

**SAN FRANCISCO
ANNUAL RATE REPORT**

12 Months Ended June 30, 2015

Recology Sunset Scavenger
Recology Golden Gate
Recology San Francisco

INTRODUCTION

The San Francisco Refuse Collection and Rate Board Order (the Rate Order), issued on July 23, 2013, includes various reporting requirements as established in the Department of Public Works Director's Report, issued on June 7, 2013. The reporting requirements address several areas of information, including disposal tonnages, commercial recycling and composting accounts, bulky item recycling, toxics program participation and collection incentives, revenues and expenses, apartment customer caps and migration and special account reporting.

This report covers the period from July 1, 2014 to June 30, 2015.

DISPOSAL AND DIVERSION TONNAGE

A summary of tons disposed is presented in Table 1. The table also shows the Tier 1 through Tier 4 Zero Waste Disposal Tonnage targets. Disposal tonnage is currently above the Tier 1 target. The tons disposed reflect only those tons that originate in San Francisco. Disposed tons includes out throws of materials removed from diversion streams by other processing facilities. Tables 1 and 3 exclude all tons that originate outside of San Francisco.

Table 2 shows the material diverted and used as Alternative Daily Cover (ADC). The three sources of ADC are oversized pieces from composting operations, urban organics composting operations and fines from iMRF operations. Table 3 presents a breakdown of diversion and disposal tonnage by company and by program.

COMMERCIAL RECYCLING AND COMPOSTING ACCOUNTS

Table 4 presents information regarding the number of commercial accounts that are (1) trash compliant, (2) recycling compliant, and (3) composting compliant. The Table has been prepared in accordance with the requirements of the Rate Order.

BULKY ITEM RECYCLING AND TOXICS PROGRAM PARTICIPATION

Tables 5a and 5b provide a summary of participation and materials captured in the various toxics programs. Additional information regarding Bulky Item Recycling (BIR), including non-toxic BIR tonnage, is provided in Table 3. Additional details about toxics programs are provided in the San Francisco Household Hazardous Waste Collection Facility Quarterly Report, submitted separately to the Department of the Environment by Recology San Francisco.

ABANDONED MATERIALS COLLECTION

Effective July 1, 2013, the Companies assumed responsibility for the collection of certain abandoned materials, including materials reported through the City's 311 information system. The Companies and the City have integrated reporting between the 311 system and the Companies' information systems. Tonnage collected under this program is included in Table 3.

REVENUES

Table 6 presents the actual revenues for the collection operations of Recology Sunset Scavenger and Recology Golden Gate. Revenues for Recology San Francisco are provided in Table 7. These revenues are presented consistent with the format on Schedule F.1 of the rate application.

Table 8 shows the actual recycling revenues for Recology San Francisco.

EXPENSES

Table 9 presents the actual expenses for Recology Sunset Scavenger and Recology Golden Gate. Expenses for Recology San Francisco are provided in Table 10. These expenses are presented in a format consistent with Schedule D of the rate application.

APARTMENT CUSTOMERS AND REVENUE

As of June 30, 2015, there were 1,237 apartment customers whose monthly bills were subject to the rate cap. Since August 1, 2013, 1,332 customers have modified their service to offset rate increases. As of June 2015, the modifications have reduced the monthly volumetric charge by approximately \$170,000.

LIFELINE AND DISABLED SERVICES PROGRAMS

As of June 30, 2015, 7,469 customers participated in the Lifeline program. As of the same date, there were 414 participants in the Disabled Services program.

SPECIAL ACCOUNT REPORTING

Appendix A contains account reports for the Special Reserve Fund, the Impound Account, and the Zero Waste Incentive Account. The reports include beginning balances, deposits, disbursements, interest and administrative fees as applicable, and ending balances for the accounts.

SPECIAL RESERVE FUND

The Rate Order terminated funding for the Special Reserve Fund as of July 1, 2013. The fund balance earns interest, which continues to accrue into the fund.

IMPOUND ACCOUNT

The Companies made monthly deposits to the Impound Account based on both fixed and variable payment requirements as contained in the Rate Order. Fixed payments to the Department of the Environment were made in accordance with the approved rate. The Department of the Environment distributes funds to the Department of Public Works. Payments to Alameda County, related to fees associated with disposal at the Altamont Landfill, were made based on the volume of material sent to the landfill.

ZERO WASTE INCENTIVE ACCOUNT

The companies made monthly deposits to the Zero Waste Incentive Account in amounts determined by the Rate Order. Funds held in the Zero Waste Incentive Account will be applied against future rate adjustments and certain amounts may be used to support additional diversion programs.

Table 1
Disposal Tonnage
Recology San Francisco
July 2014 - June 2015

	Actual	Tier 1	Tier 2	Tier 3	Tier 4
Tons Disposed	389,559	355,980	334,091	312,202	290,313

Table 2
Alternative Daily Cover Tonnage
Recology San Francisco
July 2014 - June 2015

Source	Tonnage
Overs from Composting Operations	4,852
Overs from Urban Organics Composting	621
Fines from iMRF Operations	37,421
Total Alternative Daily Cover	42,894

Table 3
Recovery and Disposal Tonnage
Combined SF Companies
July 2014 - June 2015

	Received	Recovered	Disposal	% Recovered
<u>Tunnel & Beatty Trash</u>				
<u>From Recology Sunset</u>				
Fantastic 3	112,237	730	111,508	0.7%
Commercial	27,946	-	27,946	0.0%
Roll-off	21,761	-	21,761	0.0%
Bulky Item	132	-	132	0.0%
Total from Recology Sunset	162,077	730	161,347	0.5%
<u>From Recology Golden Gate</u>				
Fantastic 3	51,490	-	51,490	0.0%
Commercial	29,601	-	29,601	0.0%
Roll-off	18,250	-	18,250	0.0%
Total from Recology Golden Gate	99,341	-	99,341	0.0%
Total from Recology Sunset & Recology Golden Gate	261,418	730	260,688	0.3%
<u>Tunnel & Beatty Compostables</u>				
<u>From Recology Sunset</u>				
Fantastic 3	66,955	64,228	2,727	95.9%
Commercial	35,956	34,492	1,465	95.9%
Total from Recology Sunset	102,911	98,719	4,192	95.9%
<u>From Recology Golden Gate</u>				
Commercial	65,454	62,788	2,666	95.9%
Total from Recology Golden Gate	65,454	62,788	2,666	95.9%
<u>From Other Sources</u>				
Commercial Customers	481	481	-	100.0%
Department of Public Works	3,012	3,012	-	100.0%
Other City of San Francisco Departments	948	948	-	100.0%
Public Customers	698	698	-	100.0%
Total from Other Sources	5,140	5,140	-	100.0%
Total Compostables	173,505	166,647	6,858	96.0%
<u>iMRF</u>				
Roll-off from Recology Sunset	32,794	18,260	14,534	55.7%
Roll-off from Recology Golden Gate	41,523	23,120	18,403	55.7%
Commercial Customers	5,523	3,075	2,448	55.7%
Department of Public Works	3,156	1,757	1,399	55.7%
Other City of San Francisco Departments	71	40	32	55.7%
Public Customers	9	5	4	55.7%
Total iMRF	83,078	46,258	36,820	55.7%
<u>Tunnel & Beatty Other</u>				
Commercial Customers	9,080	3,567	5,513	39.3%
Department of Public Works	20,563	4,724	15,839	23.0%
Other City of San Francisco Departments	4,312	252	4,059	5.8%
City Cans	19,365	-	19,365	0.0%
Public Customers	34,493	15,641	18,852	45.3%
Recology Sunset Bulky Item/Abandoned Materials	9,511	6,025	3,486	63.3%
Recology Golden Gate Bulky Item	5	5	-	100.0%
Recology Sunset Inerts	12,772	12,772	-	100.0%
Recology Golden Gate Inerts	15,336	15,336	-	100.0%
Recology San Francisco Inerts	204	204	-	100.0%
Construction Material Reuse	937	937	-	100.0%
Recology Sunset/Recology Golden Gate Tires	27	27	-	100.0%
Recology Sunset/Recology Golden Gate Other Recycling	1,376	1,376	-	100.0%
Total Other	127,981	60,867	67,114	47.6%
Total Tunnel & Beatty	645,982	274,502	371,480	42.5%

Table 3 - Continued

	Received	Recovered	Disposal	% Recovered
<u>Recycle Central Recyclables</u>				
<u>From Recology Sunset</u>				
Fantastic 3	72,706	60,432	12,274	83.1%
Source Separated	110	110	0	99.8%
Mixed Commercial	454	182	273	40.0%
Mixed Paper	8,047	6,858	1,189	85.2%
<u>Total from Recology Sunset</u>	81,318	67,583	13,736	83.1%
<u>From Recology Golden Gate</u>				
Fantastic 3	52,484	43,624	8,860	83.1%
Source Separated	710	710	-	100.0%
Mixed Commercial	1,082	433	649	40.0%
Mixed Paper	7,980	6,801	1,179	85.2%
<u>Total from Recology Golden Gate</u>	62,256	51,567	10,688	82.8%
<u>Total from Recology Sunset and Golden Gate</u>	143,574	119,150	24,424	83.0%
Other Sources - Source Separated	18,227	18,227	-	100.0%
<u>Total Recycle Central Recyclables</u>	161,801	137,377	24,424	84.9%
<u>Sustainable Crushing</u>	125,647	125,647	-	100.0%
<u>Direct Material Recycling - Debris Box Collection</u>	145	145	-	100.0%
<u>Adjustments (Inventory, moisture)</u>	(6,345)	-	(6,345)	0.0%
Total Tons	927,230	537,671	389,559	58.0%

Table 4
Commercial Accounts and Compliance
Recology Sunset Scavenger and Recology Golden Gate
July 2014 - June 2015

	Number of Accounts as of 6/30/2015	Percent of Total
Total Accounts	16,160	100.0%
Trash Compliant	16,138	99.9%
Recycling Compliant	15,869	98.2%
Composting Compliant	15,484	95.8%

Table 5a
Toxics Collection and Participation
Recology San Francisco
July 2014 - June 2015

Program	Collection Weight Tons Handled	Service Standard	
		Number	Unit
HHW Facility Drop Off	232.00	8,041	Customers Served
HHW Home Collection	106.85	1,893	Pickups
HHW Home Collection		3,685	Equivalent Loads
Very Small Quantity Generator	67.40	437	Business Appointments
Residential Curbside Battery Collection	23.13		
Apartment Building Battery Collection	6.03	331	Pickups
Retail Collection Partners	146.99	1,342	Pickups
Gigantic 3 Collection Events	4.20	771	Customers Served
Waste Acceptance Control Program	47.21		
Bulky Item Recycling - E-Waste	386.00	51,224	Pickups*
Public Drop Off - E-waste	134.25		

*Bulky item pickups include non-E-Waste customers

**Table 5b
Toxics Collection Incentives
Recology San Francisco
July 2014 - June 2015**

Toxics Item	Target (Tons)	Actual (Tons)
Latex Paint		227.38
Oil Base Paint		47.28
Paint Distributed for Direct Reuse		6.17
Total Paint	489.25	280.82
Household Batteries - Single Use		73.39
Household Batteries - Rechargeable		3.35
Total Household Batteries	97.00	76.74
Fluorescent & Other Mercury Containing Lamps	52.00	39.63

*Targets reflect Tier 1 incentive amounts

Table 6
Revenue
Recology Sunset Scavenger and Recology Golden Gate
July 2014 - June 2015

	Projection	Actual	Variance
<u>Residential</u>			
Number of Customers	141,244	141,192	0%
Annual Revenue	\$ 72,398,129	\$ 73,102,427	1%
Revenue Per Customer	\$ 513	\$ 518	1%
<u>Apartment</u>			
Number of Customers	8,628	8,286	-4%
Annual Revenue	\$ 63,156,511	\$ 58,496,763	-7%
Revenue Per Customer	\$ 7,320	\$ 7,060	-4%
<u>Commercial</u>			
Number of Customers	16,564	16,860	2%
Annual Revenue	\$ 103,605,272	\$ 117,628,584	14%
Revenue Per Customer	\$ 6,255	\$ 6,977	12%
<u>Commercial Compactors</u>			
Number of Customers	229	222	-3%
Annual Revenue	\$ 27,173,049	\$ 25,577,660	-6%
Revenue Per Customer	\$ 118,660	\$ 115,215	-3%
Revenue Subject to Rate	\$ 266,332,962	\$ 274,805,434	3%
Revenue not Subject to Rate:			
Debris Box Revenue	\$ 13,864,342	\$ 18,735,909	35%
Equipment & Supply Sales	814,603	1,267,711	56%
CalRecycle Payment	319,674	510,133	60%
Miscellaneous Income	221,252	290,445	31%
Total Other Revenue not Subject to Rate	\$ 15,219,871	\$ 20,804,198	37%
Total Sources	\$ 281,552,833	\$ 295,609,632	5%
Impound Account Funding	\$ (14,941,762)	\$ (14,941,762)	0%
ZWI Funding	(3,820,437)	(3,820,437)	0%
Total Revenue Retained	\$ 262,790,634	\$276,847,433	5%

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

Table 7
Revenue
Recology San Francisco
July 2014 - June 2015

	Projection	Actual	Variance
<u>Tonnage Charged by Tipping Fee</u>			
Recology Sunset Scavenger/Golden Gate			
Recycle Central	134,020	143,574	7%
Compostables	158,454	168,365	6%
iMRF	54,189	74,672	38%
Trash	259,358	261,398	1%
Other	7,182	10,935	52%
Subtotal (Recology Sunset Scavenger/Golden Gate)	613,203	658,944	7%
Public Customers	33,534	34,865	4%
Commercial Customers	16,011	18,536	16%
Total San Francisco Tons	662,748	712,345	7%
Total Non-San Francisco Tons	1,512	2,221	47%
Total Tonnage Charged by Tipping Fee	664,260	714,566	8%
Rate Per Ton	\$ 151.47	\$ 151.47	0%
<u>Transfer and Processing Revenue</u>			
Recology Sunset Scavenger/Golden Gate			
Recycle Central	\$ 20,299,952	\$ 21,746,093	7%
Compostables	24,001,052	25,502,286	6%
iMRF	8,207,950	11,310,579	38%
Trash	39,284,911	39,593,913	1%
Other	1,087,853	1,656,344	52%
Subtotal (Recology Sunset Scavenger/Golden Gate)	\$ 92,881,718	\$ 99,809,215	7%
Public Customers	5,079,468	5,280,934	4%
Commercial Customers	2,425,239	2,807,624	16%
Total San Francisco	\$ 100,386,425	\$ 107,897,773	7%
Total Non-San Francisco	229,023	336,388	47%
Total Revenue from Tipping Fee	\$ 100,615,448	\$ 108,234,161	8%
Net Recycling Revenue	\$ 21,451,279	\$ 17,868,833	-17%
Non-rate Revenue	428,584	662,491	55%
Intercompany Dirt, Inerts & Others	543,576	1,017,558	87%
Rental Income	45,710	44,400	-3%
Total Other Revenue	\$ 22,469,149	\$ 19,593,282	-13%
Receipt of ZWI Funds to offset textile Recycling expenses	-	463,452	100%
Total Sources	\$ 123,084,597	\$ 128,290,895	4%
Impound Account Funding	\$ (3,318,666)	\$ (3,506,118)	6%
ZWI Funding	(2,485,259)	(2,485,259)	0%
Total Revenue Retained	\$ 117,280,672	\$ 122,299,518	4%

Table 8
Recycling Revenue
Recology San Francisco
July 2014 - June 2015

Recycle Central	Projection	Actual
Mixed Paper	70,899	68,585
Cardboard	36,527	27,258
White Ledger	268	24
Coated Book Stock	385	25
Aluminum	501	274
Metal/Ferrous	1,771	1,520
PET	1,451	1,231
HDPE Blend	1,399	1,153
Mixed Plastics 3-7	565	859
Flint Glass	667	457
Amber Glass	596	386
Green Glass	401	205
Mixed Glass	17,503	22,637
Glass Fines	1,291	997
Total Tons	134,225	125,610
Price Per Ton		
Mixed Paper	\$ 125.34	\$ 95.36
Cardboard	164.77	138.93
White Ledger	266.01	270.00
Coated Book Stock	199.00	150.00
Aluminum	4,238.14	4,275.69
Metal/Ferrous	159.68	92.72
PET	2,141.94	1,826.45
HDPE Blend	767.29	822.38
Mixed Plastics 3-7	60.35	95.54
Flint Glass	191.92	241.90
Amber Glass	199.00	236.93
Green Glass	184.87	227.92
Mixed Glass	135.04	112.42
Glass Fines	135.04	109.24
Revenue		
Mixed Paper	\$ 8,886,600	\$ 6,540,328
Cardboard	6,018,535	3,786,858
White Ledger	71,291	6,377
Coated Book Stock	76,616	3,783
Aluminum	2,122,801	1,170,725
Metal/Ferrous	282,729	140,935
PET	3,108,635	2,249,125
HDPE Blend	1,073,280	948,588
Mixed Plastics 3-7	34,123	82,078
Flint Glass	128,072	110,516
Amber Glass	118,605	91,360
Green Glass	74,100	46,694
Mixed Glass	2,363,652	2,544,829
Glass Fines	174,378	108,860
Recycle Central Revenue	\$ 24,533,418	\$ 17,831,057

Table 8 - Continued

Tunnel & Beatty Operations	Projection	Actual
Metal	7,190	10,424
Wood	13,268	14,318
Mixed Rigid Plastic	1,992	1,774
SB20/50 E-Waste	437	513
Total Tons	22,886	27,030
Price Per Ton		
Metal	\$ 193.18	\$ 118.48
Wood	19.39	19.86
Mixed Rigid Plastic	155.36	201.57
SB20/50 E-Recycling	336.60	222.29
Revenue		
Metal	\$ 1,388,870	\$ 1,234,966
Wood	257,258	284,327
Mixed Rigid Plastic	309,495	357,592
SB20/50 E-Recycling	147,042	114,117
Tunnel & Beatty Revenue	\$ 2,102,666	\$ 1,991,002
Sustainable Crushing Revenue	\$ 1,777,307	\$ 1,685,168
Total Recycling Revenue	\$ 28,413,390	\$ 21,507,227
Processing Expenses	(445,623)	(592,608)
Purchases	(6,516,489)	(3,045,786)
Net Recycling Revenue	\$ 21,451,279	\$ 17,868,833

Table 9
Expenses
Recology Sunset Scavenger and Recology Golden Gate
July 2014 - June 2015

	Projection	Actual	Variance
Payroll	\$ 65,513,846	\$ 66,436,921	1%
Payroll Taxes	5,137,174	5,082,700	-1%
Pension	12,926,699	13,644,380	6%
Health Insurance	19,886,250	17,446,646	-12%
Workers Compensation	6,407,564	8,346,431	30%
Total Payroll & Related	\$ 109,871,533	\$ 110,957,078	1%
Bad Debt	\$ 501,942	\$ 21,830	-96%
Building & Facility Repair	215,892	124,189	-42%
Contract Services	731,253	964,646	32%
Corporate Accounting Services	1,765,272	1,676,792	-5%
Corporate Management	1,352,344	1,669,464	23%
Depreciation	305,464	272,372	-11%
Environmental Compliance	403,235	576,200	43%
Freight	70,785	64,627	-9%
Fuel	5,183,237	5,184,509	0%
Human Resources	530,132	829,246	56%
I/C Disposal	40,355,519	40,704,704	1%
I/C Processing	53,069,981	60,147,947	13%
IT Services	1,995,875	2,431,962	22%
Lease	13,997,063	13,387,698	-4%
Liability Insurance	3,402,185	2,761,796	-19%
Licenses & Permits	1,733,451	1,562,598	-10%
O/S Billing Services	324,162	277,407	-14%
O/S Disposal	20,535	27,714	35%
O/S Equipment Rental	194,576	240,911	24%
Office	366,689	425,181	16%
Parts	1,961,756	2,190,484	12%
Postage	321,162	350,417	9%
Professional Services	1,422,966	695,208	-51%
Property Rental	1,276,312	1,420,939	11%
Repairs & Maintenance	1,287,460	884,269	-31%
Security & Janitorial	394,882	443,307	12%
Supplies	1,395,812	1,772,891	27%
Sustainability	184,062	263,342	43%
Taxes	1,417,899	1,378,027	-3%
Telephone	369,353	410,067	11%
Tires & Tubes	494,634	751,879	52%
Utilities	382,281	402,854	5%
T&G Maintenance Allocation	(55,732)	(54,750)	-2%
Other	1,844,790	2,066,038	12%
Total Expenses	\$ 249,088,762	\$ 257,283,843	3%

Table 10
Expenses
Recology San Francisco
July 2014 - June 2015

	Projection	Actual	Variance
Payroll	\$ 36,228,730	\$ 37,352,466	3%
Payroll Taxes	2,970,136	2,983,172	0%
Pension	5,261,065	7,360,406	40%
Health Insurance	11,982,345	10,973,970	-8%
Workers Compensation	2,655,986	3,154,419	19%
Total Payroll & Related	\$ 59,098,262	\$ 61,824,433	5%
Bad Debt	\$ 17,508	\$ 7,275	-58%
Bridge Tolls	831,740	883,746	6%
Building & Facility Repair	730,379	575,490	-21%
Contract Services	321,203	572,342	78%
Corporate Accounting Services	188,243	92,240	-51%
Corporate Management	141,628	91,226	-36%
Depreciation	1,165,533	1,313,693	13%
Environmental Compliance	43,438	30,501	-30%
Freight	1,202,154	1,066,285	-11%
Fuel	4,129,166	3,635,141	-12%
Human Resources	361,776	551,764	53%
I/C Disposal	-	1,079,982	100%
I/C Processing	8,420,147	8,824,637	5%
IT Services	598,481	819,570	37%
Lease	5,658,171	5,054,938	-11%
Liability Insurance	962,094	768,420	-20%
License Fee - Brisbane	2,158,534	2,102,636	-3%
Other Licenses & Permits	303,772	319,902	5%
O/S Equipment Rental	378,202	142,391	-62%
O/S Disposal - Altamont Landfill	4,516,893	5,012,115	11%
O/S Disposal - Other	1,169,010	1,212,461	4%
O/S Processing	902,360	343,889	-62%
Office	319,495	236,304	-26%
Parts	1,327,869	1,677,880	26%
Postage	1,743	3,717	113%
Professional Services	2,013,379	3,840,173	91%
Property Rental	3,728,398	3,834,504	3%
Repairs & Maintenance	461,065	500,972	9%
Security & Janitorial	903,639	839,496	-7%
Supplies	1,611,920	2,041,709	27%
Sustainability	18,722	14,417	-23%
Taxes	1,609,744	1,472,989	-8%
Telephone	185,412	261,005	41%
Tires & Tubes	170,600	280,028	64%
Utilities	1,331,124	1,463,050	10%
Other	406,681	408,197	0%
Total Expenses	\$ 107,388,486	\$ 113,199,518	5%

Table 11
Statement of Operating Ratios and Profit Margin
Recology Sunset Scavenger and Recology Golden Gate
July 2014 - June 2015

		Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
SOURCES	Residential	See Table 6	\$ 72,398,129	\$ 73,102,427	\$ 704,298	1%
	Apartment	See Table 6	63,156,511	58,496,763	(4,659,748)	-7%
	Commercial	See Table 6	103,605,272	117,628,584	14,023,312	14%
	Commercial Compactors	See Table 6	27,173,049	25,577,660	(1,595,389)	-6%
	Current Ratepayer Revenue		266,332,962	274,805,434	8,472,472	3%
	Debris Box and Other Non Rate Revenue	See Table 6	15,219,871	20,804,198	5,584,327	37%
(a) Total Sources			281,552,833	295,609,632	14,056,799	5%
USES	Impound Account Funding (Not OR Eligible)	See Table 6	14,941,762	14,941,762	-	0%
	ZWI Funding (Not OR Eligible)	See Table 6	3,820,437	3,820,437	-	0%
	I/C Processing (Not OR Eligible)	See Table 9	53,069,981	60,147,947	7,077,966	13%
	I/C Disposal (Not OR Eligible)	See Table 9	40,355,519	40,704,704	349,185	1%
	(b) OR Eligible Expenses	See Table 9	155,663,262	156,431,192	767,930	0%
(c) Total Uses			267,850,961	276,046,042	8,195,081	3%
(d) NET PROFIT = (a) less (c)			\$ 13,701,872	\$ 19,563,590	\$ 5,861,718	43%
OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))			91.9%	88.9%		
OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))			95.1%	93.4%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by (a)			4.9%	6.6%		

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

Table 12
Statement of Operating Ratios and Profit Margin
Recology San Francisco
July 2014 - June 2015

		Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
SOURCES	Tipping Fee Revenue	See Table 7	\$ 100,615,448	\$ 108,234,161	\$ 7,618,713	8%
	Net Recycling Revenue	See Table 7	21,451,279	17,868,833	(3,582,446)	-17%
	Other Revenue	See Table 7	1,017,870	1,724,449	706,579	69%
	ZWI Funds	See Table 7	-	463,452	463,452	100%
	(a) Total Sources		123,084,597	128,290,895	5,206,298	4%
USES	Impound Account Funding (Not OR Eligible)	See Table 7	3,318,666	3,506,118	187,452	6%
	ZWI Funding (Not OR Eligible)	See Table 7	2,485,259	2,485,259	-	0%
	O/S Disposal - Altamont Landfill (Not OR Eligible)	See Table 10	4,516,893	5,012,115	495,222	11%
	License Fee - Brisbane (Not OR Eligible)	See Table 10	2,158,534	2,102,636	(55,898)	-3%
	(b) OR Eligible Expenses	See Table 10	100,713,058	106,084,767	5,371,709	5%
(c) Total Uses			113,192,411	119,190,895	5,998,484	5%
(d) NET PROFIT = (a) less (c)			\$ 9,892,186	\$ 9,100,000	\$ (792,186)	-8%
OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))			91.1%	92.1%		
OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))			92.0%	92.9%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by (a)			8.0%	7.1%		

Table 13
Statement of Operating Ratios and Profit Margin
Combined SF Companies
July 2014 - June 2015

	Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
RSS and RGG OR Eligible Expenses	See Table 11	\$ 155,663,262	\$ 156,431,192	\$ 767,931	0%
RSF OR Eligible Expenses	See Table 12	100,713,058	106,084,767	5,371,709	5%
(b) Combined Recology OR Eligible Expenses		256,376,320	262,515,959	6,139,639	2%
RSS and RGG Total Uses	See Table 11	267,850,961	276,046,042	8,195,081	3%
RSF Total Uses	See Table 12	113,192,411	119,190,895	5,998,483	5%
(c) Combined Recology Total Uses		381,043,372	395,236,937	14,193,565	4%
RSS and RGG Net Profit	See Table 11	13,701,872	19,563,590	5,861,718	43%
RSF Net Profit	See Table 12	9,892,186	9,100,000	(792,187)	-8%
(d) Combined Recology Net Profit		\$ 23,594,057	\$ 28,663,590	\$ 5,069,533	21%
COMBINED OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))		91.6%	90.2%		
COMBINED OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))		94.2%	93.2%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by ((c) plus (d))		5.8%	6.8%		

APPENDIX A
COMBINED SF COMPANIES
Account Details

Special Reserve Fund

Deposits, Disbursements and Balances for RY 2015

Table A-1

Beginning Balance (July 1, 2014)	\$ 29,642,426.57
Deposits	-
Interest	81,656.37
Administrative Fees	(8,426.31)
Disbursements	(97,442.32)
Ending Balance (June 30, 2015)	<u><u>\$ 29,618,214.31</u></u>

Special Reserve Fund

Investment Activity for RY 2015

Table A-2

Month	Interest Earned	Admin. Fee
Jul-14	7,236.78	625.94
Aug-14	6,656.78	678.90
Sep-14	6,603.33	698.42
Oct-14	6,823.44	759.33
Nov-14	6,592.78	757.21
Dec-14	6,790.72	671.79
Jan-15	6,761.25	707.98
Feb-15	6,391.00	741.14
Mar-15	7,075.75	705.47
Apr-15	6,847.50	715.82
May-15	6,546.09	809.58
Jun-15	7,330.95	554.73
Totals	\$ 81,656.37	\$ 8,426.31

Special Reserve Fund
Disbursements for RY 2015

Table A-3

Transaction Date	Check #	Payee	Description	Amount
9/22/14	Wire Transfer	Recology San Francisco	Reimbursement for Alameda County Transportation & Planning Fees	\$ 97,442.32
Total				\$ 97,442.32

Impound Account
Deposits, Disbursements and Balances for RY 2015

Table A-4

Beginning Balance (July 1, 2014)	\$ 473,316.47
Deposits	18,447,879.74
Interest	1,744.96
Disbursements	<u>(18,473,441.12)</u>
Ending Balance (June 30, 2015)	<u>\$ 449,500.05</u>

Impound Account
Deposit Detail for RY 2015

Table A-5

Month	Recology Golden Gate	Recology Sunset Scavenger	Recology San Francisco	Total Deposit Amount
Jul-14	\$ 539,213.30	\$ 705,933.54	\$ 234,990.33	\$ 1,480,137.17
Aug-14	539,213.30	705,933.54	289,758.49	\$ 1,534,905.33
Sep-14	539,213.30	705,933.54	299,976.91	\$ 1,545,123.75
Oct-14	539,213.30	705,933.54	278,873.51	\$ 1,524,020.35
Nov-14	539,213.30	705,933.54	308,559.85	\$ 1,553,706.69
Dec-14	539,213.30	705,933.54	279,315.40	\$ 1,524,462.24
Jan-15	539,213.30	705,933.54	324,175.88	\$ 1,569,322.72
Feb-15	539,213.30	705,933.54	308,394.74	\$ 1,553,541.58
Mar-15	539,213.30	705,933.54	289,419.34	\$ 1,534,566.18
Apr-15	539,213.30	705,933.54	296,614.34	\$ 1,541,761.18
May-15	539,213.30	705,933.54	312,705.22	\$ 1,557,852.06
Jun-15	539,213.30	705,933.54	283,333.65	\$ 1,528,480.49
Totals	\$ 6,470,559.60	\$ 8,471,202.48	\$ 3,506,117.66	\$ 18,447,879.74

Impound Account
Investment Activity for RY 2015

Table A-6

Month	Interest Earned
Jul-14	179.44
Aug-14	139.86
Sep-14	121.40
Oct-14	171.34
Nov-14	160.81
Dec-14	193.99
Jan-15	173.20
Feb-15	130.59
Mar-15	108.23
Apr-15	121.63
May-15	114.21
Jun-15	130.26
Totals	\$ 1,744.96

Impound Account
Disbursements for RY 2015

Table A-7

Payee	Date	Check #	Landfill Tonnage Date Basis	Landfill Tonnage Subject To Per Ton Fees	City & County of S.F. (1)	Tonnage Fees (2)	Other Fees (3)	Business License Tax (4)	Open Space Fees (5)	Total Disbursements
Altamont Landfill & RRF	07/24/14	841	Jun-14	29,102.73			13,125.33			13,125.33
Altamont Landfill & RRF	07/24/14	842	4/14-6/14	91,929.95					159,958.11	159,958.11
Waste Management Authority of Alameda	07/24/14	843	Jun-14	29,102.73		177,526.65				177,526.65
San Francisco Department of Environment	07/24/14	844			757,747.76					757,747.76
City & County of San Francisco	07/24/14	845			487,399.04					487,399.04
Waste Management Authority of Alameda	08/20/14	846	Jul-14	31,355.75		191,270.08				191,270.08
Void	08/20/14	847								0.00
San Francisco Department of Environment	08/20/14	848			757,747.76					757,747.76
City & County of San Francisco	08/20/14	849			487,399.04					487,399.04
Altamont Landfill & RRF	08/20/14	850	Jul-14	31,355.75			14,141.45			14,141.45
Altamont Landfill & RRF	09/23/14	851	Aug-14	32,461.52			14,640.15			14,640.15
Waste Management Authority of Alameda	09/23/14	852	Aug-14	32,461.52		198,015.27				198,015.27
San Francisco Department of Environment	09/23/14	853			757,747.76					757,747.76
City & County of San Francisco	09/23/14	854			487,399.04					487,399.04
Altamont Landfill & RRF	10/22/14	855	Sep-14	30,177.85			13,610.22			13,610.22
Waste Management Authority of Alameda	10/22/14	856	Sep-14	30,177.85		184,084.89				184,084.89
San Francisco Department of Environment	10/22/14	857			757,747.76					757,747.76
City & County of San Francisco	10/22/14	858			487,399.04					487,399.04
Waste Management Authority of Alameda	11/21/14	859	Oct-14	32,927.10		205,135.83				205,135.83
San Francisco Department of Environment	11/21/14	860			757,747.76					757,747.76
City & County of San Francisco	11/21/14	861			487,399.04					487,399.04
Altamont Landfill & RRF	11/21/14	862	Oct-14	32,927.10			14,850.12			14,850.12
Altamont Landfill & RRF	12/16/14	863	Jul-14--Sep-14	93,995.12					163,551.51	163,551.51
Waste Management Authority of Alameda	12/16/14	864	Nov-14	29,806.36		185,693.62				185,693.62
Altamont Landfill & RRF	12/16/14	865	Nov-14	29,806.36			13,442.67			13,442.67
San Francisco Department of Environment	12/16/14	866			757,747.76					757,747.76
City & County of San Francisco	12/16/14	867			487,399.04					487,399.04
Waste Management Authority of Alameda	01/26/15	868	Dec-14	34,593.52		215,517.63				215,517.63
San Francisco Department of Environment	01/26/15	869			757,747.76					757,747.76
City & County of San Francisco	01/26/15	870			487,399.04					487,399.04
Altamont Landfill & RRF	01/26/15	871	Dec-14	34,593.52			15,601.68			15,601.68
Altamont Landfill & RRF	01/26/15	872	Oct-14-Dec-14	97,326.98					169,348.95	169,348.95
Altamont Landfill & RRF	01/26/15	873	Jan-14-Dec-14	373,939.63				355,242.64		355,242.64
Altamont Landfill & RRF	02/19/15	874	Jan-15	32,734.82			14,763.40			14,763.40

Table A-7 - Continued

Payee	Date	Check #	Landfill Tonnage Date Basis	Landfill Tonnage Subject To Per Ton Fees	City & County of S.F. (1)	Tonnage Fees (2)	Other Fees (3)	Business License Tax (4)	Open Space Fees (5)	Total Disbursements
Waste Management Authority of Alameda	02/19/15	875	Jan-15	32,734.82		203,937.93				203,937.93
San Francisco Department of Environment	02/19/15	876			757,747.76					757,747.76
City & County of San Francisco	02/19/15	877			487,399.04					487,399.04
Altamont Landfill & RRF	03/19/15	878	Feb-15	30,720.66			13,855.03			13,855.03
Waste Management Authority of Alameda	03/19/15	879	Feb-15	30,720.66		191,389.71				191,389.71
Void	03/19/15	880								0.00
San Francisco Department of Environment	03/19/15	881			757,747.76					757,747.76
City & County of San Francisco	03/19/15	882			487,399.04					487,399.04
Altamont Landfill & RRF	04/16/15	883	Mar-15	31,484.38			14,199.45			14,199.45
Altamont Landfill & RRF	04/16/15	884	Jan-15-Mar-15	94,939.86					169,942.35	169,942.35
Waste Management Authority of Alameda	04/16/15	885	Mar-15	31,484.38		196,147.69				196,147.69
San Francisco Department of Environment	04/16/15	886			757,747.76					757,747.76
City & County of San Francisco	04/16/15	887			487,399.04					487,399.04
Altamont Landfill & RRF	05/12/15	888	Apr-15	33,192.36			14,969.75			14,969.75
Waste Management Authority of Alameda	05/12/15	889	Apr-15	33,192.36		206,788.40				206,788.40
San Francisco Department of Environment	05/12/15	890			757,747.76					757,747.76
City & County of San Francisco	05/12/15	891			487,399.04					487,399.04
Altamont Landfill & RRF	06/05/15	892	May-15	30,074.69			13,563.69			13,563.69
Waste Management Authority of Alameda	06/05/15	893	May-15	30,074.69		187,365.32				187,365.32
San Francisco Department of Environment	06/05/15	894			757,747.76					757,747.76
City & County of San Francisco	06/05/15	895			487,399.04					487,399.04
TOTALS					\$ 14,941,761.60	\$ 2,342,873.02	\$ 170,762.94	\$ 355,242.64	\$ 662,800.92	\$ 18,473,441.12

NOTES

- (1) Payments to the City and County of San Francisco for the Solid Waste Management Program
- (2) Royalty payments to the County of Alameda for prior month landfill tonnage @ \$6.10/Ton effective October 1, 2013 and @ \$6.23/Ton effective October 1, 2014
- (3) Payments for the following fees based on prior month landfill tonnage:
 - a) Alameda County Planning Department Fee @ \$0.075/Ton
 - a) Alameda County Planning Department Fee @ \$0.10/Ton effective January 1, 2014
 - b) Incremental LEA Fee @ \$0.311/Ton effective July 1, 2010
 - c) Annual WDR Fee @ \$0.03/Ton effective January 1, 2012
 - d) Alameda County Planning Department Transportation Fee @ \$0.01/Ton effective January 1, 2014
- (4) Payments to Altamont Landfill & Resource Recovery Facility for Annual Business License tax @ \$0.95/Ton
- (5) Payments to Altamont Landfill & Resource Recovery Facility for Open Space Fees @ \$1.74/Ton effective January 1, 2014 and @ \$1.79/Ton effective January 1, 2015

Zero Waste Incentive Account

Deposits, Disbursements and Balances for RY 2015

Table A-8

Beginning Balance (July 1, 2014)	\$ 9,279,601.22
Deposits	6,305,696.04
Interest	18,819.34
Administrative Fees	0.00
Disbursements	(463,452.00)
Cash Balance (June 30, 2015)	<u>\$ 15,140,664.60</u>

Zero Waste Incentive Account

Deposit Detail for RY 2015

Table A-9

Month	Recology Golden Gate	Recology Sunset Scavenger	Recology San Francisco	Total Deposit Amount
Jul-14	\$ 137,870.65	\$ 180,499.10	\$ 207,104.92	\$ 525,474.67
Aug-14	137,870.65	180,499.10	207,104.92	525,474.67
Sep-14	137,870.65	180,499.10	207,104.92	525,474.67
Oct-14	137,870.65	180,499.10	207,104.92	525,474.67
Nov-14	137,870.65	180,499.10	207,104.92	525,474.67
Dec-14	137,870.65	180,499.10	207,104.92	525,474.67
Jan-15	137,870.65	180,499.10	207,104.92	525,474.67
Feb-15	137,870.65	180,499.10	207,104.92	525,474.67
Mar-15	137,870.65	180,499.10	207,104.92	525,474.67
Apr-15	137,870.65	180,499.10	207,104.92	525,474.67
May-15	137,870.65	180,499.10	207,104.92	525,474.67
Jun-15	137,870.65	180,499.10	207,104.92	525,474.67
Totals	\$ 1,654,447.80	\$ 2,165,989.20	\$ 2,485,259.04	\$ 6,305,696.04

Zero Waste Incentive Account
Investment Activity for RY 2015

Table A-10

Month	Interest Earned
Jul-14	\$ 1,246.04
Aug-14	1,309.74
Sep-14	1,334.38
Oct-14	1,448.28
Nov-14	1,462.12
Dec-14	1,582.54
Jan-15	1,643.20
Feb-15	1,548.31
Mar-15	1,781.81
Apr-15	1,743.74
May-15	1,854.95
Jun-15	1,864.23
Totals	\$ 18,819.34

Zero Waste Incentive Account
Disbursements for RY 2015

Table A-11

Transaction Date	Payee	Description	Amount
04/06/15	Recology San Francisco	Textile Recycling Program	\$ 463,452.00
Totals			\$ 463,452.00