

Edwin M. Lee Mayor

Mohammed Nuru Director

San Francisco Public Works 1 Dr. Carlton B. Goodlett Pl. Room 348 San Francisco, CA 94102 tel 415-554-6920

sfpublicworks.org facebook.com/sfpublicworks twitter.com/sfpublicworks twitter.com/mrcleansf September 1, 2016

Mark J. Arsenault Vice President and Group Manager Recology 250 Executive Park Boulevard, Suite 2100 San Francisco, CA 94134

Dear Mr. Arsenault,

Thank you for your letter dated August 25 2016 on proposed uses for the remaining balances of the Tier 3 and 4 Zero Waste Incentive Funds. At of the end of Fiscal Year 15/16, Recology did not meet its diversion targets. As approved in the 2013 Director's Order, Recology can propose to use unearned incentive funds on projects to increase diversion.

On January 29, 2016, I reviewed and approved an improvement project for the Recycle Central Facility, finding that it met the requirements set out in the 2013 Director's Order. Recology is now requesting to use the Fiscal Year 15/16 unearned Zero Waste Incentive Funds of \$3,200,550.50 and the remaining balance of \$215,855 in unspent funds from the previously approved Textile Diversion Pilot Program for improvements to the Recycle Central Facility

I approve the use of the remaining \$3,416,405.50 in Tier 3 and 4 Zero Waste Incentive Funds for the Recycling Central Facility Improvements.

Sincerely,

Mohammed Nuru

Director

San Francisco Public Works

cc: Deborah Raphael, Department of the Environment

Robert Haley, Department of the Environment

Julia Dawson, Public Works John Porter, Recology