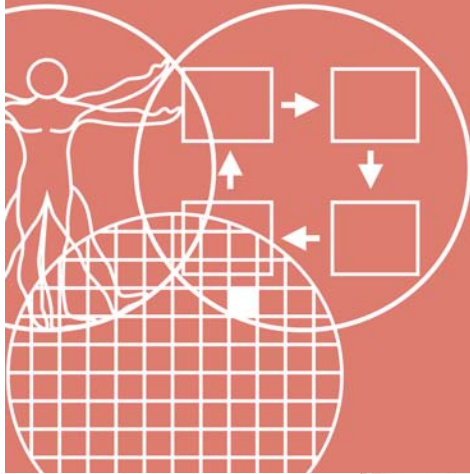


Waste Management Consulting Services

Statement of Qualifications



July 2009

Dear Waste Management Professional,

We are in a dynamic time in the California waste management industry, characterized by factors including the desire of local governments to enhance their service levels and programs; the increasing State and local government mandates for greater diversion from the waste stream; and the availability of advancing material collection, processing, and disposal methods and technologies.

Against these progressive waste management system requirements, we find that local governments often are challenged to meet their goals due to such factors as the uncertain economic climate; the increasing costs of operations (e.g., diesel fuel), equipment, and facilities; and the cyclical company ownership of local hauling franchises. All of this comes at a time when there is a heightened need for public sector fiscal accountability and transparency.

NewPoint Group, Inc. is poised to help you during these challenging times. We have provided numerous California local government clients with a variety of financial, economic, operational, and program advisory waste management consulting services. Recently, we have assisted our clients to:

- Implement automated cart-based refuse, recycling, and yardwaste collection (for two large Northern California cities)
- Conduct a comprehensive 14-jurisdiction survey of comparable rates, rate structures, service levels, diversion levels, in conjunction with recommendations for overall changes to a County's waste management system
- Assess rate impacts from a new tiered residential rate structure
- Develop a solid waste rate setting manual that establishes guidelines, formats, and the content of rate applications, as well as application review steps (based on our firm's proprietary methodology)
- Review franchise refuse hauler rate applications and recommend rates (using our firm's waste industry metric database)
- Perform a cost-of-service study
- Conduct on-site cost surveys of over 300 certified recyclers throughout the State
- Evaluate franchise fee payments and survey franchise fee levels
- Assess the costs of two-bin, single-stream, and split cart curbside recycling systems
- Determine new yard waste and mixed paper recycling program costs
- Assist with an objective evaluation of a franchise agreement renewal, an extension request, or a formal rebid/procurement
- Perform an up-to-date market study of California's ten CRV beverage container materials.

NewPoint Group senior consultants have between 16 and 30 years of waste management consulting experience and each have advanced college degrees. Our consultant's backgrounds include resource economics, civil engineering, finance, ecology, and operations. Our team brings a common sense, practical approach to problem solving. We are easy to work with and our clients comment that our work is high quality, objective, and defensible.

We attach our firm's *Waste Management Consulting Statement of Qualifications*. Please do not hesitate to contact us to arrange a meeting or to discuss how we can assist you. NewPoint Group would appreciate being placed on your mailing list for future request for proposals in the waste management area. Please direct correspondence to:

- Dr. James Gibson, Director, Sacramento Office: (916) 442-0189, or
- Erik Nylund, Principal, Oakland Office: (510) 338-0104

Our firm takes pride in the partnership created with our local government clients. We welcome an opportunity to assist your agency or department. We recognize the fiscal challenges California's local governments currently are facing and our goal is always to save or benefit you a multiple of the costs of our services.

Thank you,



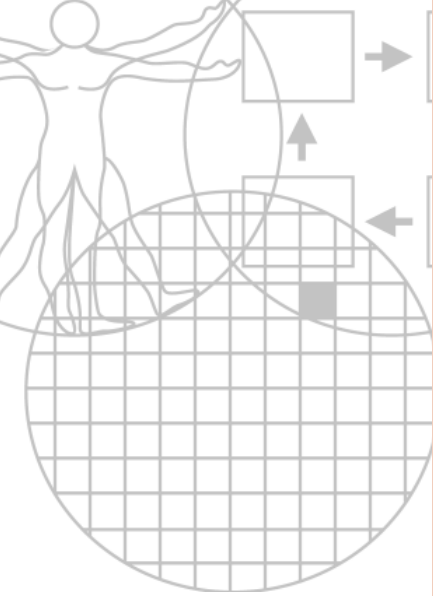
James A. Gibson, Ph.D.



Ed Kaempf



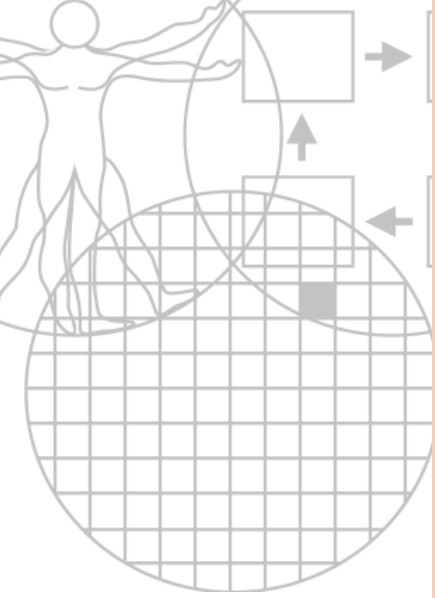
Erik Nylund



Statement of Qualifications

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I. NewPoint Group Waste Management Consulting

NewPoint Group

Waste Management Consulting Overview

People

- Firm Directors with over thirty (30) years experience providing integrated solid waste management consulting services
- Three senior consulting professionals with rigorous “Big 4” management consulting experience
- Extensive solid waste management experience with multidisciplinary project teams
- Offices in Sacramento and Oakland, California
- In business as solid waste management consultants for thirteen years
- Specialize in working on behalf of public sector entities

Process

- Emphasize “win-win” partnership between hauler and jurisdiction
- Combine financial, technical, operational, and business perspectives with fused solutions
- Frame complex and rigorous analyses so results are easy to understand, convey, and implement
- Utilize an independent and objective perspective
- Quickly deliver tangible value to a broad spectrum of public sector entities

Technology

- Maintain industry knowledge with refuse collection, transportation, disposal, and recycling technology trends
- Use proprietary solid waste rate setting methodology
- Produce highest quality client products and deliverables
- Have in-house, color graphic report production and desktop publishing capabilities

NewPoint Group Waste Management Personnel



**Dr. James A. Gibson,
Director**



**Edward R. Kaempf,
Director**

Education

- Ph.D., Resource Economics, Iowa State University, 1976
- B.S., Applied Economics, University of California, Davis, 1971

- M.B.A., Operations Research, University of Oregon, 1979
- B.S., Computer Science, University of Oregon, 1975
- B.S., General Science, University of Oregon, 1974

Years of Solid Waste Management Experience

30 Years

28 Years

Former Position(s)

- Director and Principal-in-Charge, Ernst & Young, LLP, Public Sector Management Consulting, and Solid Waste Management Practice

- Senior Manager, Ernst & Young, LLP, Public Sector Management Consulting, and Solid Waste Management Practice

Recent Solid Waste Management Engagements

- **El Dorado County** – Solid Waste Rate and Service Study
- **City of Concord** – Franchise Agreement Extension, Rate Review, Rate Setting Manual, Automation Project
- **City of Martinez** – Rate Review and Rate Setting Manual
- **Contra Costa County** – Multiple Rate Reviews
- **Morrison & Foerster LLP** – *WMAC v. Cities of Fremont, Newark, Union City*
- **Otto-Nortech** – Litigation Support for Failed MRF Bailer

- **City of Concord** – Rate Review and Franchise Agreement Extension
- **City of San Luis Obispo** – Rate Setting Process and Methodology
- **Sacramento County** – Rate Reviews
- **Department of Conservation, Division of Recycling** – Multiple projects

NewPoint Group Waste Management Personnel



**Erik P. Nylund,
Principal**



**Wendy B. Pratt,
Associate**

Education

- M.B.A., Finance, University of California, Davis, 1993
- B.S., Civil Engineering, University of California, Davis, 1989

- M.S., Ecology, University of California, Davis, 1987
- B.S., Animal Physiology, University of California, Davis, 1982

Years of Solid Waste Management Experience

15 Years

16 Years

Former Position(s)

- Manager, Deloitte & Touche LLP,
Solid Waste Management Practice
- Senior Consultant, Ernst & Young, LLP,
Solid Waste Management Practice

- Senior Policy Analyst, California Futures
and Global Futures Foundation

Recent Solid Waste Management Engagements

- **El Dorado County** – Solid Waste Rate and Service Study
- **City of Concord** – Franchise Agreement Extension Evaluation,
Rate Reviews, Automation Planning, Revised Rate Structure
- **Contra Costa County** – Rate Reviews and Rate Setting Manual
- **Durham Road Landfill Authority** – Landfill Closure
and Post-Closure Analysis
- **City of Martinez** – Rate Reviews and Rate Setting Manual
- **City of Vallejo** – Rate Reviews

- **Department of Conservation, Division of Recycling** –
Multiple Projects
- **U.S. Environmental Protection Agency** –
Pay-As-You-Throw Outreach in Region 9
- **Alameda County Source Reduction and Recycling Board** –
Source Reduction Measurement and Paper Source Reduction
- **California Integrated Waste Management Board** –
Plastics White Paper and Market Development Policies

NewPoint Group Waste Management Personnel



Lingbo Liu,
Associate

Education

- M.A., Economics, California State University, Sacramento
- B.S., Finance, Shanghai University of Engineering Science

Years of Solid Waste Management Experience

4 Years

Recent Solid Waste Management Engagements

- **City of Vallejo** – Rate Review
- **El Dorado County** – Solid Waste Rate and Service Study
- **Contra Costa County** – Multiple Rate Setting Projects

NewPoint Group

Waste Management Services

✓ Strategic and Financial Advisory Services

- Franchise proposal preparation
- Franchise agreement negotiations
- Strategic business advisory services
- Public finance services, including tax-exempt revenue bond financial advisory services

✓ Program Planning and Development

- Program planning, design, development, and evaluation, including diversion and recycling programs
- Public-private partnership planning, outsourcing, and privatization
- Regulatory compliance, including Assembly Bill 939 waste diversion planning and Proposition 218 rate implementation

✓ Other Consulting Services

- Business process improvement and development of initiatives to reduce cycle time, increase efficiency, and improve quality
- Performance measurement, including developing workload, service level, cycle time, and quality measures
- Information technology solutions

✓ Financial and Economic Analysis

- Cost accounting, financial and economic analyses, budgeting, and cost allocation and recovery
- Regulatory rate setting methodology and rate reviews
- Subtitle D (RCRA) landfill closure and post-closure care cost analyses
- Cost-of-service studies and performance audits
- Litigation support, including expert witness testimony services

✓ Organizational Assessments and Restructuring

- Organizational assessments, including analyses of organizational structures, reporting relationships, and position classification systems
- Organizational change management and implementation of performance improvement initiatives

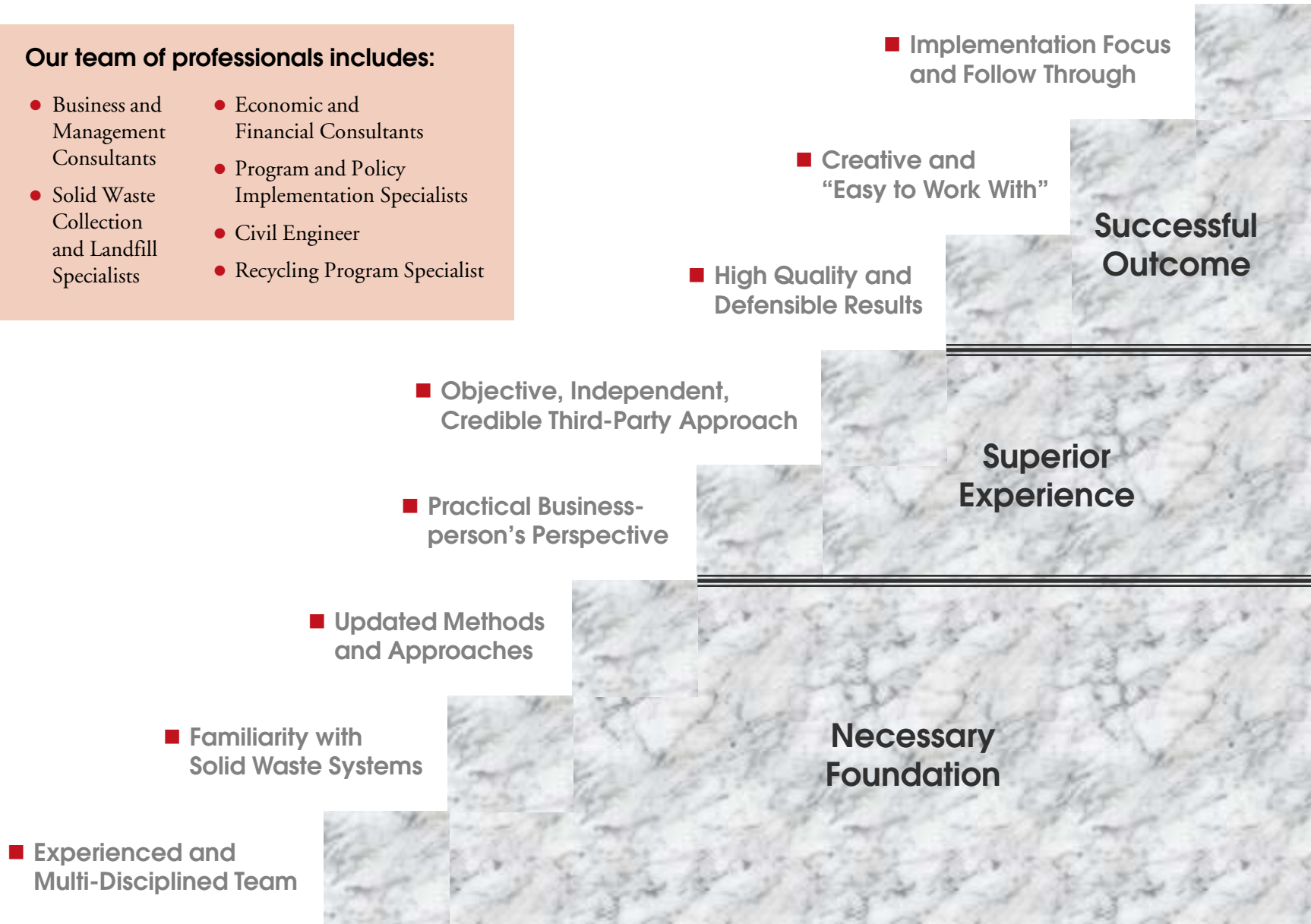
NewPoint Group Rate Setting Approach



NewPoint Group Distinguishing Characteristics

Our team of professionals includes:

- Business and Management Consultants
- Solid Waste Collection and Landfill Specialists
- Economic and Financial Consultants
- Program and Policy Implementation Specialists
- Civil Engineer
- Recycling Program Specialist



NewPoint Group Client Excellence

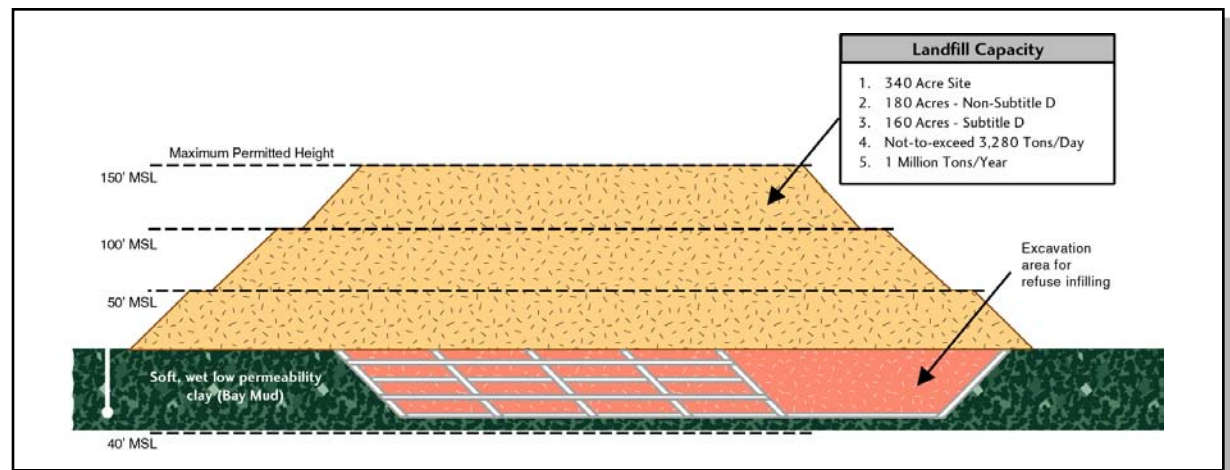
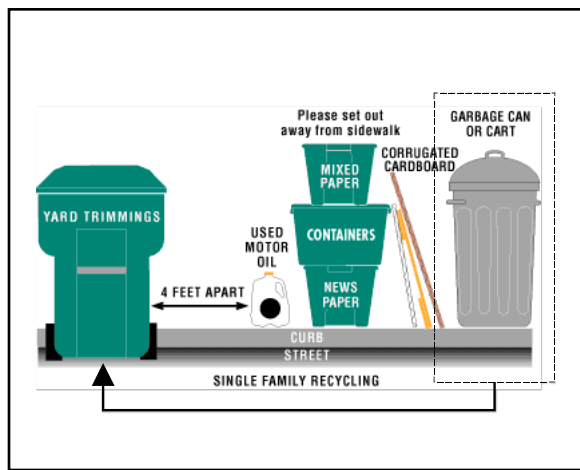
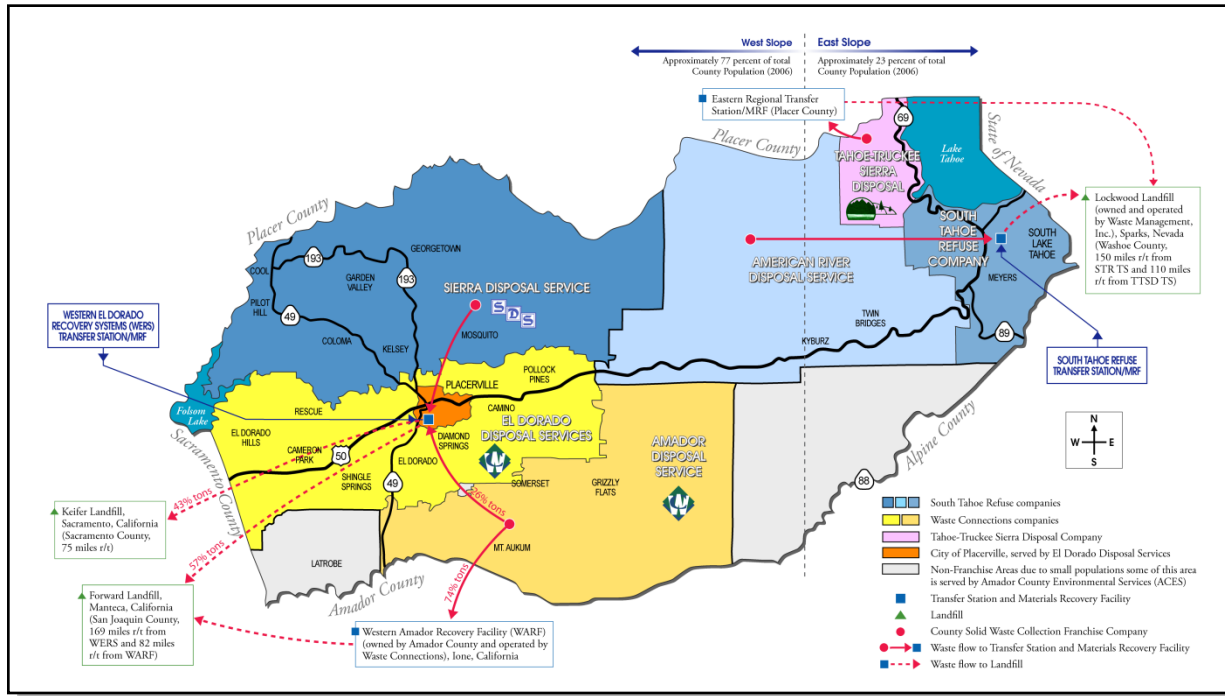
NewPoint Group manages and then exceeds clients' expectations to assure satisfaction. We continually measure client service and quality through our "Customer Satisfaction Questionnaire". In most cases, NewPoint Group clients have expressed extreme satisfaction with our services. Below are samples of recent comments received from our clients:

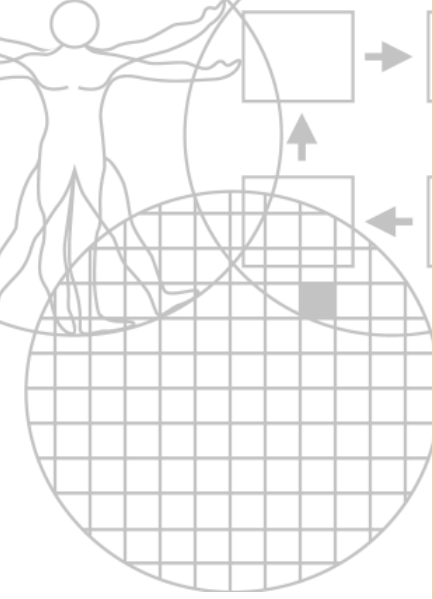
"Reliable, dependable, and true to heart (dedication) are adjectives I would apply to my interaction with NewPoint Group."

"NewPoint Group continually meets or exceeds my expectations, which are very high..."

"Superb job on a difficult rate-setting project. NewPoint Group explains their work well, an important extra effort."

NewPoint Group Unique Communication Advocacy Capability





II. Overview of NewPoint Group Waste Management Qualifications

NewPoint Group Firm Qualification Summary

Our consultants have:

- Between 15 and 30 years of solid waste management experience
- Conducted over 70 waste management projects
- Reviewed over thirty (30) publicly and privately held waste companies
- Reviewed over three hundred (300) recycling companies
- Conducted over six hundred (600) client-commissioned consulting engagements for State and local governments (many in the areas of environmental management)
- No conflicts of interest because we specialize in serving the public sector

Recent Waste Management Clients Served by NewPoint Group

- City of Barstow
- City of Campbell
- City of Commerce
- City of Concord
- City of Coronado
- City of Farmington, NM
- City of Fremont
- City of Los Gatos
- City of Martinez
- City of Monte Sereno
- City of Newark
- City of San Jose
- City of San Luis Obispo
- City of Saratoga
- City of Union City
- City of Vacaville
- City of Vallejo
- California Department of Conservation, Division of Recycling
- Calaveras County
- Contra Costa County
- Douglas County, NV
- Durham Road Landfill Trust Authority
- El Dorado County
- King County, WA
- Napa County
- Orange County
- Sacramento County
- San Bernardino County
- San Diego County
- Tahoe Basin Joint Powers Authority
- Town of San Anselmo



Waste Management Companies Recently Reviewed by NewPoint Group

- Allied Waste Services
- Amador Disposal Service
- American River Disposal Service
- Bay View Refuse Service, Inc.
- Camarillo Sanitation Service
- Concord Disposal Service, Inc.
- Crockett Garbage Service
- Desert Disposal Service
- El Dorado Disposal Service
(a subsidiary of Waste Connections, Inc.)
- Garaventa Enterprises
- Golden Gate Disposal, Inc.
(a subsidiary of Norcal Waste Systems, Inc.)
- Green Valley Disposal
- Independent Disposal Service
- Napa Valley Disposal Service
- Norcal Waste Systems, Inc.
- Nortech Waste LLC
- Pleasant Hill-Bayshore Disposal, Inc.
(a subsidiary of Browning-Ferris Industries, Inc.)
- Republic Services, Inc.
- Richmond Sanitary Service, Inc.
- Rodriguez Brothers Disposal Service
- San Anselmo Refuse & Recycling
- San Luis Obispo Garbage
- Sanitary Fill Company
- Sierra Disposal Service
- South Tahoe Refuse Company
- Sunset Scavenger, Inc.
(a subsidiary of Norcal Waste Systems, Inc.)
- Tahoe-Truckee Sierra Disposal
- Turlock Scavenger Company
- Vacaville Sanitary Service Inc.
(a subsidiary of Norcal Waste Systems, Inc.)
- Vallejo Garbage Service, Inc.
(a subsidiary of Norcal Waste Systems, Inc.)
- Vallejo Recycling
(a subsidiary of Waste Management)
- Waste Management of Alameda County
- Waste Management of New Mexico
- Yuba-Sutter Disposal, Inc.
(a subsidiary of Norcal Waste Systems, Inc.)



Selected NewPoint Group Qualifications

	Client	Engagement	Scope of Services			
			Landfill/Transfer Station/Disposal	Refuse and Recycling Collections	Review of Rates	Rate Structure
1	City of Barstow	Cost of Service and Time and Motion Study	✓	✓	✓	✓
2	Cities of Campbell, Monte Soreno, Saratoga, and Los Gatos	Refuse Collection and Disposal Performance Audit		✓	✓	✓
3	City of Concord	2007 Residential Refuse Collection Rate and Service Level Restructuring	✓	✓	✓	✓
4	City of Concord	2006 Base Year Rate Review of Concord Disposal Service	✓	✓	✓	✓
5	City of Concord	2005 Interim Year Rate Review of Concord Disposal Service	✓	✓	✓	
6	City of Concord	Franchise Extension Evaluation	✓	✓	✓	
7	City of Concord	2002 Base Year Rate Review of Concord Disposal Service	✓	✓	✓	✓
8	City of Concord	1997 Base Year Rate Review of Concord Disposal Service	✓	✓	✓	✓
9	City of Concord	1993 Development of Rate Setting Process and Methodology and Base Year Rate Review of Concord Disposal Service	✓	✓	✓	✓
10	City of Coronado	Solid Waste Management Review	✓	✓	✓	

Selected NewPoint Group Qualifications

	Client	Engagement	Scope of Services			
			Landfill/Transfer Station/Disposal	Refuse and Recycling Collections	Review of Rates	Rate Structure
11	City of Farmington, New Mexico	Cost-of-Service Study			✓	✓
12	City of Fremont	Franchise Close-Out Audit	✓	✓		
13	City of Fremont	Landfill Closure and Post-Closure Care Cost Evaluation	✓		✓	
14	City of Los Angeles	Solid Waste Geographic Information System	✓	✓		
15	City of Martinez	2009 Interim Year Rate Review of Allied Waste Services	✓	✓	✓	
16	City of Martinez	2008 Base Year Rate Review of Allied Waste Services	✓	✓	✓	✓
17	City of Martinez	2007 Interim Year Rate Review of Allied Waste Services	✓	✓	✓	
18	City of Martinez	2005 Interim Year Rate Review of Pleasant Hill Bayshore Disposal	✓	✓	✓	
19	City of Martinez	2004 Base Year Rate Review of Pleasant Hill Bayshore Disposal	✓	✓	✓	✓
20	City of Martinez	2000 Development of Rate Setting Process and Methodology and Base Year Rate Review of Pleasant Hill Bayshore Disposal		✓	✓	✓

Selected NewPoint Group Qualifications

	Client	Engagement	Scope of Services			
			Landfill/Transfer Station/Disposal	Refuse and Recycling Collections	Review of Rates	Rate Structure
21	City of San Jose	Economics of Curbside Recycling		✓	✓	✓
22	City of San Luis Obispo	Development of Rate Setting Process and Franchise Agreement	✓	✓	✓	
23	City of Vacaville	Three-Year Collection and Disposal Rate Study	✓	✓	✓	✓
24	City of Vallejo	2008/09 Base Year Rate Review of Vallejo Garbage Service	✓	✓	✓	✓
25	City of Vallejo	2007/08 Base Year Rate Review of Vallejo Garbage Service	✓	✓	✓	✓
26	City of Vallejo	2006/07 Review of Valcore Recycling		✓		
27	City of Vallejo	2006/07 Base Year Rate Review of Vallejo Garbage Service	✓	✓	✓	✓
28	City of Vallejo	Automation of Refuse, Recycling, and Yardwaste Services	✓	✓	✓	✓
29	City of Vallejo	2005/06 Base Year Rate Review of Vallejo Garbage Service and Vallejo Recycling	✓	✓	✓	
30	City of Vallejo	2004/05 Base Year Rate Review of Vallejo Garbage Service and Vallejo Recycling	✓	✓	✓	

Selected NewPoint Group Qualifications

	Client	Engagement	Scope of Services			
			Landfill/Transfer Station/Disposal	Refuse and Recycling Collections	Review of Rates	Rate Structure
31	Contra Costa County – Allied Waste Services	2009 Interim Year Rate Review of Allied Waste Services	✓	✓	✓	
32	Contra Costa County – Allied Waste Services	2008 Base Year Rate Review of Allied Waste Services and Automation of Refuse and Recycling Services	✓	✓	✓	✓
33	Contra Costa County – Allied Waste Services	2007 Interim Year Rate Review of Allied Waste Services	✓	✓	✓	
34	Contra Costa County – Allied Waste Services	2006 Interim Year Rate Review of Pleasant Hill Bayshore Disposal	✓	✓	✓	
35	Contra Costa County – Allied Waste Services	2005 Interim Year Rate Review of Pleasant Hill Bayshore Disposal	✓	✓	✓	
36	Contra Costa County – Allied Waste Services	2004 Interim Year Rate Review of Pleasant Hill Bayshore Disposal	✓	✓	✓	
37	Contra Costa County – Allied Waste Services	1998 Base Year Rate Review of Pleasant Hill Bayshore Disposal/Browning Ferris Industries Inc.	✓	✓	✓	✓
38	Contra Costa County – Allied Waste Services	1998 Rate Setting Process and Methodology Manual for Pleasant Hill Bayshore Disposal/Browning Ferris Industries Inc.	✓	✓	✓	✓
39	Contra Costa County – Crockett Garbage Service	2009 Interim Year Rate Review of Crockett Garbage Service	✓	✓	✓	
40	Contra Costa County – Crockett Garbage Service	2008 Interim Year Rate Review of Crockett Garbage Service	✓	✓	✓	

Selected NewPoint Group Qualifications

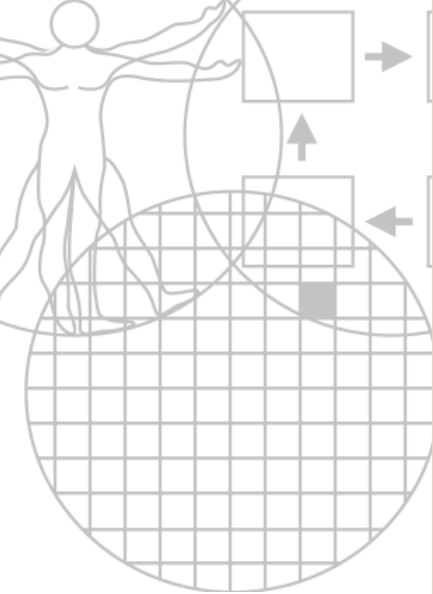
	Client	Engagement	Scope of Services			
			Landfill/Transfer Station/Disposal	Refuse and Recycling Collections	Review of Rates	Rate Structure
41	Contra Costa County – Crockett Garbage Service	2007 Interim Year Rate Review of Crockett Garbage Service	✓	✓	✓	
42	Contra Costa County – Crockett Garbage Service	2006 Base Year Rate Review of Crockett Garbage Service	✓	✓	✓	✓
43	Contra Costa County – Crockett Garbage Service	2001 Cost of Service and Rate Assessment	✓	✓	✓	
44	Contra Costa County – Garaventa Enterprises	2008/09 Interim Year Rate Review of Garaventa Enterprises	✓	✓	✓	
45	Contra Costa County – Garaventa Enterprises	2008 Base Year Rate Review of Garaventa Enterprises	✓	✓	✓	✓
46	Contra Costa County – Garaventa Enterprises	2006 Interim Year Rate Review of Garaventa Enterprises	✓	✓	✓	
47	Contra Costa County – Garaventa Enterprises	2005 Interim Year Rate Review of Garaventa Enterprises	✓	✓	✓	
48	Contra Costa County – Garaventa Enterprises	2004 Interim Year Rate Review of Garaventa Enterprises	✓	✓	✓	
49	Contra Costa County – Garaventa Enterprises	1999 Rate Setting Process and Methodology Manual for Garaventa Enterprises	✓	✓	✓	✓
50	Contra Costa County – Richmond Sanitary Services	2009 Interim Year Rate Review of Richmond Sanitary Service	✓	✓	✓	

Selected NewPoint Group Qualifications

	Client	Engagement	Scope of Services			
			Landfill/Transfer Station/Disposal	Refuse and Recycling Collections	Review of Rates	Rate Structure
51	Contra Costa County – Richmond Sanitary Services	2008 Base Year Rate Review of Richmond Sanitary Service	✓	✓	✓	✓
52	Contra Costa County – Richmond Sanitary Services	2007 Interim Year Rate Review of Richmond Sanitary Service	✓	✓	✓	
53	Contra Costa County – Richmond Sanitary Services	2006 Interim Year Rate Review of Richmond Sanitary Service	✓	✓	✓	
54	Contra Costa County – Richmond Sanitary Services	2003 Base Year Rate Review of Richmond Sanitary Service	✓	✓	✓	✓
55	Contra Costa County – Richmond Sanitary Services	2003 Rate Setting Process and Methodology Manual for Richmond Sanitary Service	✓	✓	✓	✓
56	Contra Costa County – Richmond Sanitary Services	1997 Modification of Rate Setting Methodology	✓	✓	✓	
57	Douglas County, Nevada	Evaluation of Buyback Provision	✓	✓		
58	Durham Road Landfill Trust Authority	Landfill Closure and Post-Closure Care Evaluation	✓		✓	
59	El Dorado County	Solid Waste Rate and Service Study	✓	✓	✓	✓
60	El Dorado County	Analysis of Property Leases	✓			

Selected NewPoint Group Qualifications

	Client	Engagement	Scope of Services			
			Landfill/Transfer Station/Disposal	Refuse and Recycling Collections	Review of Rates	Rate Structure
61	King County Solid Waste Division, Washington	Performance Audit	✓	✓	✓	
62	Orange County Integrated Waste Management Department	Management and Operations Audit	✓	✓	✓	
63	Sacramento County	Financial Review	✓	✓	✓	
64	Sacramento County	Disposal and Transfer Station Review	✓		✓	
65	Sacramento County	Allowable Profit Evaluation	✓	✓	✓	
66	San Bernardino County	Determine Solid Waste Rates	✓	✓	✓	✓
67	San Bernardino Desert and Mountain Waste Management Coalition	Financial Review	✓		✓	
68	San Diego County, Solid Waste Division	Management Audit and Financial Review	✓	✓	✓	✓
69	San Diego Solid Waste Authority	Technical Assistance for Landfill and Transfer Station	✓	✓		
70	Tahoe Basin Solid Waste Joint Powers Authority	Rate Setting Policy and Procedures Manual	✓	✓	✓	✓
71	Town of San Anselmo	Rate Review		✓	✓	



III. NewPoint Group Local Government Waste Management Qualifications

NewPoint Group Local Government Waste Management Qualifications

- **City of Barstow – Cost of Service and Time and Motion Study** — NewPoint Group assisted the City to review three years of financial and operating data for the City’s franchise hauler Desert Disposal Services, Inc. (DDS). Among the tasks for this project were to review DDS financial statements and to recommend a rate structure that covered DDS’s costs of operation and provided a reasonable financial return. We conducted detailed testing of revenues and expenses, assessed the reasonableness of franchise fees and administrative fees, evaluated the DDS vehicle and equipment inventory, performed residential and commercial time-and-motion studies and route audits, and examined DDS recycling operations. For this project, we recommended that the City relinquish the billing function to the hauler.
- **Cities of Campbell, Monte Sereno, Saratoga, and Los Gatos, California – Perform Refuse Collection and Disposal Performance Audit** — NewPoint Group professionals performed a refuse collection and disposal performance audit of a franchised garbage company. The performance audit included the following areas: (1) Efficiency of operations, (2) Overall organizational structure, management systems, and procedures, (3) Staffing and personnel practices, and (4) Financial management practices. The study provided detailed recommendations for improved future operation efficiencies which would then be reflected in customer billing rates.
- **City of Concord – 1993 Development of Rate Setting Process and Methodology and Base Year Rate Review of Concord Disposal Service** — NewPoint Group professionals developed the process and methodology to prepare and approve changes in residential garbage collection rates. Objectives of this study were to: (1) establish policies regarding rate setting; (2) establish a standardized rate review process and methodology; (3) assess alternative methodologies for determining reasonable profits; and (4) develop a comprehensive manual describing the entire process for establishing new collection fees. The manual establishes rate change policies, provides application forms, specifies reporting formats, identifies required supporting documentation, and describes the procedure to be followed in requesting, reviewing, and adopting residential rate changes. NewPoint Group executives then performed the first rate review based on the new methodology, and are currently conducting the second rate review.
- **City of Concord – 1997 Base Year Rate Review of Concord Disposal Service** — NewPoint Group professionals conducted a four-year base rate review of the City’s franchise solid waste hauler, Concord Disposal Service. In addition to performing a comprehensive cost-of-service review, we also assessed disposal and transportation costs, reviewed senior citizen rates, and examined the hauler’s request for a franchise extension. The objectives were to suggest rates that were fair, reasonable, and justifiable to the rate payers, and to develop a modified franchise agreement which both the City and hauler could adopt.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Concord – 2002 Base Year Rate Review of Concord Disposal Service** — NewPoint Group professionals assisted the City on a four-year rate review of the City’s franchise solid waste hauler, Concord Disposal Service. In addition to performing a comprehensive cost-of-service review, we also assessed the impact of a new 20-gallon mini-can service. The objectives were to suggest rates that were fair, reasonable, and justifiable to the ratepayers. Over the past 10 years since developing the methodology for setting rates in Concord, the City has seen rate increase by a level that is approximately one half the increase in the CPI for that period. The City Council unanimously approved our recommendations for a rate adjustment.
- **City of Concord – 2005 Interim Year Rate Review of Concord Disposal Service** — NewPoint Group assisted the City on an interim year rate review of the City’s franchise refuse hauler, Concord Disposal Service (CDS). In accordance with the City of Concord’s (City) Rate Setting Process and Methodology Manual for Residential Solid Waste Fees (Manual), CDS can submit an interim year application in each of the three years between base years.

Typically, for an interim year review, the City allows projected changes to tipping fees and only one year for the CPI increase. However, CDS’s request for this interim year included certain additional extraordinary items (which the Manual allows, if supported and justified).

In its interim year application, CDS requested an 8.53 percent increase in residential rates, including: (1) an increase in tipping fees from \$50 to \$55 per ton, (2) CPI increases from January 1, 2002 to August 31, 2004, (3) worker’s compensation cost increases, and (4) increases in City franchise fees.

We recommended a 6.43 percent rate increase to residential customers. This increase included 4.45 percent for the interim year rate increase and 1.98 percent for extraordinary cost increases (worker’s compensation and franchise fees). The City Council approved our rate recommendation by a 5-0 vote.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Concord – Franchise Extension Evaluation** — NewPoint Group assisted the City to review a request from the City’s franchise refuse hauler, Concord Disposal Service (CDS), for an extension to the franchise term. For this review, we compared City rates with those of other jurisdictions. We summarized CDS performance as determined by the 2004 City of Concord Citizen Survey. We identified franchise terms and conditions agreed upon by other jurisdictions in conjunction with franchise extensions.

We worked with the City to identify potential terms and conditions for an extension, including:

- Relocate CDS’s maintenance and recycling facility
- Increase expected future annual City franchise fees
- Increase the number of free City debris boxes
- Provide free disposal of refuse collected by the City from City parks
- Agree to diversion performance requirements, if needed, to meet AB 939 goals
- Add customer service enhancements (e.g., a new company web site, an increase in community clean-up days, and a new annual newsletter)
- Eliminate the toter rental business, over time
- Change the interim year calculation to a percentage of the CPI
- Place a cap on interim year rate increases.

Based on CDS’s agreement to the nine terms above, all of which added significant value to both the City and the City ratepayer, the City granted CDS an extension.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Concord – 2006 Base Year Rate Review of Concord Disposal Service** — NewPoint Group assisted the City to conduct the fourth base year rate review of the City’s franchised refuse collection hauler, Concord Disposal Service (CDS). Our analysis followed guidelines contained in the City’s Rate Setting Process and Methodology Manual for Residential Solid Waste Fees (Manual).

For the review, we evaluated: (1) increases in direct labor wages, health and welfare benefits, and pension benefits required by union agreements, (2) increases in tipping fees, (3) increases in franchise fees, (4) increases in costs for a new website and online bill pay system, and (5) increases in totter rental revenues. From our review, we recommended material reductions in office salaries, general and administrative costs, trucking charges, and profits.

We conducted a comparative survey of neighboring jurisdiction rates. We also included a survey of franchise fees and a survey of recent rate changes in 29 California jurisdictions. We recommended that the City and CDS work together to develop a five-year transition plan to move from manual to automated collection service.

As part of this project, we updated the City’s Manual to version 3.0. This new version of the Manual included previously agreed upon terms and conditions (Section I. Rate Setting Overview) and a new more simplified and streamlined interim year rate setting process (based on applying 70 percent of the most recent change in the CPI to the rate).

CDS requested a 10.90 percent rate increase. We recommended a 6.22 percent rate increase. The City Council voted 5-0 in favor of our recommendation.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Concord – 2007 Residential Refuse Collection Rate and Service Level Restructuring** — NewPoint Group assisted the City to restructure residential refuse collection rates and services. This major collection system change included a significant capital investment by Concord Disposal Service (CDS), the City’s franchised hauler, of over \$7 million for eleven new automated trucks and nearly 80,000 new carts. Under the new system, customers chose either a 32-, 64-, or 96-gallon refuse cart. Customers also received upgraded and expanded recycling services, including a new 64-gallon, single stream, recycling cart and a 96-gallon yardwaste cart.

Over this year-long engagement, we assisted City staff and CDS to plan the transition to the new system. We helped the City and CDS develop a survey to identify customer preferences under various rate structure and service level scenarios. This survey was administered to 400 City customers.

CDS submitted a one-time rate restructuring application to the City in support of the system change. Our review of this application addressed: (1) revenue, cost, and profit impacts, (2) changes to disposal costs from expected waste stream shifts, (3) cost reductions from new, more efficient, trucks, (4) future inflationary cost adjustments allowed through the rate setting process, and (5) CDS plans for a new state-of-the-art Materials Recovery Facility (MRF) sort line to process the City’s new single stream recyclables.

The report described the collection system before, and after, the system change. The report identified a new expanded list of acceptable curbside recycling materials and quantified potential impacts to City diversion levels. The report documented benefits and costs of the new system. Also included are recommendations for City customer outreach and education.

At the City’s request, we included legacy rates for existing senior citizen and mini-can customers, as well as a new qualified low-income senior citizen rate. We conducted a comparative survey of neighboring jurisdiction residential rates and rate structures.

To arrive at our recommended rate structure and frequency distribution, we analyzed impacts of various rate structures, rates, price elasticities, and customer frequency distributions. We also assessed multiple-year cash flow impacts to CDS from these different assumptions.

We identified areas of the City Municipal Code that require revision. We developed new franchise agreement language codifying terms and conditions the City and CDS agreed to for the new system. As part of this project, we updated the City’s Manual to version 4.0. This new version of the Manual added newly agreed upon terms and conditions.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Coronado – Solid Waste Management Review** — This project was a solid waste management study for the City of Coronado. The study evaluated and recommended alternative collection, transportation, and disposal rate structures which provide for equity and fairness among all users. The study evaluated the City's fee objectives, cost considerations, user fee constraints, and new rate implementation effects. Finally, the study identified potential revenue sources or cost-saving opportunities for relieving fiscal pressures of both refuse disposal services and adding a new recycling program.
- **City of Farmington, New Mexico – Cost-of-Service Study** — NewPoint Group conducted a cost-of-service study for the City of Farmington's waste hauler, Waste Management of New Mexico, Inc. This study focused on determining whether residential, commercial, and industrial solid waste rates were aligned with the cost of providing these services. At issue was whether the current methodology for setting rates, using a percentage of the annual change in the Consumer Price Index, was appropriate. We assessed the overall profitability and profitability by service type, reviewed costs for reasonableness, examined allocation methodologies, and created a detailed cost-of-service model. We also conducted a rate survey of neighboring jurisdictions, and a consumer satisfaction survey of residential and commercial customers. We made recommendations for realigning rates with the costs-of-service and for moving the hauler's financial return closer to industry averages, using prospective rate adjustments. Our final report and recommendations were accepted by the City Council by a 5-0 vote.
- **City of Fremont – Franchise Close-Out Audit** — NewPoint Group professionals performed on a final close-out audit of the franchise agreement for solid waste and recycling services for the City of Fremont. The City had a franchise agreement with Waste Management of Alameda, formerly Oakland Scavenger. This engagement involved detailed testing of various revenue and expense accounts as a basis for determining the current size of a franchise close out balancing account. Results were presented and a final determination and recommendation made related to closing out an existing balancing account.
- **City of Fremont – Closure and Post-Closure Analysis** — NewPoint Group professionals reviewed the City of Fremont's obligation for funding closure and post-closure care costs of their local landfill, the Tri-Cities Recycling and Disposal Facility. An analysis of various closure and post-closure estimates, landfill expansion, historical funding levels, trust fund balances and rate applications was conducted to determine the City's remaining closure and post-closure obligation.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Los Angeles – Solid Waste Geographic Information System** — NewPoint Group professionals acted as a Technical Advisor and subcontractor to Roy F. Weston, Inc., an engineering consulting firm. Analyzed requirements and designed and developed a custom software system to track, analyze, and map the generation of solid waste in the City of Los Angeles. The system's ability to manipulate large amounts of constantly changing data and present it in both concise numerical form and intuitive geographic form enables the City of Los Angeles to understand the volumes and compositions of solid waste being generated and make fact-based decisions on how to reduce the quantity reaching landfills.
- **City of Martinez – 2000 Development of Rate Setting Process and Methodology and Base Year Rate Review of Pleasant Hill Bayshore Disposal** — NewPoint Group performed a rate review of Allied Waste Industries, Inc. (dba Pleasant Hill Bayshore Disposal) to assess the impact of implementing new AB 939 programs (including a new yardwaste program, mixed paper recycling program, and automated refuse/yard truck fleet). To perform this engagement, we developed a new rate setting process and methodology for the City of Martinez and used this methodology to establish new rates incorporating the above new programs. This engagement involved extensive negotiations with a City Council subcommittee, City representatives, and Allied Waste management. The City reached agreement with Allied Waste on proposed rates for 2000 and well as the new programs. As part of this engagement, the City finally implemented a rate setting process and methodology, something it had been unable to do since the franchise agreement required the methodology in 1993. NewPoint Group also performed an interim year rate review in 2001 that resulted in an interim year rate increase.
- **City of Martinez – 2004 Base Year Rate Review of Pleasant Hill Bayshore Disposal** — NewPoint Group completed the second base year rate review of Pleasant Hill Bayshore Disposal (PHBD). In 2000, we had prepared a rate setting process and methodology manual for this hauler and had assisted the City to implement a new greenwaste and mixed paper recycling program. In this rate review, our focus was on determining the projected base year operating ratio (OR) for the hauler in 2004. This review was conducted consistent with a new methodology set for this City, called the Incentive/Risk-Based Operating Ratio Methodology. As part of this review, we made several rate setting adjustments that reduced the overall OR. We also considered a couple of new program options available to the City at the time.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Martinez – 2005 Interim Year Rate Review of Pleasant Hill Bayshore Disposal** — NewPoint Group assisted the City to perform an interim year rate review of its franchise refuse collection hauler, Pleasant Hill Bayshore Disposal (PHBD) for the rate year 2005. We reviewed the interim year rate application for completeness, prepared the City’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to PHBD based on a formula that applies the CPI to a certain percentage of PHBD’s costs. We also reviewed requested changes to tipping fees and compared Allied tipping fees with those charged at neighboring facilities.
- **City of Martinez – 2007 Interim Year Rate Review of Allied Waste Services** — NewPoint Group assisted the City to perform an interim year rate review of its franchise refuse collection hauler, Allied Waste Services (Allied) for the rate year 2007. We reviewed the interim year rate application for completeness, prepared the City’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to Allied based on a formula that applies the CPI to a certain percentage of Allied’s costs. We also reviewed requested changes to tipping fees and compared Allied tipping fees with those charged at neighboring facilities. We reviewed a request by Allied for a “special extraordinary adjustment” based on increases in fuel costs and based on the Manual criteria did not recommend the City allow this additional fuel adjustment.
- **City of Martinez – 2008 Base Year Rate Review of Allied Waste Services** — NewPoint Group completed a rate review of Allied Waste Service of Contra Costa County’s (AWSCCC) 2008 Base Year Rate Application. In the Application, AWSCCC requested a 1.11 percent rate increase. AWSCCC also proposed two new program changes, including: (1) provide expanded multi-family recycling services to approximately 150 multi-family customers (including new wheeled carts and/or new bins) and (2) provide residential on-call bulky recyclables and yardwaste collection services. We recommended a rate increase of 0.0 percent, including the two new programs. We calculated that, with no rate change, AWSCCC’s 2008 operating ratio (OR) in this base year would be 88 percent. Based on the City’s methodology, at an 88 percent OR, subsequent 2009 to 2011 interim year adjustments will be based on 80, 90, and 100 percent of the Consumer Price Index (CPI) applied to controlled costs. The City unanimously approved our recommendation by a 5-0 vote.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Martinez – 2009 Interim Year Rate Review of Allied Waste Services** — NewPoint Group assisted the City to perform an interim year rate review of its franchise refuse collection hauler, Allied Waste Services (Allied) for the rate year 2009. We reviewed the interim year rate application for completeness, prepared the City’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to Allied based on a formula that applies the CPI to a certain percentage of Allied’s costs. We also reviewed requested changes to tipping fees and compared Allied tipping fees with those charged at neighboring facilities. We reviewed a request by Allied for a “special extraordinary adjustment” based on increases in fuel costs and based on the Manual criteria did not recommend the City allow this additional fuel adjustment.
- **City of San Jose – Economics of Curbside Recycling** — The objective of this engagement was to review the City of San Jose Curbside Recycling Program. Study tasks included: (1) identifying demand and supply markets, (2) Compiling relevant demographic data, (3) Reviewing the current curbside program, including recovery and participation rates, (4) Reviewing and assessing economics of the curbside program, (5) Identifying other recovery efforts that could be used in San Jose, and (6) Preparing economic projections for future recycling programs.
- **City of San Luis Obispo – Development of Rate Setting Policies and Procedures and Franchise Agreement** — NewPoint Group professionals developed the process and methodology for establishing integrated solid waste management rates of the franchise hauler. A step-by-step manual also was prepared which establishes the rate setting policies, provides all application forms, identifies the required supporting documents, and describes all of the procedures for submitting, reviewing, and adopting residential and commercial rate changes. We then prepared the draft franchise agreement between the City and hauler. This franchise agreement is intended to guide the collection, transport, and disposal of both solid wastes and recycle materials from residencies and businesses located in the City, and identifies the rights and responsibilities of both the City and franchise hauler. Nearly all cities in San Luis Obispo have since adopted this rate setting methodology and a manual.
- **City of Vacaville – Three-Year Collection and Disposal Rate Study** — NewPoint Group professionals assisted the City of Vacaville on a three-year rate review of the franchised solid waste hauler that included a focused operating ratio survey, landfill closure/post-closure liability evaluation, assessment of future permitted landfill capacity impacts, analysis of new programs (e.g., household hazardous waste, battery program, and yardwaste collection), and evaluation of semi-automated refuse collection options. This review included an audit of both disposal and collection financial statements.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Vallejo – 2004/05 Base Year Rate Review of Vallejo Garbage Service and Vallejo Recycling** — NewPoint Group assisted the City with rate reviews of its franchised garbage hauler, Vallejo Garbage, a Norcal company, and franchised curbside recycler, Vallejo Recycling, a Waste Management company. For Vallejo Garbage we reviewed a complex rate model, conducted an on-sight assessment of the truck shop and operations, and assessed recent ARB regulations requiring retrofits to refuse collection truck diesel engines (for NOx compliance). For Vallejo Recycling (VR), we worked with the City and hauler to include new recycling volume accounting changes and processing facility changes so that the hauler’s costs were more accurately reflected in the new rate. We assisted the City to reconcile remaining payments owed to VR for 2004 and to develop a process for budgeting and tracking VR bills and payments in 2005. For both reviews, we obtained unanimous Council approval of our recommended rate changes.
- **City of Vallejo – 2005/06 Base Year Rate Review of Vallejo Garbage Service and Vallejo Recycling** — NewPoint Group assisted the City with rate reviews of its franchised garbage hauler, Vallejo Garbage, a Norcal company, and franchised curbside recycler, Vallejo Recycling, a Waste Management company. For Vallejo Garbage we reviewed a complex rate model, conducted an on-sight assessment of the truck shop and operations, and assessed recent ARB regulations requiring retrofits to refuse collection truck diesel engines (for NOx compliance). For Vallejo Recycling (VR), we worked with the City and hauler to include new recycling volume accounting changes and processing facility changes so that the hauler’s costs were more accurately reflected in the new rate. We assisted the City to reconcile remaining payments owed to VR for 2006.
- **City of Vallejo – Automation of Refuse, Recycling, and Yardwaste Services** — NewPoint Group assisted the City with a plan to transition its refuse collection fleet from a manual service to automated service. We worked closely with the City public works director, City staff, and Norcal representatives to identify the goals of transitioning to automation, estimate the timing and costs of the transition, and determine reasonable rate treatment for the transition. We prepared a transition plan for City Council consideration.
- **City of Vallejo – 2006/07 Base Year Rate Review of Vallejo Garbage Service** — NewPoint Group assisted the City with a rate review of Vallejo Garbage Service’s (VGS) 2006/2007 Base Year Rate Application. In the Application, VGS requested a 9.15 percent rate increase. In this Application, we evaluated the impact of the first year of VGS’s automated residential refuse, recycling and yardwaste collection program. We conducted a detailed review, with particular attention to the following cost items: (1) recycling commodity sales, (2) disposal expenses, (3) truck retrofit charges for ARB compliance, and (4) debris box business. We also incorporated the City’s desire to raise its franchise fee and add funding for street maintenance. We recommended a rate increase of 9.26 percent. The City unanimously approved our recommendations by a 6-0 vote.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **City of Vallejo – 2006/07 Review of Valcore Recycling** — NewPoint Group conducted a review of Valcore, Inc., a not-for-profit recycling center located in the City. The City provided a subsidy to this recycling center and requested that we review the financial position of the company. We conducted an on-site visit, tested revenues and costs to invoice level detail, and evaluated current and planned company equipment acquisitions.
- **City of Vallejo – 2007/08 Base Year Rate Review of Vallejo Garbage Service** — NewPoint Group assisted the City with a rate review of Vallejo Garbage Service's (VGS) 2007/2008 Base Year Rate Application. In the Application, VGS requested a 1.95 percent rate increase. We conducted a detailed review, with particular attention to the following cost items: (1) Materials Recovery Facility (MRF) sort line conveyer system improvements, (2) a new backup baler and conveyer system, (3) excess inventory of wheeled carts, (4) mechanic staffing levels, (5) new MRF facility rolled doors, and (6) debris box driver staffing levels. We also incorporated the City's desire for a new litter clean up program and to raise its franchise fee. We recommended a rate increase of 1.02 percent. The City unanimously approved our recommendations by a 6-0 vote.
- **City of Vallejo – 2008/09 Base Year Rate Review of Vallejo Garbage Service** — NewPoint Group assisted the City with a rate review of Vallejo Garbage Service's (VGS) FY 2008/2009 Base Year Rate Application. In the Application, VGS requested a 6.84 percent rate increase. We conducted a detailed review, with particular attention to the following cost items: (1) a second Materials Recovery Facility (MRF) sort line staffing shift, (2) corporate overhead, (3) benefit escalations provided to laborers, (4) fluctuating recycling commodity pricing, (5) declining debris box business, (6) fuel cost increases/decreases, and (7) the second baler which was not yet activated. We recommended a rate increase of 4.9 percent. The City approved our recommendations by a 5-1 vote.
- **Contra Costa County – 1998 Base Year Rate Review of Pleasant Hill Bayshore Disposal/Browning-Ferris Industries, Inc.** — NewPoint Group performed a recent rate review of one of the County's franchise waste haulers, Pleasant Hill Bayshore Disposal/Browning-Ferris Industries, Inc. (PHBD). The review examined ten unincorporated County service areas, each with different current rates and rate structures, and historical rate changes. We assessed reasonableness of regional and corporate overhead, related-party transfer station/disposal costs, and extensive allocations from consolidated financial information. Goals of the review were to simplify the rate structure and recommend a uniform rate change, incorporating use of a new rate setting process and methodology.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **Contra Costa County – 1998 Rate Setting Process and Methodology Manual for Pleasant Hill Bayshore Disposal/Browning-Ferris Industries, Inc.** — NewPoint Group developed of a first-generation solid waste rate setting process and methodology for the unincorporated areas of Central and East Contra Costa County serviced by one of the County’s franchise haulers, Browning-Ferris Industries, Inc. Prior to development of this process, rate setting in these County areas was not formally rate regulated. The methodology incorporated County goals and policies, reflected industry norms and practices, and was calibrated and tested concurrently with a rate review. The manual was incorporated by reference into the existing franchise agreement.
- **Contra Costa County – Allied Waste Services - 2004 Interim Year Rate Review of Pleasant Hill Bayshore Disposal** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Pleasant Hill Bayshore Disposal (PHBD) for rate year 2004. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to PHBD which is based on a formula that applies the CPI to a certain percentage of PHBD’s costs.
- **Contra Costa County – Allied Waste Services - 2005 Interim Year Rate Review of Pleasant Hill Bayshore Disposal** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Pleasant Hill Bayshore Disposal (PHBD) for rate year 2005. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to PHBD which is based on a formula that applies the CPI to a certain percentage of PHBD’s costs.
- **Contra Costa County – Allied Waste Services - 2006 Interim Year Rate Review of Pleasant Hill Bayshore Disposal** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Pleasant Hill Bayshore Disposal (PHBD) for rate year 2006. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to PHBD which is based on a formula that applies the CPI to a certain percentage of PHBD’s costs. We also reviewed requested changes to tipping fees and compared PHBD tipping fees with those charged at neighboring facilities.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **Contra Costa County – Allied Waste Services - 2007 Interim Year Rate Review of Allied Waste Services** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Allied Waste Services (Allied) for rate year 2007. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to Allied which is based on a formula that applies the CPI to a certain percentage of Allied’s costs. We provided the County with a rate analysis based on a delayed implementation of the rate change to June 1, 2007.
- **Contra Costa County – Allied Waste Services - 2008 Base Year Rate Review of Allied Waste Services and Automation of Refuse and Recycling Services** — NewPoint Group completed a rate review of Allied Waste Service of Contra Costa County’s (AWSCCC) 2008 Base Year Rate Application. In the Application, AWSCCC requested a 0.14 percent rate increase. AWSCCC also proposed to automate refuse and recycling collection services, and provide all residents with a new 64-gallon recycling cart in place of the current two 14-gallon bins. We determined the incremental costs to automate refuse and recycling collection services. We recommended a rate increase of 0.0 percent, including these new automation/cart services. We specified an implementation timeline. The County Board unanimously approved our recommendation by a 5-0 vote.
- **Contra Costa County – Allied Waste Services - 2009 Interim Year Rate Review of Allied Waste Services** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Allied Waste Services (Allied) for rate year 2009. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to Allied which is based on a formula that applies the CPI to a certain percentage of Allied’s costs.

We also reviewed requested changes to tipping fees and compared Allied tipping fees with those charged at neighboring facilities. We reviewed a request by Allied for a “special extraordinary adjustment” based on increases in fuel costs and based on the Manual criteria did not recommend the County allow this additional fuel adjustment.

- **Contra Costa County – Cost of Service and Rate Assessment** — NewPoint Group conducted a high-level review of one of the County’s unincorporated areas, the Crockett service area. The review included an assessment of whether the costs of service and associated residential refuse collection rates were reasonable.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **Contra Costa County – Crockett Garbage Service - 2006 Base Year Rate Review of Crockett Garbage Service** —
NewPoint Group conducted a rate review of Crockett Garbage Service (CGS), a subsidiary of Republic Services, Inc. CGS provides service to a part of unincorporated Contra Costa County. As part of the review, we reviewed revenues, costs, and profitability of the hauler to determine whether a rate change of 11 percent was reasonable. We evaluated the impact of changes to the company's cost allocation methodology and additional costs associated with transferring waste from its West County landfill to Potrero Hills landfill in Solano County.
- **Contra Costa County – Crockett Garbage Service - 2007 Interim Year Rate Review of Crockett Garbage Service** —
NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Crockett Garbage Service (CGS), a subsidiary of Republic Services Inc., for rate year 2007. We reviewed the interim year rate application for completeness, prepared the County's interim year worksheet, and prepared a letter report. We determined the rate change allowed to CGS which is based on a formula that applies the CPI to a certain percentage of CGS's costs. We also compared projected tipping fees with those charged by neighboring transfer stations.
- **Contra Costa County – Crockett Garbage Service - 2008 Interim Year Rate Review of Crockett Garbage Service** —
NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Crockett Garbage Service (CGS), a subsidiary of Republic Services Inc., for rate year 2008. We reviewed the interim year rate application for completeness, prepared the County's interim year worksheet, and prepared a letter report. We determined the rate change allowed to CGS which is based on a formula that applies the CPI to a certain percentage of CGS's costs. We also compared projected tipping fees with those charged by neighboring transfer stations.
- **Contra Costa County – Crockett Garbage Service - 2009 Interim Year Rate Review of Crockett Garbage Service** —
NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Crockett Garbage Service (CGS), a subsidiary of Republic Services, Inc., for rate year 2009. We reviewed the interim year rate application for completeness, prepared the County's interim year worksheet, and prepared a letter report. We determined the rate change allowed to CGS which is based on a formula that applies the CPI to a certain percentage of CGS's costs. We also compared projected tipping fees with those charged by neighboring transfer stations.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **Contra Costa County – 1999 Rate Setting Process and Methodology Manual for Garaventa Enterprises** — NewPoint Group developed a solid waste rate setting process and methodology for the unincorporated areas of East Contra Costa County serviced by one of the County’s franchise haulers, Garaventa Enterprises. Prior to development of this process, rate setting in these County areas was not formally rate regulated. The methodology incorporated County goals and policies, reflected industry norms and practices, and was calibrated and tested concurrently with a rate review. The manual was incorporated by reference into the existing franchise agreement.
- **Contra Costa County – Garaventa Enterprises - 2004 Interim Year Rate Review of Garaventa Enterprises** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Garaventa Enterprises (Garaventa) for rate year 2004. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to Garaventa which is based on a formula that applies the CPI to a certain percentage of Garaventa’s costs. We also reviewed requested changes to tipping fees and compared Garaventa tipping fees with those charged at neighboring facilities.

We provided the County with an option to 1) increase all rates by 2.0 percent or 2) regionalize commercial rates across multiple areas, and increase commercial rates by approximately 11 percent on average. Ultimately the County elected to implement option 2.

- **Contra Costa County – Garaventa Enterprises - 2005 Interim Year Rate Review of Garaventa Enterprises** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Garaventa Enterprises (Garaventa) for rate year 2005. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to Garaventa which is based on a formula that applies the CPI to a certain percentage of Garaventa’s costs. We also evaluated “extraordinary cost increases” for worker’s compensation costs and household hazardous waste program costs. We also reviewed requested changes to tipping fees and compared Garaventa tipping fees with those charged at neighboring facilities.
- **Contra Costa County – Garaventa Enterprises - 2006 Interim Year Rate Review of Garaventa Enterprises** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Garaventa Enterprises (Garaventa) for rate year 2006. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to Garaventa which is based on a formula that applies the CPI to a certain percentage of Garaventa’s costs. We also evaluated an “extraordinary cost” reduction for household hazardous waste program costs. We also reviewed requested changes to tipping fees and compared Garaventa tipping fees with those charged at neighboring facilities.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **Contra Costa County – Garaventa Enterprises - 2008 Base Year Rate Review of Garaventa Enterprises** — NewPoint Group completed a rate review of Garaventa Enterprises' (Garaventa) 2008 Base Year Rate Application. In the Application, Garaventa requested an 11.02 percent rate increase. We recommended a rate decrease of 6.44 percent. We made adjustments to direct labor, tipping fees, general and administrative costs, trucking and equipment, and residential bad debt. We followed the County's Rate Setting Process and Methodology Manual. We also conducted a rate survey of neighboring communities. The County Board unanimously approved our recommendation by a 5-0 vote.
- **Contra Costa County – Garaventa Enterprises - 2008/09 Interim Year Rate Review of Garaventa Enterprises** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Garaventa Enterprises (Garaventa) for the middle of rate year 2008. We reviewed the interim year rate application for completeness, prepared the County's interim year worksheet, and prepared a letter report. We determined the rate change allowed to Garaventa which is based on a formula that applies the CPI to a certain percentage of Garaventa's costs. We also reviewed requested changes to tipping fees and compared Garaventa tipping fees with those charged at neighboring facilities.

For this review, we also made a recommendation for an extraordinary rate increase to account for increases in fuel costs. We reviewed detailed fuel records from the company and assessed published diesel fuel data to arrive at a recommendation for the fuel cost increase. We made adjustments to the CPI-based interim year model to account for this extraordinary rate increase for fuel.

- **Contra Costa County – 1997 Modification of Rate Setting Methodology** — NewPoint Group conducted a focused review of one of the County's franchise haulers, Richmond Sanitary Service, Inc. The objective of this engagement was to provide recommendations for modifying an existing rate setting methodology and to assess the reasonableness of existing residential collection rates for unincorporated West Contra Costa County areas. To conduct this evaluation, we recreated a complex multiple jurisdiction cost allocation methodology, examined an extensive affiliated company structure, traced historical sources and components of residential rate changes, and benchmarked certain costs and practices with waste industry norms.
- **Contra Costa County – Rate Setting Process and Methodology Manual for Richmond Sanitary Service** — NewPoint Group is preparing a rate setting manual for one of the County's refuse collection haulers, Republic Services, Inc., dba Richmond Sanitary Service, Inc. (RSS). The objective of this current engagement is to develop a manual for West Contra Costa County areas that is consistent with other County areas and complete a rate review of Republic, following its relatively recent acquisition of RSS. The manual is intended to replace a dated methodology used by the entire west County area that was essentially developed for the City of Richmond.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **Contra Costa County – 2003 Base Year Rate Review of Richmond Sanitary Service** — NewPoint Group is conducting a rate review of Republic Services, Inc., dba Richmond Sanitary Service, Inc. (RSS). The objective of this current engagement is to review the revenues, costs, profit levels, allocation methodologies, and operational metrics to recommend a reasonable rate change to RSS during this first base year rate review.
- **Contra Costa County – Richmond Sanitary Service - 2006 Interim Year Rate Review of Richmond Sanitary Service** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Richmond Sanitary Services (RSS) for rate year 2006. We reviewed the interim year rate application for completeness, prepared the County's interim year worksheet, and prepared a letter report. We determined the rate change allowed to RSS which is based on a formula that applies the CPI to a certain percentage of RSS's costs. We also incorporated changes to the IRRF rate (tipping fee) charged to County customers.
- **Contra Costa County – Richmond Sanitary Service - 2007 Interim Year Rate Review of Richmond Sanitary Service** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Richmond Sanitary Services (RSS), a subsidiary of Republic Services Inc., for rate year 2007. We reviewed the interim year rate application for completeness, prepared the County's interim year worksheet, and prepared a letter report. We determined the rate change allowed to RSS which is based on a formula that applies the CPI to a certain percentage of RSS's costs. We also incorporated changes to the IRRF rate (tipping fee) charged to County customers.
- **Contra Costa County – Richmond Sanitary Service - 2008 Base Year Rate Review of Richmond Sanitary Service** — NewPoint Group completed a rate review of Richmond Sanitary Service, Inc.'s (RSS) 2008 Base Year Rate Application. RSS is a subsidiary of Republic Services, Inc. In the Application, RSS requested a 0.54 percent rate increase. We recommended a rate decrease of 4.39 percent for the service portion of the rate. The remaining portion of the rate, for the Integrated Resource Recovery Facility (IRRF), is regulated by a separate authority. For 2008, the separate authority approved a 2.0 percent IRRF rate increase. The net rate impact was a 2.4 to 3.1 percent rate decrease, depending on the rate category. In our report, we offered the County options for retaining the surplus rather than reducing rates. The County Board ultimately approved an option that had RSS paying the surplus to the County to be used for related programs.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **Contra Costa County – Richmond Sanitary Service - 2009 Interim Year Rate Review of Richmond Sanitary Service** — NewPoint Group assisted the County to perform an interim year rate review of its franchise refuse collection hauler, Richmond Sanitary Services (RSS), a subsidiary of Republic Services, Inc., for rate year 2009. We reviewed the interim year rate application for completeness, prepared the County’s interim year worksheet, and prepared a letter report. We determined the rate change allowed to RSS which is based on a formula that applies the CPI to a certain percentage of RSS’s costs. We also incorporated changes to the IRRF rate (tipping fee) charged to County customers.

- **County of Sacramento – Allowable Profit Evaluation** — NewPoint Group personnel evaluated two solid waste haulers to determine if each realized the guaranteed profit allowed as exclusive permits in the South County. This work involved a detailed review of several years of operating and financial data for each solid waste hauler and a determination of what profit over expenses was earned by each. We developed the format and forms to request information from each company, identified the specified amount of revenues, operating expenses, and depreciation of each of the five years, and determined the actual profit earned by each company. A final report for the Department of Public Works was prepared for each company which compared allowable profit and actual profit and determined the net amount either owed by each company to the County, or owed by the County to each company.

- **County of Sacramento – Disposal and Transfer Station Operations Review** — NewPoint Group personnel conducted an evaluation of the County’s solid waste disposal and transfer station operations. The objectives of the study were to: (1) Identify changes in operating policies, methods, and procedures that could increase efficiency and effectiveness, leading to lower costs, and (2) Evaluate rate-setting policies and procedures for transfer station and disposal fees. The rate-setting study included a review of historical costs and revenues and formulation of short- and long-term rate-setting policy alternatives.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **County of Sacramento – Financial Review** — NewPoint Group personnel performed a detailed review of the financial condition of the franchise refuse hauler, Independent Disposal Service (IDS). Monthly service rates, the number of accounts, revenues and expenses for all jurisdictions within the County were examined for a five-year period. Results were summarized in a report showing a cumulative profit shortfall. IDS subsequently used this information in support of raising refuse collection rates to adequately cover the previous profit shortfall.
- **Douglas County, Nevada – Evaluation of Buyback Provision** — NewPoint Group professionals recommended an appropriate materials recovery facility/transfer station buyback provision for the County to incorporate into its franchise agreement. We subsequently evaluated the impacts of various buyback options and developed franchise agreement language.
- **Durham Road Landfill Authority – Landfill Closure and Post-Closure Care Evaluation** — NewPoint Group managed an evaluation of the remaining unfunded closure and post-closure costs of the Tri-Cities Recycling and Disposal Facility (TCRDF, formerly Durham Road Landfill). This landfill is due to close in 2001. The engagement was conducted for the Durham Road Landfill Authority, comprised of representatives from the Cities of Fremont, Newark, and Union City (Tri-Cities). We provided an objective, third-party evaluation (in 1996\$) of the potential exposure of the Tri-Cities to fund the TCRDF closure and post-closure costs. Currently, the landfill owner, Waste Management of Alameda County (WMAC) has filed a formal complaint to the Tri-Cities regarding this and other franchise-related issues.
- **El Dorado County – Analysis of Property Leases** — NewPoint Group professionals performed an evaluation of the treatment of property leases by the County's franchise solid waste hauler, El Dorado Disposal. Our analysis included property value appraisals, descriptions of lease options, and discounted cash flow analyses.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **El Dorado County – Solid Waste Rate and Service Study** — NewPoint Group conducted a comparison of solid waste residential, commercial, and industrial rates and service levels between the unincorporated County and 14 comparative jurisdictions. Our extensive comparative survey analyses were complicated by the County’s six (6) separate franchised areas served by six (6) refuse collection companies with three (3) parent companies. The comparative jurisdictions had multiple providers and rates within them making the data set extremely robust (200 area rates).

We compared solid waste residential, commercial, and industrial rates and service levels between the County and 12 comparative jurisdictions meeting AB 939 goals. We also performed the following analyses:

- A comparison of franchise fees between the County and 14 comparative jurisdictions
- A comparison of profitability levels between the County and 22 comparative jurisdictions, as well as published publicly and privately held industry profitability levels
- A valuation assessment of each of the six (6) franchise agreements over five, ten, and fifteen year terms (using discounted cash flow analyses).

We provided a range of statistically based comparisons, including means, medians, minimums, and maximums. The report included hundreds of data points and is likely one of the most robust comparative surveys performed of its kind.

We provided the County with an analysis of four (4) potential franchise agreement options for consideration, including (1) franchise extension in conjunction with new services, (2) franchise extension with County option to purchase new facilities, (3) no franchise extension (use competitive bid process), and (4) no franchise extension with the County providing service.

Finally, we recommended new County solid waste rates and service levels. We also recommended changes in the areas of (1) County franchises and authorities, (2) “non-mandatory” residential refuse collection, (3) regulated yard waste burning and yard waste collection, and (4) disposal facilities and waste management facilities. We recommended changes to current County rate setting practices.

We prepared a comprehensive report that the County expects to use in planning new service levels and associated rates, and for future negotiations with its franchised haulers. We also presented results to the County Board of Supervisors. The County was very pleased with the quality and extent of the work performed.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

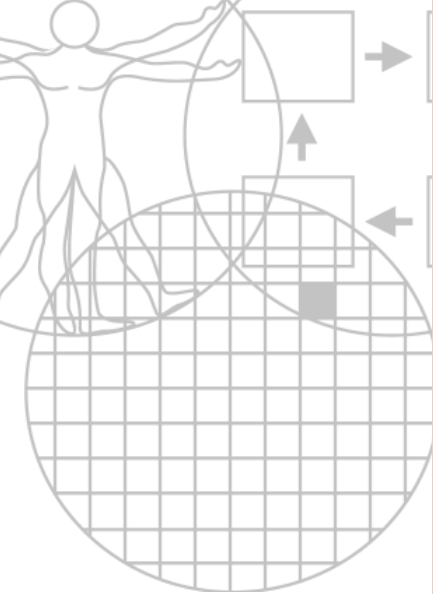
- **King County Solid Waste Division, Washington – Performance Audit** — NewPoint Group professionals conducted an objective third-party performance audit of the King County Solid Waste Division, Washington. The audit involved an evaluation of the Division’s organizational structure, assessment of systemwide operational efficiencies, and review of the financial reserve and replacement fund policies using interviews of management and key stakeholders and a benchmark comparison analyses. Following the analysis, we reported on the status of the Division by identifying potential areas of improvement in the areas of organizational structure, fund balance policies, system costs, landfill and transfer station operations, future waste disposal and export options, and other process issues.
- **Orange County Integrated Waste Management Department – Management and Operations Audit** — NewPoint Group professionals conducted this major multi-year project to ensure that the organizational structure and operating procedures of the department would result in the most effective and efficient agency operation possible. Part of the project was concerned with exploring new opportunities for more efficient privatization operation options and to determine sensitive management changes required to accommodate dynamic new waste management programs. The project developed a comprehensive set of organizational effectiveness recommendations for (1) department organizational structure, (2) intradepartment coordination, (3) policies and procedures, (4) landfill operations, (5) administrative support, and (6) performance measures.
- **San Bernardino County – Determine Solid Waste Rates** — NewPoint Group professionals developed solid waste rates for the Solid Waste Management Department, County of San Bernardino. This is one of the largest counties in the United States in terms of geographical area. The county maintains and operates 17 active landfills and one transfer station, and monitors 16 inactive landfills. The complex solid waste system operated in four autonomous geographical subareas in the County. Through the use of a large-scale computer database and a complex financial model, this study developed solid waste disposal rate schedules for the County. These rates had to fund (1) annual operating and maintenance costs, (2) annual closure and post-closure maintenance reserve requirements, and (3) capital expansion reserve requirements. Three different types of fees had to be developed: tipping fees (charge per ton of solid waste), per capita fees (charge per person per month), and equivalent single family residence fees (charge based on the waste stream of an ESFR and the amount of waste generated by all types of land use parcels relative to an ESFR). The proposed rates also had to cover state and local surcharges, and environmental and infrastructure surcharges. The County’s solid waste capital improvement plan covered \$82 million in capital projects. The rate-setting study included a review of solid waste rates in other counties and analysis of waste generation factors by land use codes. Finally, the study presented recommendations for future rate setting development.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **San Bernardino Desert and Mountain Waste Management Coalition – Financial Review** — This project was a financial review of the San Bernardino County Solid Waste Management Enterprise Fund. This study determined total revenues to this \$50 million fund for a period of six fiscal years and verified that funds were expended for appropriate operations, capital outlays, and reserves related to Enterprise Fund activities. The study also assessed adequacy of closure and post-closure reserve funds, identified and reviewed significant fixed asset acquisitions and dispositions, and reviewed rate setting processes. The study provided findings and recommendations based upon the specified financial work and procedures performed.
- **San Diego County, Solid Waste Division – Management Audit and Financial Review** — NewPoint Group professionals conducted a multi-year major project whose objective was to perform an integrated management audit and financial review of the Solid Waste Division. The management audit reviewed (1) operations compliance with laws, regulations, and ordinances; (2) internal organizational and operational effectiveness, efficiency, and costs, (3) contracting practices and costs, (4) North County Recycling Center operating requirements, costs, and effectiveness, and (5) County recycling program effectiveness. The financial review determined: (1) adequacy of internal controls, (2) sufficiency of operating reserves, (3) expenditures and funding requirements, (4) future landfill tipping fees, and (5) overall fund solvency. The bottom line result of this enterprise fund turnaround management consulting project was to determine the immediate need to drastically increase mixed waste tipping fees or risk financial insolvency of the \$100 million a year operating cost and capital cost enterprise fund. Several additional related engagements spun off from this primary engagement. For the multiple additional related engagements we served as a financial advisor to the Enterprise Fund and provided complex financial analyses of alternative debt and no debt funding analyses, including the use of revenue bond and tipping fee funding plans. Multiple short and long-term funding plans were developed considering impacts on rate payers, system life-cycle costs, and facility reserves.

NewPoint Group Local Government Waste Management Qualifications *(continued)*

- **San Diego Solid Waste Authority – Technical Assistance for Landfill and Transfer Station Feasibility Study** — NewPoint Group personnel assisted with an initial financial feasibility study for a \$100 million Municipal Bond Issuance project which included sensitivity analyses of projected fixed and variable costs, five-year forecasting of revenues under various system tipping fee scenarios, regional competitor studies, and valuation analysis of landfill assets and worth. This analysis was completed prior of the entire sale of the San Diego landfill system to Allied Waste.
- **Tahoe Basin Solid Waste Joint Powers Authority (JPA) – Rate Setting Policy and Procedures Manual** — NewPoint Group professionals developed a formal comprehensive solid waste rate setting process and procedures manual for the Tahoe JPA. The manual describes treatment of allowable costs and profit and established a process for submitting and reviewing rate applications.
- **Town of San Anselmo – Rate Review** — NewPoint Group professionals performed a rate review for the Town of San Anselmo by reviewing the rate application and compiled financial statements of the franchised refuse collection hauler. We tested reported costs and revenues for reasonableness and made recommendations for a rate adjustment in this base year. The process required a thorough detailed review of the hauler’s financial accounting records, cost allocations, allowable expenses, revenue projections, and allowed profit. Because the current hauler recently purchased the franchise, we extensively analyzed the first year revenue and expense projections to set a reasonable baseline and presented results to the City Council.



IV. NewPoint Group State Government Solid Waste Management Qualifications

NewPoint Group State Government Solid Waste Management Qualifications

- **California Department of Conservation – 2009 Processing Fee Cost Survey** — NewPoint Group is currently completing a year-long project for the Department of Conservation. The objective of this study is to determine the cost of recycling beverage containers in California. This year's survey will include on-site allowable cost surveys of approximately 350 certified recyclers in the State. NewPoint Group will determine the costs per ton for aluminum, bi-metal, glass, and plastic beverage containers.
- **California Department of Conservation – 2007 Processing Fee Cost Survey** — NewPoint Group conducted the first ever combined processing fee and handling fee cost surveys. This was a large cost-accounting and statistical challenge, rivaling the technical requirements of state-of-the-art, activity-based costing techniques and statistical survey techniques, used by private industry.

The objective of this fourteen month engagement was to determine the costs of recycling beverage containers in California, by material type, and by recycler type. The processing fee cost survey determined the calendar year 2006 cost of recycling, by material type, for the January 1, 2008, processing payments and processing fees. The handling fee cost survey determined the calendar year 2006 cost per container to recycle for recyclers that do not receive handling fees (processing fee recyclers), and recyclers that do receive handling fees (handling fee recyclers). The difference between these costs per container (handling fee recycler cost minus processing fee recycler cost), determined the new handling fee payment, effective July 1, 2008.

The State's beverage container recycling program requires that a processing payment be paid to recyclers, and a processing fee be paid by beverage manufacturers, on any container type (aluminum, bi-metal, glass, and plastic (resins #1 through #7)) when the scrap value paid for the recycled materials is less than the cost to recycle material, plus a reasonable financial return. The Department conducts the processing fee cost survey every two years in order to obtain the material-specific costs per ton to recycle.

The beverage container recycling program also requires that the State pay a per container handling fee to supermarket-site recyclers to support convenient recycling opportunities. Historically, this handling fee payment has been set in statute, most recently at 1.8 cents per container, with a maximum monthly payment of \$2,300 per month, per site. Starting in July 2008, AB 3056, requires the handling fee to be based on the actual cost per container to recycle. The Department will conduct a handling fee cost survey every two years, in conjunction with the processing fee cost survey, to obtain the costs per container to recycle for processing fee recyclers, and handling fee recyclers.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

■ California Department of Conservation – 2007 Processing Fee Cost Survey *(continued)* —

The processing fee cost survey included one stratified random sample, two simple random samples, and a census. The handling fee cost survey included two stratified random samples, one simple random sample, and a census. For each stratified or simple random sample, NewPoint Group developed a survey sampling plan to identify the number of site visits necessary to achieve a 90 percent confidence interval, with a 10 percent error rate.

The processing fee cost survey included one stratified random sample, two simple random samples, and a census. The handling fee cost survey included two stratified random samples, one simple random sample, and a census. For each stratified or simple random sample, NewPoint Group developed a survey sampling plan to identify the number of site visits necessary to achieve a 90 percent confidence interval, with a 10 percent error rate.

We performed on-site visits to 385 sampled and census processing fee recycler and handling fee recycler sites across the state to collect the necessary financial and operating data. We utilized an Excel-based labor allocation model and indirect cost allocation sub-models to allocate costs between the ten different beverage container materials, and to determine costs per container. We prepared detailed data collection instruments and documentation standards. We also prepared for and conducted a comprehensive two-week training session on the planning, execution, and documentation of on-site surveys for new survey team members, and a shortened three-day refresher course for returning survey team members. Approximately 22 of our contract team personnel and Department staff attended the trainings.

During on-site visits, personnel from NewPoint Group and our accounting services firm subcontractor interviewed site management, collected financial and operating data, and conducted activity-based interviews to determine labor hour allocations for each CRV material and other businesses. We reviewed all site data collected for accuracy and then key-entered into the automated cost survey model and sub-models. Based on this information, we determined costs per ton for aluminum, bi-metal, glass, and each of the plastic resins #1 through #7 beverage containers. We also determined costs per container to recycle for processing fee and handling fee recyclers.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

■ California Department of Conservation – 2007 Processing Fee Cost Survey *(continued)* —

We prepared analyses and comparisons of the results of this cost survey with the previous two processing fee cost surveys (2003 and 2005), also conducted by NewPoint Group. In addition, NewPoint Group prepared and presented a briefing document on the results of the processing fee and handling fee cost surveys to Department of Conservation management. We prepared a final report on the processing fee cost survey, a final report on the handling fee cost survey, assisted the Division in preparing for a workshop to present the results of the surveys to interested stakeholders, conducted an economic impact analysis of certified recycling center activity, and prepared recommendations on sample methodology alternatives for future processing fee and handling fee cost surveys.

For the third time since the 2003 processing fee cost survey, the processing fee cost survey met and exceeded all statistical requirements. The handling fee cost survey, conducted for the first time, also met and exceeded all statistical requirements. In all cases the error rate at the 90 percent confidence level was below 10 percent. It was a significant accomplishment to achieve these error rate goals in this cost survey, which was the most detailed and complex of any previous Department cost survey effort. One reason that we consistently achieve the error rate goal is that the NewPoint Group methodology includes extensive file oversight and six levels of quality control review.

■ California Department of Conservation – 2005 Processing Fee Cost Survey —

NewPoint Group determined the cost of recycling for the January 1, 2006, processing payments and processing fees. The objective of this engagement was to determine the costs of recycling beverage containers in California. The State's beverage container recycling program requires that a processing payment be paid to recyclers, and a processing fee be paid by beverage manufacturers, on any container type [aluminum, bi-metal, glass, and plastic (resins #1 through #7)] when the scrap value paid for the recycled materials is less than the cost to recycle material, plus a reasonable financial return.

NewPoint Group developed a survey sampling plan to identify the number of site visits necessary to achieve a 90 percent confidence interval, with a 10 percent error rate. The survey utilized three separate samples; a stratified random sample for aluminum, glass, PET #1, and HDPE #2, a simple random sample for bi-metal, and a census of sites recycling plastics #3 to #7.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

■ California Department of Conservation – 2005 Processing Fee Cost Survey *(continued)* —

We performed on-site visits to 189 sampled and census sites across the state to collect the necessary financial and operating data. We utilized an Excel-based labor allocation model and indirect cost allocation sub-models to allocate costs between the ten different beverage container materials. We prepared detailed data collection instruments and documentation standards. We also prepared for and conducted a comprehensive two-week training session on the planning, execution, and documentation of on-site surveys for new survey team members, and a shortened three-day refresher course for returning survey team members. Approximately 24 of our contract team personnel and Department staff attended the trainings.

During on-site visits, personnel from NewPoint Group and our accounting services firm subcontractor interviewed site management, collected financial and operating data, and conducted activity-based interviews to determine labor hour allocations for each CRV material and other businesses. We reviewed all site data collected for accuracy and then key-entered into the automated cost survey model and sub-models. Based on this information, we determined costs per ton for aluminum, bi-metal, glass, and each of the plastic resins #1 through #7 beverage containers. Using a weighted-average scrap value for each material, the Department then determined processing payments for each material, as necessary.

We prepared analyses and comparisons of the results of this cost survey with the previous 2003 processing fee cost survey, also conducted by NewPoint Group. In addition, NewPoint Group prepared and presented a briefing document on the results of the cost survey to Department of Conservation management. We prepared a final report on the processing fee cost survey, and assisted the Division in preparing for a workshop to present the results of the survey to interested stakeholders.

For the second time since the 2003 processing fee cost survey, this cost survey met and exceeded all statistical requirements. In all cases the error rate at the 90 percent confidence level was below 10 percent. It was a significant accomplishment to achieve these error rate goals in this cost survey, in particular because the lower error rates were achieved even with a smaller stratified random sample. There were two reasons for the improved error rates. The first reason was the highly experienced survey team, including a majority of team members that had field experience in the 2003 cost survey. The second reason is that the NewPoint Group methodology again included extensive file oversight and six levels of quality control review. As one outcome of the high degree of accuracy, the results of the 2005 processing fee cost survey are extremely stable in comparison to results of previous years' surveys.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation – 2003 Processing Fee Cost Survey** — NewPoint Group completed a year-long project for the Department of Conservation. The objective of this engagement was to determine the cost of recycling beverage containers in California. The State's beverage container recycling program requires that a processing payment be made by beverage manufacturers on any container type (aluminum, bi-metal, glass, and plastic (resins #1 through #7), when the scrap value paid for the recycled material is less than the cost to recycle material, plus a reasonable financial return. NewPoint Group performed the on-site cost surveys at a statistically valid sample of recycling centers across the state. NewPoint Group collected and compiled the necessary financial and operating data for the cost survey. NewPoint Group had to develop a new major economic model to estimate the costs of recycling the minority material types (plastics resins #2 through # 7, and bi-metals).
- **California Department of Conservation – Comprehensive Blueprint for a New California Container Redemption Program** — This multi-year engagement developed a blueprint plan to improve performance of the State of California's \$350 million a year recycling program, the only one of its kind in existence anywhere in the United States. The scope of work included performing a review and evaluation of the State's present recycling program, and developing new future state program alternatives, which would improve performance of the program into the next millennium. Tasks included facilitating an interagency advisory group of top level government officials, briefing the California State legislature, performing over 100 structured industry interviews, conducting industry focus groups, holding public workshops, and coordinating consumer surveys. The project proposed a major overhaul and redesign of the State's program taking a free-market approach while still internalizing the cost of recycling. The report served as the first step in a rewrite of California's beverage container redemption law from top to bottom. The report was featured in a national Wall Street Journal article that depicted innovative leadership trends in California. The project principles have had a successful track record of providing on-going management consulting services to this department over the last ten years.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation – Determination of Commingled Rates and Container Weights** — NewPoint Group professionals determined commingled rates and container weights. We assisted the Department's Division of Recycling to develop a methodology for determining commingled rates and container-per-pound rates for California redemption value (CRV) containers. Certified recycling centers, curbside programs, and other collection programs typically sell their collected material to certified processors. Processors pay these operators the refund value on CRV containers. The CRV paid is based on the weight of the material and on the Department of Conservation's estimate of the number of containers per pound. Because loads of redeemed materials contain both CRV and non-CRV containers, only a portion of a mixed, or “commingled”, load of material is eligible for CRV. The Department sets reimbursement rates per pound for aluminum, glass, plastic, and non-aluminum metal containers based on commingled rates. Also, a separate commingled rate for each CRV container material is set for recycling centers, collection programs, curbside programs, and community service programs to recognize different volumes and mixes of non-CRV materials collected by each program. We conducted on-site surveys of 12 recycling operations to obtain and analyze data for determining commingled rates and container-per-pound rates. The methodology that we developed on this engagement served as a protocol for sampling containers at all future sites chosen for commingled rate surveys.
- **California Department of Conservation – Determination of the Costs of Alternative Recycling Programs** — NewPoint Group professionals determined the costs of alternative recycling programs. The goal of this project was to determine the average statewide costs, per container and material type, of various recycling programs. These programs included automated recycling programs, staffed recycling programs, nonprofit drop-off programs, curbside collection programs, material recovery facilities, and bar/restaurant collection programs. A law passed in California which required the DOC to (1) conduct a study on alternative methods of funding for, and expansion of, curbside programs, (2) provide a summary of the funds used to support these programs, and, (3) calculate the average monthly volumes per household collected by curbside programs.

We developed the survey protocol to enable DOC personnel to determine the costs of the different programs listed above. This included developing methodologies for determining the costs, selecting pilot samples of the programs to be surveyed, preparing appropriate survey forms and data collection sheets, training personnel in conducting these surveys, and conducting 40 pilot surveys of the recycling programs. This information was evaluated to determine costs of each recycling program. Secondary literature then was reviewed and a final report prepared stating the costs of recycling using the different methods including the cost of certified staff and improvements required.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation – Development and Implementation of a Cost Survey Model Used for On-site Surveys Statewide** — NewPoint Group professionals developed and implemented a cost survey model used for on-site surveys statewide. We developed an automated model for measuring the actual costs of recycling aluminum, glass, and plastic beverage containers. Based on a comprehensive labor hour allocation methodology developed by NewPoint Group personnel, the Department measures the costs of recycling beverage containers at over 2,500 recycling centers and 100 processors throughout the state. Costs are allocated to beverage containers and other secondary materials based on labor activity at the site. The model was designed for DOC staff to easily conduct financial and labor activity interviews as part of on-site cost surveys of certified recyclers and processors in California. The survey model automated part of the surveying process by accepting labor and cost information and automatically determining the cost of recycling each beverage container material at the survey site. The model performed all of the required calculations, incorporating financial statements, labor interviews, recycling volumes, and commingled rates, and provided the on-site survey team with real-time cost estimates for each beverage container material type. We also provided comprehensive training sessions on the model.
- **California Department of Conservation – Development of Curriculum Materials and Conduct Audited Cost Survey Training for Determining the Costs of Recycling** — NewPoint Group professionals developed a training curriculum and manual and conducted a formal four-week training course on how to measure the costs of recycling aluminum, glass, and plastic beverage containers. This project provided a comprehensive training program for the Department of Conservation, Division of Recycling, to conduct annual training sessions. The training program provided various training modules, materials, techniques, problem sets, case studies, and a laptop computer-based model, so that DOC management could conduct the training. We prepared 17 training modules, consisting of lesson plans, classroom instruction materials, exercises/quizzes, and answers to tests. This project also included training the trainer and training Department staff survey teams to conduct financial and labor activity interviews and use results to measure the costs of recycling aluminum, glass, and plastic beverage containers.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation – Evaluation of the Impact of Adding New Containers to the Beverage Container Program** — NewPoint Group professionals evaluated the impact of adding new containers to the beverage container program. We assisted the DOC with analyzing non-CRV container unit sales and evaluating which should be added to the California recycling program. Because sales information on these containers was not readily available, a method of collecting this information had to be devised. We identified sources of unit sales data and other descriptive data for the following products: wine, distilled spirits, still water, juice and food. We then evaluated alternative data sources and the costs associated with retrieving the proper information from them. In addition, we performed selected analyses on the data, which were stored in computer data bases, including data validation, summary statistics, and histograms of unit sales by container capacity for each product type and material type. We also analyzed the effects key drivers such as pricing and seasonal effects had on sales.
- **California Department of Conservation – Financial Impact of AB 2020 on California Curbside Recycling Programs** — NewPoint Group professionals evaluated the costs and funding sources of curbside recycling programs. The objective of this engagement was to provide the Department of Conservation with technical assistance in preparing its report for the Legislature on the costs and funding of curbside collection programs. Assembly Bill 87 required the DOC to conduct a study on alternative methods of funding for, and expanding of, curbside collection programs. Our report provided a summary of the methods used by local governments to fund such programs and presented estimates of average monthly volumes collected by curbside programs. A profile of 456 curbside collection programs operating in the state was developed. The profile included geographic coverage, demographics, operating characteristics, and material types collected for the programs. The report also presented five case studies of operating curbside programs which provided detailed information on program operations, costs, revenues, and funding sources. We used a number of techniques to collect the information for the report including a review of existing DOC documents, a formal statewide mail survey, in-depth and on-site interviews and operations reviews, a formal opinion survey of curbside program participants, and a public workshop held by the DOC to present the initial findings and conclusions of this study. Using this information, the Division determined the level of AB 2020 funding to curbside recycling programs, and the contribution of this funding to total curbside program revenues received for CRV materials. CRV funds were found to contribute a significant amount toward curbside program revenues relative to other secondary material revenue sources.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation – Market Analysis Report for Recycled Beverage Container Materials** — NewPoint Group prepared a comprehensive market analysis for the Division of Recycling. The primary objective of the market analysis is to provide the DOR with a better understanding of material markets and industry participants involved in beverage container material markets, and how investments through grant funds may impact competitive forces in the industry. The report, over 120 pages in length, includes detailed analyses of supply and demand, key players, material flows, end-uses, and market issues for the ten beverage container material types. The report also summarizes and synthesizes the details and provides recommendations for the Beverage Container Recycling Market Development and Expansion Grant Program that are expected to guide the program for the next few years. The market report represents the analysis and compilation of five months of research, including review of more than 150 secondary sources and interviews with over 25 industry experts. The Department published this market analysis report on their website for the benefit of their industry stakeholders.
- **California Department of Conservation – “Most Accurate” Refund Value Review** — NewPoint Group prepared a technical report, Refund Value Analysis, for the California Department of Conservation, Division of Recycling. This comprehensive report analyzes the extent of overpayment and underpayment of CRV that results due to the conversion from CRV paid per container at the point of sale, to CRV paid by weight, at the point of recycling. Recently, some consumers have expressed concern that they are not receiving back the full amount of CRV that they paid upon purchase. The Division determines a statewide weighted-average refund value for each material type to be used in this conversion. As the beverage container market has diversified, and new containers have been added to the recycling program, there are an increasing number of containers that are not paid the “full” amount of CRV using the weighted-average rate. This report quantified the extent of the problem, examining overpayment and underpayment statewide, by recycling program, by material type, and for individual CRV product types. The report identified three different solutions to three different types of CRV underpayment concerns. The report, which is currently being finalized, will be used by the Division to inform program decisions related to most accurate refund values.
- **California Department of Conservation – Plastic Scrap Value and Transportation Cost Study** — NewPoint Group professionals determined the scrap value and transportation costs for recycled plastic beverage containers. We performed financial analyses and conducted telephone interviews with a sample of approximately 60 recycling sites as a basis for computing the costs of transporting California Refund Value (CRV) scrap plastic from a certified recycler to a processor. We then prepared a report summarizing results and the methodology used to determine the cost of transportation.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation – Preparation of a White Paper for the Seventh Annual International Conference** — NewPoint Group professionals drafted a white paper titled Comparison of Costs of California's Container Recycling Program with a Traditional Deposit Program. This paper then was presented by the Director of the California Department of Corrections at the Seventh Annual International Conference on Solid Waste Management and Secondary Materials. This paper provided a perspective on California's innovative beverage container recycling law, a program enacted with support of both the environmental community and traditional bottle bill opponents: the beverage, retail, container, and recycling industries. Information in this paper and speech was based on the first and only major evaluation of California's program and the costs of other state's programs, an evaluation performed by NewPoint Group personnel. The white paper presented financial, recycling, and organizational efficiencies of the California program, and showed the significant (\$250 million annually) savings to industry and the public from the program when compared to a traditional bottle bill program.
- **California Department of Conservation – Processing Fee Annual Cost Surveys** — For three consecutive annual calculations, NewPoint Group professionals surveyed certified recyclers and processors in the State to determine allowable costs, and presented a public workshop regarding the processing fees ultimately established by the Department. The objective of each engagement was to determine the costs of recycling and processing beverage containers in California. The State's beverage container recycling program requires that a processing fee be paid by beverage manufacturers on any container type (aluminum, glass, bi-metal, and plastic) when the scrap value paid for the recycled material is less than the cost to recycle material, plus a reasonable financial return. Each project required a determination of a statistically-valid random sample of sites, and involved on-site visits to over 125 recycling and processing locations to collect the necessary financial and operating data. Detailed data collection instruments were prepared for the site visits, and all surveyors were trained in their use. During on-site visits, NewPoint Group and Department personnel interviewed site management, collected financial and operating data, and performed continuous time studies of customer transactions. All site data collected were reviewed for accuracy and then key entered into computer databases. Based on this information, costs per ton were determined for aluminum, glass, and plastic beverage containers. Using a weighted average scrap value for each material, the processing fee for each material, if necessary, was calculated. Public workshops then were conducted for purposes of presenting the methodology and results of the allowable cost surveys. In the third year of this engagement, the legislature substantially changed how scrap value is measured. NewPoint Group personnel assisted the Department to revise the methodology used to calculate processing fees in order to comply with the legislation.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation – Processing Fee Public Workshops** — NewPoint Group professionals assisted the Department's Division of Recycling by developing and presenting Processing Fee Workshops for industry representatives and other interested members of the public. Under the California law, the Department must determine processing fees paid on beverage containers each year. The fees are calculated based on costs of recycling and processing beverage containers. Public workshops are held in order to address questions and concerns from those affected by this legislation after annual processing fees have been set by the Department. The authorizing legislation, methodology used to calculate fees, cost data analyzed, and implementation requirements are discussed at the workshops. We assisted the Department with processing fee workshops for three consecutive years.
- **California Department of Conservation – Revisions to Processing Fee** — NewPoint Group professionals conducted three statewide focus groups to obtain comments, findings, and suggestions from industry participants regarding revisions or reforms to the processing fee. We prepared a report which summarized recommendations for changes to the cost and scrap value measurement methodology, as well as improvements to other process and program requirements.
- **California Department of Conservation – Validation of the Department's Methodology for Measuring the Costs of Recycling and Scrap Value of Materials** — NewPoint Group professionals conducted a validation study of the Department of Conservation, Division of Recycling's approach to measuring the cost of recycling and scrap value payments for aluminum, glass, and plastic beverage containers in California. During the study, on-site surveys were conducted of 15 representative certified recycling centers. Results were summarized into a report with recommendations on how to improve the measurement of costs and scrap value.
- **California Department of Conservation – Workshop on Municipal Curbside Recycling** — NewPoint Group professionals developed this study on the financial impact of the California Beverage Container Act on municipal curbside recycling programs to determine the projected economic impact of the establishment of statewide certified recycling centers on municipal curbside programs. The intended audience for the study was local government elected and management officials.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Department of Conservation, Division of Recycling – Preparation of a Market Analysis for All Beverage Container Material Types, 2007 Update** — NewPoint Group prepared a comprehensive market analysis for the Division of Recycling. The report built on, but did not duplicate, NewPoint Group’s 2005 Market Analysis for Recycled Beverage Container Materials, and the brief Market Status Update of September 2006, Market Analysis for Recycled PET and HDPE in California. This report, prepared in early 2007, provides an overview of the current status of recycled beverage container material markets; California processing/reclaiming capacity today and in 2010; market issues and barriers, competitive concerns related to the Beverage Container Recycling Market Development and Expansion Grant Program; and potential grant opportunities. The focus in writing the report was to emphasize the implications of these various market elements for the Grant Program. In preparing the report, NewPoint Group conducted a literature review of published and Internet sources, and interviewed 36 individuals closely involved with national and/or California recycled material markets. Reflecting the complex and dynamic nature of recycled beverage container material markets, this report provides detailed information on market dynamics, market issues, alternatives, and recommendations. The 2007 Update was published on the DOC’s web site for use by prospective grant applicants, and used by Division of Recycling staff to assist in the review process prior to awarding grants in the 2007 grant cycle.
- **California Energy Commission – Curbside Recycling Technical Assistance** — NewPoint Group professionals provided technical assistance to the City of San Jose. The objective of this engagement was to review the City of San Jose Curbside Recycling Program. Study tasks included (1) Identifying demand and supply markets, (2) Compiling relevant demographic data, (3) Reviewing the current curbside program, including recovery and participation rates, (4) Reviewing and assessing economics of the curbside program, (5) Identifying other recovery efforts that could be used in San Jose, and (6) Preparing economic projections for future recycling programs.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **California Energy Commission – Three-Year Refuse Energy Technical Assistance Program** — This major project was a three-year technical assistance program to the Energy Efficiency and Local Assistance Division, Local Assistance Office. The program provided technical assistance to local governments assessing and implementing refuse energy and wastewater treatment options. The technical assistance program provided in-kind economic and financial consulting services to California municipalities. The program helped local governments assess and choose energy options, overcome development barriers, and determine if the economics and other basic project components exist for a feasible project. The following local governments were assisted by the program:

For **Lassen County**, we examined the estimated landfilling costs over a five year period and determined what the tipping fee would be at a restarted Lassen Community College cogeneration (refuse energy) facility. The County landfills included Bass Hill, Westwood, Herlong, Madeline/Ravendale, and Beiber. We identified total budgeted costs of operation/ maintenance, capital outlays (on a “pay-as-you-go basis”), and overhead. costs. We then prepared an analysis of the County’s solid waste management budget and prepared projections for the next five years. Material costs included the following:

- Operating costs
- Air monitoring costs
- Subchapter 15 water monitoring costs
- Eastin surcharge (AB 2448)
- Fixed asset costs
- Closure and post-closure care costs.

We determined total disposal costs and examined possible financial assurance mechanisms for the County to fund closure and post-closure care (i.e., issuance of long-term debt, or Certificates of Participation).

For **Del Norte County**, we examined potential financing techniques for the siting, development, and construction of the new landfill including Certificates of Participation, General Obligation Bonds, Lease Revenue Bonds, Municipal Revenue Bonds, and Variable Rate Bonds.

For **Merced County**, we evaluated the feasibility of recovering landfill gas (LFG) from the 118,000 ton per year Highway 59 Landfill and selling either the gas or electricity generated by combustion of the gas. As a basis for the evaluation, we estimated the volume and quantity of LFG available, identified potential users and markets for the LFG, estimated costs to recover the gas and convert it to usable energy. We also examined refuse energy as an opportunity to reduce landfilled waste. The County wanted to reduce the current 600 tons per day in order to extend the life of the two County landfills. We evaluated the feasibility of a 500-ton-per-day refuse energy facility that would have increased the system tipping fee to \$77 per ton.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

■ California Energy Commission – Three-Year Refuse Energy Technical Assistance Program *(continued)*

We evaluated the feasibility of recovering landfill gas (LFG) from Greer Road Landfill in Stanislaus County and selling either the gas or electricity generated by combustion of the gas. As a basis for the evaluation, we estimated the volume and quantity of LFG available, identified potential users and markets for the LFG, estimated costs to recover the gas and convert it to usable energy.

As a consultant to the **Southeast Regional Solid Waste Commission**, we assisted in the final technical and economic evaluation of four disposal proposals.

We examined the feasibility of the **City of Santa Clara's** developing its own refuse energy facility and lower the tipping fee. The City had recently negotiated an agreement with a private operator calling for a \$30 per ton tipping fee.

For **Kern County**, we reviewed the economics of a 500 ton per day facility as a way to reduce the approximately 1.1 million tons of refuse generation landfilled. At the time the County was closing China Grade, replacing the landfill with a newly permitted one and adding a large transfer station. Energy from this facility would act as a cheaper source of thermal energy for use in recovering oil through the thermally enhanced oil recovery process.

We evaluated whether a refuse energy facility in **Amador County** was economically feasible. We reviewed waste flows from the Counties of Amador, Calaveras, and El Dorado and based on an estimated 300 ton per day facility and facility construction costs of over \$30 million, the proposed tip fee would rise from Amador tip fees of \$6 per ton to \$79 per ton. We concluded the project was not economically feasible.

For **Calaveras County**, we evaluated whether a modular incinerator facility was economically feasible. We reviewed waste flows from the Counties of Amador, Calaveras, and El Dorado and based on an estimated 50 ton per day facility and facility construction costs of over \$3 to \$4 million, the proposed residential fees would need to be set an \$80 to \$104 per residential equivalent, an increase of 50 to 100 percent over current fees. Due to the weak steam market, we concluded the project was not economically feasible.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

■ **California Energy Commission – Three-Year Refuse Energy Technical Assistance Program** *(continued)*

We examined five alternatives to replace the existing landfill serving **Yuba and Sutter Counties** by comparing various technical and economic aspects. The Bi-County area was utilizing a privately owned and operated landfill with 18 months of capacity. The Bi-County Solid Waste Management Board had approved the 261 acre Ostrom Road landfill site however this site was blocked by two incorporated cities. Alternatives included the following:

- Enlarge existing landfill
- Close existing landfill and open Ostrom Road
- Close existing landfill, open Ostrom Road, and construct transfer station
- Close existing landfill, open Ostrom Road, and construct refuse energy facility
- Enlarge existing landfill and construct refuse to energy facility.

■ **California Energy Commission – Tipping Fee Technical Assistance** — NewPoint Group professionals provided technical assistance to the County of Lassen, California. The objectives of this engagement were to: (1) determine the costs of solid waste management in the County, (2) estimate required tipping fees needed to fund the costs of solid waste management, and (3) prepare five-year projections of the County's Solid Waste Management operations.

■ **California Integrated Waste Management Board – Analysis and Calculation of the Glass Container Market Development Payments** — The objective of this engagement was to develop a cash flow projection model to determine the amount of glass market development payments available to in-state glass container manufacturers. California glass container manufacturers which purchase cullet, as well as processors which sell cullet to end-users other than container manufacturers, were eligible for these payments under California's beverage container recycling program. We developed a computer-based model to forecast the flow of funds into and out of the State fund used for the purpose of making these payments, and Department personnel were trained in the use of this model. We made an initial estimate of the level of the payment, considering the level of recycling statewide and use of cullet by container manufacturers.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

■ **California Integrated Waste Management Board – Cost Benefit Analysis of Six Market Development Policies** —

NewPoint Group professionals conducted a detailed analysis of the costs and benefits, solid waste impacts, and administrative impacts of six potential policies to increase market demand for recyclable materials:

- 50% manufacturer responsibility (similar to German Green Dot)
- Refillable plastic and glass beverage containers
- 80% recycled content in boxboard and corrugated
- 30% recycled content in printing and writing paper
- Government procurement of compost and mulch
- 40% recycled content in plastic industrial containers.

Particular attention was given to the impacts of tradable credits on these policy options, estimating the costs of these proposals with, and without tradable credits. The analysis presented in detail the administrative challenges and opportunities of such a system. We prepared a final report for the CIWMB.

■ **California Integrated Waste Management Board – Market Development Policies** —

NewPoint Group professionals managed a project to provide a menu of potential “fast track” market development policy options for consideration by the CIWMB, public officials, and others. Three types of policies were considered: (1) tradable credits and similar credits, (2) minimum recycled content, and (3) disposal price reforms. We identified a menu of policies that would affect many of the 22 materials in the waste stream. Special emphasis was placed on three secondary materials for which the CIWMB has established priority: mixed waste paper, unsorted/HDPE plastics, and compostables.

■ **California Integrated Waste Management Board – Plastics White Paper** —

NewPoint Group professionals prepared a white paper that included a comprehensive assessment of, and recommendations for, plastics recycling and resource conservation in California for the California Integrated Waste Management Board, and the Department of Conservation. NewPoint Group organized and facilitated a two-day Plastics White Paper Workshop attended by 50 diverse stakeholders. NewPoint Group prepared an extensive presentation and resource document for the workshop. NewPoint Group participated in over twelve stakeholder meetings and conducted secondary research on the plastics industry. The white paper included policy recommendations in six program categories including: (1) modifications to existing laws, (2) collection and market development, (3) public information, relations, and education, (4) research/development and new technologies, (5) a structured collaborative process, and (6) funding mechanisms/long-term policies. These policy recommendations were intended to guide Board and Department legislation and plastics programs over the next five years.

NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

■ California Integrated Waste Management Board – Proposals for Specific Actions to Increase the Demand for

Secondary Materials — This engagement performed policy analyses of the demand for California secondary materials. The engagement developed proposals for specific actions to increase the demand for California secondary materials. The study included development of: (1) a five-year market program plan for secondary materials, (2) an industry information reporting system for secondary materials, and (3) financial incentives for secondary materials. Financial incentives analyzed included a business consumer tax credit, a last re-manufacturers tax credit, a secondary materials use tax credit, and an investment tax credit. The study included the following tasks:

- ❑ Identify recyclable material market conditions in California
- ❑ Quantify supply of, and demand for, California MSW and document prices of, and quantities consumed of, California secondary materials
- ❑ Conduct survey of selected major end-users of recyclable materials
- ❑ Identify economic, and non-economic, factors which inhibit the demand for recyclable materials
- ❑ Conduct a comprehensive review of, and analysis of, existing and proposed state and federal programs which provide financial incentives to increase the demand for secondary materials
- ❑ Identify existing regulations which provide subsidies to virgin materials
- ❑ Perform research to identify market information and state-of-the-art technology
- ❑ Prepare financial case studies of four manufacturers
- ❑ Analyze specific California market data and develop recommendations to resolve current market/financial/ technological/institutional constraints, and encourage increased demand of recyclable materials
- ❑ Prepare a comprehensive five-year market development plan.

■ California Integrated Waste Management Board – Report on California Glass Container Manufacturing Markets —

NewPoint Group professionals examined glass container production in California. The primary objectives of the study were to: (1) determine the capacity of in-state producers to use cullet, by color, (2) estimate the total supply of cullet in the State, by color, and (3) determine the value of cullet as feedstock to in-state glass container manufacturers. The project focused primarily on glass container manufacturing processes, raw material use, cullet use, production volumes, and economics. This project included a determination of the supply and uses of post-consumer cullet in the State, by color, the cost of making new containers with and without cullet, and the marginal economic value of cullet to a container manufacturer. We also evaluated methods of reducing costs of post-consumer container cullet collection and processing.

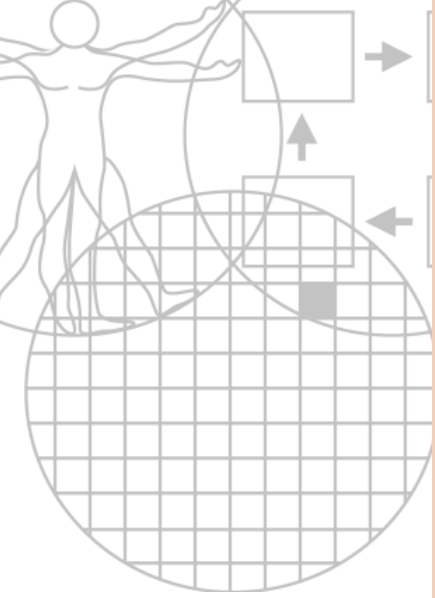
NewPoint Group State Government Solid Waste Management Qualifications *(continued)*

- **State of Missouri – Waste Reduction and Resource Recovery Report** — NewPoint Group professionals developed a Statewide Resource Recovery Planning and Feasibility Report for the State of Missouri Environmental Improvement and Energy Resources Authority (EIERA). The Missouri State Legislature passed, and the Governor signed into law, Senate Bill 475, mandating the EIERA to conduct this study and report to the Legislature. We conducted research and prepared a seven volume report to the Legislature. The overall project goal was to identify and recommend actions the State could take to encourage waste reduction and enhance resource recovery. Objectives of this year-long project included:

- Determine the quantity and composition of solid waste by 114 counties, for 26 separate categories of materials
- Determine integrated solid waste management practices statewide
- Identify the amount/flow of solid waste within and between 114 counties and estimate remaining landfill capacity
- Identify county/regional markets for recyclable materials and evaluate the economics of resource recovery
- Evaluate existing laws and regulations in Missouri which inhibit demand for recovered materials and energy
- Identify optimum conditions necessary to make resource recovery economically feasible
- Prepare a primer on a recycling and refuse-to-energy for solid waste management planning
- Prepare *Resource Recovery Update* newsletter
- Assess resource recovery technologies, ranging from composting to curbside collection of secondary materials
- Develop recommendations which were county and regional specific to increase resource recovery activities, and include mixes of alternatives to landfill disposal for management of municipal solid waste.
- Among the solid waste management practices reviewed and recommended in the study were:
 - Waste reduction
 - Curbside collection
 - Landfill salvage
 - Incineration facilities
 - Recycling depositories
 - Transfer station separation
 - Waste-to-energy facilities.

This study resulted in the following seven volume report:

- | | |
|--|--|
| <ul style="list-style-type: none"> I. Summary Report — Including 18 Major Policy Recommendations for Resource Recovery II. Solid Waste Characterization Report III. Solid Waste Management Practices Report | <ul style="list-style-type: none"> IV. Secondary Materials and Energy Markets Report V. Resource Recovery Alternatives Report VI. Resource Recovery Policy Report VII. Supplementary Information Report. |
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V. NewPoint Group Recently Reviewed Recycling Companies

NewPoint Group Recently Reviewed Recycling Companies

As part of our cost of recycling work with the State of California, Department of Conservation, Division of Recycling, in total NewPoint Group has conducted on-site “cost of recycling” surveys of **over 300 individual recycling companies** throughout California.

We completed cost surveys of a wide range of different companies, ranging from twenty (20) subsidiaries of large publicly traded waste management companies (e.g., Waste Management Inc., Republic Services Inc., Allied Waste Inc., and Norcal Waste Systems), to mid-sized privately held recycling companies with multiple statewide locations, to hundreds of small privately held recyclers. In some cases, we reviewed these companies more than once (i.e., in more than one year). Companies were geographically located throughout Northern, Central, and Southern California.

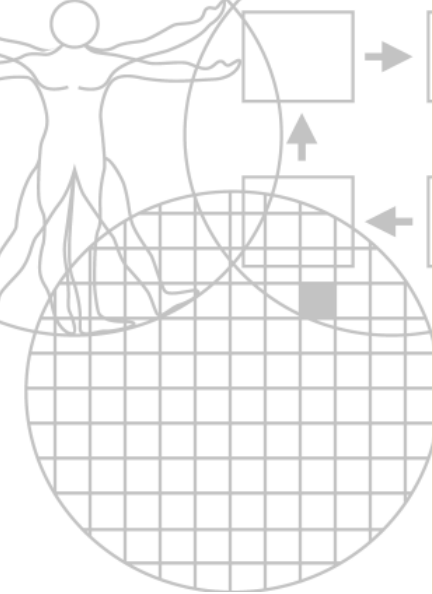
For each of these over 300 surveyed companies, we conducted tasks including:

- Allocating costs to material types
- Determining allowable and non-allowable costs
- Determining a cost per ton, by material type
- Examining equipment inventories against depreciation schedules
- Reviewing financial statements
- Reviewing on-site recycling center operating practices, often in conjunction with a transfer station facility, Material Recovery Facility (MRF), and/or curbside program facilities and operations.

We also completed comprehensive in-depth market analyses for various recyclable materials (such as aluminum, glass, and plastics).

Through this work, and our other projects, we have completed reviews/assessments of the costs and/or operations of **over 30 Material Recovery Facilities (MRFs)** in California.

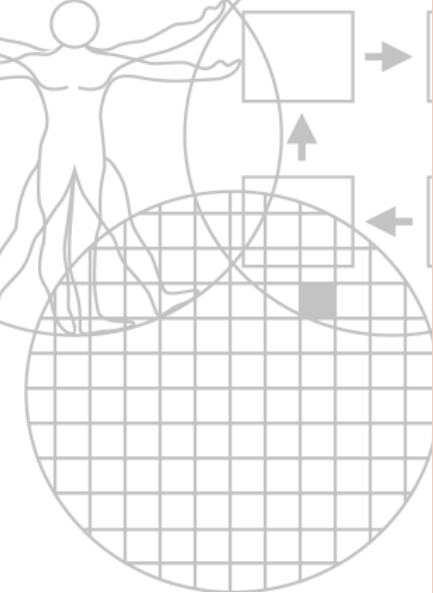
In total, in addition to companies identified under “Recently Reviewed Waste Management Companies,” NewPoint Group has conducted financial, rate setting, or cost studies of, of approximately **350 separate California waste management and/or recycling companies**.



VI. NewPoint Group Materials Recovery Facilities Reviewed

NewPoint Group Materials Recovery Facilities Reviewed

1. Blue Line MRF/Transfer Station, City of South San Francisco
2. Cal Sierra MRF/Transfer Station, City of Sonoma
3. CR&R Solid Waste MRF and Transfer Station, City of Perris
4. CR&R MRF, City of San Juan Capistrano
5. CR&R MRF, City of Stanton
6. Del Norte Regional Recycling and Transfer Station, City of Oxnard
7. Devlin Road Transfer Station, City of Napa
8. Eastern MRF, Placer County
9. Health Sanitation Services MRF, City of Santa Maria
10. IMS Recycling MRF, San Diego Area
11. Laytonville Solid Waste Transfer & Recycling Center, City of Laytonville
12. Marin Resource Recovery Center, City of San Rafael
13. Mt. Diablo Paper Stock, City of Concord
14. Nevada County MRF, City of Grass Valley
15. North San Diego MRF, San Diego Area
16. Pier 96, City of San Francisco
17. Pittsburg Recycling and Transfer Station, City of Pittsburg (now Mt. Diablo Recycling Center)
18. Sacramento Recycling and Transfer Facility, City of Sacramento
19. South Lake Tahoe MRF, City of South Lake Tahoe
20. Tri-CED MRF, City of Union City
21. Turlock Recycling Center, City of Turlock
22. Vallejo Garbage Service MRF, City of Vallejo
23. Victor Valley MRF, City of Victorville
24. Western El Dorado County MRF, City of Placerville
25. West Contra Costa County Integrated Resource Recovery Facility (IRFF), Contra Costa County
26. Western Placer Waste Management Authority MRF, Placer County



VII. NewPoint Group Recent Client References

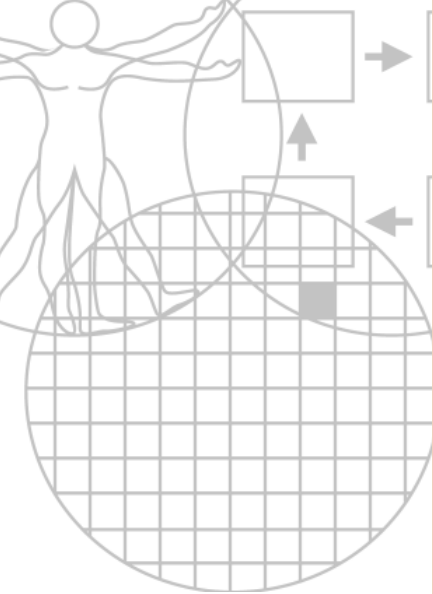
NewPoint Group Recent Client References

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