

**SAN FRANCISCO
QUARTERLY RATE REPORT**

Six Months Ended December 31, 2017

Recology Sunset Scavenger
Recology Golden Gate
Recology San Francisco

INTRODUCTION

San Francisco Public Works Director's Reports include quarterly reporting requirements. The requirements address several areas, including refuse tonnages and accounts, toxics collection, revenues and expenses, and various accounts. This report covers rate year 2018 (RY 2018).

LOW-INCOME AND DISABLED SERVICES PROGRAMS

As of December 31, 2017, 7,275 customers participated in the low-income program. As of the same date, there were 453 participants in the disabled services program.

ACCOUNT REPORTING

Appendix A contains account reports for the Special Reserve, Reserve Fund, Impound, and Zero Waste Incentives. The reports include beginning balances, deposits, disbursements, and ending balances for the accounts.

Special Reserve and Reserve Fund

On December 16, 2015, the Refuse Collection and Disposal Rate Board issued a resolution to create a new account to serve as the Reserve Fund for the July 2015 landfill agreement with Recology Hay Road by withdrawing \$13,250,000 from the Special Reserve. As directed in the resolution, \$1,250,000 is an initial deposit and \$12,000,000 will be used to cover the increase in disposal and transportation costs. The 2017 rate process requires \$2,000,000 to be transferred from the Special Reserve to the Reserve Fund at the start of RY18, RY19, and RY20. Also, \$2,500,000 will be transferred from the Special Reserve to Recology to offset revenues in RY18, RY19, and RY20. Finally, any remaining funds in the Special Reserve will be transferred to the Reserve Fund at the end of RY20.

Impound

Recology made monthly deposits to the Impound in accordance with procedures and the approved rates.

Zero Waste Incentive

Recology makes deposits to the Zero Waste Incentives monthly in amounts determined by the rate process. Funds held in Zero Waste Incentives will be applied against future rate adjustments and certain amounts may be used to support additional material recovery programs.

Table 1
Disposal Tonnage Summary
Recology San Francisco
July - December 2017

	Actual	Tier 1	Tier 2	Tier 3	Tier 4
Tons Disposed	217,552	194,536	193,036	190,036	185,000

Table 2
Alternative Daily Cover Tonnage
Recology San Francisco
July - December 2017

Source	Tonnage
Composting Overs	13
iMRF Fines	15,724
Total Alternative Daily Cover	15,736

Table 3
Recovery and Disposal Tonnage Breakdown
July - December 2017

	Received	Recovered	Disposed	% Recovered
Recycle Central Recyclables				
Fantastic 3	63,445	55,901	7,544	88.1%
Source Separated	12,483	12,483	-	100.0%
Mixed Commercial	44	18	27	40.0%
Mixed Paper	7,130	5,952	1,178	83.5%
Total Recyclables	83,102	74,353	8,749	89.5%
Tunnel Avenue Compostables				
Fantastic 3	28,762	25,004	3,758	86.9%
Commercial	55,928	48,620	7,308	86.9%
San Francisco Public Works	1,027	1,027	-	100.0%
Other City of San Francisco Departments	426	426	-	100.0%
Commercial Customers	573	573	-	100.0%
Public Customers	364	364	-	100.0%
Total Compostables	87,081	76,015	11,066	87.3%
Tunnel Avenue iMRF				
Roll-off	34,808	15,931	18,878	45.8%
San Francisco Public Works	2,492	1,141	1,352	45.8%
Other City of San Francisco Departments	42	19	23	45.8%
Commercial Customers	5,044	2,308	2,735	45.8%
Total iMRF	42,387	19,399	22,988	45.8%
Other Tunnel Avenue				
Fantastic 3	79,764	422	79,343	0.5%
Commercial	29,451	-	29,451	0.0%
Roll-off	19,609	-	19,609	0.0%
San Francisco Public Works	13,238	2,481	10,757	18.7%
Other City of San Francisco Departments	1,940	1	1,939	0.1%
Public Refuse Receptacles	9,683	-	9,683	0.0%
Commercial Customers	6,026	1,204	4,822	20.0%
Public Customers	20,863	6,343	14,520	30.4%
Bulky Item Recycling & Abandoned Materials Collection	6,320	3,368	2,952	53.3%
Inerts	12,445	12,445	-	100.0%
Construction Material Reuse	807	807	-	100.0%
Other Recycling	783	783	-	100.0%
Total Other Tunnel Avenue	330,396	123,267	207,128	37.3%
Sustainable Crushing	24,881	24,881	-	100.0%
Adjustments (Inventory, moisture, etc.)	1,675	-	1,675	
Total Tons	440,053	222,501	217,552	50.6%
Disposal Breakdown				
Covanta (RBVON residual)			2,049	
Forward Landfill (RBVON residual)			11,066	
Recology Hay Road Landfill			203,415	
Zanker Material Processing Facility (C&D residual)			1,022	
Total Disposal			217,552	

Table 4
Number of Accounts, Service and Compliance
Recology Sunset Scavenger & Recology Golden Gate
July - December 2017

	Number of Accounts	Trash Compliant		Recycling Compliant		Composting Compliant	
Residential	141,272	141,255	100.0%	140,703	99.6%	140,993	99.8%
Apartment	8,300	8,299	100.0%	8,276	99.7%	8,288	99.9%
Commercial	16,394	16,377	100.0%	16,267	99.1%	16,170	98.2%
City and County of San Francisco	349	345	98.9%	337	96.6%	313	89.7%
School District & UC	183	178	97.3%	181	98.9%	175	95.6%
Other	98	93	94.9%	83	84.7%	66	67.4%
Total	166,596	166,547	100.0%	165,847	99.6%	166,005	99.6%

Residential Single Dwelling Unit Accounts	
16-gallon Trash Bins	11,935
20-gallon Trash Bins	32,800

Table 5
Toxics Collection and Participation
July - December 2017

Program	Collection Weight	Goal	Service Standard	
	Tons Handled	Tons Handled	Number	Unit
HHW Facility Drop Off	141.04		4,132	Customers Served
HHW Home Collection	58.33	65.38	1,074	Pickups
HHW Home Collection			2,072	Equivalent Loads
Very Small Quantity Generator	34.09		301	Business Appointments
Residential Curbside Battery Collection	17.19	15.61		
Apartment Building Battery Collection	4.41	4.53	195	Pickups
Retail Collection Partners	44.75		493	Pickups
Gigantic 3 Collection Events	2.23		567	Customers Served
Waste Acceptance Control Program	16.37			
Anonymous Source - E-Waste	14.22			
Bulky Item Recycling - E-Waste	190.00		37,239	Pickups
Public Drop Off - E-Waste	125.31			

* Bulky item pickups include non-E-Waste customers

Table 6
Revenue
Recology Sunset Scavenger and Recology Golden Gate
July - December 2017

	Projected	Actual	Variance
Residential	\$ 45,633,315	\$ 44,956,926	-1%
Apartment	\$ 36,442,560	\$ 36,906,628	1%
Commercial	\$ 78,763,466	\$ 78,768,527	0%
Commercial Compactors	\$ 17,327,970	\$ 14,706,153	-15%
REVENUE SUBJECT TO RATE	\$ 178,167,311	\$ 175,338,234	-2%
Revenue not Subject to Rate:			
Debris Box Revenue	\$ 11,768,131	\$ 11,959,300	2%
Equipment & Supply Sales	934,384	1,059,908	13%
CalRecycle Payment	553,596	613,153	11%
Miscellaneous Income	158,224	284,775	80%
Total Other Revenue not Subject to Rate:	\$ 13,414,334	\$ 13,917,136	4%
Impound Account Funding	\$ (9,846,408)	\$ (9,846,408)	0%
Zero Waste Incentive Funding	\$ (2,253,054)	\$ (2,253,054)	0%
TOTAL	\$ 179,482,183	\$ 177,155,908	-1.30%

Table 7
Recology San Francisco
Tipping Charge Revenues
July - December 2017

	Tonnage			Revenue		
	Projection	Actual	Variance	Projection	Actual	Variance
Tonnage & Revenue from Tipping Charge						
Recology Sunset Scavenger/Golden Gate						
Recycle Central	72,869	70,804	-3%	\$ 13,203,827	\$ 12,829,608	-3%
Compostables	86,383	84,678	-2%	15,652,614	15,343,741	-2%
iMRF	36,417	34,888	-4%	6,598,762	6,321,644	-4%
Trash	132,069	128,903	-2%	23,930,847	23,357,218	-2%
Other	6,702	6,647	-1%	1,214,368	1,204,502	-1%
Subtotal (Recology Sunset Scavenger/Golden Gate)	334,439	325,920	-3%	\$ 60,600,417	\$ 59,056,713	-3%
Public Customers	19,242	21,176	10%	3,486,670	3,837,014	10%
Commercial Customers	12,310	13,236	8%	2,230,505	2,398,395	8%
Total San Francisco	365,991	360,332	-2%	\$ 66,317,593	\$ 65,292,122	-2%
Total Non-San Francisco	1,307	1,691	29%	236,908	306,496	29%
Non-rate Tonnage		78,030				
Total Tonnage & Revenue from Tipping Charge	367,299	440,053	20%	\$ 66,554,501	\$ 65,598,618	-1%
Net Recycling Revenue				\$ 10,347,238	\$ 10,826,220	5%
Non-rate Revenue				442,298	939,158	112%
Intercompany Dirt, Inerts & Others				527,931	477,044	-10%
Rental Income				22,200	22,200	0%
Total Other Commercial Revenue				\$ 11,339,667	\$ 12,264,621	8%
Zero Waste Incentive Funding				\$ (1,380,642)	\$ (1,380,642)	0%
ZWI Facility Improvements				3,247,569	3,247,569	0%
Total Revenue	-	-		\$ 79,761,095	\$ 79,730,166	0%

Table 8
Recycling Revenue
Recology San Francisco
July 2017 - December 2017

	Tons			Revenue			Price Per Ton		
	Projected	Actual	Variance	Projected	Actual	Variance	Projected	Actual	Variance
Recycle Central									
Mixed Paper	38,175	27,668	-28%	\$ 4,253,569	\$ 3,102,728	-27%	\$ 111.42	\$ 112.14	1%
Cardboard	15,780	21,288	35%	2,492,282	4,112,397	65%	157.94	193.18	22%
White Ledger	-	-	n/a	-	-	n/a	247.20	-	-100%
Coated Book Stock	-	-	n/a	-	-	n/a	128.10	-	-100%
Aluminum	200	203	2%	813,700	826,015	2%	4,068.50	4,067.24	0%
Metal/Ferrous	800	1,011	26%	100,318	128,603	28%	125.40	127.15	1%
PET	700	981	40%	1,377,435	1,492,793	8%	1,967.76	1,521.98	-23%
HDPE Blend	650	544	-16%	458,296	260,120	-43%	705.07	477.90	-32%
Plastic Film	-	17	n/a	-	2,411	n/a	-	145.00	n/a
Mixed Plastics 3-7	550	246	-55%	33,715	2,454	-93%	61.30	9.96	-84%
Flint Glass	175	172	-2%	40,389	43,428	8%	230.79	251.96	9%
Amber Glass	163	123	-24%	36,764	28,672	-22%	226.24	233.32	3%
Green Glass	108	85	-21%	23,264	17,075	-27%	216.41	200.55	-7%
Mixed Glass	11,500	14,494	26%	1,404,583	2,098,727	49%	122.14	144.80	19%
Glass Fines	725	-	-100%	86,355	-	-100%	119.11	-	-100%
Total Recycle Central	69,525	66,833	-4%	\$11,120,669	\$12,115,423	9%			n/a
Tunnel Avenue									
Metal	6,595	6,185	-6%	\$ 1,037,175	\$ 705,022	-32%	\$ 157.28	\$ 113.99	-28%
Wood	6,662	-	-100%	125,736	(2,267)	-102%	18.87	-	-100%
Mixed Rigid Plastic	843	1,115	32%	131,491	70,679	-46%	155.94	63.41	-59%
SB20/50 E-Waste	225	147	-35%	60,879	15,471	-75%	270.56	104.99	-61%
Total Tunnel Avenue	14,325	7,447	-48%	\$ 1,355,282	\$ 788,906	-42%			
Sustainable Crushing				\$ 352,800	\$ 591,532	68%			
Total Recycling Revenue				\$12,828,751	\$13,495,860	5%			
Processing Expenses				\$ (438,525)	\$ (441,587)	1%			
Purchases				(2,042,988)	(2,228,054)	9%			
Net Recycling Revenues				\$10,347,238	\$10,826,220	5%			

Table 9
Recology Sunset Scavenger and Recology Golden Gate
Expenses
July - December 2017

Item Description	Projected	Actual
Payroll	\$ 40,037,077	\$ 37,377,438
Payroll Taxes	3,034,312	2,704,325
Pension	7,427,625	6,057,544
Health Insurance	12,132,575	9,638,434
Workers Compensation	5,125,660	5,151,005
Total Payroll & Related	\$ 67,757,250	\$ 60,928,746
Corporate Allocations	\$ 3,648,330	\$ 4,088,276
Bad Debt	73,904	116,406
O/S Billing Services	157,271	158,419
Office	208,789	231,691
Postage	162,901	155,362
Professional Services	362,092	364,769
Security & Janitorial	228,552	232,041
Taxes	875,690	838,578
Telephone	288,520	236,819
Total Administrative	\$ 6,006,049	\$ 6,422,361
Building & Facility Repair	\$ 77,129	\$ 173,509
Depreciation	125,066	241,194
Environmental Compliance	298,966	182,085
Freight	35,091	34,335
Fuel	2,092,155	1,620,663
I/C Disposal	23,930,847	23,862,863
I/C Processing	37,115,596	35,832,238
Lease	7,059,493	6,110,052
Liability Insurance	1,580,631	1,641,789
Licenses & Permits	817,949	975,132
O/S Disposal	16,978	14,912
O/S Equipment Rental	104,448	36,002
Parts	1,193,502	1,279,207
Property Rental	864,455	767,809
Repairs & Maintenance	648,626	925,631
Supplies	1,171,177	1,396,861
Tires & Tubes	419,409	371,951
Utilities	247,897	455,170
T&G Maintenance Allocation	(28,748)	(29,837)
Total Operating	\$ 77,770,667	\$ 75,891,567
Contract Services	\$ 571,116	\$ 826,597
Other	996,701	1,684,594
Total Other	\$ 1,567,817	\$ 2,511,191
Total Operating Expenses	\$ 153,101,782	\$ 145,753,866

Table 10
Recology San Francisco
Expenses
July - December 2017

Item Description	Projected	Actual
Payroll	\$ 22,870,410	\$ 22,726,976
Payroll Taxes	1,788,085	1,649,102
Pension	3,384,023	4,629,439
Health Insurance	7,426,462	6,417,831
Workers Compensation	1,821,822	1,463,677
Total Payroll & Related	\$ 37,290,804	\$ 36,887,025
Corporate Allocations	\$ 766,064	\$ 816,149
Bad Debt	26,935	29,036
Office	110,717	80,862
Postage	1,650	4,188
Professional Services	1,253,434	745,048
Repairs & Maintenance	387,295	324,219
Security & Janitorial	336,833	405,716
Taxes	911,825	736,570
Telephone	136,308	136,119
Total Administrative Expenses	\$ 3,931,062	\$ 3,277,908
Bridge Tolls	\$ 633,803	\$ 623,844
Building & Facility Repair	361,866	557,057
Depreciation	730,515	1,498,023
Environmental Compliance	21,427	12,873
Freight	853,199	822,951
Fuel	1,680,262	1,691,632
I/C Processing & Disposal	13,545,173	14,007,775
Lease	2,648,225	2,341,460
Liability Insurance	439,906	597,840
Licenses & Permits	1,702,767	1,260,331
O/S Disposal	692,546	1,047,688
O/S Equipment Rental	122,595	71,705
Parts	887,306	949,179
Property Rental	2,867,149	3,508,961
Supplies	1,184,786	1,064,315
Tires & Tubes	172,901	142,101
Utilities	808,221	939,871
Total Operating Expenses	\$ 29,352,645	\$ 31,137,607
Contract Services	\$ 145,991	\$ 44,285
Other	436,526	489,223
Total Other Expenses	\$ 582,516	\$ 533,509
Total Expenses	\$ 71,157,028	\$ 71,836,049

APPENDIX A
RECOLOGY SAN FRANCISCO
Account Details
Balances for RY 2018

Account Details	Special Reserve	Reserve Fund	Impound	ZWI
Beginning Balance 7/1/2017	\$ 16,593,720	\$ 4,662,596	\$ 1,466,353	\$ 17,017,579
Receipts	-	\$ 2,000,000	9,846,408	3,633,696
Interest	72,310	\$ 26,257	873	69,126
Administrative Fees	(1,958)	\$ -	-	-
Disbursements	(3,250,000)	\$ -	(11,124,257)	(11,189,146)
Ending Balance 12/31/2017	\$ 13,414,072	\$ 6,688,853	\$ 189,377	\$ 9,531,256

Interest	Special Reserve	Reserve Fund	Impound	ZWI
Jul-17	\$ 12,138	\$ 3,449	\$ 160	\$ 12,587
Aug-17	12,559	3,568	172	13,024
Sep-17	12,391	3,520	184	14,006
Oct-17	12,233	4,346	106	11,623
Nov-17	10,780	5,283	151	9,126
Dec-17	12,208	6,091	99	8,760
Total	\$ 72,310	\$ 26,257	\$ 873	\$ 69,126

Administrative Fees	Special Reserve	Reserve Fund	Impound	ZWI
Jul-17	\$ (330)	\$ -	\$ -	\$ -
Aug-17	(322)	-	-	-
Sep-17	(336)	-	-	-
Oct-17	(304)	-	-	-
Nov-17	(317)	-	-	-
Dec-17	(349)	-	-	-
Total	\$ (1,958)	\$ -	\$ -	\$ -

RECOLOGY SAN FRANCISCO
Special Reserve
Cash Disbursements for RY 2018

Transaction Date	Check #	Description	Amount
10/20/17	ACH	Jul - Oct RY 18 Offset	\$ 346,660
10/20/17	ACH	Jul - Oct RY 18 Offset	115,554
10/20/17	ACH	Jul - Oct RY 18 Offset	278,340
10/20/17	ACH	Jul - Oct RY 18 Offset	92,780
10/20/17	ACH	Annual Transfer to Reserve Fund	2,000,000
12/31/17	ACH	Nov - Dec RY 18 Offset	185,560
12/31/17	ACH	Nov - Dec RY 18 Offset	231,107
TOTALS			\$ 3,250,000

RECOLOGY SAN FRANCISCO
Reserve
Deposit Detail for RY 2018

Month	Special Reserve	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Jun-17	\$ -	\$ -	\$ -	\$ -
Jul-17	-	-	-	-
Aug-17	-	-	-	-
Oct-17	2,000,000.00	-	-	2,000,000.00
Nov-17	-	-	-	-
Dec-17	-	-	-	-
TOTALS	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00

RECOLOGY SAN FRANCISCO**Impound**Deposit Detail for RY 2018

Month	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Jul-17	\$ 710,668	\$ 930,400	\$ 1,641,068
Aug-17	710,668	930,400	1,641,068
Sep-17	710,668	930,400	1,641,068
Oct-17	710,668	930,400	1,641,068
Nov-17	710,668	930,400	1,641,068
Dec-17	710,668	930,400	1,641,068
Total	\$ 4,264,008	\$ 5,582,400	\$ 9,846,408

RECOLOGY SAN FRANCISCO**Impound**Disbursements for RY 2018

Payee	Date	Check #	Total Disbursements
City & County of San Francisco (SF Public Works)	06/20/17	966	\$ 500,199
San Francisco Department of the Environment	06/20/17	967	777,648
Void		968	-
Void		969	-
San Francisco Department of the Environment	08/02/17	970	933,407
City & County of San Francisco (SF Public Works)	08/02/17	971	707,662
San Francisco Department of the Environment	08/11/17	972	933,407
City & County of San Francisco (SF Public Works)	08/11/17	973	707,662
San Francisco Department of the Environment	09/29/17	975	933,407
City & County of San Francisco (SF Public Works)	09/29/17	974	707,662
San Francisco Department of the Environment	10/16/17	976	707,662
City & County of San Francisco (SF Public Works)	10/16/17	977	933,407
San Francisco Department of the Environment	11/21/17	978	707,662
City & County of San Francisco (SF Public Works)	11/21/17	979	933,407
City & County of San Francisco (SF Public Works)	12/15/17	981	933,407
San Francisco Department of the Environment	12/15/17	980	707,662
TOTALS			\$ 11,124,257

RECOLOGY SAN FRANCISCO**Zero Waste Incentives**Deposit Detail For RY 2018

Month	Recology Golden Gate	Recology Sunset Scavenger	Recology San Francisco	Total Deposit Amount
Jul-17	\$ -	\$ -	\$ -	\$ -
Aug-17	325,230	425,788	460,214	1,211,232
Sep-17	162,615	212,894	230,107	605,616
Oct-17	162,615	212,894	230,107	605,616
Nov-17	162,615	212,894	230,107	605,616
Dec-17	162,615	212,894	230,107	605,616
Totals	\$ 975,690	\$ 1,277,364	\$ 1,380,642	\$ 3,633,696

RECOLOGY SAN FRANCISCO**Zero Waste Incentives**Cash Disbursements For RY 2018

Transaction Date	Payee	Description	Amount
09/29/17	RSF	Recycle Central Improvement - 2017	\$ 3,247,569
10/20/17	RSF	Jul - Oct RY 18 Offset	540,106
10/20/17	RSF	Jul - Oct RY 18 Offset	3,326,823
11/14/17	RSF	Jan - Jun RY 17 Offset	256,461
11/14/17	RSF	Jan - Jun RY 17 Offset	1,884,398
12/14/18	RSF	Nov - Dec RY 18 Offset	1,307,869
12/14/18	RSF	Nov - Dec RY 18 Offset	625,920
Totals			\$ 11,189,146