

**SAN FRANCISCO
QUARTERLY RATE REPORT**

Nine Months Ended March 31, 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 and accounts, toxics collection, revenues and expenses, and various accounts. This report covers rate year 2018 (RY 2018).

LOW-INCOME AND DISABLED SERVICES PROGRAMS

As of March 31, 2018, 7617 customers participated in the low-income program. As of the same date, there were 501 participants in the disabled services program.

ACCOUNT REPORTING

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

Special Reserve and Reserve Fund

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

Impound

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

Zero Waste Incentive

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

Table 1
Disposal Tonnage Summary
Recology San Francisco
July - March 2018

	Actual	Tier 1	Tier 2	Tier 3	Tier 4
Tons Disposed	321,644	291,804	289,554	285,054	277,500

Table 2
Alternative Daily Cover Tonnage
Recology San Francisco
July - March 2018

Source	Tonnage
Composting Overs	13
iMRF Fines	22,973
Total Alternative Daily Cover	22,986

Table 3
Recovery and Disposal Tonnage Breakdown
July - March 2018

	Received	Recovered	Disposed	% Recovered
Recycle Central Recyclables				
Fantastic 3	97,564	83,702	13,863	85.8%
Source Separated	17,863	17,863	-	100.0%
Mixed Commercial	45	18	27	40.0%
Mixed Paper	8,786	7,086	1,699	80.7%
Total Recyclables	124,258	108,669	15,589	87.5%
Tunnel Avenue Compostables				
Fantastic 3	39,268	35,638	3,630	90.8%
Commercial	86,328	78,348	7,980	90.8%
San Francisco Public Works	1,697	1,697	-	100.0%
Other City of San Francisco Departments	717	717	-	100.0%
Commercial Customers	804	804	-	100.0%
Public Customers	491	491	-	100.0%
Total Compostables	129,306	117,696	11,610	91.0%
Tunnel Avenue iMRF				
Roll-off	51,633	23,509	28,123	45.5%
San Francisco Public Works	3,291	1,499	1,793	45.5%
Other City of San Francisco Departments	72	33	39	45.5%
Commercial Customers	7,472	3,402	4,070	45.5%
Total iMRF	62,468	28,443	34,025	45.5%
Other Tunnel Avenue				
Fantastic 3	118,735	441	118,294	0.4%
Commercial	44,270	-	44,270	0.0%
Roll-off	29,066	-	29,066	0.0%
San Francisco Public Works	20,389	3,653	16,736	17.9%
Other City of San Francisco Departments	2,931	1	2,930	0.0%
Public Refuse Receptacles	14,524	-	14,524	0.0%
Commercial Customers	9,540	1,827	7,713	19.2%
Public Customers	30,586	9,268	21,318	30.3%
Bulky Item Recycling & Abandoned Materials Collection	9,294	4,924	4,370	53.0%
Inerts	19,561	19,561	-	100.0%
Construction Material Reuse	852	852	-	100.0%
Other Recycling	1,299	1,299	-	100.0%
Total Other Tunnel Avenue	492,820	187,964	304,856	38.1%
Sustainable Crushing	34,142	34,142	-	100.0%
Adjustments (Inventory, moisture, etc.)	1,199	-	1,199	
Total Tons	652,418	330,774	321,644	50.7%
Disposal Breakdown				
Covanta (RBVON residual)			2,049	
Forward Landfill (RBVON residual)			11,610	
Recology Hay Road Landfill			306,588	
Zanker Material Processing Facility (C&D residual)			1,396	
Total Disposal			321,644	

Table 4
Number of Accounts, Service, and Compliance
Recology Sunset Scavenger & Recology Golden Gate
July - March 2018

	Number of Accounts	Trash Compliant		Recycling Compliant		Composting Compliant	
Residential	141,178	141,153	100.0%	140,598	99.6%	140,909	99.8%
Apartment	8,292	8,292	100.0%	8,270	99.7%	8,278	99.8%
Commercial	16,379	16,354	100.0%	16,244	98.9%	16,130	98.1%
City and County of San Francisco	369	348	94.3%	340	92.1%	333	90.2%
School District & UC	184	180	97.8%	182	98.9%	175	95.1%
Other	97	92	94.9%	82	84.5%	65	67.0%
Total	166,499	166,419	100.0%	165,716	99.5%	165,890	99.6%

Residential Single Dwelling Unit Accounts	
16-gallon Trash Bins	29,731
20-gallon Trash Bins	32,289

Table 5
Toxics Collection and Participation
July - March 2018

Program	Collection Weight	Goal	Service Standard	
	Tons Handled	Tons Handled	Number	Unit
HHW Facility Drop Off	195.39	-	6,032	Customers Served
HHW Home Collection	84.48	98.06	1,590	Pickups
HHW Home Collection	-	-	3,083	Equivalent Loads
Very Small Quantity Generator	48.28	-	447	Business Appointments
Residential Curbside Battery Collection	22.86	23.41	-	
Apartment Building Battery Collection	6.00	6.79	302	Pickups
Retail Collection Partners	61.11	-	745	Pickups
Gigantic 3 Collection Events	3.36	-	909	Customers Served
Waste Acceptance Control Program	22.26	-	-	
Bulky Item Recycling - E-Waste	285.00	-	53,922	Pickups
Public Drop Off - E-Waste	203.30	-	-	

* Bulky item pickups include non-e-waste customers

Table 6
Revenue
Recology Sunset Scavenger and Recology Golden Gate
July- March 2018

	Projected	Actual	Variance
Residential	\$ 68,449,972	\$ 67,285,483	-2%
Apartment	\$ 54,663,840	\$ 55,353,191	1%
Commercial	\$ 118,145,199	\$ 118,211,130	0%
Commercial Compactors	\$ 25,991,956	\$ 22,006,233	-15%
Revenue Subject to Rate	\$ 267,250,966	\$ 262,856,037	-2%
Revenue not Subject to Rate:			
Debris Box Revenue	\$ 17,652,196	\$ 17,523,110	-1%
Equipment & Supply Sales	1,401,576	1,597,502	14%
CalRecycle Payment	553,596	615,224	11%
Miscellaneous Income	237,336	416,982	76%
Total Other Revenue not Subject to Rate:	\$ 19,844,704	\$ 20,152,818	2%
Impound Account Funding	\$ (14,769,612)	\$ (14,769,612)	0%
Zero Waste Incentive Funding	\$ (3,379,581)	\$ (3,379,581)	0%
Total Revenue	\$ 268,946,477	\$ 264,859,662	-1.52%

Table 7
Recology San Francisco
Tipping Charge Revenues
July - March 2018

	Tonnage			Revenue		
	Projection	Actual	Variance	Projection	Actual	Variance
Tonnage & Revenue from Tipping Charge						
Recology Sunset Scavenger/Golden Gate						
Recycle Central	109,303	106,671	-2%	\$ 19,805,738	\$ 19,328,810	-2%
Compostables	129,575	125,584	-3%	23,478,921	22,755,801	-3%
iMRF	54,626	51,714	-5%	9,898,142	9,370,506	-5%
Trash	198,103	192,175	-3%	35,896,271	34,822,043	-3%
Other	10,053	9,939	-1%	1,821,551	1,801,034	-1%
Subtotal (Recology Sunset Scavenger/Golden Gate)	501,659	486,083	-3%	\$ 90,900,623	\$ 88,078,194	-3%
Public Customers	28,863	31,016	7%	5,230,005	5,620,089	7%
Commercial Customers	18,464	20,413	11%	3,345,757	3,698,909	11%
Total San Francisco	548,987	537,512	-2%	\$ 99,476,385	\$ 97,397,192	-2%
Total Non-San Francisco	1,961	4,366	123%	355,362	791,137	123%
Non-rate Tonnage		110,540				
Total Tonnage & Revenue from Tipping Charge	550,948	652,418	18%	\$ 99,831,747	\$ 98,188,329	-2%
Net Recycling Revenue				\$ 15,520,857	\$ 14,790,917	-5%
Non-rate Revenue				663,447	1,297,443	96%
Intercompany Dirt, Inerts & Others				791,896	725,108	-8%
Rental Income				33,300	31,300	-6%
Total Other Commercial Revenue				\$ 17,009,500	\$ 16,844,768	-1%
Zero Waste Incentive Funding				\$ (2,070,963)	\$ (2,070,963)	0%
ZWI Facility Improvements				3,235,589	3,235,589	0%
Total Revenue	-	-		\$118,005,873	\$116,197,724	-2%

Table 8
Recycling Revenue
Recology San Francisco
July - March 2018

Recycle Central	Tons			Revenue			Price Per Ton		
	Projected	Actual	Variance	Projected	Actual	Variance	Projected	Actual	Variance
Mixed Paper	57,263	42,196	-26%	\$ 6,380,353	\$ 3,493,998	-45%	\$ 111.42	\$ 82.80	-26%
Cardboard	23,670	31,667	34%	3,738,423	5,749,912	54%	157.94	181.57	15%
White Ledger	-	-	n/a	-	-	n/a	247.20	-	-100%
Coated Book Stock	-	-	n/a	-	-	n/a	128.10	-	-100%
Aluminum	300	328	9%	1,220,550	1,303,579	7%	4,068.50	3,974.45	-2%
Metal/Ferrous	1,200	1,549	29%	150,476	220,291	46%	125.40	142.22	13%
PET	1,050	1,467	40%	2,066,153	2,377,956	15%	1,967.76	1,621.00	-18%
HDPE Blend	975	828	-15%	687,445	397,559	-42%	705.07	480.43	-32%
Plastic Film	-	17	n/a	-	4,582	n/a	-	275.55	n/a
Mixed Plastics 3-7	825	329	-60%	50,573	4,921	-90%	61.30	14.97	-76%
Flint Glass	263	241	-8%	60,583	60,568	0%	230.79	251.36	9%
Amber Glass	244	168	-31%	55,146	44,126	-20%	226.24	262.06	16%
Green Glass	161	109	-33%	34,896	25,375	-27%	216.41	233.14	8%
Mixed Glass	17,250	20,863	21%	2,106,875	2,841,343	35%	122.14	136.19	12%
Glass Fines	1,088	-	-100%	129,532	-	-100%	119.11	-	-100%
Total Recycle Central	104,288	99,761	-4%	\$16,681,004	\$16,524,211	-1%			n/a
Tunnel Avenue									
Metal	9,892	9,156	-7%	\$ 1,555,763	\$ 1,145,929	-26%	\$ 157.28	\$ 125.15	-20%
Wood	9,994	-	-100%	188,604	(2,267)	-101%	18.87	-	-100%
Mixed Rigid Plastic	1,265	1,652	31%	197,236	113,763	-42%	155.94	68.87	-56%
SB20/50 E-Waste	338	220	-35%	91,319	23,433	-74%	270.57	106.48	-61%
Total Tunnel Avenue	21,488	11,028	-49%	\$ 2,032,923	\$ 1,280,858	-37%			
Sustainable Crushing				\$ 529,200	\$ 798,323	51%			
Total Recycling Revenue				\$19,243,127	\$18,603,392	-3%			
Processing Expenses				\$ (657,788)	\$ (691,281)	5%			
Purchases				(3,064,482)	(3,121,194)	2%			
Net Recycling Revenues				\$15,520,857	\$14,790,917	-5%			

Table 9
Recology Sunset Scavenger and Recology Golden Gate
Expenses
July - March 2018

Item Description	Projected	Actual
Payroll	\$ 60,055,616	\$ 56,985,050
Payroll Taxes	4,551,469	4,358,225
Pension	11,141,438	9,422,728
Health Insurance	18,198,863	14,407,234
Workers Compensation	7,688,490	7,471,479
Total Payroll & Related	\$ 101,635,875	\$ 92,644,716
Corporate Allocations	\$ 5,472,495	\$ 6,247,024
Bad Debt	110,856	135,405
O/S Billing Services	235,907	232,693
Office	313,184	357,361
Postage	244,351	222,396
Professional Services	543,138	604,376
Security & Janitorial	342,828	346,797
Taxes	1,313,535	1,756,274
Telephone	432,780	367,161
Total Administrative	\$ 9,009,073	\$ 10,269,487
Building & Facility Repair	\$ 115,694	\$ 211,649
Depreciation	187,599	365,609
Environmental Compliance	448,449	282,621
Freight	52,637	51,801
Fuel	3,138,232	2,662,723
I/C Disposal	35,896,271	35,517,056
I/C Processing	55,673,394	53,474,112
Lease	10,589,239	9,170,210
Liability Insurance	2,370,946	2,513,059
Licenses & Permits	1,226,923	1,438,382
O/S Disposal	25,467	25,463
O/S Equipment Rental	156,673	88,412
Parts	1,790,253	2,004,029
Property Rental	1,296,682	1,140,087
Repairs & Maintenance	972,940	1,390,056
Supplies	1,756,765	1,944,878
Tires & Tubes	629,113	604,323
Utilities	371,846	671,251
T&G Maintenance Allocation	(43,121)	(29,837)
Total Operating	\$ 116,656,000	\$ 113,525,884
Contract Services	\$ 856,674	\$ 1,164,178
Other	1,495,051	2,648,057
Total Other	\$ 2,351,725	\$ 3,812,235
Total Expenses	\$ 229,652,673	\$ 220,252,322

Table 10
Recology San Francisco
Expenses
July - March 2018

Item Description	Projected	Actual
Payroll	\$ 34,305,616	\$ 34,590,084
Payroll Taxes	2,682,128	2,691,634
Pension	5,076,035	6,886,993
Health Insurance	11,139,694	9,568,496
Workers Compensation	2,732,734	2,107,377
Total Payroll & Related	\$ 55,936,206	\$ 55,844,583
Corporate Allocations	\$ 1,149,096	\$ 1,201,218
Bad Debt	40,403	29,036
Office	166,076	123,332
Postage	2,476	4,867
Professional Services	1,880,151	1,023,747
Repairs & Maintenance	580,942	496,462
Security & Janitorial	505,250	658,568
Taxes	1,367,737	1,238,756
Telephone	204,462	206,998
Total Administrative Expenses	\$ 5,896,593	\$ 4,982,985
Bridge Tolls	\$ 950,705	\$ 919,057
Building & Facility Repair	542,798	858,607
Depreciation	1,095,773	2,200,849
Environmental Compliance	32,140	13,893
Freight	1,279,799	1,280,575
Fuel	2,520,392	2,514,387
I/C Processing & Disposal	20,317,760	20,977,994
Lease	3,972,337	3,581,396
Liability Insurance	659,859	885,803
Licenses & Permits	2,554,151	1,905,963
O/S Disposal	1,038,819	1,428,889
O/S Equipment Rental	183,892	147,953
Parts	1,330,959	1,379,318
Property Rental	4,300,723	4,949,555
Supplies	1,777,178	1,518,270
Tires & Tubes	259,351	216,273
Utilities	1,212,332	1,293,140
Total Operating Expenses	\$ 44,028,968	\$ 46,071,921
Contract Services	\$ 218,986	\$ 113,241
Other	654,789	730,735
Total Other Expenses	\$ 873,774	\$ 843,976
Total Expenses	\$ 106,735,542	\$ 107,743,466

APPENDIX A
RECOLOGY SAN FRANCISCO
Account Details
Balances for RY 2018

Account Details	Special Reserve	Reserve Fund	Impound	ZWI
Beginning Balance 7/1/2017	\$ 16,593,720	\$ 4,662,596	\$ 1,466,353	\$ 17,017,579
Receipts	-	2,000,000	14,769,612	5,450,544
Interest	113,241	41,280	1,395	92,419
Administrative Fees	(2,904)	-	-	-
Disbursements	(3,875,000)	(4,482,335)	(16,047,462)	(14,088,428)
Ending Balance 3/31/18	\$ 12,829,057	\$ 2,221,541	\$ 189,898	\$ 8,472,114

Interest	Special Reserve	Reserve Fund	Impound	ZWI
Jul-17	\$ 12,138	\$ 3,449	\$ 160	\$ 12,587
Aug-17	12,559	3,568	172	13,024
Sep-17	12,391	3,520	184	14,006
Oct-17	12,233	4,346	106	11,623
Nov-17	10,780	5,283	151	9,126
Dec-17	12,208	6,091	99	8,760
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
Total	\$ 113,241	\$ 41,280	\$ 1,395	\$ 92,419

Administrative Fees	Special Reserve	Reserve Fund	Impound	ZWI
Jul-17	\$ (330)	\$ -	\$ -	\$ -
Aug-17	(322)	-	-	-
Sep-17	(336)	-	-	-
Oct-17	(304)	-	-	-
Nov-17	(317)	-	-	-
Dec-17	(349)	-	-	-
Jan-18	(319)	-	-	-
Feb-18	(312)	-	-	-
Mar-18	(315)	-	-	-
Total	\$ (2,904)	\$ -	\$ -	\$ -

RECOLOGY SAN FRANCISCO**Special Reserve**Cash Disbursements for RY 2018

Transaction Date	Check #	Description	Amount
10/20/17	ACH	Jul - Oct RY 18 Offset	\$ 346,660
10/20/17	ACH	Jul - Oct RY 18 Offset	115,554
10/20/17	ACH	Jul - Oct RY 18 Offset	278,340
10/20/17	ACH	Jul - Oct RY 18 Offset	92,780
10/20/17	ACH	Annual Transfer to Reserve Fund	2,000,000
12/31/17	ACH	Nov - Dec RY 18 Offset	185,560
12/31/17	ACH	Nov - Dec RY 18 Offset	231,107
2/2/18	ACH	Jan - Mar FY 18 Offset	625,000
TOTALS			\$ 3,875,000

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

Month	Special Reserve	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Jun-17	\$ -	\$ -	\$ -	\$ -
Jul-17	-	-	-	-
Aug-17	-	-	-	-
Oct-17	2,000,000.00	-	-	2,000,000.00
Nov-17	-	-	-	-
Dec-17	-	-	-	-
Jan-18	-	-	-	-
Feb-18	-	-	-	-
Mar-18	-	-	-	-
TOTALS	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00

RECOLOGY SAN FRANCISCO**Reserve**Cash Disbursements for RY 2018

Transaction Date	Check #	Description	Amount
2/23/2018	ACH	Jan - Jun 2017 Hay Road Reimbursement	\$ 4,482,335.00
TOTALS			\$4,482,335.00

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

Month	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Jul-17	\$ 710,668	\$ 930,400	\$ 1,641,068
Aug-17	710,668	930,400	1,641,068
Sep-17	710,668	930,400	1,641,068
Oct-17	710,668	930,400	1,641,068
Nov-17	710,668	930,400	1,641,068
Dec-17	710,668	930,400	1,641,068
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
Total	\$ 6,396,012	\$ 8,373,600	\$ 14,769,612

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

Payee	Date	Check #	Total Disbursements
City & County of San Francisco (SF Public Works)	06/20/17	966	\$ 500,199
San Francisco Department of the Environment	06/20/17	967	777,648
Void		968	-
Void		969	-
San Francisco Department of the Environment	08/02/17	970	933,407
City & County of San Francisco (SF Public Works)	08/02/17	971	707,662
San Francisco Department of the Environment	08/11/17	972	933,407
City & County of San Francisco (SF Public Works)	08/11/17	973	707,662
San Francisco Department of the Environment	09/29/17	975	933,407
City & County of San Francisco (SF Public Works)	09/29/17	974	707,662
San Francisco Department of the Environment	10/16/17	976	707,662
City & County of San Francisco (SF Public Works)	10/16/17	977	933,407
San Francisco Department of the Environment	11/21/17	978	707,662
City & County of San Francisco (SF Public Works)	11/21/17	979	933,407
City & County of San Francisco (SF Public Works)	12/15/17	981	933,407
San Francisco Department of the Environment	12/15/17	980	707,662
City & County of San Francisco (SF Public Works)	01/31/18	981	933,407
San Francisco Department of the Environment	01/31/18	980	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	986	933,407
San Francisco Department of the Environment	03/29/18	987	707,662
TOTALS			\$ 16,047,462

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

Month	Recology Golden Gate	Recology Sunset Scavenger	Recology San Francisco	Total Deposit Amount
Jul-17	\$ -	\$ -	\$ -	\$ -
Aug-17	325,230	425,788	460,214	1,211,232
Sep-17	162,615	212,894	230,107	605,616
Oct-17	162,615	212,894	230,107	605,616
Nov-17	162,615	212,894	230,107	605,616
Dec-17	162,615	212,894	230,107	605,616
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
Totals	\$ 1,463,535	\$ 1,916,046	\$ 2,070,963	\$ 5,450,544

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

Transaction Date	Payee	Description	Amount
09/29/17	RSF	Recycle Central Improvement - 2017	\$ 3,247,569
10/20/17	RSF	Jul - Oct RY 18 Offset	540,106
10/20/17	RSF	Jul - Oct RY 18 Offset	3,326,823
11/14/17	RSF	Jan - Jun RY 17 Offset	256,461
11/14/17	RSF	Jan - Jun RY 17 Offset	1,884,398
12/14/18	RSF	Nov - Dec RY 18 Offset	1,307,869
12/14/18	RSF	Nov - Dec RY 18 Offset	625,920
02/02/18	RSF	Jan - Mar RY 18 Offset	2,604,922
02/02/18	RSF	Jan - Mar RY 18 Offset	294,360
Totals			\$ 14,088,428