

**SAN FRANCISCO  
ANNUAL RATE REPORT**

**12 Months Ended June 30, 2018**

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, collection accounts, toxics collection and participation, revenues and expenses, operating ratios, and activity in the Special Reserve, the Reserve Fund, the Impound account and the Zero Waste Incentives (ZWI) account. This report also includes the profit margin and the amortization of ZWI funds received for capital expenditures. This report covers the 12 months for July 2017 to June 2018 (RY 2018).

## **LOW-INCOME AND DISABLED SERVICES PROGRAMS**

As of June 30, 2018, 7,637 customers participated in the low-income program. As of the same date, there were 497 participants in the disabled services program.

## **ACCOUNT REPORTING**

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

## **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 was an initial deposit and \$12,000,000 would be used to cover the increase in disposal and transportation costs.

The 2017 rate process required that \$2,000,000 to be transferred from the Special Reserve to the Reserve Fund at the start of RY2018, RY2019, and RY2020. Also, \$2,500,000 would be transferred from the Special Reserve to Recology to offset rate increases in RY2018, RY2019, and RY2020. Finally, any remaining funds in the Special Reserve will be transferred to the Reserve Fund at the end of RY2020.

## **IMPOUND**

Recology makes monthly deposits to the Impound account in accordance with the amounts approved in the 2017 rate order and adjusted for cost-of-living adjustment for subsequent rate years.

## **ZERO WASTE INCENTIVES**

Recology makes monthly deposits to the Zero Waste Incentives account in amounts determined by the rate process. If not earned by Recology, funds held in the Zero Waste Incentives account will be applied against future rate adjustments and may be used to support additional material recovery programs.

**Table 1**  
**Disposal Tonnage**  
**Recology San Francisco**  
**July 2017- June 2018**

	<b>Actual</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>
Tons Disposed	434,048	389,072	386,072	380,072	370,000

**Table 2**  
**Alternative Daily Cover Tonnage**  
**Recology San Francisco**  
**July 2017- June 2018**

<b>Source</b>	<b>Tonnage</b>
Composting Overs	13
iMRF Fines	30,735
BVON Allocation	1,083
<b>Total Alternative Daily Cover</b>	<b>31,831</b>

**Table 3**  
**Recovery and Disposal Tonnage**  
**Combined SF Companies**  
**July 2017 - June 2018**

	Received	Recovered	Disposed	% Recovered
<b>Recycle Central Recyclables</b>				
Fantastic 3	133,354	112,508	20,846	84.4%
Source Separated	22,898	22,898	-	100.0%
Mixed Commercial	45	18	27	40.0%
Mixed Paper	8,838	6,875	1,963	77.8%
<b>Total Recyclables</b>	<b>165,135</b>	<b>142,299</b>	<b>22,836</b>	<b>86.2%</b>
<b>Tunnel Avenue Compostables</b>				
Fantastic 3	47,243	41,255	5,988	87.3%
Commercial	123,351	107,718	15,633	87.3%
San Francisco Public Works	2,391	2,391	-	100.0%
Other City of San Francisco Departments	845	845	-	100.0%
Commercial Customers	1,068	1,068	-	100.0%
Public Customers	663	663	-	100.0%
<b>Total Compostables</b>	<b>175,561</b>	<b>153,940</b>	<b>21,621</b>	<b>87.7%</b>
<b>Tunnel Avenue iMRF</b>				
Roll-off	68,522	31,081	37,441	45.4%
San Francisco Public Works	4,038	1,831	2,207	45.4%
Other City of San Francisco Departments	89	40	49	45.4%
Commercial Customers	11,060	5,017	6,043	45.4%
<b>Total iMRF</b>	<b>83,709</b>	<b>37,969</b>	<b>45,740</b>	<b>45.4%</b>
<b>Other Tunnel Avenue</b>				
Fantastic 3	157,127	441	156,686	0.3%
Commercial	59,484	-	59,484	0.0%
Roll-off	38,700	-	38,700	0.0%
San Francisco Public Works	27,919	5,670	22,249	20.3%
Other City of San Francisco Departments	3,825	1	3,824	0.0%
Public Refuse Receptacles	19,365	-	19,365	0.0%
Commercial Customers	13,437	2,395	11,042	17.8%
Public Customers	41,051	12,482	28,569	30.4%
Bulky Item Recycling & Abandoned Materials Collection	12,371	6,520	5,851	52.7%
Inerts	26,131	26,131	-	100.0%
Construction Material Reuse	917	917	-	100.0%
Other Recycling	1,999	1,999	-	100.0%
<b>Total Other Tunnel Avenue</b>	<b>402,326</b>	<b>56,556</b>	<b>345,770</b>	<b>14.1%</b>
<b>Sustainable Crushing</b>				
	<b>46,219</b>	<b>46,219</b>	<b>-</b>	<b>100.0%</b>
<b>Adjustments (Inventory, moisture, etc.)</b>				
	(1,919)	-	(1,919)	
<b>Total Tons</b>	<b>871,031</b>	<b>436,983</b>	<b>434,048</b>	<b>50.2%</b>
<b>Disposal Breakdown</b>				
Covanta (RBVON residual)			2,193	
Fink Road Landfill (RBVON residual)			1,768	
Forward Landfill (RBVON residual)			14,503	
Recology Hay Road Landfill			413,730	
Zanker Material Processing Facility (C&D residual)			1,853	
<b>Total Disposal</b>			<b>434,048</b>	

**Table 4**  
**Number of Accounts, Service and Compliance**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**July 2017 - June 2018**

	Number of Accounts	Trash Compliant		Recycling Compliant		Composting Compliant	
Residential	140,948	140,891	100.0%	140,422	99.6%	140,683	99.8%
Apartment	8,297	8,297	100.0%	8,276	99.8%	8,283	99.8%
Commercial	16,439	16,414	99.8%	16,295	99.1%	16,176	98.4%
City and County of San Francisco	372	351	94.4%	340	91.4%	335	90.1%
School District & UC	183	179	97.8%	181	98.9%	174	95.1%
Other	92	87	94.6%	79	85.9%	63	68.5%
<b>Total</b>	<b>166,331</b>	<b>166,219</b>	<b>99.9%</b>	<b>165,593</b>	<b>99.6%</b>	<b>165,714</b>	<b>99.6%</b>

<b>Residential Single Dwelling Unit Accounts</b>	
16-gallon Trash Bins	40,840
20-gallon Trash Bins	31,747

**Table 5**  
**Toxics Collection and Participation**  
**Recology San Francisco**  
**July 2017 - June 2018**

Program	Collection Weight Tons Handled	Service Standard	
		Number	Unit
HHW Facility Drop Off	260.37	8,046	Customers Served
HHW Home Collection	112.61	2,111	Pickups
HHW Home Collection		4,128	Equivalent Loads
Very Small Quantity Generator	65.16	587	Business Appointments
Residential Curbside Battery Collection	38.85		
Apartment Building Battery Collection	9.51	436	Pickups
Retail Collection Partners	79.98	975	Pickups
Gigantic 3 Collection Events	4.51	1,194	Customers Served
Waste Acceptance Control Program	29.03		
Bulky Item Recycling - E-Waste		71,637	Pickups
Public Drop Off - E-Waste	316.11		

\* Bulky item pickups include non-e-waste customers

**Table 6**  
**Revenue**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**July 2017 - June 2018**

	<b>Projection</b>	<b>Actual</b>	<b>Variance</b>
Residential	\$ 76,565,566	\$ 80,753,805	5%
Apartment	61,144,917	62,016,989	1%
Commercial	138,048,272	143,295,309	4%
Commercial Compactors	29,073,624	28,158,701	-3%
Special Reserve and ZWI Rebate Revenue	14,087,896	14,087,896	0%
<b>Revenue Subject to Rate</b>	<b>\$ 318,920,275</b>	<b>\$ 328,312,700</b>	<b>3%</b>
Debris Box Revenue	\$ 23,536,261	\$ 23,653,113	0%
Equipment & Supply Sales	1,868,768	2,216,973	19%
CalRecycle Payment	553,596	616,739	11%
Miscellaneous Income	316,447	953,374	201%
<b>Total Other Revenue not Subject to Rate</b>	<b>\$ 26,275,072</b>	<b>\$ 27,440,199</b>	<b>4%</b>
<b>Total Sources</b>	<b>\$ 345,195,347</b>	<b>\$ 355,752,899</b>	<b>3%</b>
Impound Account Funding	\$ (19,692,816)	\$ (19,692,816)	0%
Zero Waste Incentive Funding	(4,506,108)	(4,506,108)	0%
<b>Net Revenue Retained</b>	<b>\$ 320,996,423</b>	<b>\$ 331,553,975</b>	<b>3%</b>

\*Contracts revenue is included within the Commercial and Commercial Compactor revenue.

\*\*The Actual amounts for Residential, Apartment and Commercial revenue are net of the amounts paid to rate payers of \$5,051,207, \$5,671,963 and \$11,508,722 respectively for a total of \$22,231,891.

**Table 7**  
**Revenue**  
**Recology San Francisco**  
**July 2017 - June 2018**

	Tonnage			Revenue		
	Projection	Actual	Variance	Projection	Actual	Variance
<b>Tonnage &amp; Revenue from Tipping Charge</b>						
Recology Sunset Scavenger/Golden Gate						
Recycle Central	145,738	142,596	-2%	\$ 26,407,651	\$ 25,838,425	-2%
Compostables	172,766	170,582	-1%	31,305,228	30,909,506	-1%
iMRF	72,834	68,610	-6%	13,197,524	12,432,137	-6%
Trash	264,137	255,462	-3%	47,861,695	46,289,667	-3%
Other	13,404	13,395	0%	2,428,736	2,427,172	0%
Subtotal (Recology Sunset Scavenger/Golden Gate)	668,879	650,645	-3%	\$ 121,200,835	\$ 117,896,908	-3%
Public Customers	38,484	41,649	8%	6,973,339	7,546,816	8%
Commercial Customers	24,619	28,816	17%	4,461,008	5,221,431	17%
Total San Francisco	731,982	721,110	-1%	\$ 132,635,182	\$ 130,665,154	-1%
Total Non-San Francisco	2,615	6,711	157%	473,816	1,216,044	157%
Non-rate Tonnage	174,794	149,922	-14%			
<b>Total Tonnage &amp; Revenue from Tipping Charge</b>	<b>909,391</b>	<b>877,743</b>	<b>-3%</b>	<b>\$ 133,108,998</b>	<b>\$ 131,881,198</b>	<b>-1%</b>
Net Recycling Revenue				20,694,477	18,339,136	-11%
Non-rate Revenue				884,596	1,750,050	98%
Intercompany Dirt, Inerts & Others				1,404,862	995,728	-29%
Rental Income				44,400	42,400	-5%
<b>Total Other Commercial Revenue</b>				<b>\$ 23,028,334</b>	<b>\$ 21,127,314</b>	<b>-8%</b>
<b>Total Sources</b>				<b>\$ 156,137,332</b>	<b>\$ 153,008,513</b>	<b>-2%</b>
Zero Waste Incentive Funding				\$ (2,761,284)	\$ (2,761,284)	0%
<b>Net Revenue Retained</b>				<b>\$ 153,376,048</b>	<b>\$ 150,247,229</b>	<b>-2%</b>

**Table 8**  
**Recycling Revenue**  
**Recology San Francisco**  
**July 2017 - June 2018**

Recycle Central	Tons			Revenue			Price Per Ton		
	Projection	Actual	Variance	Projection	Actual	Variance	Projection	Actual	Variance
Mixed Paper	76,350	57,161	-25%	\$ 8,507,137	\$ 3,645,493	-57%	\$ 111.42	\$ 63.78	-43%
Cardboard	31,560	43,119	37%	4,984,564	7,302,084	46%	157.94	169.35	7%
White Ledger	-	-	n/a	-	-	n/a	247.20	-	-100%
Coated Book Stock	-	-	n/a	-	-	n/a	128.10	-	-100%
Aluminum	400	452	13%	1,627,400	1,772,534	9%	4,068.50	3,925.01	-4%
Metal/Ferrous	1,600	1,892	18%	200,635	273,933	37%	125.40	144.76	15%
PET	1,400	1,859	33%	2,754,870	3,033,460	10%	1,967.76	1,631.55	-17%
HDPE Blend	1,300	1,072	-18%	916,593	533,519	-42%	705.07	497.73	-29%
Plastic Film	-	17	n/a	-	4,582	n/a	-	275.55	n/a
Mixed Plastics 3-7	1,100	432	-61%	67,430	9,666	-86%	61.30	22.38	-63%
Flint Glass	350	309	-12%	80,778	84,110	4%	230.79	272.11	18%
Amber Glass	325	225	-31%	73,528	58,892	-20%	226.24	261.26	15%
Green Glass	215	150	-30%	46,528	40,209	-14%	216.41	268.01	24%
Mixed Glass	23,000	27,582	20%	2,809,166	3,583,304	28%	122.14	129.92	6%
Glass Fines	1,450	-	-100%	172,709	-	-100%	119.11	-	-100%
<b>Total Recycle Central</b>	<b>139,050</b>	<b>134,270</b>	<b>-3%</b>	<b>\$22,241,339</b>	<b>\$20,341,787</b>	<b>-9%</b>			
<b>Tunnel Avenue</b>									
Metal	13,189	12,555	-5%	\$ 2,074,351	\$ 1,523,359	-27%	\$ 157.28	\$ 121.34	-23%
Wood	13,325	-	-100%	251,472	(2,267)	-101%	18.87	-	-100%
Mixed Rigid Plastic	1,686	2,241	33%	262,981	182,997	-30%	155.94	81.68	-48%
SB20/50 E-Waste	450	294	-35%	121,759	31,596	-74%	270.57	107.46	-60%
<b>Total Tunnel Avenue</b>	<b>28,650</b>	<b>15,089</b>	<b>-47%</b>	<b>\$ 2,710,564</b>	<b>\$ 1,735,686</b>	<b>-36%</b>			
<b>Sustainable Crushing</b>				<b>\$ 705,600</b>	<b>\$ 975,612</b>	<b>38%</b>			
<b>Total Recycling Revenue</b>				<b>\$25,657,502</b>	<b>\$23,053,085</b>	<b>-10%</b>			
Processing Expenses				\$ (877,050)	\$ (922,652)	5%			
Purchases				(4,085,976)	(3,791,298)	-7%			
<b>Net Recycling Revenues</b>				<b>\$20,694,477</b>	<b>\$18,339,136</b>	<b>-11%</b>			

**Table 9**  
**Expenses**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**July 2017 - June 2018**

	Projection	Actual	Variance
Payroll	\$ 80,074,154	\$ 76,426,142	-5%
Payroll Taxes	6,068,625	5,834,510	-4%
Pension	14,855,250	12,728,981	-14%
Health Insurance	24,265,151	19,492,807	-20%
Workers Compensation	10,251,321	10,319,179	1%
<b>Total Payroll &amp; Related</b>	<b>\$ 135,514,501</b>	<b>\$ 124,801,619</b>	<b>-8%</b>
Bad Debt	\$ 147,807	\$ 268,271	82%
Corporate Accounting Services	1,847,074	2,056,692	11%
Corporate Management	1,914,400	2,572,880	34%
Human Resources	756,220	820,612	9%
IT Services	2,474,125	2,944,812	19%
O/S Billing Services	314,543	317,927	1%
Office	417,578	473,134	13%
Postage	325,801	313,860	-4%
Professional Services	724,184	880,009	22%
Security & Janitorial	457,104	478,829	5%
Sustainability	304,841	555,655	82%
Taxes	1,751,380	2,299,914	31%
Telephone	577,040	487,359	-16%
<b>Total Administrative</b>	<b>\$ 12,012,097</b>	<b>\$ 14,469,954</b>	<b>20%</b>
Building & Facility Repair	\$ 154,259	\$ 278,709	81%
Depreciation	250,132	498,646	99%
Environmental Compliance	597,932	391,306	-35%
Freight	70,182	69,084	-2%
Fuel	4,184,309	3,800,881	-9%
I/C Disposal	47,861,695	47,250,061	-1%
I/C Processing	74,231,192	71,919,715	-3%
Lease	14,118,986	12,153,825	-14%
Liability Insurance	3,161,261	3,397,832	7%
Licenses & Permits	1,635,897	1,900,345	16%
O/S Disposal	33,956	29,139	-14%
O/S Equipment Rental	208,897	126,220	-40%
Parts	2,387,004	2,729,364	14%
Property Rental	1,728,909	1,511,603	-13%
Repairs & Maintenance	1,297,253	1,990,003	53%
Supplies	2,342,354	2,619,053	12%
Tires & Tubes	838,818	792,512	-6%
Utilities	495,795	864,925	74%
T&G Maintenance Allocation	(57,495)	(29,837)	-48%
<b>Total Operating</b>	<b>\$ 155,541,336</b>	<b>\$ 152,293,386</b>	<b>-2%</b>
Contract Services	\$ 1,142,232	\$ 1,605,672	41%
Other	1,993,401	3,861,332	94%
<b>Total Other</b>	<b>\$ 3,135,633</b>	<b>\$ 5,467,005</b>	<b>74%</b>
<b>Total Expenses</b>	<b>\$ 306,203,567</b>	<b>\$ 297,031,964</b>	<b>-3%</b>

**Table 10**  
**Expenses**  
**Recology San Francisco**  
**July 2017 - June 2018**

	<b>Projection</b>	<b>Actual</b>	<b>Variance</b>
Payroll	\$ 45,740,821	\$ 46,010,799	1%
Payroll Taxes	3,576,171	3,551,468	-1%
Pension	6,768,047	9,115,995	35%
Health Insurance	14,852,925	12,939,628	-13%
Workers Compensation	3,643,645	2,815,762	-23%
<b>Total Payroll &amp; Related</b>	<b>\$ 74,581,609</b>	<b>\$ 74,433,652</b>	<b>0%</b>
Bad Debt	\$ 53,871	\$ 23,776	-56%
Corporate Accounting Services	130,053	73,309	-44%
Corporate Management	133,410	73,842	-45%
Human Resources	498,444	567,070	14%
IT Services	749,000	919,397	23%
Office	221,435	190,031	-14%
Postage	3,301	9,329	183%
Professional Services	2,506,868	1,466,490	-42%
Repairs & Maintenance	774,589	704,424	-9%
Security & Janitorial	673,667	872,189	29%
Sustainability	21,221	20,154	-5%
Taxes	1,823,650	1,741,458	-5%
Telephone	272,616	276,392	1%
<b>Total Administrative Expenses</b>	<b>\$ 7,862,124</b>	<b>\$ 6,937,861</b>	<b>-12%</b>
Bridge Tolls	\$ 1,267,607	\$ 1,233,670	-3%
Building & Facility Repair	723,731	1,137,619	57%
Depreciation	1,461,030	2,906,507	99%
Amortization of ZWI Funding of Capital Expenditures	-	(1,490,014)	-100%
Environmental Compliance	42,853	14,456	-66%
Freight	1,706,398	1,728,431	1%
Fuel	3,360,523	3,362,499	0%
I/C Processing & Disposal	27,090,347	28,128,414	4%
Lease	5,296,449	4,764,534	-10%
Liability Insurance	879,812	1,155,817	31%
Licenses & Permits	3,405,535	2,544,207	-25%
O/S Disposal	1,385,092	1,834,157	32%
O/S Equipment Rental	245,189	271,033	11%
Parts	1,774,612	1,985,484	12%
Property Rental	5,734,297	6,392,136	11%
Supplies	2,369,571	2,072,812	-13%
Tires & Tubes	345,801	293,000	-15%
Utilities	1,616,442	1,694,686	5%
<b>Total Operating Expenses</b>	<b>\$ 58,705,291</b>	<b>\$ 60,029,448</b>	<b>2%</b>
Contract Services	\$ 291,981	\$ 180,224	-38%
Other	873,052	971,227	11%
<b>Total Other Expenses</b>	<b>\$ 1,165,033</b>	<b>\$ 1,151,451</b>	<b>-1%</b>
<b>Total Expenses</b>	<b>\$ 142,314,056</b>	<b>\$ 142,552,412</b>	<b>0%</b>

**Table 11**  
**Statement of Operating Ratios and Profit Margin**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**July 2017 - June 2018**

		Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
<b>SOURCES</b>	Residential	See Table 6	\$ 76,565,566	\$ 80,753,805	\$ 4,188,239	5%
	Apartment	See Table 6	61,144,917	62,016,989	872,072	1%
	Commercial	See Table 6	138,048,272	143,295,309	5,247,037	4%
	Commercial Compactors	See Table 6	29,073,624	28,158,701	(914,923)	-3%
	<b>Current Ratepayer Revenue</b>		<b>304,832,379</b>	<b>314,224,803</b>	<b>9,392,424</b>	<b>3%</b>
	Special Reserve and ZWI Rebate Revenue	See Table 6	14,087,896	14,087,896	-	0%
	<b>Applied Ratepayer Revenue from Prior Years</b>		<b>14,087,896</b>	<b>14,087,896</b>	<b>-</b>	<b>0%</b>
	Debris Box and Other Non Rate Revenue	See Table 6	26,275,072	27,440,199	1,165,127	4%
	<b>(a) Total Sources</b>		<b>345,195,347</b>	<b>355,752,898</b>	<b>10,557,551</b>	<b>3%</b>
<b>USES</b>	Impound Account Funding (Not OR Eligible)	See Table 6	19,692,816	19,692,816	-	0%
	ZWI Funding (Not OR Eligible)	See Table 6	4,506,108	4,506,108	-	0%
	I/C Processing (Not OR Eligible)	See Table 9	74,231,192	71,919,715	(2,311,477)	-3%
	I/C Disposal (Not OR Eligible)	See Table 9	47,861,695	47,250,061	(611,633)	-1%
	Licenses & Permits (Not OR Eligible)	See Table 9	1,635,897	1,900,345	264,448	16%
	<b>(b) OR Eligible Expenses</b>	See Table 9	<b>182,474,783</b>	<b>175,961,843</b>	<b>(6,512,941)</b>	<b>-4%</b>
	<b>(c) Total Uses</b>		<b>330,402,491</b>	<b>321,230,888</b>	<b>(9,171,603)</b>	<b>-3%</b>
<b>(d) NET PROFIT = (a) less (c)</b>			<b>\$ 14,792,856</b>	<b>\$ 34,522,010</b>	<b>\$ 19,729,154</b>	<b>133%</b>
<b>OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES</b> = 100% less ((d) divided by ((b) plus (d)))			<b>92.5%</b>	<b>83.6%</b>		
<b>OPERATING RATIO ON ALL EXPENSES</b> = 100% less ((d) divided by ((c) plus (d)))			<b>95.7%</b>	<b>90.3%</b>		
<b>PROFIT MARGIN ON ALL EXPENSES</b> = (d) divided by (a)			<b>4.3%</b>	<b>9.7%</b>		

\*Contracts revenue is included within Commercial and Commercial Compactors revenue.

**Table 12**  
**Statement of Operating Ratios and Profit Margin**  
**Recology San Francisco**  
**July 2017 - June 2018**

		<b>Crosswalk</b>	<b>Projection</b>	<b>Actual</b>	<b>Dollar Variance</b>	<b>Percentage Variance</b>
<b>SOURCES</b>	Tipping Charge Revenue	See Table 7	\$ 133,108,998	\$ 131,881,198	\$ (1,227,800)	-1%
	Recycling Revenues	See Table 7	20,694,477	18,339,136	(2,355,341)	-11%
	Other Commercial Revenues	See Table 7	2,333,857	2,788,179	454,321	19%
	<b>(a) Total Sources</b>		<b>156,137,332</b>	<b>153,008,513</b>	<b>(3,128,819)</b>	<b>-2%</b>
<b>USES</b>	ZWI Funding (Not OR Eligible)	See Table 7	2,761,284	2,761,284	-	0%
	I/C Processing & Disposal (Not OR Eligible)	See Table 10	27,090,347	28,128,414	1,038,067	4%
	Licenses & Permits (Not OR Eligible)	See Table 10	3,405,535	2,544,207	(861,328)	-25%
	<b>(b) OR Eligible Expenses</b>	See Table 10	<b>111,818,175</b>	<b>111,879,792</b>	<b>61,617</b>	<b>0%</b>
	<b>(c) Total Uses</b>		<b>145,075,341</b>	<b>145,313,697</b>	<b>238,356</b>	<b>0%</b>
<b>(d) NET PROFIT = (a) less (c)</b>			<b>\$ 11,061,991</b>	<b>\$ 7,694,816</b>	<b>\$ (3,367,176)</b>	<b>-30%</b>
<b>OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES</b> = 100% less ((d) divided by ((b) plus (d)))			<b>91.0%</b>	<b>93.6%</b>		
<b>OPERATING RATIO ON ALL EXPENSES</b> = 100% less ((d) divided by ((c) plus (d)))			<b>92.9%</b>	<b>95.0%</b>		
<b>PROFIT MARGIN ON ALL EXPENSES</b> = (d) divided by (a)			<b>7.1%</b>	<b>5.0%</b>		

**Table 13**  
**Statement of Operating Ratios and Profit Margin**  
**Combined SF Companies**  
**July 2017 - June 2018**

	Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
RSS and RGG OR Eligible Expenses	See Table 11	\$ 182,474,783	\$ 175,961,843	\$ (6,512,940)	-4%
RSF OR Eligible Expenses	See Table 12	111,818,175	111,879,792	61,617	0%
<b>(b) Combined Recology OR Eligible Expenses</b>		<b>294,292,958</b>	<b>287,841,635</b>	<b>(6,451,323)</b>	<b>-2%</b>
RSS and RGG Total Uses	See Table 11	330,402,491	321,230,888	(9,171,603)	-3%
RSF Total Uses	See Table 12	145,075,341	145,313,697	238,356	0%
<b>(c) Combined Recology Total Uses</b>		<b>475,477,832</b>	<b>466,544,585</b>	<b>(8,933,247)</b>	<b>-2%</b>
RSS and RGG Net Profit	See Table 11	14,792,856	34,522,010	19,729,154	133%
RSF Net Profit	See Table 12	11,061,991	7,694,816	(3,367,176)	-30%
<b>(d) Combined Recology Net Profit</b>		<b>\$ 25,854,847</b>	<b>\$ 42,216,826</b>	<b>\$ 16,361,979</b>	<b>63%</b>
<b>COMBINED OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES</b>					
= 100% less ((d) divided by ((b) plus (d)))		91.9%	87.2%		
<b>COMBINED OPERATING RATIO ON ALL EXPENSES</b>					
= 100% less ((d) divided by ((c) plus (d)))		94.8%	91.7%		
<b>PROFIT MARGIN ON ALL EXPENSES</b>					
= (d) divided by ((c) plus (d))		5.2%	8.3%		

**Table 14**  
**Amortization of ZWI Funds for Capital Expenditures**  
**Recology San Francisco**  
**July 2017 - June 2018**

Capital Expenditure Project	ZWI Funds Received	Date Received	Amortization Start Date	ZWI Funds to be Amortized	Cumulative Amortization End of Prior Rate Year	Amortization in Current Report	Cumulative Amortization as of this Report	Remaining Balance
Improvements for Pier 96 - RY14	\$ 2,621,225	2/10/2016	10/1/2016	\$ 2,621,225	\$ (269,582)	\$ (319,428)	\$ (589,011)	\$ 2,032,214
Improvements for Pier 96 - RY15	3,157,691	2/10/2016	10/1/2016	3,157,691	(324,756)	(384,803)	(709,559)	2,448,132
Improvements for Pier 96 - RY16	3,200,551	9/21/2016	10/1/2016	3,200,551	(329,164)	(390,026)	(719,190)	2,481,361
Recycle Central Improvement - 2017	3,247,569	9/29/2017	10/1/2016	2,152,069	(221,332)	(262,256)	(483,587)	1,668,482
Recycle Central Improvement - 2017			10/1/2017	1,095,500	-	(133,500)	(133,500)	962,000
<b>Total</b>	<b>\$ 12,227,036</b>			<b>\$ 12,227,036</b>	<b>\$ (1,144,833)</b>	<b>\$ (1,490,014)</b>	<b>\$ (2,634,847)</b>	<b>\$ 9,592,189</b>

\*Funds were released from the ZWI account to offset the cost of capital expenditures incurred by Recology San Francisco. The funds received are being amortized and recorded as negative expenses in Table 10 over the same period as the related capital expenditure project assets.

**APPENDIX A**  
**COMBINED SF COMPANIES**  
**Account Details**

Deposits, Disbursements and Balances for RY 2018

**Table A-1**

<b>Account Details</b>	<b>Special Reserve</b>	<b>Reserve Fund</b>	<b>Impound</b>	<b>ZWI</b>
Beginning Balance 7/1/2017	\$ 16,593,720	\$ 4,662,596	\$ 1,466,353	\$ 17,017,579
Deposits	-	2,000,000	19,692,816	7,267,392
Interest	163,273	50,374	1,822	111,153
Administrative Fees	(3,865)	-	-	-
Disbursements	(4,500,000)	(4,482,335)	(19,329,599)	(16,977,042)
<b>Ending Balance 6/30/18</b>	<b>\$ 12,253,129</b>	<b>\$ 2,230,635</b>	<b>\$ 1,831,392</b>	<b>\$ 7,419,082</b>

**Table A-2**

<b>Interest</b>	<b>Special Reserve</b>	<b>Reserve Fund</b>	<b>Impound</b>	<b>ZWI</b>
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
Jan-18	13,548	6,848	212	9,232
Feb-18	12,204	5,509	103	6,312
Mar-18	15,180	2,666	207	7,748
Apr-18	16,361	2,874	179	8,182
May-18	16,571	3,061	23	5,220
Jun-18	17,100	3,159	225	5,332
<b>Total</b>	<b>\$ 163,273</b>	<b>\$ 50,374</b>	<b>\$ 1,822</b>	<b>\$ 111,153</b>

**Table A-3**

<b>Administrative Fees</b>	<b>Special Reserve</b>	<b>Reserve Fund</b>	<b>Impound</b>	<b>ZWI</b>
Jul-17	\$ 330	\$ -	\$ -	\$ -
Aug-17	322	-	-	-
Sep-17	336	-	-	-
Oct-17	304	-	-	-
Nov-17	317	-	-	-
Dec-17	349	-	-	-
Jan-18	319	-	-	-
Feb-18	312	-	-	-
Mar-18	315	-	-	-
Apr-18	323	-	-	-
May-18	318	-	-	-
Jun-18	319	-	-	-
<b>Total</b>	<b>\$ 3,865</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Special Reserve**Disbursements for RY 2018**Table A-4**

<b>Transaction Date</b>	<b>Check #</b>	<b>Description</b>	<b>Amount</b>
10/20/17	ACH	Jul - Oct RY 18 Rate Rebate	\$ 346,660
10/20/17	ACH	Jul - Oct RY 18 Rate Rebate	115,554
10/20/17	ACH	Jul - Oct RY 18 Rate Rebate	278,340
10/20/17	ACH	Jul - Oct RY 18 Rate Rebate	92,780
10/20/17	ACH	RY18 Transfer to Reserve Fund	2,000,000
12/31/17	ACH	Nov - Dec RY 18 Rate Rebate	185,560
12/31/17	ACH	Nov - Dec RY 18 Rate Rebate	231,107
2/2/18	ACH	Jan - Mar FY 18 Rate Rebate	625,000
5/15/18	ACH	Apr - Jun FY 18 Rate Rebate	625,000
<b>Total</b>			<b>\$ 4,500,000</b>

**Reserve Fund**Deposit Detail for RY 2018**Table A-5**

<b>Month</b>	<b>Total Deposit Amount</b>
Oct-17	2,000,000
<b>Total</b>	<b>2,000,000</b>

**Reserve Fund**Disbursements for RY 2018**Table A-6**

<b>Transaction Date</b>	<b>Check #</b>	<b>Description</b>	<b>Amount</b>
2/23/2018	ACH	January - June 2017 Hay Road Cost Reimbursement	\$ 4,482,335
<b>Total</b>			<b>\$ 4,482,335</b>

**Impound**Deposit Detail for RY 2018**Table A-7**

<b>Month</b>	<b>Recology Golden Gate</b>	<b>Recology Sunset Scavenger</b>	<b>Total Deposit Amount</b>
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
Jan-18	710,668	930,400	1,641,068
Feb-18	710,668	930,400	1,641,068
Mar-18	710,668	930,400	1,641,068
Apr-18	710,668	930,400	1,641,068
May-18	710,668	930,400	1,641,068
Jun-18	710,668	930,400	1,641,068
<b>Total</b>	<b>\$ 8,528,016</b>	<b>\$ 11,164,800</b>	<b>\$ 19,692,816</b>

## Impound

### Disbursements for RY 2018

**Table A-8**

<b>Payee</b>	<b>Date</b>	<b>Check #</b>	<b>Total Disbursements</b>
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	971	933,407
City & County of San Francisco (SF Public Works)	08/02/17	970	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
City & County of San Francisco (SF Public Works)	01/31/18	983	933,407
San Francisco Department of the Environment	01/31/18	982	707,662
City & County of San Francisco (SF Public Works)	02/14/18	985	933,407
San Francisco Department of the Environment	02/14/18	984	707,662
City & County of San Francisco (SF Public Works)	03/29/18	987	933,407
San Francisco Department of the Environment	03/29/18	986	707,662
City & County of San Francisco (SF Public Works)	04/30/18	989	933,407
San Francisco Department of the Environment	04/30/18	988	707,662
City & County of San Francisco (SF Public Works)	05/31/18	991	933,407
San Francisco Department of the Environment	05/31/18	990	707,662
<b>Total</b>			<b>\$ 19,329,599</b>

\*June 2018 disbursement cleared the impound account on July 6th, 2018.

## Zero Waste Incentives

### Deposit Detail For RY 2018

**Table A-9**

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
Jan-18	162,615	212,894	230,107	605,616
Feb-18	162,615	212,894	230,107	605,616
Mar-18	162,615	212,894	230,107	605,616
Apr-18	162,615	212,894	230,107	605,616
May-18	162,615	212,894	230,107	605,616
Jun-18	162,615	212,894	230,107	605,616
<b>Total</b>	<b>\$ 1,951,380</b>	<b>\$ 2,554,728</b>	<b>\$ 2,761,284</b>	<b>\$ 7,267,392</b>

## Zero Waste Incentives

### Disbursements For RY 2018

**Table A-10**

Transaction Date	Description	Amount
09/29/17	Recycle Central Improvement - 2017	\$ 3,247,569
10/20/17	Jul - Oct RY 18 Rate Rebate	540,106
10/20/17	Jul - Oct RY 18 Rate Rebate	3,326,823
11/14/17	Jan - Jun RY 17 Rate Rebate	256,461
11/14/17	Jan - Jun RY 17 Rate Rebate	1,884,398
12/14/17	Nov - Dec RY 18 Rate Rebate	1,307,869
12/14/17	Nov - Dec RY 18 Rate Rebate	625,920
02/02/18	Jan - Mar RY 18 Rate Rebate	2,604,922
02/02/18	Jan - Mar RY 18 Rate Rebate	294,360
04/15/18	April - Jun RY 18 Rate Rebate	2,764
04/15/18	April - Jun RY 18 Rate Rebate	2,885,850
<b>Total</b>		<b>\$ 16,977,042</b>