

Post-Filing Modifications to the Final Application

Narrative & Supporting Schedules

1. Narrative Summary – pg. 14, D. Net Revenue Requirement and Required Rate Increase, & RSSRGG Rate Application – Narrative, pg. 14, V. Rate Offset

Description of change: Revised first year revenue reduction related to Pier 96 improvements, added ZWI to description, changed rate year, added 20-gallon transition credit reversal, and updated Special Reserve rebate to reflect amended Special Reserve reconciliation.

Impact to RY 2018 revenue requirement: Inconsequential

2. Narrative – page 17, Proposed ZWI Disposal Tonnage Goal

Description of change: Revised tier goals after 2020 to reflect amounts described in narrative.

Impact to RY 2018 revenue requirement: None

3. RSSRGG Rate Application – Narrative, pg. 13, 2. Offset to Revenue Requirement

Description of change: Updated to reflect amended Special Reserve Reconciliation to include interest.

Impact to RY 2018: None

4. Narrative Summary - pg. 9

Description of change: Modified Fantastic 3 routes from 190 to 189 and added one composting route to reflect the corresponding table.

Impact to RY 2018 revenue requirement: None

Rate Application

5. RSF and RSSRGG Rate Applications – Schedule F.2

Description of change: Change “Deposits from Recology San Francisco” to “Deposits from Recology Sunset Scavenger and Recology Golden Gate”, revised San Francisco Environment payment from \$11,210,880 to \$11,200,880.

Impact to RY 2018 revenue requirement: Inconsequential

6. RSF Rate Application – Schedule H.1, H.2, H.3, Schedule D., Schedule B.

Description of change: Modify treatment of West Wing Building from capital improvement to leasing transaction.

Impact to RY 2018 revenue requirement: Increased revenue requirement by \$359,599.

7. RSF Rate Application – Schedule D & B

Description of change: Updated scheduled D and B for changes 5., 6., 10., 11., and 12.

Impact to RY 2018 revenue requirement: Increase of \$349,909

8. RSSRGG Rate Application – Schedule A

Description of change: Updated extra charges to reflect rate increase percentage.

Impact to RY 2018 revenue requirement: None.

9. RSSRGG Rate Application – Schedule K

Description of change: Update tip fee to reflect changes to RSF Application from item 7.

Impact to RY 2018 revenue requirement: Increase of \$321,061

10. RSF Rate Application – Schedule L.5

Description of change: Updated contract services expenses to remove costs associated with temporary employees.

Impact to RY 2018 revenue requirement: Decrease of \$40,092

11. RSSRGG & RSF Rate Application – Schedule M.2

Description of change: Updated inflation rate from 3.3% to 3.0%.

Impact to RY 2018 revenue requirement: Decrease of \$8,087 and \$44,596 for RSF and RSSRGG, respectively.

12. RSSRGG Schedules B & D

Description of change: Updated schedules B and D for changes 5., 9., 11., and 13.

Impact to RY 2018 revenue requirement: Inconsequential

13. RSSRGG Schedule L.3

Description of change: After a discussion with staff from SFE, we have updated CNG/Natural Gas price for RY 2018 to reflect the Company's experience over past two months with a new CNG fueling station that began operation in December 2016.

Impact to RY 2018 revenue requirement: Decrease of \$232,955.

Contingent Schedules

14. RSF Rate Application – Contingent Schedule 1 & 2 – Schedule H.1, H.2, H.3

Description of change: Modified treatment of construction costs from capital improvement to leasing transaction.

Added language to allow lease rates to be updated on the date the contingent schedules are exercised. For Contingent Schedule 2 - H.2, reduced excavator cost and corresponding lease expense by \$727,770 and \$116,448, respectively.

Impact to RY 2018 revenue requirement: None. Note: Impact to contingent schedule revenue requirement for Contingent Schedule 1 and Contingent Schedule 2 was an increase of \$1,358,276 and a decrease of \$626,688, respectively.

15. RSF Rate Application – Contingent Schedule 1 – Schedule D

Description of change: Reclassified outside disposal expense to intercompany disposal expense.

Impact to RY 2018 revenue requirement: None

16. RSF Rate Application – Contingent Schedule 2 – Schedule D, Schedule G.1

Description of change: Modified payroll expense to agree to supporting schedule G.1

Impact to RY 2018 revenue requirement: None. Note: This change decreased the revenue requirement for this contingent schedule by \$665,600.

17. RSSRGG Rate Application – Contingent Schedules 1 & 2, Schedule B

Description of change: Updated to reflect changes to RSF Contingent Schedules.

Impact to RY 2018 revenue requirement: None

	RY 2018	RY 2019	RY 2020	RY 2021
Revenue at Current Rates	\$ 264,280,618	\$ 307,628,674	\$ 320,713,160	\$ 320,713,160
Cost-of-living-adjustment	N/A	TBD	TBD	TBD
Revenue Requirement	324,964,140	324,964,140	324,964,140	324,964,140
Zero Waste Incentive Rebate	(11,587,896)	-	-	-
Special Reserve Fund Rebate	(2,500,000)	(2,500,000)	(2,500,000)	-
RY 2017 ZWI Tier 3 & 4 Recycle Central Enhancement	(3,247,570)	-	-	-
20-Gallon Transition Credit	-	(1,750,980)	(1,750,980)	(1,750,980)
Net revenue requirement	307,628,674	320,713,160	320,713,160	323,213,160
Change (\$)	\$ 43,348,056	\$ 13,084,486	\$ -	\$ 2,500,000
Increase (%)	16.40%	4.25%	0.00%	0.78%

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Proposed ZWI Disposal Tonnage Goals				
Rate Year	Tier 1	Tier 2	Tier 3	Tier 4
2018	389,072	386,072	380,072	370,000
2019	380,732	376,232	369,232	360,000
2020	376,561	371,561	362,561	350,000
2021	371,561	363,561	347,561	325,000
2022	363,561	352,561	331,561	300,000

Note: For rate years beyond 2022, Tier 2 of the previous year will become Tier 1 of the next year and Tier 4 will drop 25,000 tons each year with an even spread between a year's Tiers.

Action/Date	Amount	ARF Balance
Beginning ARF Balance (6/30/17)	\$14.1 million	\$14.1 million
Estimated Interest	\$0.25 million	\$14.35 million
Transfer to SRF (7/1/17)	(\$2.0 million)	\$12.35 million
Offset Revenue Requirement (RY 2018)	(\$2.5 million)	\$9.85 million
Transfer to SRF (7/1/18)	(\$2.0 million)	\$7.85 million
Offset Revenue Requirement (RY 2019)	(\$2.5 million)	\$5.35 million
Transfer to SRF (7/1/19)	(\$2.85 million)	\$2.5 million
Offset Revenue Requirement (RY 2020)	(\$2.5 million)	\$0.0 million

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Recology Inc
 San Francisco Region
 2017 Rate Application
 Special Reserve Fund & New Reserve Fund

New Reserve

Date	Description	Special Reserve Fund	Landfill Reimbursement	New Reserve Fund
Historical Activity				
RY 2015	Beginning Balance	\$ 29,618,214	\$ -	\$ -
RY 2016	Initial Transfer	(13,250,000)	12,000,000	1,250,000
RY 2016	Interest	71,121	-	11,989
RY 2016	Ending Balance	16,439,335	12,000,000	1,261,989
RY 2017	RY 2016 Q3 - Landfill Reimbursement	-	(1,930,781)	-
RY 2017	Interest	61,985	-	42,725
RY 2017	Balance - January 31, 2017	16,501,320	10,069,219	1,304,714
Anticipated Activity				
	Second Transfer	(2,500,000)	-	2,500,000
RY 2017	Estimated Interest	42,004	-	16,649
RY 2017	RY 2016 Q4 - Landfill Reimbursement	-	(2,191,902)	-
RY 2017	RY 2017 Q1 - Landfill Reimbursement	-	(2,258,822)	-
RY 2017	RY 2017 Q2 - Landfill Reimbursement	-	(2,272,541)	-
RY 2017	Estimated Interest	42,130	-	8,601
RY 2017	RY 2017 Q3 - Landfill Reimbursement	-	(2,111,126)	-
RY 2017	Landfill Reimbursement Funding	-	848,044	(848,044)
RY 2017	Estimated Interest	42,256	-	6,078
RY 2018	RY 2017 Q4 - Landfill Reimbursement	-	(2,082,872)	-
	Estimated Funds After Landfill Reimbursement	14,127,710	-	2,987,998
Proposed Activity				
RY 2018	Estimated Interest	42,383	-	3,586
RY 2018	RY 2018 Transfer	(2,000,000)	-	2,000,000
RY 2018	RY 2018 Revenue Requirement Offset	(2,500,000)	-	-
RY 2019	Estimated Interest	116,041	-	23,960
RY 2019	RY 2019 Transfer	(2,000,000)	-	2,000,000
RY 2019	RY 2019 Revenue Requirement Offset	(2,500,000)	-	-
RY 2020	Estimated Interest	63,434	-	33,675
RY 2020	RY 2020 Transfer	(2,849,568)	-	2,849,568
RY 2020	RY 2020 Revenue Requirement Offset	(2,500,000)	-	-
RY 2021	Estimated Interest	-	-	47,514
	Ending Balance - December 31, 2020	\$ -	\$ -	\$ 9,946,301

Routing changes: Currently, Recology employs split-chamber vehicles to collect recyclables and trash in the City; the trucks have separate compartments for recyclables and trash. Single-chamber trucks are used to collect compostables.

However, the volume of recyclables collected has begun to exceed the capacity of the split-chamber vehicles. Therefore, Recology proposes to redesign existing routes to repurpose its single-chamber vehicles for recyclables only, and its split-chamber trucks for compostables and trash. Under this proposal, a total of 189 Fantastic 3 collection routes and one composting route would be necessary for RY 2018, an increase of 23 collection routes in total. These new routes would also be rolled out over a two-year period, beginning in July of 2017.

	Current	Proposed	Change
Trash/Recycling	119	-	(119)
Composting	48	1	(47)
Trash/Composting	-	106	106
Recycling	-	83	83
Total	167	190	23

Route Management System: Recology proposes to install onboard Route Management Systems (RMS) in all collection vehicles. The system electronically processes and records service data, including details on individual stops, thus eliminating the need for manual data entry and manual processing of driver service tickets.

Apartment Diversion Program: Apartments, defined as buildings with six or more dwelling units, face barriers to diversion, including lower tenant participation, program accessibility, and quality control. Beginning in RY 2018, Recology proposes to commence an Apartment Diversion Program, focusing on new buildings (2010 and newer) with 50 or more units, as well as other apartment buildings with large volumes of potentially divertible material.

Improved Household Hazardous Waste (HHW) Collection and Management: Recology proposes to expand service to support the Department of the Environment's goal of increasing the weight of HHW collected for safe management and diversion from customer bins by 25% over RY 2016 amounts.

In addition, Recology proposes to contract directly with PaintCare Inc., a product stewardship organization, beginning in RY 2018 for certain paint recycling and disposal services, with the goal of increasing paint recycling and offsetting some of the cost of HHWCF paint handling.

Outreach and Education: Customer education is essential to the successful implementation of the new collection practices. Recology therefore proposes to offer additional outreach and education materials to increase levels of interest, enthusiasm and participation.

Recology proposes to add staff to distribute and publicize the new information with introductory letters, follow-up postcards, cart-hanger notices, website information, and other resources.

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Recology San Francisco
 Rate Application, Schedule F.2
Impound Account

Item Description	Projection	Rate Application
	RY 2017	RY 2018
	Payments	Payments
San Francisco Environment	\$ 9,331,774	\$ 11,200,880
San Francisco Public Works	6,002,390	8,491,940
Impound Account Disbursement	\$ 15,334,164	\$ 19,692,820
Projected Balance		
Beginning Balance	\$ 187,186	\$ 188,288
Disbursement	(15,334,164)	(19,692,820)
Deposit from Recology Sunset Scavenger & Recology Golden Gate	15,334,164	19,692,820
Interest on ending balance	1,102	1,108
Ending Balance on Impound Account	\$ 188,288	\$ 189,397
Allocation of Impound Account		
Recology San Francisco	\$ -	\$ -
Sunset Scavenger/Golden Gate	15,334,164	19,692,820
Total Impound Account	\$ 15,334,164	\$ 19,692,820

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2012

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule F.2
Impound Account

Description	Projection	Rate Application
	RY 2017	RY 2018
San Francisco Environment	9,331,774	11,200,880
San Francisco Public Works	6,002,390	8,491,940
Total Impound Account	15,334,164	19,692,820

Recology San Francisco
Rate Application, Schedule H.1
Depreciation and Lease Expenses

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1093

Lease Expenses	Actual			Projected	Rate Application
Description	RY 2014	RY 2015	RY 2016	RY 2017	RY 2018
Additions					\$ -
Existing Leases in 2013 Rate	\$ 4,855,038	\$ 4,253,421	\$ 3,600,838	\$ 2,749,289	\$ 2,291,330
New Leases after 2013 Rate	221,521	901,516	1,522,145	2,514,486	2,103,890
Leases started in RY 2017				997,722	2,349,936
Salvage Value	(2,185)	(100,000)	(195,500)	(195,500)	(146,250)
Total Existing Leases	5,074,374	5,054,938	4,927,483	6,065,996	6,598,906
Total Lease Expenses	\$ 5,074,374	\$ 5,054,938	\$ 4,927,483	\$ 6,065,996	\$ 6,598,906

Depreciation	Actual			Projected	Rate Application
Description	RY 2014	RY 2015	RY 2016	RY 2017	RY 2018
Additions					\$ 300,550
Existing Depreciation in 2013 Rate	\$ 1,499,427	\$ 1,245,391	\$ 1,127,696	\$ 1,018,543	\$ 806,355
New Depreciation after 2013 Rate	14,969	68,303	117,381	121,126	121,126
New Depreciation for RY 2018				116,500	233,000
Total Existing Depreciation	1,514,396	1,313,693	1,245,077	1,256,169	1,160,480
Total Depreciation	\$ 1,514,396	\$ 1,313,693	\$ 1,245,077	\$ 1,256,169	\$ 1,461,030

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2015

Recology San Francisco
 Rate Application, Schedule H.2
Detailed Capital Items and Lease Expenses
 (in thousands)

Lease Schedule		
	7 Yr.	20 Yr.
Monthly	1.33%	0.58%
Annual	16.00%	6.91%
Mid-Year Convention	50%	50%

	RY 2017			RY 2018			Projected Lease Expense		
	Quantity	Price	Costs	Quantity	Price	Costs	Term	RY 2017	RY 2018
Operating Equipment									
Baler	-	\$ 659	\$ -	1	\$ 659	\$ 659	L7	\$ -	\$ 53
Air Compressor Plant	1	25	25	2	25	50	L7	2	8
Boom Lift	1	25	25	-	25	-	L7	2	4
HHW Box Truck	1	85	85	-	85	-	L7	7	14
Car Charging Stations	4	3	12	-	3	-	L7	1	2
CAT Loader - 938K	1	291	291	2	291	582	L7	23	93
CAT Loader - 950	1	36	36	-	36	-	L7	3	6
CAT Loader - 950K	-	347	-	1	347	347	L7	-	28
Compactor Receiver	2	8	16	-	8	-	L7	1	3
Debris Box - 40 yard	8	9	72	-	9	-	L7	6	12
Fiat Bed Truck	1	62	62	1	62	62	L7	5	15
Forklift	3	54	162	4	54	216	L7	13	43
Hammer for Excavator	1	25	25	-	25	-	L7	2	4
Pick up	2	32	64	-	32	-	L7	5	10
Pressure Washer	1	14	14	1	14	14	L7	1	3
Planmigan Hopper & Coney Belt	-	75	-	2	75	150	L7	-	12
Roll-off truck	-	229	-	1	229	229	L7	-	18
Scissor Lift	3	98	294	-	98	-	L7	24	47
Stationary Generator	1	130	130	-	130	-	L7	10	21
Street Sweeper	1	239	239	-	239	-	L7	19	38
Transfer Station load-out cranes	1	200	200	1	200	200	L7	16	48
Transfer Trailer 38' Sludge	7	80	560	2	80	160	L7	45	102
Transfer Trailer 45' Flat	2	76	152	1	76	76	L7	12	30
Transfer Trailer 45' Possum	3	82	246	5	82	410	L7	20	72
Transfer Trailer 50'	-	101	-	3	101	303	L7	-	24
Transfer Truck	10	160	1,600	6	160	960	L7	128	333
Utility Vehicle	1	13	13	1	13	13	L7	1	3
Welder	1	8	8	-	8	-	L7	1	1
West Wing Building Construction Cost	1	18,857	18,857	-	18,857	-	L20	651	1,302
Total Operating Equipment	58	\$ 23,188	\$ 23,188	34	\$ 4,431	\$ 4,431		\$ 998	\$ 2,350
Existing Leases									
Buildings & Improvements									\$ 982
Computer Equipment									23
Bins									7
Leasehold Improvements									612
Machinery & Equipment									1,429
Trucks & Auto									1,341
Total Existing Leases									\$ 4,395
Salvage Value for Replacement Vehicles									\$ (146)
Total Company									\$ 6,599

Recology San Francisco
 Rate Application, Schedule H.3
Depreciation Expenses

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Description	Costs		Life (Years)	Depreciation	
	RY 2017	RY 2018		RY 2017	RY 2018
				50%	50%
Trash Processing System		3,192,000	10	-	159,600
Stormwater Improvements	-	1,619,000	10	-	80,950
Water Reclamation	-	1,200,000	10	-	60,000
Pier 96 Drainage	500,000	-	10	25,000	50,000
Replace Pier 96 Tip Floor	350,000	-	10	17,500	35,000
Scale System Replacement and Resurface	540,000	-	10	27,000	54,000
Security System	500,000	-	10	25,000	50,000
Fuel System Replacement	190,000	-	10	9,500	19,000
Parking Lot Resurface & Road Repair	250,000	-	15	8,333	16,667
/MRF Roof, Gutter, and Skylight Replacement	125,000	-	15	4,167	8,333
Total Additions	\$ 2,455,000	\$ 6,011,000		\$ 116,500	\$ 533,550
Existing Depreciation					
Buildings & Improvements				\$ 198,623	\$ 195,478
Computer Equipment				765	447
Furniture & Fixtures				1,566	153
Land Improvements				45,929	42,155
Leasehold Improvements				440,525	255,899
Machinery & Equipment				452,260	433,349
Total Existing Depreciation				\$ 1,139,669	\$ 927,480
Total Depreciation				\$ 1,256,169	\$ 1,461,030

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Recology San Francisco
 Rate Application, Schedule B
Rate Calculations - Processing and Disposal

	RY 2018
Operating Ratio Expenses	\$ 128,436,247
Calculated Operating Ratio Expenses	128,436,247
<i>Allowed Operating Ratio</i>	<i>91.00%</i>
Operating Expense with Operating Ratio	\$ 141,138,733
<u>Non Operating Ratio Expense</u>	
Recology Hay Road Disposal	12,413,395
Licenses & Permits	3,406,889
<u>Revenue</u>	
Other Commercial Revenues	(2,339,558)
Recycling Revenues	(20,694,477)
Zero Waste Incentives	3,171,657
Net Revenue Requirement	\$ 137,096,638
<i>Percent Increase</i>	<i>19.16%</i>
Current Tipping Charge per Ton	\$ 156.62
Proposed Tipping Charge per Ton	\$ 186.63
Total Revenue Tons	734,597
Operating Expenses with 89% OR	\$ 144,310,390
Variance to 91% OR	3,171,657
Net Revenue Requirement @ 89% OR	\$ 137,096,638

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2022

**Recology San Francisco
Rate Application, Schedule D
Total Operating Expenses**

Inflation
3.00%

Item Description	Sch Ref	Actual			RY 2017	RY 2018
		RY 2014	RY 2015	RY 2016	Projected Expense	Projected Expense
Payroll	G.1	34,864,213	37,352,466	39,789,488	42,709,306	45,740,821
Payroll Taxes		2,847,328	2,983,172	3,110,876	3,339,157	3,576,171
Pension	G.2	6,506,452	7,360,406	5,011,357	6,142,450	6,768,047
Health Insurance	G.3	10,496,668	10,973,970	11,834,832	13,863,790	14,852,925
Workers Compensation	G.4	3,077,676	3,154,419	3,784,382	2,856,123	3,643,645
Total Payroll & Related		\$ 57,792,337	\$ 61,824,433	\$ 63,530,934	\$ 68,910,825	\$ 74,581,608
Bad Debt		10,771	7,275	68,664	128,773	53,871
Bridge Tolls	L.4	836,088	883,746	1,044,466	1,304,815	1,267,607
Building & Facility Repair		826,705	575,490	678,929	704,910	726,057
Contract Services	L.5	634,477	572,342	318,510	323,313	292,920
Corporate Accounting Services	M.2	149,573	92,240	123,377	127,078	130,890
Corporate Management	M.2	106,831	91,226	126,561	130,358	134,268
Depreciation	H.1	1,514,396	1,313,693	1,245,077	1,256,169	1,461,030
Environmental Compliance	M.2	37,895	30,501	40,654	41,873	43,129
Freight	L.1	1,084,049	1,066,285	1,513,093	1,626,012	1,711,880
Fuel	L.3	4,077,051	3,635,141	2,786,692	3,224,920	3,360,523
Human Resources	M.2	537,583	551,764	472,856	487,042	501,653
I/C Processing & Disposal	J.1	9,097,351	9,904,619	18,368,115	27,376,363	27,120,785
IT Services	M.2	659,165	819,570	710,550	731,867	753,823
Lease	H.1	5,074,374	5,054,938	4,927,483	6,065,996	6,598,906
Liability Insurance	I	857,868	768,420	808,640	828,994	879,812
Licenses & Permits	L.2	2,386,855	2,422,538	2,453,897	2,515,248	3,406,889
O/S Disposal	J.2, J.3	5,914,077	6,224,576	3,830,327	1,309,376	1,389,692
O/S Equipment Rental		402,059	142,391	227,061	238,813	245,977
O/S Processing	K.1	-	-	-	-	-
Office		239,024	236,304	216,596	215,676	222,146
Parts	L.2	1,394,323	1,677,880	1,651,448	1,728,462	1,780,316
Postage		1,512	3,717	4,896	3,215	3,311
Professional Services	M.1	5,389,360	3,840,173	2,447,476	2,392,282	2,508,404
Property Rental		3,617,415	3,834,504	3,925,643	4,005,672	5,894,281
Repairs & Maintenance	L.2	511,177	500,972	817,558	754,446	777,079
Security & Janitorial		870,066	839,496	606,400	656,148	675,832
Supplies		1,640,181	2,041,709	2,600,788	2,307,949	2,377,187
Taxes		1,488,371	1,472,989	1,668,081	1,777,042	1,823,650
Technology	M.2	18,988	14,417	20,132	20,736	21,358
Telephone		221,840	261,005	268,704	265,527	273,493
Tires & Tubes	L.2	262,728	280,028	403,788	336,808	346,913
Utilities	L.6	1,273,436	1,463,050	1,591,485	1,574,406	2,015,382
Other		344,424	408,197	(1,106,804)	(8,137,979)	875,858
Total Operating Expenses		\$ 109,272,348	\$ 112,855,626	\$ 118,392,078	\$ 125,233,133	\$ 144,256,530

Non Operating Ratio Expenses

Licenses & Permits						\$ (3,406,889)
Disposal	J.2			(8,350,999)	(12,695,272)	(12,413,395)
Operating Ratio Expenses				\$ 110,041,079	\$ 112,537,861	\$ 128,436,247

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**Recology Sunset Scavenger/Recology Golden Gate
Schedule A
Residential and Apartment Refuse Rates
Effective July 1, 2017**

Description of Monthly Charge	Charge
Rates for 1-5 Unit Residential Buildings	
Base Charge for Service	
Per dwelling unit	\$20.00
Trash Volume Charge for Weekly Collection	
16-gallon bin	\$5.22
Recycling or Composting Volume Charge for Weekly Collection	
32-gallon bin	\$5.22
Distance, Elevation and Access Charges	
No extra charge for collection less than 25 feet from curb. Distance charge per bin for collection within each 25-foot increment thereafter.	\$10.91
No extra charge for collection less than 4 feet elevation change from street level. Elevation charge per bin for collection within each 8-foot increment thereafter.	\$11.83
Weekly access charge.	\$6.83
Rates for 6 Unit and Larger Apartment Buildings	
Base Charge for Service	
Per dwelling unit	\$5.00
Volume Charges for Weekly Collection	
Collection volume is charged equally for trash, recycling and composting. A landfill diversion discount equal to the diversion volume percentage less 25% is then subtracted. Diversion volume percentage equals recycling and composting volume divided by total volume.	
32-gallon bin	\$24.50
1-cubic yard bin	\$154.63
Distance, Elevation, Access and Special Service Charges	
No extra charge for collection less than 50 feet from curb. Distance charge is 12.5% times volume charge (before diversion discount) for weekly collection within each 50-foot increment thereafter. Distance is from curb to farthest bin.	
No extra charge for collection less than 4 feet elevation change from street level. Elevation charge is 25% times volume charge (before diversion discount) for weekly collection from elevation changes within each 8-foot increment thereafter. Elevation is from street level to farthest bin.	
Weekly access charge.	\$6.83
An extra charge of 50% times volume charge (before diversion discount) applies for each trap door (collector must lift a cover and pull bins up to street level), clearing of a disposal chute, rake-out (disposal chute without a bin) or bin located on a ledge one foot or more above floor.	
Additional Provisions and Requirements for all Customers	
Households with income less than or equal to 150% of the poverty level may qualify for 25% base and volume discounts. Nonprofit housing organizations may qualify for 10% discounts.	
Distance, elevation and access charges are waived for customers with a permanent disability that pay for individual service and certify they are physically unable to place bins at the curb and no able-bodied persons live in their building. Customer must place bins in a location as accessible as possible for collection.	
Residential and apartment rates apply to single and multi-family homes, flats, apartments, condominiums, tenancies in common, in-law units, lofts, live/work spaces (unless clearly commercial), single room occupancy hotels (with an apartment license) and low income housing. Buildings with more than 600 rooms (not counting kitchens and bathrooms) or with bins 3-yards or larger or compacted service, mixed-use buildings without dedicated residential bins and all other buildings are charged commercial rates. Customer must provide accurate unit and room counts, subject to verification by Recology.	
City law mandates everyone must have adequate refuse service, pay for service on time and properly separate recyclables, compostables and trash. Minimum weekly service per unit is 16 gallons for trash, 16 gallons for recycling and 8 gallons for composting, unless there is no contamination in any bin. Bins may be shared by dwelling units within one building if refuse service minimums are met. Apartment rates are for shared bins only.	

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**Recology Sunset Scavenger/Recology Golden Gate
Schedule A
Residential and Apartment Refuse Rates
Effective July 1, 2017**

Description of Monthly Charge	Charge
Recycling, composting and trash bins should be at the same location. Bins shall be unobstructed and placed for easy access so they can be used and serviced in a normal and safe manner, as determined by Recology.	
Refuse is to be in standard bins. Standard bin volume charges are linear. Loose material, overflow (lid must be closed), overweight (more than 2 pounds per gallon) or non-standard bins may be charged the next highest standard bin rate. Cardboard must be placed in a recycling bin, cardboard box or paper bags not exceeding 2 feet in any dimension (8 cubic feet). Customers with excess cardboard not in a bin on service day may be charged \$5 per 8 cubic feet.	
Additional frequency charges are linear (weekly service charges are multiplied by the number of collections per week). 16 and 20-gallon bins are not serviced more frequently than once per week. Customers must exceed minimums for more than once weekly service.	
Saturday service is 75% more than the applicable rate (including volume, distance, elevation, access and other special service charges) for weekday service. For Saturday collection, at least 3 days per week service is required.	
Sunday service is 175% more than the applicable rate (including volume, distance, elevation, access and other special service charges) for weekday service. For Sunday collection, daily service is required.	
Street level and curb is where vehicle must park to service customer's bins. Distance is measured from vehicle along service path to bins. Elevation is determined by adding all distances up and down along service path.	
Volume, distance, elevation, access and other charges are per location. Charges may be split among customers at the same location at 150% of the otherwise applicable rate. If two or more customers split service charges, they will be applied to each billpayer equally or as designated by the customers, subject to approval by Recology.	
An access charge will be applied for each bin at a location when a key, padlock, combination lock, key pad, entry code, electronic door opener, transmitter or other similar entry mechanism is required to enter or leave/secure premises. An access charge will be applied for each occurrence of unlocking a bin. An additional access charge will be applied for relocking each bin serviced should a front-loader driver be required to get out of the vehicle again. A charge will not be applied for re-securing rear load or side load bins at the curb.	
Contaminated recycling, composting and trash bins may have diversion discount removed and be assessed a 100% contamination charge.	
It is the customer's responsibility to monitor all services and charges and notify Recology of any possible discrepancies. Service credits will not exceed 30 days or one billing cycle, whichever is greater, from the time of notification by the customer. Recology performs periodic audits and will correct charges and recommend service changes.	
Recology is responsible for normal wear of bins provided to customers. Customers are responsible for damaged bins beyond normal wear, reporting missing bins, excessive missing bins, and may be responsible for replacement cost. Bin cleaning service is available at an extra charge.	
\$20 will be charged to open a service account. Closing an account is only allowed for residency changes. Credit will be given for suspension of service (e.g., vacations) for one to three months. Customers must notify Recology of the suspension and restart dates before start of suspension. Base charges are not credited and an administrative fee of \$10 is charged to restart service after suspension.	
Electronic billpayers receive a \$1 credit on each bill.	
\$25 will be charged for each check returned for insufficient funds.	

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Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule J
Intercompany Disposal Expenses

Item Description	Actual			Projection	Rate Application
	RY 2014	RY 2015	RY 2016	RY 2017	RY 2018
Disposal Tons					
Bulky Item Trash	105	132	145	104	104
Commercial Trash	55,650	57,547	58,818	59,277	59,050
Fantastic 3 Trash	160,386	163,727	166,809	167,495	162,684
Roll-off Trash	40,475	40,011	43,451	42,463	42,300
Total Disposal Tons	256,616	261,418	269,223	269,339	264,137
Rate per Ton	\$ 147.13	\$ 151.47	\$ 154.06	\$ 156.62	\$ 186.63
Disposal Expenses					
Bulky Item Trash	15,449	19,994	22,282	16,312	19,363
Commercial Trash	8,187,785	8,716,705	9,061,569	9,283,918	11,020,426
Fantastic 3 Trash	23,597,592	24,799,789	25,698,668	26,233,130	30,361,651
Roll-off Trash	5,955,087	6,060,466	6,694,047	6,650,568	7,894,521
Total I/C Disposal Expenses	\$ 37,755,912	\$ 39,596,954	\$ 41,476,565	\$ 42,183,927	\$ 49,295,961

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule K
Intercompany Processing Expenses

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Processing	Actual			Projection	Rate Application
	RY 2014	RY 2015	RY 2016	RY 2017	RY 2018
Recyclables					
Mixed Paper	15,412	16,027	17,652	18,069	18,000
Source Separated	1,040	820	700	583	581
Mixed Commercial	2,150	1,536	1,581	1,190	1,186
Fantastic 3	120,800	125,190	123,753	123,944	125,971
Roll-off	64,812	74,318	75,768	73,114	72,834
Other	9,189	10,919	12,235	13,455	13,404
Total Recyclables Tons	213,403	228,811	231,690	230,356	231,975
Compostables					
Commercial	97,121	101,410	101,945	102,399	102,006
Fantastic 3	64,749	66,955	67,885	69,358	70,760
Total Compostables Tons	161,869	168,365	169,830	171,756	172,766
Total Processing Tons	375,273	397,176	401,520	402,112	404,741
Processing Charge per Ton	\$ 147.13	\$ 151.47	\$ 154.06	\$ 156.62	\$ 186.63
Total Processing Expenses					
Recyclables					
Mixed Paper	\$ 2,267,568	\$ 2,427,670	\$ 2,719,488	\$ 2,830,006	\$ 3,359,343
Source Separated	153,015	124,205	107,911	91,291	108,366
Mixed Commercial	316,330	232,719	243,592	186,390	221,254
Fantastic 3	17,773,304	18,962,590	19,065,417	19,412,155	23,510,044
Roll-off	9,535,848	11,256,917	11,672,894	11,451,138	13,593,013
Other	1,351,978	1,653,901	1,884,887	2,107,349	2,501,517
Inerts	618,161	1,095,449	883,663	866,071	892,053
Total Recyclables	\$ 32,016,203	\$ 35,753,451	\$ 36,577,853	\$ 36,944,399	\$ 44,185,590
Compostables					
Commercial	\$ 14,289,398	\$ 15,360,573	\$ 15,705,607	\$ 16,037,680	\$ 19,037,444
Fantastic 3	9,526,447	10,141,674	10,458,399	10,862,779	13,205,904
Total Compostables	\$ 23,815,845	\$ 25,502,247	\$ 26,164,005	\$ 26,900,460	\$ 32,243,348
Total Processing Expenses	\$ 55,832,048	\$ 61,255,697	\$ 62,741,858	\$ 63,844,859	\$ 76,428,937

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Recology San Francisco
 Rate Application, Schedule L.5
Contract Services Expenses

Inflation
 3.00%

	Actual			Projection	Rate Application
	RY 2014	RY 2015	RY 2016	RY 2017	RY 2018
Artist in Residence	\$ 26,489	\$ 45,129	\$ 34,049	\$ 30,180	\$ 31,085
General & Administration	94,197	116,528	18,240	57,165	18,787
Human Resources	615	-	-	-	-
Recycle Central	75,739	57,520	57,685	51,132	52,666
Sustainable Crushing	37,125	54,203	56,901	50,436	51,949
Other Tunnel Avenue	355,405	297,890	148,800	131,892	135,849
Truck & Garage	44,908	1,073	2,835	2,508	2,583
Total Contract Services	\$ 634,477	\$ 572,342	\$ 318,510	\$ 323,313	\$ 292,920

Recology San Francisco
Rate Application, Schedule M.2
Corporate Services Expenses

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Item Description	Actual			Projection	Rate Application
	RY 2014	RY 2015	RY 2016	RY 2017	RY 2018
<u>Corporate Services</u>					
Corporate Management	\$ 106,831	\$ 91,226	\$ 126,561	\$ 130,358	\$ 134,268
Technology	18,988	14,417	20,132	20,736	21,358
Human Resources	537,583	551,764	472,856	487,042	501,653
Corporate Accounting Services	149,573	92,240	123,377	127,078	130,890
Environmental Compliance	37,895	30,501	40,654	41,873	43,129
IT Services	659,165	819,570	710,550	731,867	753,823
Total Corporate Services	\$ 1,510,035	\$ 1,599,717	\$ 1,494,130	\$ 1,538,954	\$ 1,585,122

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule M.2
Corporate Services Expenses

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Item Description	Actual			Projection	Rate Application
	RY 2014	RY 2015	RY 2016	RY 2017	RY 2018
Corporate Management	\$ 1,288,696	\$ 1,669,464	\$ 1,816,124	\$ 1,870,608	\$ 1,926,726
Technology	225,681	263,342	289,192	297,868	306,804
Human Resources	809,108	829,246	717,399	738,921	761,089
Corporate Accounting Services	1,781,550	1,676,792	1,752,254	1,804,822	1,858,966
Environmental Compliance	454,186	576,200	567,237	584,254	601,781
IT Services	2,033,785	2,431,962	2,347,116	2,417,529	2,490,055
Total Corporate Services	\$ 6,593,006	\$ 7,447,006	\$ 7,489,323	\$ 7,714,002	\$ 7,945,422

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Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule B.1
Rate Calculations - Total Revenues

	RY 2018
Operating Ratio Expenses	\$ 182,882,447
Calculated Operating Ratio Expenses	182,882,447
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	\$ 200,969,722
<u>Non Operating Ratio Expense</u>	
Disposal Cost	49,295,961
Processing Cost	76,428,937
Impound Account	19,692,820
License Expenses	1,646,705
<u>Revenue</u>	
Non Rate Revenue	(32,170,566)
Residential 20-Gallon Transition Credit	1,750,980
Residential Migration	562,356
Apartment Migration	641,723
Commercial Migration	1,628,533
Zero Waste Incentives (2% OR)	4,516,174
Net Revenue Requirement	\$ 324,963,345
Revenue @ Current Rates	264,280,618
Difference	\$ 60,682,727
Rate Increase	22.96%
Zero Waste Incentive Fund Rebate	\$ 11,587,896
RY 2018 Tier 3 & 4 Pier 96 Improvement Reimbursement	\$ 3,247,570
Special Reserve Rebate	\$ 2,500,000
Revenue Requirement Reduction	\$ 17,335,466
RY 2018 Net Increase	16.40%
Operating Expenses with 89% OR	\$ 205,485,896
Variance to 91% OR	4,516,174
Net Revenue Requirement @ 89% OR	\$ 324,963,345

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Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule B.2
Rate Calculations - Residential Revenues

	RY 2018
Operating Ratio Expenses	\$ 182,882,447
Calculated Operating Ratio Expenses	182,882,447
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	\$ 200,969,722
<u>Non Operating Ratio Expense</u>	
Disposal Cost	49,295,961
Processing Cost	76,428,937
Impound Account	19,692,820
License Expenses	1,646,705
<u>Revenue (see Schedule B.3)</u>	
Non Residential Revenue	(195,023,845)
Apartment Revenue	(64,172,304)
Residential Revenue	(70,035,463)
Residential 20-Gallon Transition Credit	1,750,980
Residential Migration	562,356
Apartment Migration	641,723
Commercial Migration	1,628,533
Zero Waste Incentives (2% OR)	4,516,174
Net Revenue Requirement	\$ 27,902,299
Revenue @ Current Rates	69,241,457
Difference	(41,339,158.74)
Rate Increase	-59.70%
Current 32-Gallon Trash Rate	\$ 25.90
Current 32-Gallon Recycling Rate	2.06
Current 32-gallon Composting Rate	2.06
Current Unit Charge	5.16
Current 32-Gallon Residential Customer Rate	\$ 35.18
Proposed 32-Gallon Trash Rate	\$ 10.44
Proposed 32-Gallon Recycling Rate	5.22
Proposed 32-Gallon Composting Rate	5.22
Proposed Unit Charge	20.00
Proposed 32-Gallon Residential Customer Rate	\$ 40.88
Operating Expenses with 89% OR	205,485,896
Variance to 91% OR	4,516,174
Net Revenue Requirement @ 89% OR	\$ 27,902,299

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Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule D
Total Operating Expenses

Item Description	Sch Ref	Actual			Inflation	Inflation
		Actual RY 2014	Actual RY 2015	Actual RY 2016	3.00%	3.00%
					RY 2017 Projected Expense	RY 2018 Projected Expense
Payroll	G.1	\$ 63,163,426	\$ 66,436,921	\$ 69,746,753	\$ 73,652,857	\$ 80,318,603
Payroll Taxes		4,909,405	5,082,700	5,285,936	5,581,970	6,087,151
Pension	G.2	13,257,583	13,644,380	8,134,483	12,712,000	14,855,250
Health Insurance	G.3	16,440,315	17,446,646	19,009,422	21,749,273	24,301,673
Workers Compensation	G.4	8,197,957	8,346,431	9,919,456	9,604,568	10,251,321
Total Payroll & Related		\$ 105,968,685	\$ 110,957,078	\$ 112,096,049	\$ 123,300,668	\$ 135,813,998
Bad Debt		186,248	21,830	292,535	90,618	147,807
Building & Facility Repair		121,360	124,189	203,805	167,682	154,259
Contract Services	L.5	854,875	964,646	896,960	797,106	1,143,578
Corporate Accounting Services	M.2	1,781,550	1,676,792	1,752,254	1,804,822	1,858,966
Corporate Management	M.2	1,288,696	1,669,464	1,816,124	1,870,608	1,926,726
Depreciation	H.1	253,597	272,372	300,591	291,127	250,132
Environmental Compliance	M.2	454,186	576,200	567,237	584,254	601,781
Freight		53,554	64,627	67,213	68,357	70,408
Fuel	L.3	5,716,312	5,184,509	3,757,277	3,890,304	4,185,200
Human Resources	M.2	809,108	829,246	717,399	738,921	761,089
I/C Disposal	J	37,755,912	39,596,954	41,476,565	42,183,927	49,295,961
I/C Processing	K	55,832,048	61,255,697	62,741,858	63,844,859	76,428,937
IT Services	M.2	2,033,785	2,431,962	2,347,116	2,417,529	2,490,055
Lease	H.1	13,275,271	13,387,698	13,187,320	14,991,704	14,118,986
Liability Insurance	I	3,000,057	2,761,796	2,714,608	3,024,165	3,161,261
Licenses & Permits	L.2	1,556,646	1,562,598	1,592,394	1,640,166	1,646,705
O/S Billing Services		253,607	277,407	314,470	306,363	315,554
O/S Disposal		13,480	27,714	39,462	33,073	34,066
O/S Equipment Rental		267,697	240,911	211,650	203,464	209,568
Office		439,662	425,181	376,851	406,719	418,920
Parts	L.2	1,938,654	2,190,484	2,264,467	2,332,401	2,402,373
Postage		354,519	350,417	317,266	317,328	326,848
Professional Services	M.1	879,131	687,708	605,712	741,418	724,184
Property Rental		1,236,492	1,420,939	1,448,191	1,701,156	1,728,909
Repairs & Maintenance	L.2	743,728	884,269	1,230,658	1,267,578	1,305,605
Security & Janitorial		414,186	443,307	468,234	445,217	458,573
Supplies		1,109,760	1,772,891	2,391,896	2,281,439	2,349,882
Taxes		1,378,736	1,378,027	1,448,722	1,507,857	1,755,251
Technology	M.2	225,681	263,342	289,192	297,868	306,804
Telephone		423,509	410,067	427,506	438,337	578,487
Tires & Tubes	L.2	608,730	751,879	813,490	819,688	844,279
Utilities		388,587	402,854	446,376	482,901	497,388
T&G Maintenance Allocation		(51,440)	(54,750)	(13,750)	(56,000)	(57,680)
Other		1,971,503	2,066,038	1,702,900	1,753,900	1,999,189
Total Operating Expenses		\$ 243,538,113	\$ 257,276,343	\$ 261,310,600	\$ 276,987,526	\$ 310,254,051

Non Operating Ratio Expenses

Disposal	(37,755,912)	(39,596,954)	(41,476,565)	(42,183,927)	(49,295,961)
Processing Cost	(55,832,048)	(61,255,697)	(62,741,858)	(63,844,859)	(76,428,937)
License Expenses	(1,556,646)	(1,562,598)	(1,592,394)	(1,640,166)	(1,646,705)
Operating Ratio Expenses	148,393,507	154,861,094	155,499,782	169,318,574	182,882,447

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Recology Sunset Scavenger/Recology Golden Gate

Rate Application, Schedule L-3

Fuel Expenses

Inflation
3.0%

Type	RY 2014			RY 2015			RY 2016			RY 2017			RY 2018		
	Amount	Gallons	\$/Gallons	Amount	Gallons	\$/Gallons	Amount	Gallons	\$/Gallons	Amount	Gallons	\$/Gallons	Amount	Gallons	\$/Gallons
Renewable Diesel	\$5,078,204	1,359,394	\$ 3.74	\$4,326,967	1,326,380	\$ 3.26	\$2,749,306	1,254,014	\$ 2.19	\$2,749,790	1,156,609	\$ 2.38	\$3,236,769	1,239,809	\$ 2.61
Unleaded	49,012	15,682	3.13	35,732	11,129	3.21	34,113	13,136	2.60	32,449	13,064	2.48	36,107	13,064	2.76
CNG/Natural Gas	285,905	184,770	1.55	507,013	161,006	3.15	669,830	247,658	2.70	754,890	271,543	2.78	548,517	271,543	2.02
LNG	39,672	31,122	1.27	39,213	30,117	1.30	57,333	46,950	1.22	83,254	69,004	1.21	85,788	69,004	1.24
Subtotal	\$5,452,794	1,590,968	\$ 3.43	\$4,908,924	1,528,632	\$ 3.21	\$3,510,582	1,561,758	\$ 2.25	\$3,620,382	1,510,220	\$ 2.40	\$3,907,180	1,593,420	\$ 2.45
Oil & Propane Gas	263,518			275,585			246,768			269,922			278,020		
Total	\$5,716,312	1,590,968		\$5,184,509	1,528,632		\$3,757,350	1,561,758		\$3,890,304	1,510,220		\$4,185,200	1,593,420	

Recology San Francisco
Contingent Schedule 1 - /MRF
 Rate Application, Schedule B
Rate Calculations - Processing and Disposal

	RY 2018
Operating Ratio Expenses	\$ 6,942,731
Calculated Operating Ratio Expenses	6,942,731
<i>Allowed Operating Ratio</i>	<i>91.00%</i>
Operating Expense with Operating Ratio	\$ 7,629,375
<u>Non Operating Ratio Expense</u>	
Commodity Revenue	(1,195,352)
Zero Waste Incentives	\$ 171,447
Net Revenue Requirement	\$ 6,605,470
<i>Percent Increase</i>	<i>4.83%</i>
Current Tipping Charge per Ton	\$ 186.63
Increase in Tipping Charge per Ton	\$ 9.01
Total Revenue Tons	733,494
Operating Expenses with 89% OR	\$ 7,800,821
Variance to 91% OR	171,447
Net Revenue Requirement @ 89% OR	\$ 6,605,470

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Recology San Francisco
Contingent Schedule 1 - /MRF
 Rate Application, Schedule D
Total Operating Expenses

		RY 2018
Item Description	Sch Ref	Projected Expense
Payroll	G.1	\$ 720,480
Payroll Taxes		56,330
Pension		24,030
Health Insurance		50,442
Workers Compensation		57,392
Total Payroll & Related		\$ 908,675
Bad Debt		-
Bridge Tolls		-
Building & Facility Repair		-
Contract Services		-
Corporate Accounting Services		-
Corporate Management		-
Depreciation	H.1	-
Environmental Compliance		-
Freight		-
Fuel		6,856
Human Resources		-
I/C Processing & Disposal		(404,310)
IT Services		-
Lease	H.1	4,560,563
Liability Insurance		3,817
Licenses & Permits		-
O/S Disposal		-
O/S Equipment Rental		-
O/S Processing		-
Office		-
Parts		-
Postage		-
Professional Services		-
Property Rental		1,742,130
Repairs & Maintenance		-
Security & Janitorial		125,000
Supplies		-
Taxes		-
Technology		-
Telephone		-
Tires & Tubes		-
Utilities		-
Other		-
Total Operating Expenses		\$ 6,942,731

Non Operating Ratio Expenses

Disposal

Operating Ratio Expenses

\$ 6,942,731

Recology San Francisco**Contingent Schedule 1 - iMRF**

Rate Application, Schedule F.1

Historical and Projected Tipping Charge Revenues

	RY 2018
<u>Tonnage Charged</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	145,738
Compostables	172,766
iMRF	72,834
Trash	264,137
Other	13,404
Subtotal (Recology Sunset Scavenger/Golden Gate)	668,879
Public Customers	38,484
Commercial Customers	24,619
Total San Francisco Tons	731,982
Non-San Francisco Tons	1,512
Total Tons Charged	733,494
Rate Per Ton	\$ 9.01
<u>Transfer and Processing Revenue</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	\$ 1,312,437
Compostables	1,555,843
iMRF	655,906
Trash	2,378,685
Other	120,706
Subtotal (Recology Sunset Scavenger/Golden Gate)	6,023,576
Public Customers	346,569
Commercial Customers	221,708
Total San Francisco Revenue from Tipping Charge	6,591,853
Non-San Francisco Revenue from Tipping Charge	13,616
Total Revenue from Tipping Charge	\$ 6,605,470

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Recology San Francisco
Contingent Schedule 1 - IMRF
Rate Application, Schedule H.1
Depreciation and Lease Expenses

Description	RY 2018
Depreciation	\$ -
Lease	\$ 4,560,563

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Recology San Francisco
Contingent Schedule 1 - iMRF
 Rate Application, Schedule H.2
Detailed Capital Items and Lease Expenses

Lease Schedule		
	7 Yr.	20 Yr.
Monthly	1.33%	0.58%
Annual	16.00%	6.91%

Description	Projected Lease Expense		
	RY 2018	Term	RY 2018
Flat Bed Truck 1 Ton	\$ 44,977	7	7,197
Transfer Truck, 3 Axle	291,858	7	46,699
Transfer Trailer 50' Live	205,745	7	32,920
Excavator	552,874	7	88,463
Forklift	42,531	7	6,805
Building Construction Cost	63,392,274	20	4,378,479
Total Lease	\$ 64,530,259		\$ 4,560,563

Note: Lease rates shall be updated to reflect the cost of borrowing on the date this contingent schedule is exercised.

Recology San Francisco
Contingent Schedule 1 - IMRF
Rate Application, Schedule H.3
Depreciation Expenses

Description		Life	
	RY 2018	(Years)	RY 2018
	\$ -	20	\$ -
Total Depreciation	\$ -		\$ -

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Recology San Francisco
Contingent Schedule 2 - Trash Processing
 Rate Application, Schedule B
Rate Calculations - Processing and Disposal

	RY 2018
Operating Ratio Expenses	\$ 8,710,787
Calculated Operating Ratio Expenses	8,710,787
<i>Allowed Operating Ratio</i>	<i>91.00%</i>
Operating Expense with Operating Ratio	\$ 9,572,293
<u>Non Operating Ratio Expense</u>	
Commodity Revenue	(514,800)
Zero Waste Incentives	\$ 215,108
Net Revenue Requirement	\$ 9,272,601
<i>Percent Increase</i>	<i>6.77%</i>
Current Tipping Charge per Ton	\$ 186.63
Increase in Tipping Charge per Ton	\$ 12.64
Total Revenue Tons	733,494
Operating Expenses with 89% OR	\$ 9,787,401
Variance to 91% OR	215,108
Net Revenue Requirement @ 89% OR	\$ 9,272,601

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Recology San Francisco
Contingent Schedule 2 - Trash Processing
 Rate Application, Schedule D
Total Operating Expenses

		RY 2018
Item Description	Sch Ref	Projected Expense
Payroll	G.1	3,057,600
Payroll Taxes		239,053
Pension		600,759
Health Insurance		1,261,059
Workers Compensation		243,564
Total Payroll & Related		\$ 5,402,035
Bad Debt		-
Bridge Tolls		-
Building & Facility Repair		202,935
Contract Services		-
Corporate Accounting Services		-
Corporate Management		-
Depreciation	H.1	-
Environmental Compliance		-
Freight		-
Fuel		-
Human Resources		-
I/C Processing & Disposal		(1,647,360)
IT Services		-
Lease	H.1	2,396,185
Liability Insurance		3,817
Licenses & Permits		-
O/S Disposal		-
O/S Equipment Rental		-
O/S Processing		-
Office		-
Parts		650,444
Postage		-
Professional Services		-
Property Rental		-
Repairs & Maintenance		386,703
Security & Janitorial		-
Supplies		637,316
Taxes		-
Technology		-
Telephone		-
Tires & Tubes		-
Utilities	L.6	678,712
Other		-
Total Operating Expenses		\$ 8,710,787

Non Operating Ratio Expenses
 Disposal

Operating Ratio Expenses \$ 8,710,787

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Recology San Francisco
Contingent Schedule 2 - Trash Processing

Rate Application, Schedule F.1

Historical and Projected Tipping Charge Revenues

	RY 2018
<u>Tonnage Charged</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	\$ 145,738
Compostables	172,766
iMRF	72,834
Trash	264,137
Other	13,404
Subtotal (Recology Sunset Scavenger/Golden Gate)	668,879
Public Customers	38,484
Commercial Customers	24,619
Total San Francisco Tons	731,982
Non-San Francisco Tons	1,512
Total Tons Charged	733,494
Rate Per Ton	\$ 12.64
<u>Transfer and Processing Revenue</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	\$ 1,842,368
Compostables	2,184,055
iMRF	920,745
Trash	3,339,141
Other	169,444
Subtotal (Recology Sunset Scavenger/Golden Gate)	8,455,753
Public Customers	486,505
Commercial Customers	311,229
Total San Francisco Revenue from Tipping Charge	9,253,487
Non-San Francisco Revenue from Tipping Charge	19,114
Total Revenue from Tipping Charge	\$ 9,272,601

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Recology San Francisco
Contingent Schedule 2 - Trash Processing
Rate Application, Schedule H.1
Depreciation and Lease Expenses

Description	RY 2018
Depreciation	\$ -
Lease	\$ 2,396,185

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Recology San Francisco
Contingent Schedule 2 - Trash Processing
 Rate Application, Schedule H.2
Detailed Capital Items and Lease Expenses

Lease Schedule		
	7 Yr.	10 Yr.
Monthly	1.33%	0.98%
Annual	16.00%	11.74%

Description	Projected Lease Expense		
	RY 2018	Term	RY 2018
Building Construction Cost	\$ 18,975,804	10	\$ 2,226,935
Excavator	727,770	7	116,448
Loader	330,000	7	52,802
Total Lease	\$ 1,057,770		\$ 2,396,185

Note: Lease rates shall be updated to reflect the cost of borrowing on the date this contingent schedule is exercised.

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Recology San Francisco
Contingent Schedule 2 - Trash Processing
Rate Application, Schedule H.3
Depreciation Expenses

Description		Life	
	RY 2016	(Years)	RY 2016
	\$ -	10	\$ -
Building Construction Cost	\$ -	10	\$ -
Total Depreciation	\$ -		\$ -

Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 1 - iMRF
 Rate Application, Schedule B
Rate Calculations - Total Revenues

	RY 2018
Operating Ratio Expenses	\$ -
Calculated Operating Ratio Expenses	-
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	-
<u>Non Operating Ratio Expense</u>	
Disposal Cost	2,379,878
Processing Cost	3,646,720
<u>Revenue</u>	
Zero Waste Incentives (2% OR)	-
Net Additional Revenue Requirement	6,026,598
Revenue @ Current Rates	324,963,345
Average Rate Increase	1.85%
Operating Expenses with 89% OR	-
Variance to 91% OR	-
Net Revenue Requirement @ 89% OR	6,026,598

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Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 1 - iMRF
 Rate Application, Schedule D
Total Operating Expenses

		RY 2018
Item Description	Sch.	Projected Expense
Payroll		
Payroll Taxes		
Pension		
Health Insurance		
Workers Compensation		
Total Payroll & Related		\$ -
Bad Debt		
Building & Facility Repair		
Contract Services		
Corporate Accounting Services		
Corporate Management		
Depreciation		
Environmental Compliance		
Freight		
Fuel		
Human Resources		
I/C Disposal	J	2,379,878
I/C Processing	K	3,646,720
IT Services		
Lease		
Liability Insurance		
Licenses & Permits		
O/S Billing Services		
O/S Disposal		
O/S Equipment Rental		
Office		
Parts		
Postage		
Professional Services		
Property Rental		
Repairs & Maintenance		
Security & Janitorial		
Supplies		
Taxes		
Technology		
Telephone		
Tires & Tubes		
Utilities		
T&G Maintenance Allocation		
Other		
Total Operating Expenses		\$ 6,026,598

Non Operating Ratio Expenses	
Disposal	(2,379,878)
Processing Cost	(3,646,720)
Operating Ratio Expenses	-

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Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 1 - iMRF
Rate Application, Schedule J
Intercompany Disposal Expenses

Item Description	RY 2018
<u>Disposal Tons</u>	
Bulky Item Trash	104
Commercial Trash	59,050
Fantastic 3 Trash	162,684
Roll-off Trash	42,300
Total Disposal Tons	264,137
Rate per Ton	\$ 9.01
<u>Disposal Expenses</u>	
Bulky Item Trash	935
Commercial Trash	532,037
Fantastic 3 Trash	1,465,780
Roll-off Trash	381,126
Total I/C Disposal Expenses	\$ 2,379,878

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Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 1 - iMRF
 Rate Application, Schedule K.1
Intercompany Processing Expenses

Processing	RY 2018
Recyclables	
Mixed Paper	18,000
Source Separated	581
Mixed Commercial	1,186
Fantastic 3	125,971
Roll-off	72,834
Other	13,404
Total Recyclables Tons	231,975
Compostables	
Commercial	102,006
Fantastic 3	70,760
Total Compostables Tons	172,766
Total Processing Tons	404,741
Processing Charge per Ton	\$ 9.01
<u>Total Processing Charges</u>	
Recyclables	
Mixed Paper	\$ 162,180
Source Separated	5,232
Mixed Commercial	10,682
Fantastic 3	1,135,002
Roll-off	656,235
Other	120,767
Total Recyclables	\$ 2,090,097
Compostables	
Commercial	919,077
Fantastic 3	637,546
Total Compostables	\$ 1,556,623
Total Processing Expenses	\$ 3,646,720

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Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 2 - Trash Processing
 Rate Application, Schedule B
Rate Calculations - Total Revenues

	RY 2018
Operating Ratio Expenses	\$ -
Calculated Operating Ratio Expenses	-
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	-
<u>Non Operating Ratio Expense</u>	
Disposal Cost	3,338,697
Processing Cost	5,115,931
<u>Revenue</u>	
Zero Waste Incentives (2% OR)	-
Net Additional Revenue Requirement	\$ 8,454,628
Revenue @ Current Rates	324,963,345
Average Rate Increase	2.60%
Operating Expenses with 89% OR	-
Variance to 91% OR	-
Net Revenue Requirement @ 89% OR	\$ 8,454,628

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Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 2 - Trash Processing
 Rate Application, Schedule D
Total Operating Expenses

		RY 2018
Item Description	Sch.	Projected Expense
Payroll		
Payroll Taxes		
Pension		
Health Insurance		
Workers Compensation		
Total Payroll & Related		\$ -
Bad Debt		
Building & Facility Repair		
Contract Services		
Corporate Accounting Services		
Corporate Management		
Depreciation		
Environmental Compliance		
Freight		
Fuel		
Human Resources		
I/C Disposal	J	3,338,697
I/C Processing	K	5,115,931
IT Services		
Lease		
Liability Insurance		
Licenses & Permits		
O/S Billing Services		
O/S Disposal		
O/S Equipment Rental		
Office		
Parts		
Postage		
Professional Services		
Property Rental		
Repairs & Maintenance		
Security & Janitorial		
Supplies		
Taxes		
Technology		
Telephone		
Tires & Tubes		
Utilities		
T&G Maintenance Allocation		
Other		
Total Operating Expenses		\$ 8,454,628

Non-Operating Ratio Expenses	
Disposal	(3,338,697)
Processing Cost	(5,115,931)
Operating Ratio Expenses	-

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Recology Sunset Scavenger/Recology Golden Gate

Contingent Schedule 2 - Trash Processing

Rate Application, Schedule J

Intercompany Disposal Expenses

Item Description	RY 2018
<u>Disposal Tons</u>	
Bulky Item Trash	104
Commercial Trash	59,050
Fantastic 3 Trash	162,684
Roll-off Trash	42,300
Total Disposal Tons	264,137
Rate per Ton	\$ 12.64
<u>Disposal Expenses</u>	
Bulky Item Trash	1,311
Commercial Trash	746,387
Fantastic 3 Trash	2,056,321
Roll-off Trash	534,677
Total I/C Disposal Expenses	\$ 3,338,697

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Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 2 - Trash Processing
 Rate Application, Schedule K.1
Intercompany Processing Expenses

Processing	RY 2018
Recyclables	
Mixed Paper	18,000
Source Separated	581
Mixed Commercial	1,186
Fantastic 3	125,971
Roll-off	72,834
Other	13,404
Total Recyclables Tons	231,975
Compostables	
Commercial	102,006
Fantastic 3	70,760
Total Compostables Tons	172,766
Total Processing Tons	404,741
Processing Fee per Ton	\$ 12.64
Total Processing Charges	
Recyclables	
Mixed Paper	\$ 227,520
Source Separated	7,339
Mixed Commercial	14,985
Fantastic 3	1,592,279
Roll-off	920,622
Other	169,422
Total Recyclables	\$ 2,932,167
Compostables	
Commercial	1,289,360
Fantastic 3	894,404
Total Compostables	\$ 2,183,764
Total Processing Expenses	\$ 5,115,931