPE	CO#	FACILITY	ASSIGNED	OP UNIT	DESCRIPTION	FREQUENCY	DUE DATE	INITIALS
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Divert source-separated recyclable material from landfill. (SWDS 6.5, 12.4)	MONTHLY	04/01/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Manage asbestos-containing waste material in accordance with SWMP. (SWDS 6.6)	MONTHLY	04/01/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Limit the acceptance to 100 tires. 2,000 tires if stored for contracted removal (SWDS 5.6)	QUARTERLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Reject prohibited waste (SWDS 6.1)	QUARTERLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Manage liquid waste and large dead animals in accordance with SWMP (SWDS 6.3, 6.14)	MONTHLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Manage recyclable waste streams for recycling. (SWDS 6.4, 6.9, 6.10, 6.11, 6.12)	MONTHLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Manage sharps with proper containers (SWDS 6.7)	MONTHLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Maintain complaint and complaint response log. Investigate complaints within 10 days. (SWDS 8.8)	QUARTERLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Keep transfer containers clean. (SWDS 10.2)	MONTHLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Maintain solid waste transfer vehicles and devices. (SWDS 10.3)	MONTHLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Pick up litter daily (SWDS 10.4, Ops Plan 11)	MONTHLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Prevent and manage leachate. (SWDS 10.7)	QUARTERLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Isolate and document prohibited waste and notify DEQ within 24 hours. (SWDS 11.3)	MONTHLY	04/30/2010	_____
!	1106	1106MAIN	HEIDEGGER ,SCOTT	TRANSFER	Remove non-hazardous and hazardous prohibited wastes (SWDS 11.3)	QUARTERLY	04/30/2010	_____

The dynamic nature of ROCT provides Recology's corporate office, general managers, and compliance managers an ability to understand complex environmental and safety program requirements, and allows Recology to be proactive on environmental compliance and stewardship.

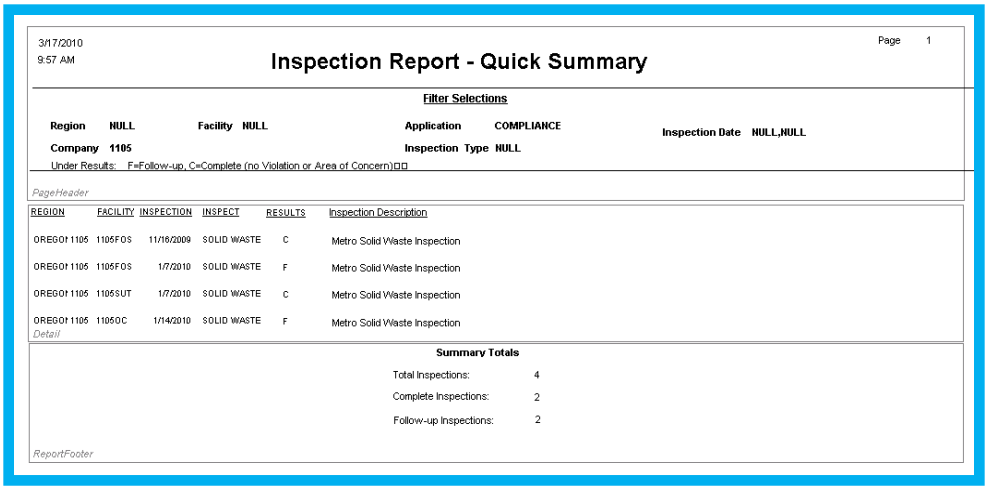
Recology's operations are routinely inspected by state and local regulatory agencies. Any items requiring correction are addressed immediately.

In addition to regulatory agency inspections, Recology regularly conducts internal inspections of its operations to assess compliance with environmental requirements. Regional and local environmental compliance staff routinely conducts internal inspections of their sites. Corporate staff also performs compliance inspections to evaluate environmental conditions and to provide hands-on support to resolve compliance issues. Periodically, third-party audits are conducted. Results of inspections and audits are communicated to operations staff, and corrective actions are addressed immediately.

Inspection Module Tracks All Follow-Up Items



All Inspection Reports are "Saved" and Summarized



The Recology Culture and Quality Performance

At Recology, we believe that our culture and employees are more valuable than any asset on our balance sheet. Recology is not your typical recycling and solid waste management company. Being 100% employee owned through an Employee Stock Ownership Plan (ESOP), we are deeply involved in making our operations efficient, and motivated to provide high-quality service to all of our customers. Recology employees live and work in the communities we serve, and take an active role in those communities by volunteering for community events or working with local non-profit organizations that benefit local residents

and businesses. As environmental stewards, Recology employees educate and teach others about the benefits of waste reduction, recycling and compost efforts, and diverting as much as possible from landfills

Our employees have a natural willingness to work hard because we understand that work leads to long-term success. Instilled in our culture are the behaviors that we refer to as Recology's Keys to Success.

The Employees of Recology:

- Collaborate across the corporation to create opportunity or resolve issues
- Are involved and contribute to the community at a level well beyond typical corporate citizens
- Pitch in when needed
- Are focused on seeking solutions, not laying blame
- Are forward looking
- Foster and develop fellow employees
- View people as valued, key and strategic assets
- Are inclusive and diverse
- Are committed to building and maintaining relationships in all facets of our community
- Committed to continuous improvement
- Are committed to green sustainable solutions
- Are customer oriented
- Are service oriented
- Learn from mistakes

It is these core values that define our culture, and it is the Recology culture that sets us apart.

Employee Ownership

Recology employs a workforce of approximately 2,800, of which approximately 70% are covered under collective bargaining agreements. As an employee-owned

company, our employee-owners are motivated to provide high-quality and efficient service for all of our customers. This quality is exemplified by the fact that most of our service agreements with cities and counties are repeatedly renewed, and we have maintained long-term, stable relationships with our customers. It is this long-term and forward-thinking outlook by Recology, and the dedication of our employee-owners, that have made the company a leader in the recycling and resource recovery industry.

WASTE ZERO

Our company's rallying cry for sustainability is WASTE ZERO. Recology has a long history of commitment to the efficient use of resources, beginning with the recovery and reuse methods that we practiced in the 1920s. Our focus is on waste *elimination* through the highest and best use of reclaimed resources and management of climate change through our initiatives, both internal and on behalf of our customers. WASTE ZERO at Recology is more than part of our motto; it is the very core of our culture.

Recology employees are encouraged to become environmental stewards and share their knowledge with others. Through Recology's Waste Zero Education Program (WZEP) all employees gain a further understanding of the programs and services provided by Recology to our customers, and the importance of helping them achieve their mandated diversion goals and sustainability.

Following the completion of the WZEP program, Recology employees are encouraged to volunteer a minimum of four hours in the community, participating in such activities as a beach or creek clean-up, a workday at a community garden, or volunteering at a local food bank. This volunteer work brings them one step closer to becoming a Certified Recologist, where they can continue to spread the WASTE ZERO message of Recology's 4Rs: Reduce, Reuse, Recycle, and Recologize. Currently, there are 349 Certified Recologists throughout the company, and many more working towards their WZEP certification.

Community Service and Volunteerism

At Recology, we believe it is important to contribute to the communities where we live and work. Our companies participate in community activities such as city cleanups, compost giveaways, confidential shredding, and electronic waste collection days.

To remain connected and build strong relationships with our communities and customers, Recology has established a Volunteer Program where we unite company-wide to provide volunteer services in the communities in which we

operate. Previous volunteer activities have included planting rose bushes at the Municipal Rose Garden in San Jose, painting the Bayview Hunters Point YMCA in San Francisco, transforming Oakland's Hoover Elementary School garden and landscaping to become both educational and sustainable, and renovating Vallejo's Continental Omega Boys & Girls Club playground, below, with the construction of a gazebo and shade structure, and re-landscaping the surrounding yard and play area with over 150 plants, 250 cubic yards of compost and mulch, and 8,000 square feet of sod.

Recology Owners' Commitment

Our Recology Owners' Commitment (ROC) Star program further enriches the philosophy of employee ownership and promotes a workforce that is committed, proud and motivated. Nominated by their peers, employee owners who go above and beyond their normal job duties are recognized as ROC Stars. These employees adhere to Recology's Keys to Success and also represent our strong work ethic, commitment to customer service, community involvement, leadership and team work abilities.

FINANCIAL COMPONENT

Financial Background

The Recology Hay Road landfill was developed in 1964 and has been operated as a wholly owned subsidiary of Recology since 1979. Recology has both the intent and the means to provide financial assurance of the performance of Recology Hay Road, as reflected in its audited financial statements discussed below.

The following table reflects anticipated revenues of the Recology Hay Road landfill that will be earned from services currently under contract with other parties during the indicated fiscal year:

Year	Revenue
2014	$2,307,885
2015	$1,730,914
2016	$0
2017	$0
2018	$0

Financial Stability

Audited financial statements are not produced for Recology Hay Road. We have included financial statements for Recology Hay Road for the fiscal years ending September 30, 2012, 2011, and 2010 as Attachment 2 – Landfill Financials. The consolidated audited financial statements of Recology and its subsidiaries for the fiscal years ending September 30, 2012, 2011, 2010, and 2009 are included as Attachment 3 – Parent Financials. Audited financial statements of Recology are not developed on a quarterly basis and are therefore not included for the most recently completed quarter of the current fiscal year.

Please be advised that these financial statements contain competitively sensitive information and information that constitutes a trade secret under California law. Accordingly, they are exempt from disclosure under the California Public Records Act, including pursuant to Section 6254.15 thereof. Recology is providing these documents on the understanding that the Authority will keep them confidential and not publicly disclose them except as required by law. Please advise Recology immediately if any member of the public requests access to these documents, so that Recology can take appropriate protective action. If the Authority is unwilling to accept these documents on this basis, we ask that the Authority promptly return them. In that event, we would be happy to work with

the Authority to find alternative means for the Authority to assess Recology's financial strength for purposes of this RFP process.

The pages in Attachment 2 and Attachment 3, containing the financial statements, are identified as "Confidential".

On the following page is a statement from the Chief Financial Officer of Recology indicating that there has been no material change in the financial conditions or operations of Recology Hay Road or of its parent, Recology, since the date of the most recent financial statements.

Recology
WASTE ZERO

March 15, 2013

Richard F. Luthy Jr.
Executive Director
Napa-Vallejo Waste Management Authority
1195 Third Street, Suite B-10
Napa, CA 94559

The undersigned, Mark R. Lomele, Senior Vice President and Chief Financial Officer of Recology Inc., hereby certifies to the following as of the date hereof.

There has been no material adverse change in the financial condition or operations of Recology Hay Road as represented in its financial statements as of September 30, 2012.

There has been no material adverse change in the financial condition or operations of Recology Inc. as represented in its consolidated financial statements as of September 30, 2012.

RECOLOGY INC.

Mark R. Lomele

Mark R. Lomele, Senior Vice President and Chief Financial Officer

50 California Street, 24th Floor | San Francisco, CA 94111-9796 | T: 415.875.1000 | www.recology.com
Proud to be employee-owned

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LONG-TERM RESIDUE DISPOSAL AND ADC CAPACITY AGREEMENT ACCEPTANCE COMPONENT

Recology Hay Road has attached comments and recommended Agreement language changes to Proposal Form 2A - Contractor Validity and Commitment to Sign Agreements, Page 64, as specified on Form 2A.

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ADDITIONAL PROPOSALS

In addition to proposing to provide the disposal and ADC services specified in the Authority's Request for Proposal, Recology Hay Road presents, here, additional proposals for services not contemplated in the Authority's RFP, including:

- Indexed pricing
- Landfill cycle time enhancement
- Carbon footprint reduction
- Alternative capacity assurance
- Green energy/landfill gas revenue sharing

Each of these additional proposals is described below.

Indexed Pricing

As an alternative to fixed only pricing Recology offers the Authority the lesser of two rates; the listed rate proposed in the Cost Proposal and an indexed rate based on the following formula:

> The Base Disposal Component would be annually adjusted to reflect the product of 85% of the Consumer Price Index (CPI) adjustment factor and annual inflation rate measured as the percentage increase in the CPI over the previous twelve months. The adjustment would be made using the change in the Consumer Price Index – All Urban Consumers for San Francisco-Oakland-San Jose, Series ID CUURA422SA0. If the CPI is discontinued or revised during the term by the United States Department of labor, a similar governmental index or computation would be agreed upon by Recology and the Authority.

Each rate will have a fixed disposal component for the first three years. All other applicable adjustments from year one and on would apply. Each rate would be calculated and compared beginning in year four and continuing each year thereafter through the end of the agreement.

Landfill Cycle Time Enhancement

Option A – Extra Transfer Trailers

Specifically for the 20-year term, Recology can provide the Authority use of several Recology-owned “live-floor” transfer trailers to allow the current transport contractor to immediately swap loaded trailers for empty trailers once arriving at the Recology Hay Road landfill. A Recology ‘yard goat’ and employee would be used to eject the loaded trailers at the active face and return the emptied trailers to the on-site swap-out location, thus minimizing cycle time for the transport contractor. Recology would provide this service for an added cost of $1.49 per ton, escalated on an annual basis in Year Two and each year thereafter through the remainder of the contract in the same manner as our indexed cost proposal. This rate is based on the current estimated tonnage and would be periodically adjusted up or down if there is a significant change in the volume of material transported to Recology Hay Road.

Option B – Dedicated Scale

In lieu of Option A above, and specifically for the 20 year term, Recology can provide the Authority’s transport contractor a dedicated scale and RFI automated tag system to minimize cycle time at Recology Hay Road. Recology would provide this service for an added cost of $0.12 per ton, escalated on an annual basis in Year Two and each year thereafter through the remainder of the contract in the same manner as our Indexed cost proposal. This rate is based on the current estimated tonnage and would be periodically adjusted up or down if there is a significant change in the volume of material transported to Recology Hay Road.

Carbon Footprint Reduction

Recology offers to enter into negotiations with the Authority and/or the current transport contractor for the transfer of all MSW and ADC between the Devlin Road Transfer Station and the Recology Hay Road landfill using “possum belly” trailers to minimize truck trips and fuel consumption. Through added capacity, when compared to the live-floor trailer, the truck trip reduction would result in a corresponding fuel consumption reduction of approximately 8,000 gallons of diesel fuel per year based on 140,000 tons of MSW per year.

Alternative Capacity Assurance

In the unlikely event the daily permitted capacity limit is reached at the Recology Hay Road landfill and it becomes necessary to utilize Recology’s designated alternative disposal site to accommodate the Authority’s waste stream, Recology will do so at the same disposal tip fee

and will work with the Authority to ensure the added transportation expense is offset and/or arrange for transportation so that there is no net increase in actual transportation cost calculated on a per-ton basis.

Green Energy/Landfill Gas Revenue Sharing

As an offset to tip fee costs Recology will share with the Authority 50% of landfill gas sales revenue received from its energy partner for that portion of actual gas sales attributable to the Authority's waste stream as calculated by Recology's engineering consultant. Gas production increases non-linearly over time, but an estimated average per-ton benefit over the life of a twenty-year agreement is approximately $0.30/ton in current dollars. This number is provided for order of magnitude purposes and does not reflect a guaranteed rate.

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COST PROPOSAL

The Cost Proposal of Recology Hay Road is included in Proposal Forms 2E, Pages 72 and 73.

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PROPOSAL FORMS

In the following pages are the completed forms associated with the Recology Hay Road proposal to provide long-term residue disposal and ADC capacity services to the Napa-Vallejo Waste Management Authority, including:

- Form 2A – Contractor Validity and Commitment to Sign Agreements
- Form 2B – Summary Operations Plan
- Form 2C – Staffing Plan
- Form 2D – Equipment List
- Form 2E – Cost Proposal
- Form 2E – Cost Proposal Continued
- Form 2F – Application Fee

Form 2A – Contractor Validity and Commitment to Sign Agreements

Form 2A
Contractor Validity and Commitment to Sign Agreement

I acknowledge the following commitment, inherent in submitting a proposal, to sign the Agreement upon selection as a Finalist, subject to resolution of any specific exceptions to the Authority's language submitted with this proposal. Any exceptions to the Authority's language should be attached to this form.

I (authorized agent) Michael J. Sangiacomo having authority to act on behalf of (Company name) Recology and Recology Hay Road do hereby acknowledge that (Company name) Recology and Recology Hay Road will be bound by all terms, costs and conditions of this proposal for a period 180 days from the date of submission; and commit to sign the Agreement as noted above. I understand that the Authority reserves the right to enter into negotiations with another firm if, in the sole discretion of the Authority, satisfactory progress is not being made toward execution of an Agreement.

Signed 

Michael J. Sangiacomo
(Print name)

Title President and Chief Executive Officer

Date March 15, 2013

On the following pages are Recology Hay Road's comments and recommended Agreement language changes.

Attachment to Form 2A

EXCEPTIONS TO AGREEMENT

1. If the Authority accepts the Contractor's proposal for a 20-year term, the definition of "Comparative Disposal Fee" should add a 5th condition: "(5) said party did not enter into a collection contract with Contractor or any of its affiliates in connection with such disposal contract." This is to ensure that only like disposal contracts are used to determine the Comparative Disposal Fee over the longer contract term.

2. The definition of "Force Majeure" should be revised to replace "intervene in" with "prevent" and "Delivery" with "Disposal," to make these provisions consistent with the Force Majeure language elsewhere in the contract.

3. Consistent with the Authority's response to pre-proposal questions, the definition of "Significant (cost or event)" should be revised to replace "the amount specified in Exhibit 1" with "ten (10) cents per ton."

4. To harmonize the indemnity provisions in Article 3 and Article 10, the words "as provided in Article 10" should be added to the end of the last sentence of the 3rd paragraph of Section 3.01.

5. To enable the Contractor to manage its capacity appropriately, Section 4.01 should be revised to clarify that the Delivery Date may not be delayed more than 6 months (or some other reasonable period mutually agreed in contract negotiations), and to add the following:

   "If Authority reasonably expects a material reduction in tonnage Delivered to Contractor (e.g. because of a change in the Authority's membership), Authority will use reasonable efforts to notify Contractor at least three (3) months before such reduction occurs, so that Contractor can manage its landfill capacity appropriately. The intent of the Parties is that Contractor will not be required to reserve landfill capacity hereunder unless there is a reasonable expectation that such capacity will be used."

6. The following should be added at the end of Section 9.04(e), to give the Contractor reasonable assurance that the Disposal Fee will be adjusted to keep pace with costs:

   "Notwithstanding any other provision of this Agreement, (1) Authority will not unreasonably withhold approval of any increase in the Disposal Fee requested by Contractor for any of the reasons set forth in Section 9.02, and (2) Contractor may request an Extraordinary Review if two or more of the conditions set forth in Section 9.02 together result in a Significant increase in Contractor's costs, even if each such condition by itself would not result in a Significant increase."

7. In all indemnity provisions in the contract, it should be clarified that the defense will be provided by counsel "reasonably" acceptable to the Authority, and that Contractor will reimburse "reasonable" attorney's fees and costs. These are standard qualifiers.

8. It is standard for the indemnifying party to be able to control the defense of the claim and not to be required to reimburse separate counsel for the indemnified party (since the indemnifying party is covering the defense). The penultimate paragraph of Section 10.02 should be deleted and replaced with language along the above lines.

9. To avoid the time and expense of a formal, technical legal opinion, it is suggested to revise Section 10.06 to replace "an opinion of counsel" with "a certificate signed by the Chief Executive Officer and the Corporate Secretary of the Guarantor."

10. Section 10.07 should be revised to provide that Contractor pays for "reasonable" increased Transport expenses and incremental costs. In addition, the following should be added at the end of the section to clarify how Recology's backup landfill will be used:

> "Notwithstanding any other provision of this Agreement, if (i) Contractor is unable to accept Waste at the Disposal Facility for any reason or (ii) Contractor is able to accept Waste at the Disposal Facility but the conditions specified in Sections 11.01(4), (5), (11) or (12) have occurred, Contractor shall not be in breach or default of this Agreement (or shall be deemed to have cured such breach or default) if (A) Contractor arranges for the Backup Disposal Facility to accept all Waste that would otherwise be delivered to the Disposal Facility hereunder for the same Disposal Fee that would have been payable hereunder and subject to the other terms and conditions of this Agreement, and (B) Contractor agrees to pay the reasonable additional cost of transporting Waste to the Backup Disposal Facility (except that, if the conditions in clause (i) and/or (ii) above result from an Uncontrollable Circumstance, Contractor and the Authority shall each pay one-half of such additional transport cost). "Backup Disposal Facility" means the Ostrom Road Landfill located at 5900 Ostrom Road in unincorporated Yuba County, which is owned by an affiliate of Contractor."

11. To clarify the intent, the first sentence of Section 11.01(d)(1) should be revised as follows: "Any applicable <u>compensatory</u> damages to <u>which</u> the Authority <u>may be entitled</u> directly resulting from...."

12. To avoid inconsistency and ensure that Contractor has an opportunity to cure breaches, Section 11.02(a)(1) should be revised so that the cure period is the same as in Section 11.01(c), and Section 11.02(a)(2) should be revised to clarify that material breaches have been "Noticed to Contractor."

13. In Exhibit 2, the following clarifying sentence should be added to Section B.1: "Said limits of liability may be met through the placement of primary, umbrella and excess insurance

policies." In addition, in Section D.2, the references to TL 1005 and TL 1007 endorsements should be deleted, as these do not appear to be standard designations.

14. Consistent with the Authority's response to pre-proposal questions, in Exhibit 5 the average vehicle turnaround time should be changed from 20 minutes to 30 minutes.

Form 2B – Summary Operations Plan

Form 2B
Summary of Operations Plan

Provide a brief summary of the Contractor's methodology for providing the scope of services. All information should be provided in this form in a short, concise manner. It is intended to provide a snapshot overview of the services and should be limited to 3 pages.

RECOLOGY HAY ROAD

Recology Hay Road is a wholly-owned subsidiary of Recology. The RHR landfill, a Permitted Class II solid waste disposal facility, is located at 6426 Hay Road, approximately 8 miles east of Vacaville, in Solano County, and approximately 33 miles northeast of the Authority's Devlin Road Transfer Station (DRTS). The landfill is sited on a 640-acre parcel, 256 acres of which encompass the landfill footprint. The facility has been in continuous operation since 1964, and built its first liner system in 1992.

LANDFILL OPERATIONS

Inbound tonnage originating from the Devlin Road Transfer Station will be tracked on a load-by-load basis using the Recology Hay Road landfill's PC Scales Weight Tag system, which records the date, time, commodity, customer, and origin of each incoming load. Site management then reports the use of each commodity to the landfill accounting department. Uses reported and recorded by site management include but are not limited to use as Alternative Daily Cover, Alternative Intermediate Cover, Non-cover beneficial reuse, recycling, composting, off-site reuse, and disposal. This information can be easily retrieved by Recology Hay Road for reporting to the Authority to ensure compliance with the reporting requirements in the Agreement with the Authority.

The site's permitted days and hours of operation are 7 days per week, 24 hours per day. The public tipping area is open from 8:00 a.m. to 4 p.m., 361 days per year. The site is closed on New Years Day, Easter, Thanksgiving, and Christmas. The permitted traffic volume is 620 vehicles per day. There are no load restrictions at the Recology Hay Road landfill.

Recology Hay Road is committed to environmental stewardship by actively excluding toxic, hazardous and universal wastes from the landfill, through a comprehensive load check program. In addition to the formal loadchecking provisions described below, loads are also closely scrutinized by landfill operators and site personnel trained in hazardous materials recognition to identify materials that may harm the equipment, human health and safety, and the environment.

The working face currently ranges from 75 feet to 200 feet in width. The waste is unloaded in a designated area and then spread and compacted. Loads brought by commercial haulers will be

unloaded near the active face, well away from unloading transfer trucks and from equipment working to push and compact transfer truck loads. A spotter will direct all traffic to the unloading area.

LANDFILL CAPACITY

The permitted maximum daily tonnage of the RHR landfill is 1,200 tons per day averaged over a 7-day week, with a peak tonnage limit of 2,400 tons per day. The remaining Net Refuse Capacity as of June 30, 2012 is approximately 16.1 million tons. The remaining uncommitted capacity as of June 2012 is approximately 15 million tons. Based on current and projected rates of usage, we project 60 permitted years to closure of Recology Hay Road, in 2073.

RHR currently accepts an average of 200 tons per day for disposal from the City of Vacaville and an average of 600 tons per day from other users, approximately 400 of which is contracted tonnage, for a total average of 600 tons per day. Thus, an available, uncommitted balance of approximately 600 tons per day exists at the site on a seven day a week basis. This is equivalent to 840 tons per day on a five day a week basis. Sufficient capacity exists at Recology Hay Road to accommodate the volumes of residue and ADC contemplated by the Authority under a new Agreement.

RECYCLING AND DIVERSION PROGRAMS

Recology Hay Road currently maintains a variety of recycling and diversion programs. Those programs that would benefit the Authority, as its needs are presented in the RFP, include the diversion and recycling of:

- Construction & demolition material recovery facility (MRF) fines
- Contaminated soils
- Biosolids drying and reuse
- Shredded tires
- Ash
- Geosynthetic fabric or panel products
- Foam products

Form 2C – Staffing Plan

Form 2C
Staffing Plan

In the table provided, list all proposed operating personnel required for supplying the scope of services and which are included in the cost form. The staffing list below is only an example of potential categories. Only complete for Contractor planned staffing for this RFP.

Position	No. of Staff	Duties Description (very short)
Management/Administration	**No Increase Required**	
Scale House	**No Increase Required**	
Operations	**No Increase Required**	
Maintenance	**No Increase Required**	
Others (specify) **1)** **2)**	**No Increase Required**	

Form 2D – Equipment List

Form 2D
Equipment List

In the table provided, include only the proposed equipment required to perform scope of services and included in the cost form. Equipment list below is only an example of potential equipment types.

Equipment Type	Make/Model	Number
Wheeled Loader	**No Increase Required**	
Scraper	**No Increase Required**	
Excavator	**No Increase Required**	
Compactor	**No Increase Required**	
Bulldozer	**No Increase Required**	
Grader	**No Increase Required**	
Service Vehicles	**No Increase Required**	
Pick-up Trucks	**No Increase Required**	
<u>Others (specify)</u> **1)** **2)**	**No Increase Required**	

Form 2E – Cost Proposal

Form 2E
Cost Proposal

The service fee components are presented in the following forms. All service fee components information shall be adjusted periodically in accordance with Section 8.03 of the Agreement. All costs below are based on initial years of operations January 2014 through December 31, 2018.

E2-A Disposal Fee ($/per ton) Required Response

MSW DISPOSAL COSTS	Base Disposal Component($/ton)	Disposal Pass-Through Component($/ton)*	Disposal Fee ($/ton)
2014	15.48	7.52	23.00
2015	15.48	7.65	23.13
2016	15.48	7.79	23.27
2017	15.90	7.93	23.83
2018	16.33	8.07	24.40

Additional Compensation for Extended Receiving Hours: $79.00 / hr

*** Provide a description of specific fees included in the Pass-Through Component:**

Governmental Fees included in Pass-Through Component:

FEE DESCRIPTION	AMOUNT (as of 01/01/2014)
Integrated Waste Management Fee	1.40
Solano County Solid Waste Business License Fee	4.88
Solano County Solid Waste Disposal Facility Fee	1.03
Solano County Solid Waste Mitigation Fee	0.21

ADC DISPOSAL COSTS	Base Disposal Component($/ton)	Disposal Pass-Through Component($/ton)**	Disposal Fee ($/ton)
2014	8.00	0.00	8.00
2015	8.00	0.00	8.00
2016	8.00	0.00	8.00
2017	8.22	0.00	8.22
2018	8.44	0.00	8.44

****If applicable to ADC disposal**

Form 2E – Cost Proposal Continued

Form 2E Continued
E2-B Disposal Fee ($/per ton) Alternative Response

As an Alternative to E2-A above, the Contractor may propose costs and term up to 20 years. The Authority may select either alternative.

	Base Disposal Component ($/ton)	Disposal Pass-Through Component ($/ton)	Disposal Fee ($/ton)
2014	15.48	7.52	23.00
2015	15.48	7.65	23.13
2016	15.48	7.79	23.27
2017	15.90	7.93	23.83
2018	16.33	8.07	24.40
2019	16.78	8.22	25.00
2020	17.23	8.37	25.60
2021	17.70	8.52	26.22
2022	18.18	8.68	26.86
2023	18.68	8.84	27.52
2024	19.19	9.01	28.20
2025	19.71	9.18	28.89
2026	20.25	9.36	29.61
2027	20.80	9.54	30.34
2028	21.36	9.73	31.09
2029	21.94	9.92	31.86
2030	22.54	10.11	32.65
2031	23.15	10.32	33.47
2032	23.78	10.52	34.30
2033	24.43	10.74	35.17
Discount to disposal fee for materials used as alternative daily cover(ADC)		36% of total disposal fee	

Additional Compensation	Per Extended Operating Hour
Compensation for extended operating hours	$79.00 / hr

Form 2F – Application Fee

Form 2F
Application Fee

Attach Cashier's Check to:

Napa-Vallejo Waste Management Authority

A cashier's check in the amount of $10,000, payable to the Napa-Vallejo Waste Management Authority and constituting a non-refundable Application Fee to propose on the provision of Long-Term Residue Disposal and ADC Capacity Services, is enclosed in a separate envelope labeled "Application Fee", included with the submittal of this proposal.