



DATE: September 8, 2010

TO: Honorable Mayor and City Councilmembers

FROM: City Manager's Office

SUBJECT: **APPROVAL OF BASE TERMS AND CONDITIONS FOR A NEW SOLID WASTE FRANCHISE AGREEMENT WITH WASTE MANAGEMENT**

SYNOPSIS

Staff recommends that the City Council approve the base terms and conditions for a new solid waste franchise agreement with Waste Management of North County and direct staff to return to the October 6, 2010, Council meeting with a new Solid Waste franchise agreement.

BACKGROUND

The City's current solid waste franchise agreement with Waste Management is set to expire in June 2012. The current agreement provides a two-year termination notice requirement. As a result of Council direction at their May 5, 2010, meeting, the City entered into exclusive negotiations with Waste Management for a new long-term solid waste franchise agreement. The Council direction was to use the services of Sloan Vazquez, an outside consultant, to negotiate the new agreement on the City's behalf.

ANALYSIS

Sloan Vazquez and Waste Management have completed the major portions of work regarding a new franchise agreement. The base terms and conditions are outlined below:

- Contract award fee of \$1 million, paid to the City upon execution of the new contract
- Annual franchise fee of \$1.7 million or 9 percent, whichever is greater
- Recycling revenue-sharing
- An all-new fleet of Compressed Natural Gas (CNG) service vehicles (42 new C.A.R.B. compliant trucks)
- Three-cart, fully automated residential service
- Reduced service fee for low-volume residents

- Enhanced commercial recycling program
- Enhanced community education program
- Enhanced HHW, e-Waste, and "sharps" collection, plus special household battery and cell-phone collection
- No increase in rates until July 1, 2012
- \$17,000,000 capital commitment for the new CNG vehicles, residential automated trucks, and the construction of a local CNG fueling station

A copy of the Sloan Vazquez report is attached as Exhibit 1 and a copy of the Waste Management proposal is attached as Exhibit 2.

The negotiations have resulted in new services, with a goal of reducing waste, increasing recycling, and providing a significant franchise fee to the City. The new terms and conditions also eliminate the "benchmarking" process that is in the City's current franchise agreement. The current agreement requires that the City's rate for comparable services be set to within the third-lowest rate in the County. The negotiations have resulted in service and revenue increases to the City and provide a fair return to Waste Management. The "benchmarking" process is being eliminated and Waste Management will be eligible for rate adjustments at 100 percent of the National All-Cities CPI or 75 percent of the San Diego Area CPI, whichever is higher. The rate adjustment would be effective annually starting in July 2012.

Under the proposed terms and conditions, the primary trash and recycling programs will change.

The current recycling crate will be replaced with a single container that would accommodate all recyclable materials in one container.

The City's current unlimited trash collection service will be replaced with a choice of two solid waste carts: a 96-gallon cart for standard trash, and a 35-gallon cart for low-volume users. Once initiated, all residents would have to use one of the available carts for trash and would no longer be able to dispose of trash on an unlimited basis. Additional carts would be available for those residents who generate significant trash.

FISCAL IMPACT

The proposed terms and conditions would result in Waste Management of North County paying a franchise fee of \$1.7 million annually to the City. Similar to franchise fees from cable and utility companies, the Waste Management franchise fee can be allocated at the discretion of the City Council. There are several City programs impacted by solid waste-related issues. Those include the deferred street maintenance costs associated with trash trucks, right-of-way cleaning costs, storm drain cleaning costs and clean

water programs. These programs are impacted by the solid waste program and would benefit from additional solid waste-related funding.

The Council does have the discretion, as an option, to allocate the additional revenue to the cost centers that are impacting the City's ongoing budget or that have been identified by the Council as priority issues:

	<u>Program</u>	<u>Annual Cost</u>
1.	Beach sand replenishment	\$150,000
2.	San Luis Rey River maintenance	\$350,000
3.	OPD/Library debt service	\$300,000
4.	Multiple Habitat Conservation Plan	\$500,000
5.	Ongoing employee benefit cost increases (PERS, health insurance)	\$900,000

A complete listing of the Council's 2008 identified priorities is attached as Exhibit 3. Since the franchise fees will be an annual revenue source, they will be included in the City's future budget process for Council consideration at that time.

COMMISSION OR COMMITTEE REPORT

The proposed terms and conditions and draft franchise agreement have not been presented to the Integrated Waste Commission. The Integrated Waste Commission and individual commissioners, along with members of the public did have an opportunity to provide comments relative to the services that should be included in the new agreement. All comments received were forwarded to Sloan Vazquez for consideration.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

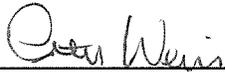
CITY ATTORNEY ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve the base terms and conditions for a new solid waste franchise agreement with Waste Management of North County and direct staff to return to the October 6, 2010, Council meeting with a new Solid Waste franchise agreement.

PREPARED AND SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



John Mullen, City Attorney



Teri Ferro, Financial Services Director



ATTACHMENTS

Exhibit 1: Sloan Vazquez Report

Exhibit 2: Waste Management Proposal

Exhibit 3: Council Priorities 2008

City of Oceanside

Municipal Solid Waste Service Agreement Negotiation

Prepared by:

*Sloan*VAZQUEZ_{LLC}

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August 25, 2010

BACKGROUND

The major work regarding the negotiation of new contract terms and services between the City of Oceanside and Waste Management of North County (the company) is now complete. Upon conclusion of good-faith negotiations as directed by the City Council, the company has submitted its final proposal. Concurrently, a draft version of a new service agreement that reflects the negotiated services and terms has been prepared.

By and large, all substantive aspects of negotiation were completed within the ninety (90) day time frame allotted by the City. Negotiating on behalf of the City, Sloan Vazquez, LLC (the consultant) set out to secure improved waste and recycling services for all of the City's residents and businesses, as well as franchise fee revenues, maintenance of all municipal services at no charge, and minimal impact upon residential and commercial service fees. As the result of the negotiation process, it is the consultant's opinion that the known goals and objectives of the City and local stakeholders have been met or exceeded.

PRIMARY FEATURES OF PROPOSED AGREEMENT

Among the many outstanding features of the new agreement, consider the following:

- 1) All new, Compressed Natural Gas (CNG) collection vehicles;
 - 42 new collection service vehicles for residential and commercial customers,
 - All fully compliant with California Air Resources Board (C.A.R.B.) standards,
 - Major reduction in carbon emissions.

- 2) Three Cart, fully automated, Residential collection service;
 - Each curb-served resident to receive 3 – 90 gallon carts,
 - Blue for Recycling,
 - Green for Green Waste,
 - Black/Gray for Refuse,
 - Reduced service fee for small volume generators.

- 3) New CNG fueling station;
 - Service for new alternative fuel Oceanside fleet,
 - Service offered for City of Oceanside CNG-powered vehicles,

- 4) Start-up Capital commitment of over \$17,000,000.00 to cover;
 - Permitting and construction of CNG fueling station,
 - New residential carts,
 - 42 new CNG-powered vehicles.

- 5) \$1,000,000.00 Contract Signing Bonus;
- 6) Guaranteed \$1,700,000.00 annual franchise fee payment;
 - The company will pay \$1.7M or 9% of revenues each year, whichever is greater,
 - Company to pay Signing Bonus and first year franchise fee (\$2.7M) upon execution of agreement.
- 7) California Redemption Value (CRV) revenue sharing;
 - City to receive 100% of all CRV revenue above current baseline.
- 8) Continuation of all City services at no charge;
- 9) \$200,000.00 annual budget for Household Hazardous Waste (HHW) collection and disposal program;
- 10) Curbside Household e-Waste recycling program;
- 11) Curbside Household Battery and Cell phone recycling program;
- 12) "Sharps" (needles and syringes) collection program;
- 13) Two-year Rate "freeze";
 - Rates will not be eligible for adjustment until July 2012.
- 14) 13 year term* with no option for extension;
 - Intends to recognize remaining term of existing agreement, plus 10 years for amortization/depreciation \$17,000,000.00 capital investment.
- 15) Enhanced Commercial Recycling Program;
- 16) Enhanced Community Education Program;
- 17) Option to develop local C&D recycling processing operation;

MATERIAL MANAGEMENT PLAN

The company's proposed services and service fees are predicated upon tipping at the following sites:

- 1) All green waste will be transported to Agri-Service, Inc. for processing and reuse via route collection trucks.

- 2) All recyclables will be transported to the company's Oceanside recycling center and then shipped to recycling processor via transfer truck. Currently, Oceanside recyclables are processed by Potential Industries and EDCO Services. It is likely that one or both of these processing arrangements will continue under the new agreement.
- 3) All refuse will be disposed at the El Sobrante Sanitary Landfill in Riverside County. The refuse will be transferred to El Sobrante via the Escondido Transfer Station, or by the company's newly engineered pod collection/transfer system.
- 4) The company has proposed to develop and operate a local Construction and Demolition (C&D) recycling processing plant, at the City's option.

IMPLEMENTATION

As proposed, the roll-out of the new services will commence immediately upon execution of agreement and conclude before July 2013. The company projects that its proposed CNG fueling station will require approximately one-year to design, permit, and construct. Upon completion of the fueling station, Phase One of the new services will commence with the distribution of new, blue recycling carts to all curb-serviced residents, as well as the roll-out of new CNG-powered recycling collection vehicles. The new residential recycling service will be followed by refuse and green waste service rollouts, as well as new CNG-powered service trucks for the commercial sector.

CONCLUSION

The proposed solid waste and recycling service agreement presents an outstanding opportunity for the City of Oceanside to dramatically improve services for all of the City's residents and businesses at no additional charge. If adopted, the new agreement will set the City of Oceanside on par with the best municipal service contracts in the region by securing the latest advancements in municipal services, reasonable municipal franchise fee revenues and other financial benefits, and implementing environmental practices that will significantly reduce the City's carbon footprint.



Executive Summary

Waste Management of North County is excited to provide this proposal to the City of Oceanside. It is the priority of all of our team members to continue to provide the safest, highest quality service to the residents and businesses of Oceanside. We have carefully listened to the voice of Oceanside stakeholders and have identified opportunities to reduce the City's carbon footprint and offer significant enhancements to our programs and services while also addressing the City's economic priorities. Our proposal to the City of Oceanside includes:

- **Contract Award Fee** of \$1 million, paid upon the execution of the new contract
- **Annual Franchise Fee** of \$1.7 million or 9% - whichever is greater, with the first year's fee paid up front and subsequent years paid on a quarterly basis
- **Curbside Rebate Revenue Sharing** of any increased Cal/Recycle curbside CRV revenue generated as a result of implementing the commingled residential recycling program, with Cal/Recycle CRV revenues that exceed the current baseline going to the City, which is in addition to the Annual Franchise Fee
- **Residential and Commercial Rates frozen** until July 1, 2012.
- **Enhanced Services** that offer a variety of new and convenient programs for Oceanside residents and businesses and innovative solutions to help increase diversion and reduce the City's carbon footprint

The proposed new contract term is thirteen years, including the three years that remain on the existing contract and the proposed additional ten years. Our proposal incorporates a significant **capital outlay of approximately \$17 million**, including \$10 million in natural gas powered trucks, \$5 million in containers for automated residential service, and \$2 million for the siting of a Compressed Natural Gas fueling station. In an effort to offer the greatest number of enhanced services while still achieving the City's financial goals, Waste Management is proposing new service offerings that would be introduced in stages over the course of the next 34 months. Each new service would be carefully transitioned in to ensure a seamless rollout. At the end of this period, the City of Oceanside will enjoy the following:

- A clean air solution, with Oceanside leading the way as the first beach city in San Diego County with a fleet of natural gas powered collection vehicles
- Fully automated residential cart service including waste, commingled recycling and green waste

Waste Management brings the City of Oceanside proven results and enhanced services:

Immediate Influx of \$2.7 Million to the City upon the execution of the new contract

Natural Gas Powered Collection Vehicles to reduce the City's carbon footprint

Fully automated residential waste, recycling and green waste collection program

Small Volume Generator program that offers a reduced rate option to qualified residential customers

Curbside Residential Electronic Waste, Cell Phone and Household Battery Collection Program

Enhanced Sharps Program

Continued HHW, Bulky Item and Buyback Services

Commingled commercial recycling services including a Green Business Program

Ongoing free City services including Bus Stop and Beach Service





- Reduced rates for residential customers who are either small volume customers or who have limited their volume through exceptional recycling program participation
- Curbside electronic waste, cell phone and household battery collection program
- The option to switch to limited curbside household hazardous waste collection or to continue unlimited household hazardous waste drop off.
- Continued bulky item and buy back services and enhanced sharps program
- Commingled commercial recycling and a Green Business Program
- Should the City be interested, Waste Management will provide basic Construction and Demolition sorting services at an existing Waste Management site in Oceanside
- Ongoing free City services including city rolloff and bin service; bus stop trash collection; city street sweeping debris disposal; valet services at City Hall; Spring, Fall and Holiday Tree clean up events; and, beach service

Waste Management is proposing to operate a fleet of 42 **natural gas powered collection vehicles** in the City of Oceanside. By using this fleet of 42 clean, natural gas trucks, Oceanside will achieve emissions reductions that are equivalent to removing approximately 3,104 cars from Oceanside roadways every single day. Oceanside will be the first coastal city in San Diego County to exclusively operate natural gas powered collection vehicles.

Upon the commencement of a new contract, Waste Management will work cooperatively with the City of Oceanside towards the permitting and construction of a compressed natural gas (CNG) **fueling station**. The fueling station, to be located on existing Waste Management property, is necessary for the operation of a fleet of clean, natural gas collection vehicles. Typically, it takes approximately twelve months to permit and build a CNG fueling station. An additional objective of building this fueling station is to provide public access to CNG fueling in Oceanside.

As the fueling station becomes operational, Waste Management will begin the process of transitioning to CNG powered collection vehicles and **automated residential service**. The first priority will be to add CNG powered automated side load trucks for the collection of residential commingled recycling. We anticipate that we will be able to complete the rollout of these vehicles, and the distribution of 96-gallon recycling carts for automated collection to residential customers within the first twelve to eighteen months of the new contract. After the completion of this transition, Waste Management will then add CNG powered automated side load trucks for the collection of residential waste. We expect that this transition, along with the rollout of 96-gallon waste carts, will be completed within the first eighteen to twenty-four months. The transition to CNG commercial and industrial vehicles would commence within 12 months of a new contract, and be completed within 34 months. Also, Waste Management will add the CNG powered automated side load trucks for the collection of residential green waste within 18 to 34 months from commencement of the new contract.

In the course of obtaining stakeholder feedback, Waste Management has been made aware that there are some residents who generate a smaller amount of waste and who, either because they are low volume generators or because they are exceptional recyclers, would only require the use of a 35-gallon waste cart. In response to this resident feedback, Waste Management has developed a **small generator rate** for Oceanside residents who are eligible to participate in the program.

Waste Management will provide a **curbside electronic waste recycling program** to Oceanside residents. This convenient new option allows Oceanside residents to recycle electronic waste by calling Waste Management customer service to schedule a pick up from their curbside at no extra charge. Residents will also continue to



have the option of dropping off their electronic waste at the Oceanside Recycling Center. In addition, Oceanside residents will enjoy the ease and convenience of **recycling cell phones and household batteries** through the curbside program. They will be able to place these items into clear plastic bags and place them on top of their recycling cart for collection at the time of their weekly service.

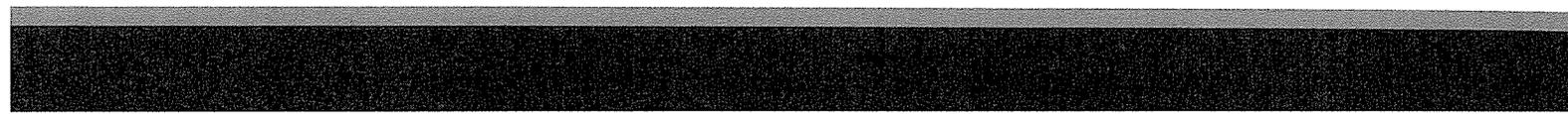
Waste Management is offering the City the option of implementing a curbside household hazardous waste collection or to continue the existing unlimited **household hazardous** drop off program at the Oceanside Recycling Center. Oceanside residents will also continue to enjoy easy access to the **buy back** services located at that Center. In addition to the **sharps collection** that is currently offered at the Center, Waste Management is proposing to enhance this service by providing sharps collection containers at City Hall and all Oceanside Fire Departments to increase accessibility for Oceanside residents. These collection containers will be serviced by Waste Management and can be exchanged up to four times each year at no additional charge. Residents will also have the option to use our convenient Sharps mail in program for a fee. A high level of on-call **bulky item collection services** will be offered to Oceanside residents in order to dispose of large, hard-to-handle items. Residents will enjoy the convenience of simply calling to schedule an appointment and will be able to schedule up to five items per pick-up, three times per year, at no charge. Bulky item collection services will also be offered to multi-family dwellings.

Waste Management will continue to conduct a monthly walk through of the Loma Alta Creek that is adjacent to the Waste Management site to ensure that no materials from Waste Management operations are in the creek or surrounding vegetation. We will also hold an annual **Loma Alta Creek Preservation Day** to engage Waste Management employees and community volunteers in the beautification and preservation of the Loma Alta Creek throughout the city of Oceanside. Each year, Waste Management will promote and host the event where employees and volunteers will be assigned sections of the creek to clean and provide the supplies and resources necessary to clean up the creek and remove any materials that should not be in the creek. Waste Management will coordinate with the appropriate City staff to ensure that all regulations regarding the Loma Alta Creek are carefully observed and provide plantings and vegetation that are recommended and allowed.

Waste Management is proposing, should the City be interested, to work in conjunction with the City to obtain the permitting necessary to set up **Construction and Demolition** sorting capabilities at one of our existing sites in Oceanside. If the City wishes for Waste Management to pursue providing basic C&D sorting in Oceanside, Waste Management would implement an effective C&D program that would include identification of loads suitable for diversion, information, education, and the internal infrastructure needed to process C&D loads. In addition, Waste Management is also able to cooperatively draft a C&D ordinance with the City at its desire that would complement the C&D infrastructure.

Waste Management is also proposing to implement a fully commingled commercial recycling program in the City of Oceanside, along with a **Green Business Program** to educate Oceanside businesses about recycling services and recognize businesses for their diversion efforts. This program would be rolled out in the first six months to twelve months of the new contract. All businesses would have multiple options for recycling container sizes to accommodate their service needs and space constraints. All businesses participating in the commercial commingled recycling program would be eligible to enroll in the Green Business Program.

Through these and other programs, Waste Management is committed to providing the enhanced **service**, the utmost in **safety** and the ongoing development of innovative, effective **sustainability** solutions for the City of Oceanside. This, along with the opportunity to provide **substantial, immediate and incremental revenues for the City**, clearly demonstrates that Waste Management is offering a significant value for Oceanside.





1. Company Description

A. Business Structure

Waste Management of California, Inc. was incorporated in California in 1952 and is in good standing. Waste Management of California, Inc. is wholly owned by Waste Management Holdings, Inc., a Delaware corporation, which in turn is wholly owned by Waste Management, Inc., a Delaware corporation. There is no creditor owed a debt greater than 10% of the company's total assets. Waste Management, Inc. is a publicly traded company. Waste Management Holdings, Inc., a direct subsidiary of Waste Management, Inc., owns 100 percent of the stock of Waste Management of California, Inc.

Corporate Headquarters:

1001 Fannin Street
Suite 4000
Houston, TX 77002

Local Headquarters:

2141 Oceanside Boulevard
Oceanside, CA 92054

B. Collection Experience

Waste Management is pleased to present this proposal to the City of Oceanside for Integrated Solid Waste Management Services. We welcome this opportunity to tell you about our efforts behind the scenes to ensure the continued delivery of high-quality service in Oceanside neighborhoods each and every day. Our proposal incorporates industry-leading best practices that have been developed both locally and companywide over many years, with significant investment in both human and financial capital. This ensures that our operations run like clockwork, day after day and year after year.

Most importantly, Waste Management has worked closely with Oceanside as a respected service partner for the past 30 years. We deliver outstanding services, we have a record of helping Oceanside achieve excellent diversion results and we offer reliable rates that will continue to be among the lowest in San Diego County. We are committed to continuing to provide the safe, dependable service that the city has come to know and expect.

One way we bring added value to the communities we serve is by offering innovative programs and services that are specifically focused on further reducing the volume of waste that must be trucked to landfills. Waste Management is committed to helping Oceanside continue to meet and exceed AB 939 diversion requirements. We describe several services throughout the following sections that will help Oceanside significantly increase diversion rates while ensuring that the City is also "green". This means that our programs and services not only improve recycling outcomes, but also ensure that the City achieves and maintains the smallest carbon footprint possible. By encouraging reuse and recycling, diminishing our carbon footprint and protecting the environment, Waste Management acts as a true partner in helping Oceanside achieve their sustainability goals.



Waste Management partners with customers and municipalities throughout San Diego County to help them achieve their zero waste goals. We have a proven track record of implementing services that reduce waste and increase beneficial reuse of materials with the goal of minimizing the amount of residual material that is landfilled. We have helped our customers achieve LEED certification through the United States Green Building Council and successfully apply for the CalRecycle Waste Reduction Award Program (WRAP). In addition, we have achieved the WRAP award at each of our sites in San Diego County, including our office in Oceanside.

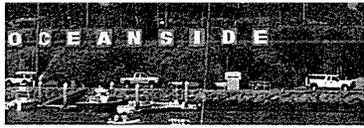
Industry Experience

Waste Management is strongly committed to a foundation of financial strength, operational excellence, and professionalism. We tailor our services to meet the needs of each city we serve, to ensure consistent, high-quality service at the local level, and to exceed the requirements of each contract.

Headquartered in Houston, our company's network of operations includes 367 collection operations, 355 transfer stations, 273 active landfill disposal sites, 16 waste-to-energy plants, 10 material recovery facilities, and 111 beneficial-use landfill gas projects. This enables Waste Management to offer a full range of environmental services to nearly 20 million residential, industrial, municipal, and commercial customers across North America.

In California, Waste Management employs more than 4,600 employees who offer a broader range of comprehensive waste services than any other company in the state. We have pioneered several environmental initiatives to reduce both criteria pollutants and greenhouse gas emissions. Waste Management is California's largest recycler of municipal solid waste, and we operate the largest fleet of natural gas collection vehicles. We provide recycling services to two million residential households, and we operate 15 material recovery facilities. With these assets and this experience, Waste Management provides cities like Oceanside the most comprehensive and innovative array of services and support in the industry.

In San Diego County, Waste Management serves over 141,000 residential customers and approximately 17,000 commercial customers in six cities and several unincorporated regions of the county. We also provide 1,500 industrial customers with roll-off service for bins or specialized compactors each week. From our yards in El Cajon, Carlsbad and Oceanside, our employees deploy 275 trucks, up to seven days each week to provide municipal solid waste and recycling collection and disposal services to our customers throughout the region.



C. Service Initiation Experience

Waste Management has worked closely with Oceanside as a respected service partner for the last 30 years. As the current provider, we understand the importance of living up to the community's expectations and delivering consistent service on a daily basis.

By maintaining Waste Management as the service provider, Oceanside residents will enjoy continuity of service and avoid the service interruptions that can be involved in any transition. Continuing Waste Management services also ensures that residents, and consequently City Staff and City Leaders, will not experience any issues related to a transition.

A key component of Waste Management's proposed services in this new contract is the transition from manual waste and recycling service for residential customers to automated service. This transition will involve the delivery carts necessary for automated waste and recycling collection service, education regarding the appropriate use of the carts and customer notifications regarding any service day changes that result from transitioning to automated service.

What follows is a recent, local example of Waste Management's experience in providing a seamless transition experience for our residential customers and city staff in the rollout of automated services. Through proactive communication, the development and provision of educational materials and the timely notification of customers regarding their service schedule, Waste Management worked to make the transition a positive experience.

City of Solana Beach

Danny King
Senior Management Analyst
635 South Highway 101
Solana Beach, CA 92075
(858) 720-2477

"In 2006, the City of Solana Beach worked with Waste Management to convert residential curbside solid waste and recycling service from the manual crate style source separated collection to automated single-stream commingled collection city-wide. This rather large and complex transition was handled efficiently and effectively by Waste Management, whose representatives worked closely with City Staff to ensure a rather smooth transition. As expected, there were obstacles along the way but Waste Management staff was flexible and sympathetic to the difficulties of this large scale transformation. Today, the City's automated single-stream collection program is very successful and is an effective and valuable community program that is administered and managed by Waste Management."

- Danny King



D. Existing Customer Service Systems

Customer Service Equipment and Software

Waste Management utilizes a centralized software system called MAS, which operates on an IBM mainframe, to maintain routing, billing, and customer service information. MAS is used by our customer service, operations and billing teams to log customer interaction, review history and billing information, and place operational orders such as bulky item pickups or cart exchanges.

Any customer inquiry that requires action and follow-up is logged onto the customers account as a ticket. From there the ticket is routed to the appropriate department for completion. Our operations team uses MAS to maintain routing and to follow-up and respond to any tickets pertaining to service requests. This process is monitored on a daily basis to make sure all tickets are completed and closed.

To provide specialized service for each one of the cities we serve, our customer service team utilizes a program called the Knowledge Base (KB). This program, which is accessed through the Waste Management Intranet, is a database containing detailed and specific information for each city. In addition to the basic service information that applies to Oceanside customers, the KB has information about services such as Household Hazardous Waste, Sharps, E-Waste, and Holiday tree service. City of Oceanside links and other information is also stored in the KB to correctly guide customers as needed for non-Waste Management-related questions and or services.

Issue Resolution and Minimization

Waste Management uses both internal and external tools to ensure the delivery of outstanding service, the timely and appropriate response to customer inquires and the prompt, effective resolution of any customer issues. Internally, we are able to meet and exceed the highest customer service standards in our industry through our **Service Machine** program. The primary goal of this performance-driven program is to prevent problems before they occur. This goal is achieved when every employee is focused on exceeding the customer's expectations.

Externally, we have partnered with **JD Power and Associates** to implement monthly customer surveys. These surveys furnish the timely customer feedback and the unbiased information we need to ensure that we are providing the best customer service possible. A closed loop system makes certain that the information contained in the survey sparks positive action that benefits our customers.

It is our goal to take care of all customer requests in a complete and timely manner. Our Customer Service Representatives (CSRs) receive extensive and ongoing training to ensure their professional, courteous, and accurate handling of questions from customers. All calls are recorded and available digitally for playback so that we can review the CSRs' performance and ensure that there is accountability for providing the best possible service.

When a customer calls Waste Management with a question, compliment or concern, CSRs open a computerized ticket in MAS that includes the customer's information, the date, a coded entry of the type of concern for tracking purposes (billing, MPU, noise, spills, etc.), and all relevant details. Depending on the type of request, we handle the call in one of the following ways:

1. The CSR immediately handles the customer's request.



2. If the CSR is unable to handle the request, it is referred to the customer service supervisor and she or he completes it.
3. If the request requires an action dealing with trucks or drivers, such as a missed pickup, a ticket is generated for route managers to forward to drivers, with a tracking system to assure that the issue is resolved in a timely manner.

When the issue is resolved, the ticket is closed with a time stamp and user identification. These tickets are part of our Service Machine program and are part of our ongoing record-keeping and metrics-tracking system to ensure that quality service is maintained and improved. We keep these data and use them to track issues and trends so that we can identify and solve any underlying problems. Any unresolved matters are flagged daily, and persistent problems are identified and addressed through weekly management meetings.

Accountability is a key part of Waste Management's service culture. While we have effective systems in place to ensure that we can provide immediate issue resolution, our focus is on preventing issues before they occur. Our professional drivers are held accountable for the service they provide and they are rewarded for achieving high safety and service levels. Likewise, our team of technicians proactively works to maintain our fleet of trucks to prevent leaks and to assure that our vehicles are running safely. This helps us to ensure that we operate the cleanest and safest trucks in Oceanside neighborhoods.

Timely Reporting

Waste Management fully complies with all reporting requirements of the cities we serve. Our MAS system provides us with the capability to provide the City with information such as missed pick-ups, billing inquiries, complaints, cart exchanges, and bulky item pick requests. We can also provide other reports as requested by the City such as customer listing, service listing, routing and other information. Reports are provided according to the schedule determined by the City, either on a monthly, quarterly or annual basis.

Data can be pulled and printed or downloaded for electronic submission to the City. Customer service data such as any customer inquiry can be pulled using a variety of criteria by date, from one day up to multiple years. We also have the ability to drill down and pull for specific operational actions such as cart exchanges or bulky item requests. Waste Management can provide data to the City within one business day in an electronic format.

Waste Management complies with the City of Oceanside's data requests in accordance with the current franchise agreement.

Customer Service Center

Waste Management's customer service team plays a key role in our Service Machine performance. The customer service team interacts with our customers on a daily basis and is empowered to ensure that our customers have a world-class experience. Our customers in Oceanside will continue to benefit from Waste Management's commitment to operating our state-of-the-art call center that utilizes the best in telecommunications technology, optimal staffing systems, and CSRs who receive extensive training and support while providing specialized service that focuses on the specific needs of Oceanside.

To achieve this high level of service, Waste Management's customer service team, including our customer service manager, our three customer service supervisors and our 23 CSRs are located at Waste



Management's Southwest Call Center in Phoenix, Arizona. The advantages of operating our team out of the Southwest Call Center are numerous. The Southwest Call Center offers the telecommunications platform, call-monitoring technologies and training benefits that cannot be duplicated at smaller, local operations. Yet, while the team operates from the Southwest Call Center, they are dedicated to the specific needs of the cities they serve including Oceanside. Waste Management will continue to maintain our local customer service telephone number and to provide our toll-free number for added convenience to customers. We will also maintain the capability to respond to calls in both English and Spanish, and offer our Telecommunications Device for the Hearing Impaired.

Our Customer Service Center utilizes the WEST Telecenter platform. This is a real-time Agent Interaction Center that allows customer service managers and the management located in Orange County to continually view the availability of all CSRs so that staffing adjustments can be made in response to varying call volumes. With this system, we are also able to conduct extensive tracking of our customer service metrics. WEST also has a customer recognition system that identifies repeat call customers and allows them to bypass phone prompts and be automatically directed to the appropriate CSR. We maintain digital audio files of each call that can be accessed by managers for review, and customers have the ability to provide real-time feedback so that any issues or concerns can be addressed immediately. Through this real-time feedback, customers are also able to leave compliments. The following comments are verbatim from this system from customers in Oceanside:

"She (CSR Jan Havelock) was delightful. It's such a pleasure to deal with someone with personality & character. She got the job done quickly but made it really pleasant to do business with you. Thank you so much!"
 - Mary Reese, 4/26/10

"Shelly (CSR Shelly Barker) was excellent. She also told me about the one-day delay for Memorial Day & I really appreciated that as well! Thank you very much!"
 - Mary Amari, 5/03/10

"I appreciate her (CSR Senorina Avendano) help. She was very helpful, very knowledgeable. She works very well with the customers. I really appreciate talking to someone like her on the telephone. Thank you!"
 - Penny Aiken, 3/29/10

"The customer service lady (CSR Linda Oliver) that helped me today was absolutely fantastic! Usually your employees are absolutely wonderful - the service is great, I would not trade WM for anything. Thank you very much"
 - Bonnie Trigg, 2/22/10

"I was talking to Senorina (CSR Senorina Avendano). She was very knowledgeable & she even caught a mistake I had. She explained the procedures very well. Thank you very much!"
 - Timothy Flanagan, 6/22/10

"Diana (CSR Diana Salazar) answered the call for me - she was very courteous and I could understand her clearly, and she had a real sweet attitude. You might want to see if she is past due for a raise!"
 - Harry Gallagher, 4/08/10

Waste Management systems and technology allow CSRs to access specific information for customers from Oceanside and to provide detailed information and accurate service. CSRs are also able to communicate directly with fellow employees in North County about Oceanside customer service needs or to connect customers when appropriate to operations, billing and sales team members who serve Oceanside. Communication between the team at Southwest Call Center and the team located in North County occurs on an hourly basis. This service is seamless to customers, so while they are benefiting from the many advantages of having the customer service team located at the Southwest Call Center, they receive the same local service that they would experience if the call were answered in Oceanside.



Having the customer service team located at the Southwest Call Center is also beneficial in the event of a disaster in San Diego County. Should a wildfire, earthquake or other disaster strike, the CSRs play a key role in Waste Management's disaster management plan. Waste Management services are often needed by law enforcement and government agencies during their response to disasters and we are able to ensure our responsiveness by having CSRs available outside of the affected area.

Customer Service Information Interface

Waste Management has taken the customer service call center experience to the next level by investing in the latest technology, which allows us to respond to Oceanside customers both efficiently and accurately. Company-wide, all Waste Management employees use our internal MAS interface, which allows CSRs to enter and review customer information such as routing and billing data. CSRs create tickets that generate action in our operations or billing departments and they are required to create notes in the system that all other employees who are working to complete customer requests can access and review.

Service Issue Resolution

Waste Management uses both the internal tool of **Service Machine** and the external tool of **J.D. Power and Associates** to respond to, record and report common customer complaints. Our internal system, Service Machine, allows us to accurately track the number and type of issues and the speed in which the issue was resolved. J.D. Power provides monthly customer survey results with feedback on issues such as missed pick-ups, litter resulting from collection, container condition, the safety of our collection vehicle operations and a number of other categories.

We are committed to taking our customer experience to the next level. While we always strive to get it right the first time, we know that mistakes can happen. Waste Management is passionate about providing a quick response and timely recovery to ensure that our customers' needs are met and their expectations are exceeded.

Service Machine

Waste Management's focus on service through our Service Machine program ultimately benefits all of our customers, which, in turn, reflects well on the cities that we serve. To provide continuous improvement, performance is measured and tracked and all employees are held accountable for achieving Waste Management's Service Machine standards.

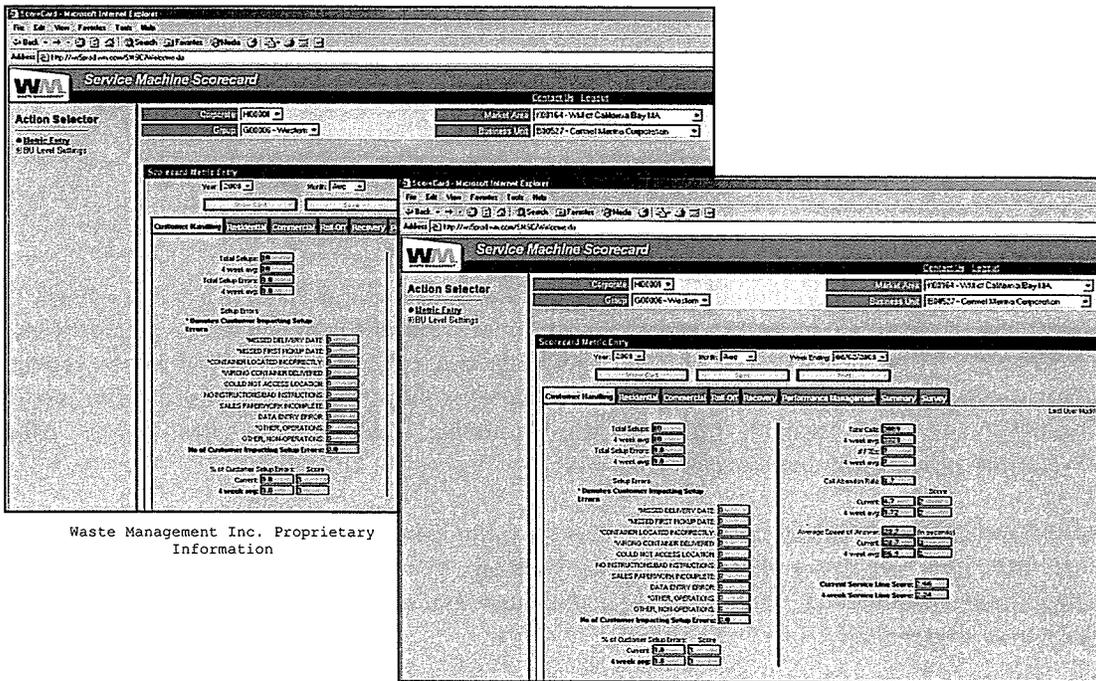
To ensure that we are consistently delivering on our commitment of superior service every day, Waste Management's Service Machine program spans all aspects of our business, affirming that:

- All employees understand Waste Management's expectations and commitment to the highest quality customer service
- Standards for accountability are clearly communicated to all employees and are measured and reviewed on a daily, weekly and monthly basis
- Exact tracking mechanisms are in place and maintained
- Training programs are ongoing and effective



- Measurement systems determine where our service programs are working and where we need to focus on providing additional support

Waste Management conducts extensive tracking of Service Machine standards at all sites throughout North America, and those sites that consistently achieve the highest levels of Service Machine implementation are awarded Service Machine Gold Certification. Waste Management operations in Oceanside has earned Gold Certification consistently, and also consistently achieves high scores in the areas of customer service, residential, commercial and roll-off service delivery, and missed pickup recovery and has continued to meet Gold Standard criteria thereafter.



Waste Management Inc. Proprietary Information

J.D. Power and Associates

To measure customer satisfaction, Waste Management has partnered with J.D. Power and Associates, the leader in customer feedback. With J.D. Power's help, Waste Management is able to obtain timely, objective feedback so that we can hear the voice of our customer and ensure that we are exceeding their expectations. J.D. Power surveys are administered by mail and by email on a monthly basis, and survey results from any Oceanside customers and other San Diego County customers who have completed surveys are reported to Waste Management operations in San Diego County throughout the month.

Survey questions include the key categories of collection, account set up and billing, container condition, customer service, and communication. The results of the surveys are carefully monitored and the data are used to help guide our team in making service delivery adjustments. When customers compliment a Waste Management employee, that employee is recognized through our WM Rewards employee recognition program. If a customer reports an issue or a need, the appropriate team member is notified immediately and the resolution process is tracked in a closed-loop system.



Waste Management also uses a customer notification process called Haul or Call (HOC). The HOC process is used by drivers to inform dispatch and our customer when a container cannot be serviced as planned. The HOC process is triggered when the driver is at a customer location and is unable to perform service. The most common reason for an HOC is that a vehicle is blocking access to the bin. Before leaving the customer site, our drivers are required to call dispatch and report the problem. The dispatcher then calls the customer while our driver waits at the site and the customer is given the opportunity to restore access to the bin. If the dispatcher is unable to reach the customer, a detailed message is left with the customer regarding the specific reason we were unable to provide service.

The following Table 1.1 provides target and actual performance metrics for the city of Oceanside.

Table 1.1, Performance Metrics

City	Residential MPUs		Residential MPU Recovery Within Standard		Commercial MPUs		Commercial MPU Recovery Within Standard		Average Hold Times	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Oceanside	1/ 1,000	.39/ 1,000	98%	100%	1/ 1,000	1.19/ 1,000	98%	100%	30 seconds	29.8 seconds

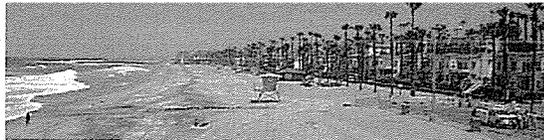
Waste Management Website

Waste Management provides two websites for Oceanside customers to use. They can visit <http://northcounty.wm.com> for information on local services. Through this website, contact information is provided including phone numbers and email addresses. Customers are able to contact the customer service center by phone or email to submit inquiries or complaints or obtain general information.

Oceanside customers can also use the www.wm.com website. They can go directly to this website, or access it through a link from the <http://northcounty.wm.com> website. On the www.wm.com website, Oceanside residential and commercial customers are able to complete a brief online form to initiate service. Customers are then contacted with the rate or service information they have requested. Customers are also able to submit inquiries or complaints or obtain general information through this website.

E. Key Personnel

The Waste Management employees currently serving the City of Oceanside bring more to the table than their industry experience and commitment to safety and sustainability. These employees are passionate about serving the City of Oceanside and take pride in their work for the residents and businesses in the City. Approximately 100 Waste Management employees make Oceanside their home. They are not only familiar with the service area but also share the same vision for making the City a sustainable place to live and work.



The 64 drivers working in Oceanside have an average of 12 years of experience and represent a combined 791 years in the industry. They bring their firsthand community knowledge and extensive industry experience with them to work on a daily basis as they serve the City. They are highly skilled and well prepared to serve the evolving needs of Oceanside.

Employment Eligibility and Pre-Employment Verifications

To work for Waste Management, employees must be eligible to work in the United States. Waste Management verifies all employment eligibility directly with the Social Security Administration and the Department of Homeland Security. All employees considered for employment at Waste Management must submit to a background check and a drug test. Potential employees must pass both, and undergo screening interviews with local management staff before being hired.

Management Team

The management team currently leading operations for Waste Management in the City of Oceanside will continue to do so under the new contract (see Table 1.2). Members of this team have extensive industry experience and a history of successful service delivery in the City of Oceanside. In addition, many of them are active in the local community and participate regularly in City of Oceanside civic and community service activities.

Table 1.2, Management Team Members

Name	Title	Office Location	Years of Service
Ken Ryan	Senior District Manager	2141 Oceanside Blvd. Oceanside, CA 92054	20
Lori Somers	Community & Municipal Relations Manager	2141 Oceanside Blvd. Oceanside, CA 92054	24
Richard Scott	Recycling Manager	2880 Industry St. Oceanside, CA 92054	6
Anthony Leak	Route Manager	2141 Oceanside Blvd. Oceanside, CA 92054	9
Cesar Mariscal	Route Manager	2141 Oceanside Blvd. Oceanside, CA 92054	15
Dale Whitworth	Route Manager	2141 Oceanside Blvd. Oceanside, CA 92054	26
Walter Dabbs	Health & Safety Manager	2141 Oceanside Blvd. Oceanside, CA 92054	11
Wally Zinniger	Maintenance Manager	2141 Oceanside Blvd. Oceanside, CA 92054	21
Shelley Beining	Customer Service Manager Southwest Call Center	2421 W. Peoria Ave. Phoenix, AZ 85029	13
Jean Zanco	Billing Service Manager	2141 Oceanside Blvd. Oceanside, CA 92054	30



Ken Ryan, Senior District Manager

Ken Ryan has been with Waste Management for 20 years and is the Senior District Manager of Waste Management of North County and Coast Waste Management. Ken handled various controllership responsibilities for the company before becoming district manager of Waste Management of North County in 2005.

Ken is a graduate of the University of Massachusetts at Amherst, with a degree in accounting, and holds an MBA from the University of San Diego. He is a Rotary Past President, and has earned many accolades including the Rotary Rookie of the Year in 2003, as well as Rotarian of the Year in 2004. He serves on the Board of Directors for multiple community and service organizations in North County.

Lori Somers, Community and Municipal Relations Manager

While Lori Somers has worn a number of hats during her career, the one constant has been her commitment to Waste Management, where she has worked for 20 years. Lori has assumed a number of responsibilities and roles at Waste Management sites in San Diego, Palm Desert and Oceanside.

In 1996, Lori became recycling manager for Waste Management of North County and Coast Waste Management. In this role, she supervised the operations of the recycling centers in Oceanside, Carlsbad and Del Mar, and provided recycling outreach and educational services to the local cities served by the company. She then transitioned from her position as recycling manager to community and municipal relations manager for the company's operations in Oceanside and Carlsbad.

Outside of work, Lori has been involved since 1998 with Soroptimist International of Oceanside-Carlsbad. In her tenure with the organization, Lori has held many offices on the Board of Directors, including President from 2006 – 2007. In 2006, she was honored as Soroptimist of the Year by her club for her leadership and service to the organization and community.

Richard Scott, Oceanside Recycling Center Manager

Richard Scott started his career with Waste Management after retiring from the United States Marine Corps in January 2004. In the past six years he has worked throughout the San Diego/Orange County Market Area to improve Waste Management's safety and productivity.

He started out as an auditor, after two years he moved into a safety position where he was part of a team that brought the Carlsbad district to OSHA VPP status. In late 2006 he assumed the role of Recycling Manager. In this role he supervises the operations of the north county recycling centers and provides outreach and educational services to the local cities. Since his appointment as manager, the Oceanside recycling center has received OSHA Golden Gate and SHARPS status.

Outside of work Richard is involved in charity events and promoting patriotism with the local American Legion and Veterans of Foreign Wars.



Anthony Leak, Route Manager

After transitioning from the military, Anthony started his career at Waste Management in Nov of 2001. He worked in the operations department as an operations support specialist/data entry clerk. During that time, Anthony was able to learn and grow in the business. He was responsible for the daily/weekly input of operation snap shot, SMART, and Service Machine. Anthony also assisted with dispatching duties as well as special projects assigned to him from district managers and route managers.

In 2005, Anthony was awarded the position as Route Manager. He currently supervises Camp Pendleton (residential and commercial routes), the City of Oceanside's curbside recycling, and the WMS Transport line of businesses.

Cesar Mariscal, Route Manager

Cesar Mariscal started his career at Waste management as a Camp Pendleton route driver, where he has worked for 15 years. As Cesar moved up through the driver ranks, he always demonstrated his commitment to providing our customers with extraordinary customer service while performing his tasks in a safe and efficient manner. In 2005, Cesar became the residential route manager for Waste Management of North County. In his role he supervises the operations of the residential solid waste and green waste routes in Oceanside. Outside of work, Cesar enjoys his time with family and friends.

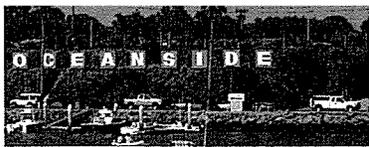
Dale Whitworth, Route Manager

Dale Whitworth has been a member of the team at Waste Management of North County for over 26 years. During that time, he has held many positions within the company performing duties such as a driver throughout all lines of business, customer service representative, route auditor with training in two different routing software platforms (Stars and Waste Route), and as a Dispatcher. All of the previous positions he has held prepared him for his current role as route manager for over 18 years.

Dale's duties currently focus on the operations and management of the commercial and roll-off departments, but his experience has also included time managing, and routing all lines of business in the residential department. Over the years, Dale has been involved in large scale project of rerouting both commercial and residential lines of business for the City of Oceanside as well as the initiation and routing of services at MCB Camp Pendleton.

Walter Dabbs, Health and Safety Manager

Walter Dabbs joined the company in 1999 as the Environmental, Health & Safety Manager assuming the responsibilities for Coast Waste Management in Carlsbad, Del Mar Recycling Center in Del Mar and Waste Management of North County in Oceanside. He is the overall manager for federal, state and local compliance and regulation for all entities. Walter has a Bachelors of Science in Environmental Management and is a Registered Environmental Assessor I for California's EPA, Department of Toxic Substances Control.



Wally Zinniger, Maintenance Manager

Wally Zinniger has many years of experience in the fleet maintenance industry and has worked for 21 years in this department at Waste Management. Wally has assumed a number of responsibilities and roles at Waste Management sites in Carlsbad and Oceanside.

In 1997, Wally became district fleet manager for Coast Waste Management in Carlsbad. In this role, he managed a fleet of 75 solid waste collection vehicles. In 2008 Wally assumed the additional roll of district fleet manager in Oceanside and now manages 160 solid waste collection and 30 hourly employees and vehicles between the two north county operations. Wally was an integral part of helping Coast Waste achieve the Cal/OSHA VPP Star Certification in 2007 and he received the Presidents award for WM Top Shop in 2008.

Shelley Beining, Customer Service Manager

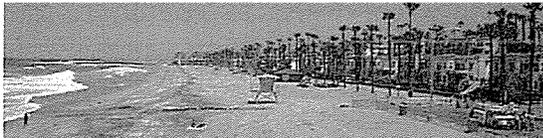
Shelley Beining joined Waste Management in 1996, working in the San Diego office as a Customer Service Representative. She then took on roles in Scottsdale, Arizona, before returning to Southern California where she took on a Customer Service Management position with Waste Management of San Diego and Orange County.

After three years in this position, Shelley's family relocated to Arizona, where she became the Customer Service Manager. Shelley currently serves as Customer Service Manager, overseeing the team of Customer Service Representatives for Orange County. Shelley's years of experience working with the operations teams in San Diego County make her uniquely qualified to lead the team serving this area, and she frequently travels to San Diego County to meet with the operations teams and ensure that San Diego County customers are receiving the best possible service through the Southwest Call Center. Shelley is a graduate of Mount Mary College.

Jean Zanco, Billing Service Manager

For the past 30 years with Waste Management, Jean Zanco has filled numerous office positions and multiple responsibilities. Originally hired as the Dispatcher/Receptionist, she has proudly held the position of Billing Clerk, Customer Service Manager, Office Manager and Billing Manager, to name a few. Over the years, she has strived to maintain a good working relationship with the staff of the local cities serviced by Waste Management.

Jean has performed volunteer work in the community with numerous activities in the past and more recently serving for several years as a member of Oceanside Civitan, as Secretary, Board Member, and now as the newly-elected Treasurer. She has recently become a member of the Auxiliary of the Hospice of the North Coast. Her outlook is that volunteers make a difference in our community.



F. Past Performance Record

Work Safety

Waste Management has hundreds of employees and trucks on the road in San Diego County every day. We fully recognize our responsibility to hold ourselves to the highest standards for the protection of our customers, our employees and the communities we serve. Our goal is to provide world-class operations and to be the safest company in our industry. We work toward that goal by investing in both our safety programs and our equipment maintenance, which will ultimately save lives, money and resources.

We adopt policies and encourage practices that protect the environment and ensure work site safety. For a company like Waste Management, the term “work site” refers not only to our yards and our transfer, processing, and operating facilities, but also to the roadways in Oceanside over which we travel daily.

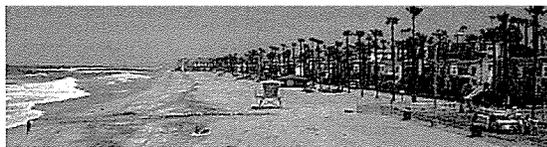
We invest heavily in health and safety programs, employee training, and equipment maintenance, believing that these investments pay large dividends over the long haul in lives saved, injuries avoided, and resources protected. Our goal every day is to have our employees provide comprehensive service to our customers in Oceanside and then return home safely to their families. With this in mind, Waste Management treats safety programs for both people and vehicles not as an “extra” but as an integral part of our culture.

All Waste Management employees receive safety training appropriate for their positions within the company—whether they drive a collection vehicle on the road, work as a maintenance technician in the shop, or are assigned to the office—and participate in ongoing safety training or additional courses as needed. At our Oceanside facility, where our Oceanside drivers are based, we have safety committees made up of our top employees that analyze incidents and determine their root causes, recommend ways we can increase the safety of our work sites, and share best practices. Quite simply, we strive to be the safest company in our industry and in San Diego County.

Our focus on safety is important to the cities we serve for many reasons:

- Placing well-trained employees in our facilities or on the road helps cultivate confidence from our customers when they encounter Waste Management trucks in their neighborhoods or on their local roadways.
- When employees are healthy and safe, they spend less time away from work – which in turn equals more on-the-job experience and consistency in providing the comprehensive services our customers expect.

For the employees of Waste Management, safety is far more than just a program or strategy. It is a core value, a cornerstone of our operational excellence. It is a philosophy that is embedded in the way we work, the decisions we make and the actions we take, as evidenced by our continually improving safety statistics at our operations.



Safety Metrics

Waste Management's commitment to workplace safety is evident through our workplace safety record over the past five years. In each of the metrics detailed below, a positive trend can be seen in both local and California numbers. For example, over the past five years, Waste Management's OSHA Recordable Injury Rate in California has improved by 105%. In 2009, Waste Management operations in our San Diego / Orange County market area achieved a Recordable Injury Rate of only 3.8. Waste Management's Vehicle Accident Recordable Rate (VARR: the number of operational hours between vehicle accidents) for California has also shown a positive trend over the past five years, going from 6,725 to 11,843, a 76% improvement. Waste Management operations in our San Diego / Orange County market area has achieved even stronger results, with a VARR of 15,927 in 2009. Waste Management operations in California have also achieved a positive trend in Days Away From Work Injury and Illness (DAFWII) rates, with an improvement of 52% from 2005 to 2009. Waste Management's company-wide workers compensation Experience Modification Rate continues the positive trend, going from .94 in 2005 to .72 in 2009. Each of these metrics is shown below for 2005 through 2009.

Recordable Injury Rate

Waste Management operations in California has the following RIR:

2005	2006	2007	2008	2009
7.8	6.0	5.5	4.5	3.8

Vehicle Accident Recordable Rate

Waste Management operations in California has the following VARR:

2005	2006	2007	2008	2009
6,725	7,804	7,652	9,119	11,843

Days Away From Work Injury and Illness

Waste Management operations in California has the following DAFWII:

2005	2006	2007	2008	2009
2.01	1.60	1.84	1.84	1.32

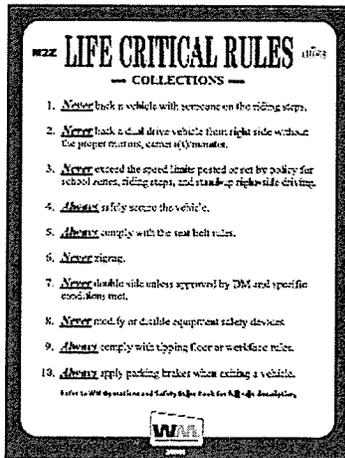
Experience Modification Rate

Waste Management, Inc. has the following EMR:

2005	2006	2007	2008	2009
.94	.89	.78	.75	.72



Mission to Zero



One of the most visible ways we commit to employee safety is through our extensive safety training programs. Waste Management training emphasizes safety for all employees on a continual basis. Locally and company-wide, we are on a "Mission to Zero" or M2Z, a company program which mandates zero tolerance for unsafe actions, unsafe decisions, unsafe conditions, unsafe equipment and unsafe attitudes. M2Z is proven – it has helped us reduce employee fatalities company-wide by nearly 80% and employee injuries by more than 40% since 2001, when it was implemented.

The cornerstone of our M2Z safety initiative is a safety certification training program, which provides classroom and on-the-job instruction in safety fundamentals for all drivers and their supervisors. Employees receive a Safety Rules Book on which they are instructed for safe

working procedures in their jobs – they are also regularly provided with refresher training on the elements of the book and tested to ensure their knowledge is kept fresh.

Employees actively participate in safety programs by serving on safety committees and participating in other safety activities. They listen to guest speakers during company-wide "Operation Safety Excellence" weeks. Through regular observations by management and safety personnel, drivers ensure their skills are up to date. All employees at Waste Management also commit to following our ten most important rules, known as the "Life Critical Rules". These rules mandate policies that have been proven to save lives, not only of our employees but also of people in the communities we serve. Because of their importance they have a zero-tolerance adherence policy. The Life Critical Rules govern actions such as wearing a seatbelt, following the speed limit, and prohibiting the disabling of safety devices.

Waste Watch

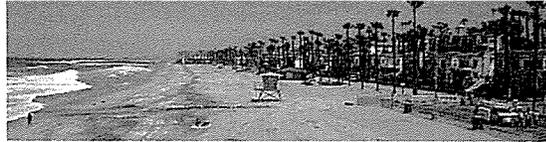
Waste Management partnered in 2010 with local law enforcement agencies, including the Oceanside Police Department, to provide the nationally recognized Waste Watch program in Oceanside and other cities throughout the County. This program trains drivers to act as an extra set of eyes and ears for police, fire department and emergency services while working in Oceanside neighborhoods and to report anything unusual or suspicious they may see while on their routes.

Because Waste Management drivers are familiar with their routes and are in the same neighborhoods every day, it puts them in the unique position to spot anything out of the ordinary, including suspicious trash. The Waste Watch program opens up the channels of communication with the authorities to help keep them informed and alert of what is happening in their city's streets and alleys..

Vehicle Maintenance

Coupled with our employees' health and safety is an emphasis on the reliability of our equipment. Waste Management invests more than one-third of the cost of machinery and equipment in preventative maintenance on its vehicles. Waste Management of North County routinely passes bi-annual California Highway Patrol Biennial Inspection of Terminals (BIT) with no difficulties.





Waste Management is setting better vehicle specifications at the outset by demanding vehicle quality from truck and body manufacturers. Most importantly we are establishing best practices for the preventative maintenance of our vehicles to ensure the safety of our drivers. Waste Management goes beyond Department of Transportation (DOT) routine requirements and conducts extensive on-the-job training and routine evaluation programs for all of its drivers to ensure our drivers' and customers' safety on the roadways.

All of our vehicles are equipped with safety equipment to protect the vehicle operator and those around him or her. For example, back-up alarms and "flashers," warn vehicles or people nearby that the truck is in motion. Our trucks are equipped with a rear camera that relays images onto a monitor inside the truck cab to show the driver what is behind him in the truck's blind spot. In addition, our trucks are equipped with backup sensors that detect objects immediately behind the truck.

To ensure that vehicles perform at their optimal level, Waste Management employs an aggressive preventative maintenance program that has been standardized throughout the country. This preventative maintenance program requires truck exteriors, cabs, and compartments to be thoroughly cleaned and pressure washed on a routine basis. Maintenance for all collection equipment is tracked via our COMPASS maintenance database following an "A, B, C" schedule, shown below:

- A. **Inspection-performed every three weeks (or every 150 hours).** This is a complete inspection of the vehicle and all operating systems. All fluid levels are checked and adjusted as necessary. All moving parts are lubricated.
- B. **Inspection-performed every six weeks (or every 300 hours).** This includes all items covered by the "A" inspection, plus change of engine oil, lubricant and fuel filters.
- C. **Inspection-performed annually.** This includes draining and replacing the transmission fluid, differential fluid and hydraulic oil. Filters are replaced when applicable.

All fluids, including anti-freeze are drained, collected and properly recycled. Any defects found during inspections are noted on the inspection form and transferred to a work order for scheduled repair. Safety-related defects result in the vehicle being placed out of service until repairs are made.

Drivers inspect their vehicles twice daily using a Driver Vehicle Inspections Report (DVIR). The DVIR serves as a detailed vehicle safety checklist. Drivers perform a pre-trip inspection in the morning before leaving the truck yard. Mechanics perform on-the-spot repairs and adjustments as needed. For example, if a driver detects a problem with a truck's brakes, that truck will not be allowed to leave the yard. Instead, a "Lock-Out Tag-Out" tag is attached to the vehicle, which means that the vehicle cannot be used until it has been repaired and test-driven by a qualified mechanic.

At the end of each day, drivers perform post-trip vehicle inspections. Any safety or mechanical deficiencies are again noted on the DVIR and turned in to the Maintenance Department. Repairs are completed at night so the vehicle is ready the next morning.



2. Proposal for Requested Collection Services

Waste Management is proud to provide municipal solid waste and recycling services to the City of Oceanside. We are excited about the opportunity to continue this relationship and further expand our offerings with services designed to increase diversion and complement the programs currently in place. Throughout this process, Waste Management has listened closely to Oceanside resident and stakeholder feedback and has identified ways to incorporate service enhancements and changes to meet or exceed community expectations. Waste Management has incorporated a number of service offerings to increase diversion while adding convenience for residents. We are pleased to bring these and the other programs described below to the residents and businesses of Oceanside. Some of the program enhancements include the following:

Current Services	Proposed Services
Fleet of Diesel Fueled Vehicles	Fleet of Clean, Natural Gas Fueled Vehicles – with emission reductions that are the equivalent of removing 3,104 cars from Oceanside roadways
Diesel Fueling Station	Compressed Natural Gas Fueling Station as part of Oceanside infrastructure, to be available for city use
Manual Residential Collection Services	Fully Automated Residential Collection Service with carts for trash, recyclables and green waste, which provide ease of use and add “curb appeal”
Single Pricing for All Residential Customers	Small Volume Generator program that offers a reduced rate to residents who are eligible for 35 gallon carts
Residential Electronic Waste Drop Off Services, with charge of \$0.50 per pound for non-CRT items	Curbside Electronic Waste Collection Program including innovative Weekly Curbside Cell Phone and Household Battery Collection Service, with non-CRT charge eliminated
Residential Hazardous Waste Drop Off Services	Curbside Hazardous Waste Collection Program with budget of up to \$200,000 or maintain unlimited Hazardous Waste Drop Off Service
Commercial Single Stream Recycling Program	Commercial Commingled Recycling Program to increase both diversion rates and ease of use

Waste Management is proposing to help the City meet its green goals by transitioning to a fleet of compressed natural gas (CNG) powered collection vehicles in the City of Oceanside. **This clean air solution will result in the equivalent emission reductions of removing approximately 3,104 cars from Oceanside roadways every day.** To fuel this fleet, Waste Management will need to install a CNG fueling station in Oceanside. This fueling station will not only allow us to operate the fleet of CNG trucks, but may also be made available for City and public use during specified hours to further promote the use of clean air vehicles in Oceanside. Waste Management will work closely with City staff during the site selection process and throughout all permitting stages with the hope of siting the fueling station as



quickly as possible, as it is necessary to have an operational fueling station in order to rollout a fleet of natural gas powered collection vehicles.

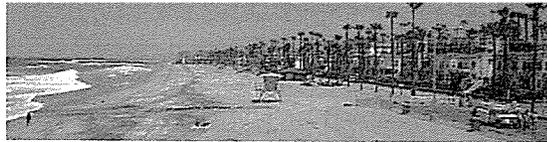
In addition to reducing the City's carbon footprint, this new fleet will enable Waste Management to rollout automated residential cart service over the first 34 months of the new contract, starting with commingled recycling. **Automated service brings added convenience for residents and the introduction of commingled recycling will help the City achieve its ongoing diversion goals.**

Waste Management is also introducing a small volume generator program for residential customers. Eligible residential customers will be provided with a 35-gallon cart and will enjoy a reduced rate. This is a benefit to customers who generate a small quantity of waste and those who work to achieve zero waste by maximizing their recycling efforts. Those customers, such as Senior Mobile Home Community residents, who apply for this program and are qualified by demonstrating their ability to limit their waste based on criteria agreed upon with the City, would have the opportunity to utilize a 35-gallon waste cart and benefit from a reduced rate. Program eligibility would be monitored to ensure appropriate participation, with three documented incidences of exceeding the 35-gallon cart volume within twelve months, either by the use of waste bags or by contaminating of the recycling container with waste, would result in the loss of eligibility for participation in the small volume generator program.

Oceanside residents will enjoy a new curbside electronic waste program and will be able to have items such as televisions and computers collected through a scheduled, on-call service. In addition, the \$0.50 per pound that was previously charged for all non-Cathode Ray Tube electronic items will be eliminated. Residents will also be offered a new, convenient way to recycle cell phones and household batteries. These items can be placed into clear bags and placed on top of the recycle container for collection during regularly scheduled weekly service.

The City of Oceanside will also have the option to either switch to a limited curbside household hazardous waste collection program, or they can elect to continue to benefit from unlimited household hazardous waste drop off at the Oceanside Recycling Center. Waste Management will continue to offer a high level of bulky item collection, with residential customers able to schedule the collection of up to five items at a time, three times per year. Residents will continue to have access to buy back services at the Oceanside Recycling Center, and they will have access to a new sharps collection program that makes the proper disposal of sharps more convenient, which in turn may increase resident compliance with current sharps disposal laws.

Waste Management is also proposing to implement a **fully commingled commercial recycling program** in the City of Oceanside, along with a Green Business Program to educate Oceanside businesses about recycling services and recognize businesses for their diversion efforts. All businesses participating in this commercial commingled recycling program would be eligible to enroll in the Green Business Program. Participants would receive window decals to demonstrate their commitment to helping Oceanside achieve its green goals, and would have access to educational materials to help them implement a successful business recycling program. Each quarter, an Oceanside Green Business of the Quarter would be selected based on recycling program participation and would receive recognition that could include a plaque to display at their place of business, a presentation at a City Council meeting, an ad in a local newspaper, or acknowledgement on the Waste Management of North County website.



A. Single Family Dwelling (SFD) Core Services

Weekly Solid Waste Collection, Commingled Recycling, Green Waste Recycling

Currently, Oceanside Single Family Dwellings (SFD) receive weekly collection of solid waste, recyclables and green waste. Solid waste is collected manually, with customers providing their own containers for service. Recyclables are collected in two 12-gallon crates that are provided by Waste Management. Materials included in the current recycling program include mixed paper, cardboard, glass, aluminum and steel cans, and plastics. Green waste is collected using a semi-automated service in a cart provided by Waste Management.

Waste Management is proposing to transition to automated 96-gallon carts for weekly solid waste, commingled recycling and green waste recycling collection. Customers participating in the low volume generator program would use 35-gallon carts. Recycling carts would be rolled out in the first 12 – 18 months of the contract. Solid waste carts would then be rolled out after the recycling carts, within the first 24 months of the contract, and the roll-out of fully automated green waste will occur the first 24 – 34 months of the contract. These timelines would be contingent on the completed construction of the necessary CNG fueling station which is required to operate automated CNG trucks.

Containers

Upon initiation of each type of automated service, Oceanside residents will be provided with the appropriate carts. Each cart will be clearly identified as to the type of material that can be placed in it by color and with either a hot stamp or a decal on the lid that describes in more detail the materials that may be placed inside. Trash carts will be grey, recyclables carts will be blue and green waste carts will be green.

Through Waste Management's asset management and replacement program, residents are assured to have carts that are in good condition. Any broken or damaged carts will be repaired or replaced for residents in a timely manner, at no cost, throughout the term of the contract.

Routing

Over the past ten years, Waste Management has identified the optimal number of drivers and routes to ensure the safest, most reliable and efficient service in Oceanside during the established hours of service. Waste Management regularly monitors efficiency and adjusts routing to meet changing conditions within the city. Waste Management has developed a proprietary software program called WasteRoute™, which utilizes state of the art mapping and customer information to assist management in optimizing routing efficiency.

Waste Management anticipates deploying twenty three (23) residential drivers in Oceanside on a daily basis. Thirteen (13) drivers collect trash, five (5) drivers collect recyclables and five (5) drivers collect green waste. A separate driver collects bulky items.

Vehicles

Over the first 34 months of the new contract, Waste Management will transition in a fleet of 42 collection vehicles to service the residential customers in the City of Oceanside. This fleet will be compressed natural gas, automated, side-load collection vehicles. The rollout timeline for the collection vehicles is contingent on the completed construction of the CNG fueling station.



Waste Management has the most comprehensive preventative maintenance program in the industry to ensure the reliability and safety of our equipment. Waste Management invests more than one-third of the cost of machinery and equipment in preventative maintenance on its vehicles. Waste Management has routinely passed without difficulty the California Highway Patrol Biennial Inspection of Terminals (BIT). Waste Management exceeds both DOT and CHP requirements for preventative maintenance frequency. This ensures that our trucks are in optimal condition as they are operated on Oceanside roadways.

In addition, all of our vehicles are outfitted with safety equipment to protect the vehicle operator and those around him or her. For example, back-up alarms and “flashers,” warn vehicles or people nearby that the truck is in motion. Our trucks are equipped with a rear camera that relays images onto a monitor inside the truck cab to show the driver what is behind him in the truck’s blind spot. Our trucks are also equipped with backup sensors that detect objects immediately behind the truck.

The routed collection vehicles Waste Management puts on roadways in the City of Oceanside each week are maintained according to the strictest standards, equipped with industry-leading safety features and driven by highly trained professionals whose commitment to safety has been recognized by the California Occupational Safety and Health Administration.

Electronic Waste

Oceanside residents will be offered a new curbside electronic waste collection program. Residents will enjoy the convenience of simply calling to schedule an electronic waste pick-up and will be able to schedule up to five items per pick-up, up to three pick ups per year, at no charge. When residents call to schedule the appointment, they will be informed of size and weight restrictions and given instructions on how to prepare the items for collection. Those electronic waste items that exceed size or weight requirements can be dropped off at the Oceanside Recycling Center at no charge.

Cell Phones and Household Batteries

Waste Management is offering Oceanside residents an innovative and convenient new program for the proper disposal of cell phones and household batteries. Residents will now be able to place these items into sealed clear plastic bags and place them on top of their recycling collection container at the time of their regularly scheduled weekly service.

Oceanside Recycling Center

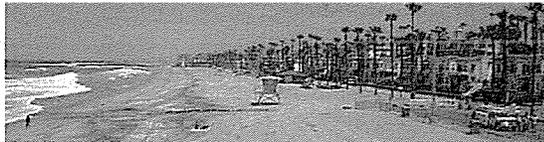
Waste Management operates our Oceanside Recycling Center, which is located at 2880 Industry Street in Oceanside. The services offered at the Oceanside Recycling Center are described below.

Buy Back Center

Oceanside residents who wish to redeem glass and plastic bottles, and aluminum and bi-metal cans, for California Refund Value (CRV) can bring those items to the Buy Back Center Tuesday through Saturday between the hours of 8:00am and 4:00pm. The site also accepts newsprint, mixed paper and cardboard.

Sharps Drop Off

The Oceanside Recycling Center provides safe sharps disposal for residents at no additional charge. There is an approved container on-site in which residents can place their sharps for safe disposal. Sharps must be properly packaged by the resident for disposal. Waste Management is also proposing to offer an additional approved container at City Hall and each Fire Department



in Oceanside to give residents more convenient options for the safe disposal of their sharps. Waste Management is offering to replace each of these sharps containers up to four times each year at no additional charge. Residents will continue to enjoy the option of utilizing Waste Management's sharps mail in program for a fee.

Household Hazardous Waste

Oceanside residents will continue to enjoy Household Hazardous Waste (HHW) services. The City will have the option of switching to a curbside HHW collection program, with services provided to residential customers at no fee, with an annual program budget not to exceed \$200,000. Or, the City can elect to continue the existing unlimited drop off program, with HHW drop off appointments available every other Saturday, excluding the Saturday following the 6 designated holidays, at 2880 Industry Street. Appointments must be made and are available between the hours of 9:00am – 1:00pm. Acceptable materials are posted on the Waste Management of North County website.

Additional Recycling Center Services

Oceanside residents can drop off household batteries as well as used motor oil, oil filter and antifreeze at the Recycling Center at no additional charge. Electronic waste can also be dropped off at the Recycling Center at no additional charge.

Annual Holiday Tree Recycling

Part of Waste Management's standard collection services includes holiday tree recycling programs. We will continue to provide holiday tree recycling collection for residential customers with curbside service. Multi-family residences designate an area in their footprint for placement of holiday trees and Waste Management collects the trees with flatbed trucks for up to three weeks following the Christmas holidays.

Compost Give-Away

City of Oceanside residents currently have access to free compost through a City program managed by Agri-Service. Waste Management will continue to take all green waste material to Agri-Service in partnership with Mary Matava and support of the beneficial reuse program, which reduces the amount of material going to landfills and provides free mulch and compost for the City and its residents.

On-Call Bulky Waste Collection

On-call bulky item collection is a program for residents to dispose of large, hard-to-handle items that do not fit in their automated carts. Residents enjoy the convenience of simply calling to schedule an appointment and will be able to schedule up to five items per pick-up, up to three pick ups per year, at no charge. Multi-family dwellings will continue to receive high level bulky item collection services. The authorized person or persons for each multi-family complex are able to schedule an appointment for bulky items generated by residents, weekly, with no-charge for up to five items per unit, up to three times per year per unit. Those bulky items generated by remodeling or refurbishing by the complex will be collected for a fee.

Items are taken to Escondido Transfer Station located in Escondido, where they are sorted for diversion. Any white goods collected through the program are recycled using a scrap metal recycler. All regulatory and compliance procedures are used when handling these materials. Any refrigerants or other hazardous substances are removed and disposed of properly.



Two Annual Clean Ups: Unlimited Trash and Bulky Item Collection

Waste Management will continue to offer Oceanside residents two annual clean ups each year, with unlimited trash and bulky item service on their collection day. These annual clean ups are held once in the spring and once in the fall.

Bagster® (charge for service)

Waste Management offers a convenient service for Oceanside residents who will generate up to 3,300 pounds of waste through projects such as remodeling and landscaping. Bagster bags will be available for retail purchase at North County Home Depot, Lowe's and other hardware stores for \$29.95. Residents can fill the bag at their convenience, and then arrange for Bagster pick up with Waste Management at an agreed upon rate for service. Waste Management operates specialized trucks to pick up and remove the Bagster bag from residential properties.

B. Multi-Family Dwelling (MFD) Core Services

Weekly solid waste collection

Waste Management will continue to provide weekly solid waste collection service. Multi-family and commercial customers receive solid waste collection using bins in various sizes as determined by mutual agreement between the city and Waste Management. Service is provided up to seven days per week, depending on the customers' needs and/or city ordinances. For larger generators, customers may receive service in roll-off containers or compactors ranging in size from 10 cubic yards to 40 cubic yards.

Routing

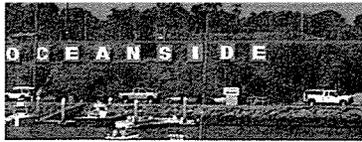
Over the past ten years, Waste Management has identified the optimal number of drivers and routes to ensure the safest, most reliable and efficient multi-family housing service in Oceanside during the established hours of service. Waste Management regularly monitors efficiency and adjusts routing to meet changing conditions within the city. Waste Management has developed a proprietary software program called WasteRoute™, which utilizes state of the art mapping and customer information to assist management in optimizing routing efficiency.

Waste Management anticipates deploying 13 commercial drivers on a daily basis who serve commercial and multi-family dwelling customers. Twelve drivers collect trash and one driver collects commingled recyclables.

Vehicles

Waste Management will provide a fleet of collection vehicles to service the commercial and multi-family customers in the City of Oceanside. Over the course of the first 34 months of the contract, following the rollout of CNG fueled residential collection trucks, Waste Management will transition to a fleet of CNG fueled, automated, front-load commercial collection vehicles.

For a more detailed description of Waste Management's vehicle safety features and preventative maintenance plan, refer to the Vehicles section under Core Services for Single Family Dwellings.



Recycling Materials Collection

All multi-family customers can participate in the new commercial commingled recycling program, which will be transitioned in to replace the current source separated dual-stream commercial recycling program. Rolloff recycling service is also available. Commingled recycling bin service is provided up to five days a week and rolloff service is provided up to six days a week.

On-Call Bulky Item Collection

On-call bulky item collection service will be provided for residents of multi-family dwellings. Collection procedures for multi-family residents will be coordinated with the manager to develop a method best suited for the property. The authorized person or persons for each multi-family complex are able to schedule an appointment for bulky items generated by residents, weekly, with no-charge for up to five items per unit, up to three times per year per unit. Those bulky items generated by remodeling or refurbishing by the complex will be collected for a fee. For additional information regarding on-call bulky item collection, look under Core Services for Single Family Dwellings.

Annual Holiday Tree Recycling Collection

Waste Management will provide holiday tree recycling collection for multi-family complexes at a location suitable to the property manager. For additional information regarding holiday tree recycling collection, look under Core Services for Single Family Dwellings.

Weekly Green Waste Recycling Collection (charge for service)

In addition to the City's commingled commercial recycling program, both multi-family and commercial customers will have the opportunity to subscribe to green waste collection services. Customers who elect for this service will have their service right-sized, depending on their needs. Green waste recycling bin service and rolloff service can be provided up to six days a week. Customers will pay a separate fee for this service as listed in the pricing schedule and upon city approval.

C. Commercial Core Services

Solid Waste Collection

Waste Management will continue to provide weekly solid waste collection service to commercial customers. Commercial customers receive solid waste collection using bins in various sizes as determined by mutual agreement between the city and Waste Management. Service is provided up to seven days per week, based on the customers' needs and/or city ordinances. For larger generators, customers may receive service in roll-off containers or compactors ranging in size from 10 cubic yards to 40 cubic yards.

For Senior Communities and Senior Mobile Home parks utilizing commercial solid waste collection services, Waste Management will continue to make available as a service offering smaller, shorter 2 yard bins with a top lip height of 42 inches as compared to the 49 inch height of 3 yard bins.

Routing

Over the past ten years, Waste Management has identified the optimal number of drivers and routes to ensure the safest, most reliable and efficient commercial service in Oceanside during the established hours of service. Waste Management regularly monitors efficiency and adjusts routing to meet changing conditions within the city. Waste Management has developed a proprietary software program





called WasteRoute™, which utilizes state of the art mapping and customer information to assist management in optimizing routing efficiency.

Vehicles

Waste Management will provide a fleet of collection vehicles to service the commercial and multi-family customers in the City of Oceanside. This fleet will be compressed natural gas, automated, front-load commercial collection vehicles. For more description of Waste Management's vehicle safety features and preventative maintenance plan, refer to the vehicles section under Core Services for Single Family Dwellings.

Recycling Materials Collection

All commercial customers will be offered commingled commercial recycling. Businesses have the opportunity to utilize bins or residential carts depending on their needs. Rolloff recycling service is also available. Commingled recycling bin and cart service is provided up to five days a week and rolloff service is provided up to six days a week.

On-Call Bulky Item Collection (charge for service)

On-call bulky item collection is a great program for commercial to dispose of large hard-to-handle items that are not suitable to place in bins. Should the need arise to dispose of bulky items, businesses have the option to call in to schedule a pickup. The customer will pay a fee for each item scheduled for pickup as listed in the rate forms and upon approval from the City.

Weekly Green Waste Recycling Collection (charge for service)

In addition to the commingled commercial recycling program, both multi-family and commercial customers will have the opportunity to subscribe to green waste collection services. Customers who elect for this service have the flexibility to right-size service, depending on their needs. Green waste recycling bin service and rolloff service can be provided up to six days a week. Customers will pay a separate fee for this service as listed in the pricing schedule.

Electronic Waste Recycling Drop Off (fee per service)

Commercial customers can drop off electronic waste at the Oceanside Recycling Center for a fee. All regulatory and compliance procedures are used when handling and recycling these materials. Any refrigerants or other hazardous substances are removed and disposed of properly.

Universal Waste Recycling Drop Off (fee per service)

Waste Management offers universal waste recycling drop off services at the Oceanside Recycling Center for commercial customers at a fee through the HHW process described under core services for single family dwellings. All regulatory and compliance procedures are used when handling and recycling these materials.

D. City Facilities Core Services

Weekly Solid Waste and Recycling Materials Collection

Waste Management will continue to provide commercial bin and rolloff services for both solid waste and recycling collection at no additional charge to the City as outlined in the current contract levels of



service exhibit. Any services above CPI growth will be charged upon mutual agreement with the city and Waste Management.

City-Sponsored Events

Waste Management will provide up to 20 bins, roll-offs or Bagster® Bags per year, at no-charge for City Sponsored Clean Ups, projects and special events. These do not include material that require special disposal or handling. City sponsored salvage and demolition projects are also excluded.

E. Solid Waste Disposal Plan

Since the implementation of AB939, Waste Management has been at the forefront working with our municipal customers across California to achieve and exceed state mandated diversion rates. The successful partnership between the City of Oceanside and Waste Management is clearly demonstrated by the last published AB939 diversion rate of 58%, which was one of the highest in San Diego County. From assistance with SRRE implementation, diversion studies, new base year submissions and annual reports, Waste Management has demonstrated its commitment to being an integral partner to our municipal customers and their efforts in achieving the requirements of AB939.

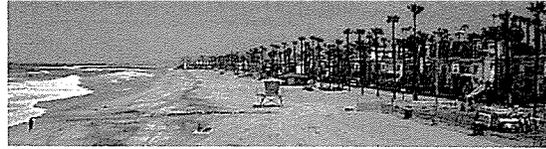
As the incumbent service provider, Waste Management has continued to assist Oceanside in all aspects of compliance with AB939 such as annual reporting assistance, base year review, and additional program development to continue to meet diversion goals. With the new innovative diversion programs offered in this proposal, Waste Management expects the city to continue to meet and well exceed the current diversion goal.

Waste Management Disposal and Diversion Infrastructure

Strongly aware of the growing need to reduce the amount of waste material that is hauled to landfills and to increase the amount of usable material that is recycled, Waste Management operates an extensive network of recycling facilities nationwide. Waste Management also partners with large regional facilities to sort and separate commingled residential and commercial recyclables, to process green and wood waste into compost and products used for erosion control, to create mulch or compost from stable waste and horse manure.

F. Construction & Demolition Waste Material Diversion

Waste Management's culture of sustainability includes our commitment to maximizing the amount of construction and demolition (C&D) debris diverted from landfills. Toward that end, Waste Management is proposing, should the City be interested, to work in conjunction with the City to obtain the permitting necessary to set up C&D sorting capabilities at one of our existing sites in Oceanside. If the City wishes for Waste Management to pursue providing basic C&D sorting in Oceanside, Waste Management would implement an effective C&D program that would include identification of loads suitable for diversion, information, education, and the internal infrastructure needed to process C&D loads. In addition, Waste



Management is also able to cooperatively draft a C&D ordinance with the City at its desire that would complement the C&D infrastructure.

C&D Program Load Identification and Customer Education

Waste Management has specialized construction field representatives who have had extensive training in how to process C&D loads. This training has prepared them to educate our customers and to help them identify loads that should be diverted and processed. The training includes the following:

- **Introduction to and familiarity with Leadership in Energy and Environmental Design (LEED) program requirements**—Waste Management has an internal LEED training program and test that every sales representative is required to complete.
- **LEED reporting**—Waste Management has experience in providing LEED diversion reports that have consistently been accepted as complete by the United States Green Building Council.
- **Diversion reporting**—Waste Management field representatives can provide reporting that satisfies both the requirements of LEED and the needs of local contractors
- **Source separation at the jobsite**—Our experienced field representatives are adept at providing the education and recommendations necessary so that different materials can be placed in separate containers at the jobsite to achieve a greater level of diversion.
- **Materials that can be reused or recycled to increase diversion**—Certain materials can be diverted from landfills through either reuse or recycling. Waste Management representatives can help contractors determine whether this is an option and identify reuse and recycling opportunities and contacts.



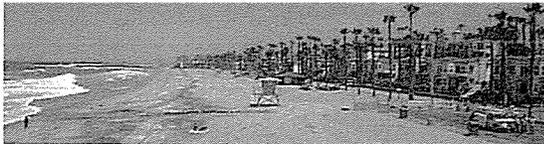
In addition, Waste Management has an internal, local resource called the “Green Squad.” The Green Squad is made up of eco-consultants and LEED Accredited Professionals. They are available to consult with sales representatives and review diversion plans to ensure that maximum diversion is achieved. **Between the specialized, highly trained field representatives and the Green Squad support and expertise, Waste Management offers the strongest combination of resources devoted to achieving sustainability by encouraging C&D recycling in the industry.**

C&D Program Infrastructure

Waste Management currently utilizes local facilities for the recycling of segregated and mixed C&D material. Should the city desire Waste Management to site a C&D facility within the city of Oceanside, every effort will be made to accomplish this request.

Facility Locations:

- 2880 Industry Way
Oceanside
- 224 S. Las Posas Rd.
San Marcos



G. Public Education

Public Education and Community Outreach

Waste Management is proud to provide municipal solid waste services to the City of Oceanside. Having had the good fortune to already serve this city has afforded us an opportunity to gain knowledge of the community and to become aware of the many outlets available for communicating messages about recycling programs. We fully understand the importance of educational and public awareness campaigns as they lead to increased participation in recycling programs. As a result, Waste Management has participated in a broad array of community and business-sponsored events in an effort to educate Oceanside residents and business owners. Some of the events are listed below:

- Green Oceanside
- Harbor Days
- Earth Day at San Luis Rey Mission
- Oceanside Senior Citizen's Day
- Genentec Sustainability Fair

Loma Alta Creek

Waste Management will continue to conduct a monthly walk through of the section of Loma Alta Creek that is adjacent to the Waste Management site to ensure that no materials from Waste Management operations are in the creek or surrounding vegetation. We will also hold an annual Loma Alta Creek Preservation Day to engage Waste Management employees and community volunteers in the beautification and preservation of the Loma Alta Creek throughout the city of Oceanside. Each year, Waste Management will promote and host the event where employees and volunteers will be assigned sections of the creek to clean and provide the supplies and resources necessary to clean up the creek and remove any materials that should not be in the creek. Waste Management will coordinate with the appropriate City staff to ensure that all regulations regarding the Loma Alta Creek are carefully observed and provide plantings and vegetation that are recommended and allowed.

Facility Tours

In addition to providing assemblies and presentations to schools, we also provide school groups and other organizations the chance to see the recycling process first hand through tours of our hauling and recycling facility. Seeing the amount of waste generated on a daily basis is truly eye opening. Parents and children come away with insight on the process and how being aware of the waste they generate, and changing their recycling habits at home can make a difference. Many times they are surprised to find out how much can be recycled. Below is a partial list of schools and organizations for which Waste Management has provided assemblies and/or tours:

- Oceanside Union School District Elementary & Middle Schools
- Reggie Steward's Ministry Outreach
- Various Girl's and Boys Scout Clubs in Oceanside

Outreach Avenues

Waste Management will continue to promote recycling through community outreach and the sources listed below.

- Print media – bill inserts, newspapers – press releases, advertisements



- Community outreach – events for both residents and businesses
- “Outdial message” telephone service – as needed

Upon being selected as the City’s service provider, Waste Management will commence the process to promote the proposed program enhancements or optional services selected by the City. We anticipate that the implementation of the selected programs will require little or no additional municipal staff time.

Waste Management will continue to partner with the City of Oceanside to deliver a consistent and comprehensive public education program. Many of the services that are outlined or requested by the City are now in place. Some of these services are:

- Distribute public education and outreach materials for new collection services
- Collaborate with City on the public education strategy and development of materials
- Distribute public education and outreach materials to new customers
- Provide public education and promotional materials to MFD customers
- Correction notices
- Staff booth at public events and distribute educational materials
- Send out bill inserts prepared and produced by the City
- Advertise and promote special clean-ups, and Christmas tree recycling

Public Education Budget

At Waste Management, we provide the materials and programs as part of our comprehensive service offerings. We will continue to help fund Oceanside’s public education programs to ensure that they meet the City’s needs and support all recycling program goals and objectives and we will continue to dedicate our resources in support of City staff and their excellent public educational campaigns. Under a new franchise agreement with the City of Oceanside, Waste Management will continue to provide the services described above in coordination with the City’s preferred timelines and existing programs.

Staffing and Meeting Requirements

Lori Somers serves as liaison to the City for the planning, coordination, and review of all public education and outreach material efforts. Ms. Somers will be responsible for developing public education strategies and preparing public education materials.

Ms. Somers will meet quarterly, or more frequently if necessary, with City staff to review public outreach activities. She will also prepare annual public education activity status reports. The annual reports will, in part, summarize the prior 12 months and also contain adjustments to current and ongoing event calendars.



H. Customer Service Operations Plan

Customer Service Operations Plan

Waste Management's Customer Service team interacts with our customers on a daily basis and is empowered to ensure that our customers have a world-class experience. We are committed to ensuring that all staff and CSRs maintain a professional and courteous demeanor and that all customers are given timely, responsive and thorough solutions to problems and requests for information. Our management is available to meet on a monthly basis with the City of Oceanside to discuss compliance with customer service standards.

Customer Service Call Center

Our customers in Oceanside will continue to benefit from Waste Management's commitment to operating our state-of-the-art call center that utilizes the best in telecommunications technology, optimal staffing systems, and CSRs who receive extensive training and support while providing specialized service that focuses on the specific needs of Oceanside.

To achieve this high level of service, Waste Management's customer service team is located at Waste Management's Southwest Call Center in Phoenix, Arizona. The advantages of operating our team out of the Southwest Call Center are numerous. The Southwest Call Center offers the telecommunications platform, call-monitoring technologies and training benefits that cannot be duplicated at smaller, local operations. Yet, while the team operates from the Southwest Call Center, they are dedicated to the specific needs of customers in the cities they serve, including Oceanside. Waste Management will continue to maintain our local customer service telephone number and to provide our toll-free number for added convenience to customers. We will also maintain the capability to respond to calls in both English and Spanish, and offer our Telecommunications Device for the Hearing Impaired. The Southwest Call Center team that serves Oceanside is staffed Monday through Friday 8:00 a.m. to 5:00 p.m. PST and Saturday 8:00 am to noon PST. Waste Management can be contacted 24 hours each day, seven days a week through our after-hours answering service. This ensures that the appropriate Waste Management staff member is contacted in the case of any urgent or emergency situations so that they are handled immediately.

To provide specialized service for each one of the cities we serve, our customer service team utilizes a program called the Knowledge Base (KB). This program, which is accessed through the Waste Management Intranet, is a database containing detailed and specific information for each city. In addition to the basic service information that applies to City of Oceanside customers, the KB has information about services such as HHW, sharps, e-waste, and holiday tree service. City of Oceanside links and other information is also stored in the KB to correctly guide customers as needed for non-Waste Management-related questions and or services.

All calls are recorded in digital audio files for quality monitoring purposes. Supervisors review calls, and the CSRs are recognized for outstanding performance or coached with opportunities to improve the customer's experience. Every customer also has the option of participating in a post-call survey to rate Waste Management service and the call experience. Any poorly rated calls are automatically reviewed, and any issues identified during the review are discussed with the CSR.



Call Center Staffing

The Waste Management customer service team serving the City of Oceanside includes our customer service manager, four customer service supervisors and 23 CSRs. This team is devoted entirely to providing customer service and each CSR typically works 40 hours each week taking calls from Waste Management's customers in Orange County and San Diego County. CSR work schedules vary, with some working full-time hours Monday through Friday, and others working reduced hours Monday through Friday and a half-day on Saturday. Vacations, lunch breaks and other breaks are all strategically scheduled in order to make sure that optimal phone coverage is available at all times.

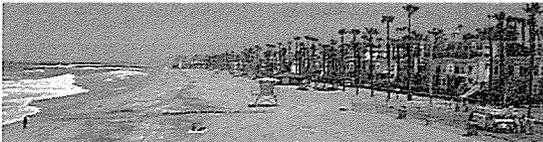
The CSR's job function is to ensure the timely and thorough resolution of all customer issues and inquiries. When a customer calls Waste Management with a question, compliment or concern, CSRs open a computerized ticket in MAS that includes the customer's information, the date, a coded entry of the type of concern for tracking purposes (billing, MPU, noise, spills, etc.), and all relevant details.

When the issue is resolved, the ticket is closed with a time stamp and user identification. These tickets are part of our Service Machine program and are part of our ongoing record-keeping and metrics-tracking system to ensure that quality service is maintained and improved. We keep these data and use them to track issues and trends so that we can identify and solve any underlying problems. Any unresolved matters are flagged daily, and persistent problems are identified and addressed through weekly management meetings. The CSRs are also held accountable to follow up with the customers who have called them with issues to ensure that the issue has been resolved by the end of the day.

Because ensuring optimum staffing levels is a key priority for the management team, our Customer Service Center utilizes the WEST Telecenter platform. This is a real-time Agent Interaction Center that allows customer service managers and management located in North County to continually view the availability of all CSRs so that staffing adjustments can be made in response to varying call volumes. With this system, we are also able to conduct extensive tracking of our customer service metrics. We maintain digital audio files of each call that can be accessed by managers for review, and customers have the ability to provide real-time feedback so that any issues or concerns can be addressed immediately. This system also has a customer recognition system that identifies repeat-call customers and allows them to bypass phone prompts and be automatically directed to the appropriate CSR.

Our CSRs receive extensive and ongoing training to ensure their professional, courteous, and accurate handling of questions from customers. CSRs receive several weeks of classroom training before taking their first call. In addition to skills such as professionalism, communication and empathy, they are trained on the use of Waste Management computer systems. CSRs are also trained on all aspects of Waste Management operations and given in-depth orientations on the cities that they serve. New CSRs are teamed with experienced CSRs and spend several days shadowing them to learn best practices. The customer service supervisors monitor new CSR calls and review their tickets to ensure accuracy. All calls are recorded and available digitally for playback so that supervisors can review the CSR's performance and ensure that there is accountability for providing the best possible service.

Customer service supervisors and managers are given extensive management and leadership training on subjects including coaching for success, giving effective feedback, Waste Management operations, and call center systems. Training is conducted throughout the year to maintain core skills and develop new areas of expertise.



Waste Management Websites

Waste Management provides two websites for Oceanside customers to use. They can visit <http://northcounty.wm.com> for information on local services. Through this website, contact information is provided including phone numbers and email addresses. Customers are able to contact the customer service center by email to submit inquiries regarding on-call bulky collection, extra pick-ups, service changes, cancellations and any other service inquiry. They can also submit complaints or obtain general information. All inquiries and complaints submitted on the website are responded to in a timely manner by the appropriate customer service, operations or sales team member.

Oceanside customers can also use the www.wm.com website. They can go directly to this website, or access it through a link from the <http://northcounty.wm.com> website. On the www.wm.com website, Oceanside residential and commercial customers are able to complete a brief online form to initiate service. Customers are then contacted with the rate or service information they have requested. Customers are also able to submit inquiries or complaints or obtain general information through this website. Both websites are updated and managed by Waste Management staff.

Customer Information System Requirements

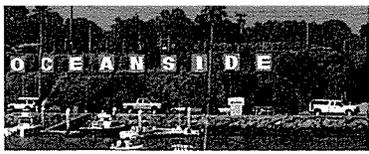
Waste Management has taken the customer service call center experience to the next level by investing in the latest technology, which allows us to respond to Oceanside customers both efficiently and accurately. Company-wide, all Waste Management employees use our internal MAS interface, which allows CSRs to enter and review customer information such as routing and billing data. CSRs can create tickets that generate action in our operations or billing departments and they are required to create notes in the system that all other employees who are working to complete customer requests can access and review. This system is used for all jurisdictions served.

Reporting

Waste Management fully complies with all reporting requirements of the cities we serve. Our MAS system provides us with the capability to provide the City with information such as missed pick-ups, billing inquiries, complaints, cart exchanges, and bulky item pick requests, or other reports as requested by the City such as customer listing, service listing, routing and other information. Reports are provided according to the schedule determined by the City, either on a monthly, quarterly or annual basis. Data can be pulled and printed or downloaded for electronic submission to the City. Customer service data such as any customer inquiry can be pulled using a variety of date criteria from one day up to multiple years. We also have the ability to drill down and pull for specific operational actions such as cart exchanges or bulky item requests. Waste Management can provide data to the City within one business day in an electronic format.

Waste Management complies with the City of Oceanside's data requests in accordance with the current franchise agreement and provides customer service note reports on a quarterly basis and a customer listing on an annual basis.

Members of the customer service team track a variety of metrics to help them achieve the highest level of service possible. Our customer service center works to give customers the minimum hold times while providing the maximum level of service to each customer. Our customer service center works toward a goal of an average of 30 seconds or less hold time. While we measure hold time, our ultimate focus is on ensuring that our customers are satisfied at the end of each call.



Measuring Missed Pickups (MPUs) is arguably the most important indicator of our ability to satisfy our customers' service delivery expectations. Tracking MPUs provides an extremely effective leading indicator of customer satisfaction. By measuring and monitoring MPU performance we can anticipate changes in customer satisfaction and take corrective action as required. Waste Management works to achieve the standard of only one MPU per 1,000 customers, regardless of the number of services that customer receives. While this target may appear extremely aggressive, we believe that in our ongoing efforts to provide world-class services we must continually work to achieve world-class goals.

When MPUs do occur, our customers have very clear expectations with regard to recovery. Service Machine standards mandate that all MPU recoveries occur no later than noon on the next business day. Service recoveries are tracked, and a minimum of 98 percent of recoveries must occur within this time period.

Complaint Resolution

Waste Management systems and technology allow CSRs to access specific information for customers from Oceanside and to provide detailed information and accurate service. CSRs are also able to communicate directly with fellow employees in North County about Oceanside customer service needs or to connect customers when appropriate to operations, billing and sales team members who serve Oceanside. Communication between the team at Southwest Call Center and the team located in North County occurs on an hourly basis. This service is seamless to customers, so while they are benefiting from the many advantages of having the customer service team located at the Southwest Call Center, they receive the same local service that they would experience if the call were answered in North County.

Any customer inquiry that requires action and follow-up is logged on the customers account as a ticket. From there the ticket is routed to the appropriate department for completion. Our operations team uses MAS to maintain routing and to follow-up and respond to any tickets pertaining to service requests. This process is monitored on a daily basis to make sure all tickets are completed and closed.

This system is used to document and track the resolution of common customer complaints such as MPUs, spills and litter resulting from collection, broken or missing containers, improperly prepared set-outs, noise complaints, traffic and sidewalk obstruction during collection and safety around collection vehicles during operations.

Waste Management uses both the internal tool of Service Machine and the external tool of J.D. Power and Associates to respond to, record and report common customer complaints. Service Machine, allows us to accurately track the number and type of issues and the speed in which the issue was resolved. J.D. Power provides monthly customer survey results with feedback on issues such as missed pick-ups, litter resulting from collection, container condition, the safety of our collection vehicle operations and a number of other categories.



I. Billing

Billing Services Implementation

Billing services are provided by the City of Oceanside to those residences and businesses with water and trash services. Businesses, who subscribe to trash only service, are billed by Waste Management. Waste Management is committed to continue providing all information required by the City to complete billing in a timely manner. With the significant program enhancements and additional new services, Waste Management will work closely with the City, as part of the implementation plan, to ensure the accuracy of program billing.

J. Implementation Plan

As the incumbent service provider, Waste Management is proud to provide municipal solid waste services to the City of Oceanside. Maintaining Waste Management as the service provider will ensure continuation of all existing services and the seamless implementation of new ones. Specialized equipment and highly trained personnel are already in place and ready to continue providing the high-quality and reliable service that has characterized our program for the past ten years. Our Oceanside drivers have more than 791 combined years of experience in providing this service. Their experience ensures that Oceanside residents and businesses will continue to receive the safest and most consistent level of service.

Upon the commencement of a new contract, Waste Management will transition in any additional equipment necessary for the implementation of the program enhancements according to the agreed upon timeline for the City of Oceanside. Upon acceptance of our proposal, Waste Management and the City of Oceanside will agree upon a mutually acceptable and beneficial timeline for the deployment of all new equipment.

Vehicles

Waste Management will provide a fleet of collection vehicles to service residential customers, commercial and multi-family customers, and industrial customers in the City of Oceanside. This fleet will be compressed natural gas, automated, side-load residential collection vehicles, front-end load commercial collection vehicles, and roll-off vehicles.

Waste Management has the most comprehensive preventative maintenance program in the industry to ensure the reliability and safety of our equipment. Waste Management invests more than one-third of the cost of machinery and equipment in preventative maintenance on its vehicles. Waste Management has routinely passed without difficulty the California Highway Patrol Biennial Inspection of Terminals (BIT). Waste Management exceeds both DOT and CHP requirements for preventative maintenance frequency. This ensures that our trucks are in optimal condition as they are operated on Oceanside roadways.



Container Commitment

As the incumbent service provider, Waste Management is uniquely positioned to continue the dependable, safe service that the residents of Oceanside have come to expect. Waste Management will transition to the use of commingled recycling, solid waste, and green waste recycling automated carts. Currently, Waste Management uses Rehrig Pacific to supply all new carts, which come with a ten-year warranty. Waste Management is proposing to transition to automated 96-gallon carts for weekly solid waste, commingled recycling and green waste recycling collection. Customers participating in the low volume generator program would use 35-gallon carts. Recycling carts would be rolled out in the first 12 – 18 months of the contract, solid waste carts would be rolled out in the first 12 – 24 months of the contract, and the roll-out of fully automated green waste will occur the first 24 – 34 months of the contract.

Each cart will be clearly identified by a different colored lid and with a label that names the type of material that can be placed in it. The gray cart is for trash and all non-recyclable material, the blue cart is for commingled recyclable material, and the green cart is for all green waste. All carts have either a hot stamp or a decal on the lid that describes in more detail the materials that can be placed inside.

Personnel, Administration, and Maintenance

Personnel

The Waste Management employees currently serving the City of Oceanside bring more to the table than their industry experience and commitment to safety and sustainability. These employees are passionate about serving Oceanside and take pride in their work for its residents and businesses.

The existing customer service team would continue to provide service to Oceanside customers. All team members would be immediately trained on any new programs or service enhancements. Because this team has extensive experience serving Oceanside, any customers calling in will continue to receive the outstanding service that they are accustomed to from day one of the new contract.

The 64 frontline drivers working in the City of Oceanside have an average of 12 years of experience and represent a combined 791 years in the industry. They bring their firsthand community knowledge and extensive industry experience with them to work each day. They are highly skilled and well prepared. Their professional experience and personal commitment ensures that service will continue uninterrupted because no transition will be required.

Customer Service Database

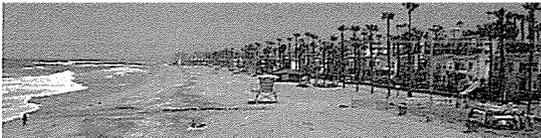
As the incumbent service provider, all customer service databases are already in place, tested and proven. Oceanside customers would benefit from systems that are currently in place and would not experience any billing issues or operational errors.

Administration

The City of Oceanside contract administration will continue to be handled by our current management team. Members of this team have extensive industry experience and bring with them knowledge of the community and service history in the City of Oceanside. In addition, many members of the management team are active in the community and participate regularly in civic and community service activities.

Public Education

Waste Management will continue its successful collaboration with the City of Oceanside on providing educational materials in support of the program and of achieving the City's diversion goals.



Corporate Yard Acquisition

Waste Management would continue to provide services to the City of Oceanside from our existing yards located in Oceanside.

City Staff Participation

As the incumbent hauler, Waste Management anticipates minimal impact on City staff time as it pertains to transition planning. Waste Management will communicate regularly with City staff during the planning and implementation phase of each automated service rollout to ensure that all communication and operational rollout plans fully meet their expectations. Waste Management will also be available to meet with City Staff at any frequency they prefer regarding any aspect of the new agreement and will continue to be available to discuss public education programs and services. We are also available to meet with City staff regarding any program enhancements or new services at the staff's convenience and direction.

Transition

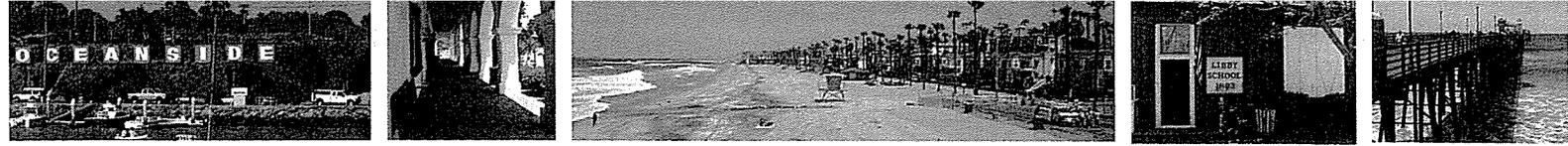
Waste Management is in the unique position of ensuring that Oceanside customers are not impacted by the initiation of a new service contract. By maintaining Waste Management services, concerns such as the need for cooperation with current hauler will not be a factor. The Oceanside City staff and leadership will avoid all of the challenges associated with transitions to new service providers.

Waste Management will work closely with the City of Oceanside to plan the rollout of cart service as automated commingled recycling, solid waste and green waste are rolled out. Waste Management staff will use their prior experience of successfully initiating automated service in Solana Beach and at Camp Pendleton to ensure a smooth transition.

With each new automated service, Waste Management will work closely with City staff to ensure that appropriate, timely communication is provided to residents. Customers will be given written communication and have access to information on the Waste Management of North County website that explains the process for selecting cart size and that sets expectations for service and delivery. Any routing changes or service day changes resulting from the change to automated service will be coordinated with city street sweeping schedules and clearly communicated to customers with written notification and through postings on the Waste Management of North County website. Customer Service representatives will also be fully trained to provide information to customers. Any service issues will be documented through our ticket system and addressed using our existing Service Machine standards.

K. Potential Collection Impacts

Waste Management has the largest fleet of 100 percent natural gas trucks in the solid waste industry, with the heaviest concentration of natural gas trucks operating at the company's Southern California facilities. Our natural gas fleet already includes more than 703 vehicles statewide, and in San Diego County, we have 125 liquefied natural gas vehicles.



Currently, the Waste Management trucks serving the City of Oceanside are diesel trucks that fully meet all California Air Resource Board requirements. We are proposing to operate vehicles that are powered by compressed natural gas, one of the cleanest burning fuels. Burning natural gas results in lower emissions of sulfur dioxide, particulate matter and 20% less carbon dioxide than gasoline or diesel. Natural gas is non-toxic, non-corrosive, less combustible than most other fuels, and has few associated health risks. Waste Management will be fully compliant with all requirements under the California Air Resources Board during the term of the agreement.

L. Additional Information

As the most progressive environmental services provider in North America, Waste Management is always looking for ways to enhance our services and increase diversion for the cities we serve. We are committed to further increasing the excellent diversion rates in the City of Oceanside through the implementation of new and innovative programs that will complement existing services.

Green Business Certification Program

Waste Management is able to craft a Green Business Certification Program for the City of Oceanside with the support of our sustainability consulting team, the Green Squad. This program is specifically designed to help businesses improve their environmental footprint. By working with businesses to improve energy, water and material efficiency at their facilities, the City can achieve significant greenhouse gas emission reductions that will support current legislation regarding climate change (AB32) and voluntary environmental partnerships such as the US Conference of Mayors Climate Protection Agreement. By fostering this type of innovation for economic growth, Oceanside will further distinguish itself as an environmental leader in North County. Each participant will receive a comprehensive field assessment to identify resource conservation Green Business Program operations standards, Green Squad will verify compliance by performing a follow up assessment at the customer's facility. Green Squad will provide a predetermined number of on-site sustainability assessments at selected businesses and track the financial and environmental improvements of their organizations.

Solar Compactors (cost to be determined)

Waste Management can provide the City of Oceanside with the option of placing solar compactors throughout the City. These solar compactors use innovative eco-technology that is able to harness the sun's power to reduce collection frequency. The solar compactor units use built-in solar panels to compact trash, which enables them to hold five times the capacity of a traditional trash receptacle. This cuts the need for trash pickup by up to 80 percent, which reduces collection costs, fuel use and greenhouse gas emissions. The compactors also include receptacles for collecting recyclables.

City of Oceanside
Exhibit 1 - Initial Rates
Proposed Monthly Rates - Effective 1/1/11

Residential Services

Residential Service-one 96 gal each refuse, recycling and GW cart
Regular 1x week service
Regular 1x week service-low generator

Residential Cart Service						
Service & Disposal Component 95.0%	Fuel Component 5.0%	Franchise Fees at: 9.0%	Total Rate to Contractor	Storm Water Fee	Rate Stabilization 8.44%	Total Rate to Customer
\$14.88	\$0.78	\$1.55	\$17.21	\$0.64	\$1.59	\$19.44
\$13.15	\$0.69	\$1.37	\$15.21	\$0.57	\$1.40	\$17.18

One additional Green Waste and Recycling Cart will be free of charge, after that one free there will be a charge. There is a fee for add'l trash carts.

Commercial Services

Activation Fee-new customer-MF or commercial
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\$14.78	\$0.78	\$1.54	\$17.10	\$0.74	\$1.58	\$19.42
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Pickups per Week
1
2
3
4
5
6
Sunday Service

2 or 3 Yard Bin Service						
Service & Disposal Component 95.0%	Fuel Component 5.0%	Franchise Fees at: 9.0%	Total Rate to Contractor	Storm Water Fee	Rate Stabilization 8.48%	Total Rate to Customer
\$72.48	\$3.81	\$7.55	\$83.84	\$3.16	\$7.77	\$94.77
\$131.20	\$6.91	\$13.66	\$151.76	\$5.72	\$14.06	\$171.54
\$189.93	\$10.00	\$19.77	\$219.70	\$8.28	\$20.36	\$248.34
\$248.66	\$13.09	\$25.89	\$287.64	\$10.82	\$26.65	\$325.11
\$307.37	\$16.18	\$32.00	\$355.55	\$13.39	\$32.94	\$401.88
\$366.14	\$19.27	\$38.12	\$423.53	\$15.94	\$39.24	\$478.71
\$129.46	\$6.81	\$13.48	\$149.75	\$5.69	\$13.88	\$169.32

Pickups per Week
1
2
3
4
5
6

4 Yard Bin Service						
Service & Disposal Component 95.0%	Fuel Component 5.0%	Franchise Fees at: 9.0%	Total Rate to Contractor	Storm Water Fee	Rate Stabilization 8.49%	Total Rate to Customer
\$95.30	\$5.02	\$9.92	\$110.24	\$4.15	\$10.23	\$124.62
\$172.30	\$9.07	\$17.94	\$199.31	\$7.50	\$18.49	\$225.30
\$249.33	\$13.12	\$25.96	\$288.41	\$10.86	\$26.76	\$326.03
\$326.31	\$17.17	\$33.97	\$377.46	\$14.19	\$35.02	\$426.67
\$403.36	\$21.23	\$41.99	\$466.58	\$17.57	\$43.29	\$527.44
\$480.30	\$25.28	\$50.00	\$555.58	\$20.92	\$51.54	\$628.04

Pickups per Week
1
2

Commercial Can Service-includes 2 96 gal carts						
Service & Disposal Component 95.0%	Fuel Component 5.0%	Franchise Fees at: 9.0%	Total Rate to Contractor	Storm Water Fee	Rate Stabilization 8.42%	Total Rate to Customer
\$20.16	\$1.06	\$2.10	\$23.32	\$0.88	\$2.14	\$26.34
\$36.65	\$1.93	\$3.82	\$42.39	\$1.59	\$3.90	\$47.88

Pickups per Week
1
2
3
4
5
6

3 Yard Comingle or Cardboard/Mixed Paper Bin Service						
Service & Disposal Component 95.0%	Fuel Component 5.0%	Franchise Fees at: 9.0%	Total Rate to Contractor	Storm Water Fee	Rate Stabilization 9.79%	Total Rate to Customer
\$35.39	\$1.86	\$3.68	\$40.94	\$1.56	\$4.44	\$46.94
\$70.79	\$3.73	\$7.37	\$81.88	\$3.12	\$8.89	\$93.89
\$106.18	\$5.59	\$11.05	\$122.82	\$4.68	\$13.33	\$140.83
\$141.57	\$7.45	\$14.74	\$163.76	\$6.24	\$17.77	\$187.77
\$176.96	\$9.31	\$18.42	\$204.70	\$7.80	\$22.21	\$234.71
\$212.36	\$11.18	\$22.11	\$245.64	\$9.36	\$26.66	\$281.66

City of Oceanside
Exhibit 1 - Initial Rates
Proposed Monthly Rates - Effective 1/1/11

Pickups per Week
1
2
3
4
5
6

4 Yard Commingle or Cardboard/Mixed Paper Bin Service

Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor	Storm Water Fee	Rate Stabilization	Total Rate to Customer
95.0%	5.0%	9.0%			9.79%	
\$47.07	\$2.48	\$4.90	\$54.45	\$2.07	\$5.91	\$62.43
\$94.14	\$4.95	\$9.80	\$108.90	\$4.15	\$11.82	\$124.87
\$141.22	\$7.43	\$14.70	\$163.35	\$6.22	\$17.73	\$187.30
\$188.29	\$9.91	\$19.60	\$217.80	\$8.30	\$23.64	\$249.74
\$235.36	\$12.39	\$24.50	\$272.25	\$10.37	\$29.55	\$312.17
\$282.43	\$14.86	\$29.40	\$326.70	\$12.45	\$35.46	\$374.61

Pickups per Week
1
2
3
4
5
6

6 Yard Commingle or Cardboard/Mixed Paper Bin Service

Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor	Storm Water Fee	Rate Stabilization	Total Rate to Customer
95.0%	5.0%	9.0%			9.79%	
\$70.61	\$3.72	\$7.35	\$81.68	\$3.11	\$8.86	\$93.65
\$141.22	\$7.43	\$14.70	\$163.35	\$6.22	\$17.73	\$187.30
\$211.82	\$11.15	\$22.05	\$245.03	\$9.34	\$26.59	\$280.95
\$282.43	\$14.86	\$29.40	\$326.70	\$12.45	\$35.46	\$374.61
\$353.04	\$18.58	\$36.75	\$408.38	\$15.56	\$44.32	\$468.26
\$423.65	\$22.30	\$44.10	\$490.05	\$18.67	\$53.18	\$561.91

Pickups per Week
1

3 Yard GREENWASTE Bin Service

Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor	Storm Water Fee	Rate Stabilization	Total Rate to Customer
95.0%	5.0%	9.0%			10.04%	
\$58.33	\$3.07	\$6.07	\$67.47	\$2.59	\$7.53	\$77.59

96 Gal Toter-Commercial Recycling
Comm/MF Complex GW Toter- 1 x week
Comm Commingle Toter- 1 x wk
Multi Family Recycling-per unit charge

Commercial 96 Gallon Recycling Toter Service

Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor	Storm Water Fee	Rate Stabilization	Total Rate to Customer
95.0%	5.0%	9.0%			9.78%	
\$12.64	\$0.67	\$1.32	\$14.62	\$0.56	\$1.58	\$16.76
\$11.20	\$0.59	\$1.17	\$12.95	\$0.50	\$1.40	\$14.85
\$0.87	\$0.05	\$0.09	\$1.01	\$0.04	\$0.11	\$1.16

Frequency
1
2
3
4
5
6

2 or 3 Yard Compactor Service

Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor	Storm Water Fee	Rate Stabilization	Total Rate to Customer
95.0%	5.0%	9.0%			8.48%	
\$142.78	\$7.51	\$14.86	\$165.16	\$6.23	\$15.30	\$186.69
\$258.46	\$13.60	\$26.91	\$298.97	\$11.27	\$27.70	\$337.94
\$374.16	\$19.69	\$38.95	\$432.81	\$16.31	\$40.10	\$489.22
\$489.87	\$25.78	\$51.00	\$566.65	\$21.32	\$52.50	\$640.47
\$605.52	\$31.87	\$63.04	\$700.43	\$26.38	\$64.90	\$791.71
\$721.30	\$37.96	\$75.09	\$834.35	\$31.40	\$77.31	\$943.06

City of Oceanside
Exhibit 1 - Initial Rates
Proposed Monthly Rates - Effective 1/1/11

Pull Out Fees and Lock Fees
Pull Out Fees -up to 15 ft./per bin times # of pickups/wk
Pull Out Fees -16 ft-.50ft/per bin times # of pickups/wk
Each add'l 50 ft - add \$3.76/per bin times # of pickups/wk
Initial Lock Fee-per mo charge for 1x/wk service per container
Add'l Lock Fee per pickup per week, per container

Pull Out Fees & Lock Fees						
Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor	Storm Water Fee	Rate Stabilization	Total Rate to Customer
95.0%	5.0%	9.0%			-3.72%	
\$3.25	\$0.17	\$0.34	\$3.76	\$0.14	(\$0.13)	\$3.77
\$6.50	\$0.34	\$0.68	\$7.52	\$0.28	(\$0.27)	\$7.53
\$3.30	\$0.17	\$0.34	\$3.82	\$0.14	(\$0.14)	\$3.82
\$1.65	\$0.09	\$0.17	\$1.91	\$0.06	(\$0.07)	\$1.90

Frequency
1
2
3
4
5
6

Scout Service-Bins or Compactors						
Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor/Customer	Storm Water Fee	Rate Stabilization	Total Rate to Customer
95.0%	5.0%	9.0%			8.48%	
\$31.10	\$1.64	\$3.24	\$35.97	\$1.36	\$3.33	\$40.66
\$62.19	\$3.27	\$6.47	\$71.94	\$2.71	\$6.67	\$81.32
\$93.29	\$4.91	\$9.71	\$107.91	\$4.07	\$10.00	\$121.98
\$124.38	\$6.55	\$12.95	\$143.87	\$5.41	\$13.33	\$162.61
\$155.47	\$8.18	\$16.19	\$179.84	\$6.77	\$16.66	\$203.28
\$186.57	\$9.82	\$19.42	\$215.81	\$8.12	\$20.00	\$243.93

Below Services are not subject to the Rate Stabilization decrease. Published rate = WM compensation

New bin lock fee (including removal of non-locking bin - one time charge)

Per bin	\$17.67	\$0.93	\$1.84	\$20.44
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Lock Replacement charge

Per bin	\$8.23	\$0.43	\$0.86	\$9.52
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Extra Dump Fee COMPACTOR - 2 or 3 yard bin extra dump fee shall be charged per compactor for an additional pickup when such pickup is requested by a customer.

Per Load	\$97.24	\$5.12	\$10.12	\$112.48
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Extra Dump Fee 2 or 3 yard bin- An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.

Per Load	\$42.36	\$2.23	\$4.41	\$49.00
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Extra Dump Fee 4 yard bin - An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.

Per Load	\$57.06	\$3.00	\$5.94	\$66.00
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Extra Dump Fee 3,4 or 6 yard bin Recycling - An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.

Per Load	\$33.72	\$1.77	\$3.51	\$39.00
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Instabin, general clean up, residential user, household material, average weight

Per pickup	\$76.94	\$4.05	\$8.01	\$89.00
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Instabin for remodel/construction, resident or contractor user, wood/other material, heavy weight

Per pickup	\$104.60	\$5.51	\$10.89	\$121.00
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Instabin, demolition, resident or contractor user, concrete, asphalt, rock, tile, other similar heavy material

Per pickup	\$104.60	\$5.51	\$10.89	\$121.00
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Contamination Fee-to recover costs for separating solid waste placed in Recycling Material or Green Waste containers or for arranging special, unscheduled collection due to contamination

Per pickup	\$43.23	\$2.28	\$4.50	\$50.00
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City of Oceanside
Exhibit 1 - Initial Rates
Proposed Monthly Rates - Effective 1/1/11

Roll-Off Service/Haul charge based on miles/Pass through disposal

RO Haul Service
40/20/10 Yard-haul to Escondido
Compactor haul to Escondido
40/20/10 Yard-haul to Palomar
Compactor -haul to Palomar
40/20/10 Yard-haul to San Marcos-C&D
40/20/10 Yard-haul to AgriService
\$22.50 per mile-Roll Off Box
For future yet to be determined disposal sites
based on 9 miles from Oside to Palomar
\$22.72 per mile-Compactor
For future yet to be determined disposal sites
based on 9 miles from Oside to Palomar
Minimum haul charge - \$204.44
\$31.17 per mile-C&D
For future yet to be determined disposal sites
based on 8 miles from Oside to Palomar
Minimum haul charge - \$249.32
Standby Time per minute
Demurrage charges per day-starts day 1
Dry Run Chg/Trip Fee Chg-when box is unserviceable
Relocate Off Site
Relocate On site
Delivery

Roll Off Service			
Service & Disposal	Fuel Component	Franchise Fees at:	Rate to Contractor/ Customer
95.0%	5.0%	9.0%	

\$232.55	\$12.24	\$24.21	\$269.00	plus pass through disposal = total rate
\$235.14	\$12.38	\$24.48	\$272.00	plus pass through disposal = total rate
\$175.07	\$9.21	\$18.23	\$202.51	plus pass through disposal = total rate
\$176.74	\$9.30	\$18.40	\$204.44	plus pass through disposal = total rate
\$215.54	\$11.34	\$22.44	\$249.32	plus pass through disposal = total rate
\$175.07	\$9.21	\$18.23	\$202.51	plus pass through disposal = total rate
\$19.45	\$1.02	\$2.03	\$22.50	plus pass through disposal = total rate
\$19.64	\$1.03	\$2.04	\$22.72	plus pass through disposal = total rate
\$26.95	\$1.42	\$2.81	\$31.17	plus pass through disposal = total rate
\$1.78	\$0.09	\$0.19	\$2.06	
\$9.38	\$0.49	\$0.98	\$10.85	
\$123.24	\$6.49	\$12.83	\$142.56	
\$41.37	\$2.18	\$4.31	\$47.86	
\$44.61	\$2.35	\$4.64	\$51.60	
\$41.35	\$2.18	\$4.30	\$47.83	

City of Oceanside
Exhibit 1 - Initial Rates
Proposed Monthly Rates - Effective 1/1/11

Other Fees and Charges:

Other Fees and Charges:

Other Fees and Charges:

Service & Disposal Component	Fuel Component	Franchise Fees at:	Total Rate to Contractor & Customer
95.0%	5.0%	9.0%	

Extra trash cart beyond 1st one.

Per Cart/month	\$1.93	\$0.10	\$0.20	\$2.23
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One additional Green Waste and/or Recycling cart will be free of charge, after that each add'l one will be a charged.

Per Cart/month	\$1.93	\$0.10	\$0.20	\$2.23
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Delivery of extra cart

Per Cart	\$8.65	\$0.46	\$0.90	\$10.00
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Restart Fee- The fee for Restarting commercial service when a permanent account has been terminated for non payment.

Per Occurrence	\$14.78	\$0.78	\$1.54	\$17.10
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Commercial Return to Service Fee- The return to service fee for two or more calls in a one-month period by a bin customer to return to provide service.

Per Trip in Excess of One	\$48.46	\$2.55	\$5.04	\$56.05
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Residential Return to Service Fee- The return to service fee for two or more calls in a one-month period by a residential customer to return to provide service.

Per Trip in Excess of One	\$24.64	\$1.30	\$2.57	\$28.50
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Copy Fee- The charge for copies requested by customers.

Per Copy	\$1.03	\$0.05	\$0.11	\$1.19
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Bin exchange/steam clean fee - allowed 2 per year. After second exchange within one year, there will be a charge per exchange.

Per Bin	\$47.55	\$2.50	\$4.95	\$55.00
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Bin paint charge fee - allowed 1 per year. After first paint within one year, there will be a charge per paint request.

Per Bin	\$75.21	\$3.96	\$7.83	\$87.00
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Interest Charge-Contractor may charge 1.5% interest per month on any delinquent account for such time as the bill remains unpaid after its due date.

Late Fee - There will be a minimum fee on any delinquent account - \$3 minimum charge

Per Account	\$2.59	\$0.14	\$0.27	\$3.00
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Single and Multi-Family dwelling customers shall be charged for bulky item pick up exceeding 15 bulky item pickups in a calendar year (5 items per pickup, 3 times per year max).

Bulky Item - Exceeding 15 per year - First item	\$33.72	\$1.77	\$3.51	\$39.00
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Bulky Item - Exceeding 15 per year - each additional item	\$8.65	\$0.46	\$0.90	\$10.00
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Multi Family Complex and Commercial Bin Customers shall be charged for bulky item pickups.

Per Bulky Item- first item	\$33.72	\$1.77	\$3.51	\$39.00
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Per Bulky Item -each add'l item	\$8.65	\$0.46	\$0.90	\$10.00
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Bulky Item requiring 2 people to handle

Per Bulky Item Trip	\$48.41	\$2.55	\$5.04	\$56.00
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Bins that are overloaded can be charged a fee.

Overload bin Fee	\$23.34	\$1.23	\$2.43	\$27.00
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BAGSTER

Per Collection	\$111.52	\$5.87	\$11.61	\$129.00
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2008 PRIORITIES

2. NEAR-TERM UNFUNDED PROJECTS (0-5 YEARS)

Based on prior input, discussion and direction, the following lists the City's near-term unfunded community facilities priorities and their estimated cost for construction:

<u>Project</u>	<u>Estimated Cost</u>
Permanent Fire Station 8 (per 4/16/08 memo - attached)	\$ 4.0 M
Beach Sand Replenishment	\$ 0.5 M
Multiple Habitat Conservation Project (MHCP)	\$ 0.5 M
Buccaneer Beach Restroom Replacement	\$ 0.5 M
Pier Rehab	\$ 4.5 M
Fire Station 1	\$11.5 M
Senior Center Phase II	\$ 4.0 M
Branch and Main Libraries Remodel	\$ 3.0 M
Total	\$28.5 M

3. LONG-TERM PROJECTS (6+ YEARS)

The City has identified a number of long-term priorities that have no identified funding source. At this time, these projects are for long-term planning purposes only, and staff will assess alternate funding sources, such as grants, public/private partnerships and similar creative sources at such time as any of the projects may become a planning priority.

Included among the long-term FY 2010-2020 community facilities priorities and the estimated cost of construction are:

<u>Project</u>	<u>Estimated Cost</u>
El Corazon Park	TBD
Balderrama Park Gym and Recreation Center	\$8.0 M
Public Safety Center	\$100-120 M
Fire Stations 9	\$8.3 M
Fire Station 10	\$8.7 M
Fire Station 11	\$17.3 M
Quiet Zones	N/A
Beach Area Improvements	\$50.0 M
New Central Library	\$40.0 M
City Clerk Records Center	\$2.5 M
Library Renovations	\$1.0 M
Fire Training Center	\$10.5 M
Fire Logistics Facility	\$5.0 M
Total	\$271.3 M+