

**SAN FRANCISCO
ANNUAL RATE REPORT**

Quarter Ending September 30, 2018

Recology Sunset Scavenger
Recology Golden Gate
Recology San Francisco

INTRODUCTION

San Francisco Public Works Director's Reports include quarterly reporting requirements. The requirements address several areas, including refuse tonnages and accounts, toxics collection, revenues and expenses, and various accounts. This report covers rate year 2019 (RY 2019).

LOW-INCOME AND DISABLED SERVICES PROGRAMS

As of September 30, 2018, 7,697 customers participated in the low-income program. As of the same date, there were 527 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 - September 2018

	Actual	Tier 1	Tier 2	Tier 3	Tier 4
Tons Disposed	114,599	95,093	94,058	92,308	90,000

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

Source	Tonnage
Composting Overs	-
iMRF Fines	9,166
Total Alternative Daily Cover	9,166

Table 3
Recovery and Disposal Tonnage Breakdown
July - September 2018

	Received	Recovered	Disposed	% Recovered
Recycle Central Recyclables				
Fantastic 3	35,874	28,543	7,331	79.6%
Source Separated	5,236	5,236	-	100.0%
Mixed Commercial	-	-	-	0.0%
Mixed Paper	-	-	-	0.0%
Total Recyclables	41,110	33,778	7,331	82.2%
Tunnel Avenue Compostables				
Fantastic 3	7,192	5,847	1,346	81.3%
Commercial	37,727	30,669	7,058	81.3%
San Francisco Public Works	621	621	-	100.0%
Other City of San Francisco Departments	187	187	-	100.0%
Commercial Customers	203	203	-	100.0%
Public Customers	250	250	-	100.0%
Total Compostables	46,180	37,777	8,403	81.8%
Tunnel Avenue iMRF				
Roll-off	18,261	9,553	8,708	52.3%
San Francisco Public Works	603	316	288	52.3%
Other City of San Francisco Departments	18	9	9	52.3%
Commercial Customers	3,911	2,046	1,865	52.3%
Total iMRF	22,794	11,924	10,870	52.3%
Other Tunnel Avenue				
Fantastic 3	38,206	-	38,206	0.0%
Commercial	15,374	-	15,374	0.0%
Roll-off	9,955	-	9,955	0.0%
San Francisco Public Works	7,413	1,568	5,846	21.1%
Other City of San Francisco Departments	993	1	992	0.1%
Public Refuse Receptacles	4,841	-	4,841	0.0%
Commercial Customers	3,640	619	3,021	17.0%
Public Customers	11,699	3,350	8,348	28.6%
Bulky Item Recycling & Abandoned Materials Collection	3,348	1,888	1,460	56.4%
Inerts	4,146	4,146	-	100.0%
Construction Material Reuse	121	121	-	100.0%
Other Recycling	845	845	-	100.0%
Total Other Tunnel Avenue	169,555	62,239	107,316	36.7%
Sustainable Crushing				
	13,562	13,562	-	100.0%
Adjustments (Inventory, moisture, etc.)				
	(48)	-	(48)	
Total Tons	224,179	109,579	114,599	48.9%
Disposal Breakdown				
Covanta (RBVON residual)			2,049	
Forward Landfill (RBVON residual)			16,415	
Recology Hay Road Landfill			407,400	
Zanker Material Processing Facility (C&D residual)			1,853	
Total Disposal			427,718	

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

	Number of Accounts	Trash Compliant		Recycling Compliant		Composting Compliant	
Residential	140,965	140,908	100.0%	140,445	99.6%	140,703	99.8%
Apartment	8,298	8,298	100.0%	8,275	99.7%	8,284	99.8%
Commercial	16,463	16,435	100.0%	16,324	98.8%	16,197	97.9%
City and County of San Francisco	371	336	90.6%	324	87.3%	308	83.0%
School District & UC	183	179	97.8%	181	98.9%	174	95.1%
Other	91	86	94.5%	78	85.7%	63	69.2%
Total	166,371	166,242	99.9%	165,627	99.6%	165,729	99.6%

Residential Single Dwelling Unit Accounts	
16-gallon Trash Bins	42,237
20-gallon Trash Bins	31,107

Table 5
Toxics Collection and Participation
July - September 2018

Program	Collection Weight	Service Standard	
	Tons Handled	Number	Unit
HHW Facility Drop Off	69.30	2,314	Customers Served
HHW Home Collection	32.89	581	Pickups
HHW Home Collection	-	1,175	Equivalent Loads
Very Small Quantity Generator	14.50	134	Business Appointments
Residential Curbside Battery Collection	11.81	-	
Apartment Building Battery Collection	2.27	109	Pickups
Retail Collection Partners	17.94	235	Pickups
Gigantic 3 Collection Events	0.63	235	Customers Served
Waste Acceptance Control Program	5.91	-	
Bulky Item Recycling - E-Waste	95.00	19,665	Pickups
Public Drop Off - E-Waste	95.35	-	

* Bulky item pickups include non-e-waste customers

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

	Projected	Actual	Variance
Residential	\$23,136,319	\$ 22,894,997	-1%
Apartment	\$18,134,944	\$ 18,643,038	3%
Commercial	\$40,305,626	\$ 41,976,584	4%
Commercial Compactors	\$8,788,385	\$ 7,354,054	-16%
Special Reserve and ZWI Rebate Revenue	\$1,533,424	\$ 1,533,424	0%
REVENUE SUBJECT TO RATE	\$91,898,699	\$ 92,402,097	1%
Revenue not Subject to Rate:			
Debris Box Revenue	\$ 5,884,065	\$ 6,207,717	6%
Equipment & Supply Sales	\$ 467,192	\$ 749,766	60%
Miscellaneous Income	\$ 79,112	\$ 157,646	99%
Total Other Revenue not Subject to Rate:	\$ 6,430,369	\$ 7,115,129	11%
Impound Account Funding	(5,078,777)	(5,078,778)	0%
Zero Waste Incentive Funding	(1,162,125)	(1,162,125)	0%
TOTAL	\$92,088,166	\$ 93,276,323	1.29%

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

	Tonnage			Revenue		
	Projection	Actual	Variance	Projection	Actual	Variance
Tonnage & Revenue from Tipping Charge						
Recology Sunset Scavenger/Golden Gate						
Recycle Central	36,434	35,959	-1%	\$ 6,889,016	\$ 6,799,173	-1%
Compostables	43,192	44,907	4%	8,166,656	8,490,968	4%
iMRF	18,209	18,257	0%	3,442,863	3,451,979	0%
Trash	66,034	63,712	-4%	12,485,775	12,046,676	-4%
Other	3,351	3,601	7%	633,588	680,805	7%
Subtotal (Recology Sunset Scavenger/Golden Gate)	167,220	166,435	0%	\$ 31,617,899	\$ 31,469,602	0%
Public Customers	9,621	11,939	24%	1,819,148	2,257,352	24%
Commercial Customers	6,155	8,277	34%	1,163,751	1,565,079	34%
Total San Francisco	182,996	186,651	2%	\$ 34,600,799	\$ 35,292,033	2%
Total Non-San Francisco	654	1,515	132%	123,605	286,513	132%
Non-rate Tonnage	43,416	36,012				
Total Tonnage & Revenue from Tipping Charge	227,065	224,179	-1%	\$ 34,724,404	\$ 35,578,546	2%
Net Recycling Revenue				\$ 5,398,672	\$ 4,376,026	-19%
Non-rate Revenue				230,769	854,722	270%
Intercompany Dirt, Inerts & Others				275,448	161,854	-41%
Rental Income				11,583	13,100	13%
Total Other Commercial Revenue				\$ 5,916,471	\$ 5,405,702	-9%
Zero Waste Incentive Funding				\$ (720,350)	\$ (720,350)	0%
ZWI Facility Improvements				-	-	0%
Total Revenue	-	-		\$ 39,920,525	\$ 40,263,898	1%

**Table 8
Recycling Revenue
Recology San Francisco
July - September 2018**

Recycle Central	Tons			Revenue			Price Per Ton		
	Projected	Actual	Variance	Projected	Actual	Variance	Projected	Actual	Variance
Mixed Paper	19,088	12,976	-32%	\$ 2,219,274	\$ 444,853	-80%	\$ 116.27	\$ 34.28	-71%
Cardboard	7,890	11,337	44%	1,300,333	1,657,513	27%	164.81	146.20	-11%
White Ledger	-	-	n/a	-	-	n/a	247.20	-	-100%
Coated Book Stock	-	-	n/a	-	-	n/a	128.10	-	-100%
Aluminum	100	164	64%	424,543	658,695	55%	4,245.43	4,020.85	-5%
Metal/Ferrous	400	720	80%	52,340	101,171	93%	130.85	140.48	7%
PET	350	598	71%	718,668	1,036,120	44%	2,053.34	1,732.44	-16%
HDPE Blend	325	131	-60%	239,113	72,064	-70%	735.73	548.68	-25%
Plastic Film	-	-	n/a	-	-	n/a	-	#DIV/0!	n/a
Mixed Plastics 3-7	275	212	-23%	17,591	7,872	-55%	63.97	37.13	-42%
Flint Glass	88	84	-4%	21,073	20,226	-4%	240.83	241.07	0%
Amber Glass	81	41	-49%	19,181	9,992	-48%	236.08	241.46	2%
Green Glass	54	44	-19%	12,138	13,828	14%	225.82	316.08	40%
Mixed Glass	5,750	6,376	11%	732,833	915,761	25%	127.45	143.63	13%
Glass Fines	363	-	-100%	45,055	-	-100%	124.29	-	-100%
Total Recycle Central	34,763	32,683	-6%	\$ 5,802,142	\$ 4,938,094	-15%			n/a
Tunnel Avenue									
Metal	3,441	3,694	7%	\$ 541,140	\$ 405,949	-25%	\$ 157.28	\$ 109.88	-30%
Wood	3,476	-	-100%	65,602	-	-100%	18.87	-	-100%
Mixed Rigid Plastic	440	577	31%	68,604	46,865	-32%	155.94	81.27	-48%
SB20/50 E-Waste	116	74	-36%	30,946	8,988	-71%	267.19	121.52	-55%
Total Tunnel Avenue	7,472	4,345	-42%	\$ 706,292	\$ 461,802	-35%			
Sustainable Crushing				\$ 184,071	\$ 220,148	20%			
Total Recycling Revenue				\$ 6,692,505	\$ 5,620,044	-16%			
Processing Expenses				\$ (228,798)	\$ (188,738)	-18%			
Purchases				(1,038,468)	(1,055,280)	2%			
Net Recycling Revenues				\$ 5,425,239	\$ 4,376,026	-19%			

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

Item Description	Projected	Actual
Payroll	20,559,039	19,263,832
Payroll Taxes	1,558,119	1,398,784
Pension	3,713,813	3,299,897
Health Insurance	6,345,337	4,966,257
Workers Compensation	2,645,271	2,399,534
Total Payroll & Related	\$ 34,821,579	\$ 31,328,303
Corporate Allocations	1,882,845	2,193,726
Bad Debt	38,141	118,377
O/S Billing Services	81,165	79,182
Office	107,753	122,165
Postage	84,070	77,408
Professional Services	186,870	219,122
Security & Janitorial	117,952	124,559
Taxes	451,930	697,255
Telephone	148,901	115,792
Total Administrative	3,099,626	3,747,584
Building & Facility Repair	39,805	111,390
Depreciation	62,533	134,107
Environmental Compliance	154,291	91,641
Freight	18,110	18,846
Fuel	1,304,354	1,150,527
I/C Disposal	11,965,424	12,371,828
I/C Processing	18,557,798	19,402,969
Lease	3,529,746	2,867,891
Liability Insurance	815,738	929,812
Licenses & Permits	422,130	485,695
O/S Disposal	8,762	16,220
O/S Equipment Rental	53,904	66,940
Parts	615,947	705,598
Property Rental	446,131	373,170
Repairs & Maintenance	334,746	441,583
Supplies	604,426	822,987
Tires & Tubes	216,450	236,807
Utilities	127,936	222,017
T&G Maintenance Allocation	(14,374)	(17,678)
Total Operating	39,263,858	40,432,349
Contract Services	294,744	345,579
Other	514,381	858,350
Total Other	809,125	1,203,929
Total Expenses	\$ 77,994,189	\$ 76,712,165

Table 10
Recology San Francisco
Expenses
July - September 2018

Item Description	Projected	Actual
Payroll	11,961,225	11,681,763
Payroll Taxes	935,169	821,288
Pension	1,746,440	2,090,711
Health Insurance	3,884,040	3,202,840
Workers Compensation	940,213	666,834
Total Payroll & Related	\$ 19,467,087	\$ 18,463,436
Corporate Allocations	395,353	374,761
Bad Debt	13,901	100,017
Office	57,139	45,214
Postage	852	6,039
Professional Services	646,877	565,671
Repairs & Maintenance	199,877	184,951
Security & Janitorial	173,834	219,706
Taxes	470,578	628,705
Telephone	70,346	74,527
Total Administrative Expenses	\$ 2,028,758	\$ 2,199,591
Bridge Tolls	316,902	323,797
Building & Facility Repair	186,753	251,664
Depreciation	365,258	800,808
Environmental Compliance	11,058	958
Freight	440,322	429,257
Fuel	974,216	944,086
I/C Processing & Disposal	6,990,448	7,411,941
Lease	1,324,112	1,235,730
Liability Insurance	227,028	295,268
Licenses & Permits	878,771	598,234
O/S Disposal	703,685	521,717
O/S Equipment Rental	63,269	345,905
Parts	457,924	633,547
Property Rental	1,479,690	1,475,102
Supplies	611,449	796,546
Tires & Tubes	89,231	76,720
Utilities	417,110	396,987
Total Operating Expenses	\$ 15,537,226	\$ 16,538,265
Contract Services	75,343	12,640
Other	225,284	316,659
Total Other Expenses	\$ 300,627	\$ 329,298
Total Expenses	\$ 37,333,699	\$ 37,530,590

APPENDIX A
RECOLOGY SAN FRANCISCO
Account Details
Balances for RY 2019

Table 1

Account Details	Special Reserve	Reserve Fund	Impound	ZWI
Beginning Balance 7/1/2018	\$ 12,253,129	\$ 2,230,634	\$ 1,831,392	\$ 7,419,082
Receipts	-	2,000,000	5,078,778	1,882,475
Interest	46,770	17,319	1,144	19,632
Administrative Fees	(962)	-	-	-
Disbursements	(2,625,000)	-	(6,719,847)	-
Ending Balance 9/30/18	\$ 9,673,936	\$ 4,247,953	\$ 191,467	\$ 9,321,189

Table 2

Interest	Special Reserve	Reserve Fund	Impound	ZWI
Jul-18	\$ 17,462	\$ 4,208	\$ 388	\$ 6,064
Aug-18	14,631	6,545	443	6,725
Sep-18	14,677	6,566	314	6,843
Total	\$ 46,770	\$ 17,319	\$ 1,144	\$ 19,632

Table 3

Administrative Fees	Special Reserve	Reserve Fund	Impound	ZWI
Jul-17	\$ (316)	\$ -	\$ -	\$ -
Aug-17	(323)	-	-	-
Sep-17	(324)	-	-	-
Total	\$ (962)	\$ -	\$ -	\$ -

RECOLOGY SAN FRANCISCO
Impound
Deposit Detail for RY 2019

Table 4

Month	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Jul-18	\$ 710,668	\$ 930,400	\$ 1,641,068
Aug-18	710,668	930,400	1,641,068
Sep-18	44,915	58,802	103,716
Sep-18	733,125	959,801	1,692,926
Total	\$ 2,199,376	\$ 2,879,403	\$ 5,078,778

RECOLOGY SAN FRANCISCO
Special Reserve
Cash Disbursements for RY 2019

Table 5

Transaction Date	Check #	Description	Amount
7/24/18	ACH	Annual Transfer to Reserve Fund	\$ 2,000,000
7/24/18	ACH	Jul - Sep RY 19 Offset	625,000
TOTALS			\$ 2,625,000

RECOLOGY SAN FRANCISCO**Reserve**Deposit Detail for RY 2019**Table 6**

Month	Special Reserve	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Jul-18	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00
Aug-18	-	-	-	-
Sep-18	-	-	-	-
TOTALS	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00

RECOLOGY SAN FRANCISCO**Reserve**Cash Disbursements for RY 2019**Table 7**

Transaction Date	Check #	Description	Amount
			\$ -
TOTALS			\$0.00

RECOLOGY SAN FRANCISCO**Impound**Disbursements for RY 2019**Table 8**

Payee	Date	Check #	Total Disbursements
City & County of San Francisco	07/06/18	993	\$ 933,407
San Francisco Department of Environment	07/06/18	992	707,662
City & County of San Francisco	08/01/18	994	730,024
San Francisco Department of Environment	08/01/18	995	962,902
City & County of San Francisco	08/30/18	996	730,024
San Francisco Department of Environment	08/30/18	997	962,902
City & County of San Francisco	09/28/18	998	730,024
San Francisco Department of Environment	09/28/18	999	962,902
TOTALS			\$ 6,719,847

RECOLOGY SAN FRANCISCO**Zero Waste Incentives**Deposit Detail For RY 2019**Table 9**

Month	Recology Golden Gate	Recology Sunset Scavenger	Recology San Francisco	Total Deposit Amount
Jul-18	\$ 167,753	\$ 219,621	\$ 240,117	\$ 627,492
Aug-18	167,753	219,621	240,117	627,492
Sep-18	167,753	219,621	240,117	627,492
Totals	\$ 503,260	\$ 658,864	\$ 720,350	\$ 1,882,475