

**SAN FRANCISCO
QUARTERLY RATE REPORT**

**2nd Quarter of Rate Year 2019
Quarter Ending December 31, 2018**

Recology Sunset Scavenger
Recology Golden Gate
Recology San Francisco

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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 December 31, 2018, 7,757 customers participated in the low-income program. As of the same date, there were 537 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 Incentives

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 - December 2018

	Actual	Tier 1	Tier 2	Tier 3	Tier 4
Tons Disposed	229,667	190,186	188,116	184,616	180,000

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

Source	Tonnage
Composting Overs	-
iMRF Fines	16,051
BVON Allocation	81
Total Alternative Daily Cover	16,132

Table 3
Recovery and Disposal Tonnage Breakdown
July - December 2018

	Received	Recovered	Disposed	% Recovered
Recycle Central Recyclables				
Fantastic 3	73,881	57,188	16,692	77.4%
Source Separated	9,972	9,972	-	100.0%
Mixed Commercial	-	-	-	0.0%
Mixed Paper	-	-	-	0.0%
Total Recyclables	83,852	67,160	16,692	80.1%
Tunnel Avenue Compostables				
Fantastic 3	14,275	11,485	2,790	80.5%
Commercial	74,648	60,059	14,590	80.5%
San Francisco Public Works	1,343	1,343	-	100.0%
Other City of San Francisco Departments	420	420	-	100.0%
Commercial Customers	365	365	-	100.0%
Public Customers	452	452	-	100.0%
Total Compostables	91,504	74,125	17,380	81.0%
Tunnel Avenue iMRF				
Roll-off	35,003	18,066	16,937	51.6%
San Francisco Public Works	954	492	462	51.6%
Other City of San Francisco Departments	29	15	14	51.6%
Commercial Customers	7,129	3,679	3,450	51.6%
Total iMRF	43,115	22,252	20,862	51.6%
Other Tunnel Avenue				
Fantastic 3	77,803	-	77,803	0.0%
Commercial	30,725	-	30,725	0.0%
Roll-off	20,929	-	20,929	0.0%
San Francisco Public Works	15,626	3,104	12,522	19.9%
Other City of San Francisco Departments	1,714	1	1,713	0.1%
Public Refuse Receptacles	9,683	-	9,683	0.0%
Commercial Customers	7,600	1,228	6,373	16.2%
Public Customers	21,138	6,243	14,894	29.5%
Bulky Item Recycling & Abandoned Materials Collection	6,641	3,806	2,835	57.3%
Inerts	8,327	8,327	-	100.0%
Construction Material Reuse	292	292	-	100.0%
Other Recycling	1,897	1,897	-	100.0%
Total Other Tunnel Avenue	202,373	24,897	177,476	12.3%
Sustainable Crushing				
	29,229	29,229	-	100.0%
Adjustments (Inventory, moisture, etc.)				
	(2,744)	-	(2,744)	
Total Tons	447,330	217,663	229,667	48.7%
Disposal Breakdown				
Covanta (RBVON residual)			67	
Fink Road Landfill (RBVON residual)			2	
Forward Landfill (RBVON residual)			1,241	
Ostrom Road Landfill (RBVON residual)			9,711	
Recology Hay Road Landfill			216,411	
Recology Hay Road Landfill (RBVON residual)			1	
Zanker Material Processing Facility (C&D residual)			2,234	
Total Disposal			229,667	

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

	Number of Accounts	Trash Compliant		Recycling Compliant		Composting Compliant	
Residential	140,800	140,785	100.0%	140,271	99.6%	140,578	99.8%
Apartment	8,305	8,305	100.0%	8,284	99.7%	8,292	99.8%
Commercial	16,423	16,397	99.8%	16,297	99.2%	16,145	98.3%
City and County of San Francisco	370	370	100.0%	367	99.2%	356	96.2%
School District & UC	183	179	97.8%	181	98.9%	174	95.1%
Other	91	86	94.5%	79	86.8%	63	69.2%
Total	166,172	166,122	100.0%	165,479	99.6%	165,608	99.7%

Residential Single Dwelling Unit Accounts	
16-Gallon Trash Bins	43,331
20-Gallon Trash Bins	30,581

Table 5
Toxics Collection and Participation
July - December 2018

Program	Collection Weight Tons Handled	Service Standard	
		Number	Unit
HHW Facility Drop Off	119.43	4,051	Customers Served
HHW Home Collection	58.35	1,084	Pickups
HHW Home Collection	-	2,189	Equivalent Loads
Very Small Quantity Generator	27.91	271	Business Appointments
Residential Curbside Battery Collection	17.95	-	
Apartment Building Battery Collection	3.46	238	Pickups
Retail Collection Partners	33.73	469	Pickups
Gigantic 3 Collection Events	1.44	437	Customers Served
Waste Acceptance Control Program	12.54	-	
Bulky Item Recycling - E-Waste	190.00	38,752	Pickups
Public Drop Off - E-Waste	169.07	-	

* Bulky item pickups include non-e-waste customers

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

	Projected	Actual	Variance
Residential	\$ 46,257,197	\$ 45,779,883	-1%
Apartment	\$ 36,244,413	\$ 37,213,476	3%
Commercial	\$ 80,598,919	\$ 84,288,968	5%
Commercial Compactors	\$ 17,706,184	\$ 14,623,009	-17%
Special Reserve and ZWI Rebate Revenue	\$ 3,125,848	\$ 3,125,848	0%
REVENUE SUBJECT TO RATE	\$ 183,932,560	\$ 185,031,185	1%
Revenue not Subject to Rate:			
Debris Box Revenue	\$ 11,858,655	\$ 12,491,282	5%
Equipment & Supply Sales	934,384	1,815,333	94%
Miscellaneous Income	158,224	300,547	90%
Total Other Revenue not Subject to Rate:	\$ 12,951,262	\$ 14,607,162	13%
Impound Account Funding	\$ (10,157,555)	\$ (10,157,556)	0%
Zero Waste Incentive Funding	\$ (2,324,251)	\$ (2,324,250)	0%
TOTAL	\$ 184,402,017	\$ 187,156,541	1.49%

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

	Tonnage			Revenue		
	Projection	Actual	Variance	Projection	Actual	Variance
Tonnage & Revenue from Tipping Charge						
Recology Sunset Scavenger/Golden Gate						
Recycle Central	72,869	74,038	2%	\$ 13,778,033	\$ 13,999,044	2%
Compostables	86,383	88,924	3%	16,333,313	16,813,126	3%
iMRF	36,417	35,470	-3%	6,885,728	6,705,638	-3%
Trash	132,069	129,100	-2%	24,971,548	24,408,567	-2%
Other	6,702	7,482	12%	1,267,178	1,414,546	12%
Subtotal (Recology Sunset Scavenger/Golden Gate)	334,439	335,013	0%	\$ 63,235,800	\$ 63,340,920	0%
Public Customers	19,242	21,575	12%	3,638,298	4,079,340	12%
Commercial Customers	12,310	16,529	34%	2,327,505	3,098,467	33%
Total San Francisco	365,991	373,117	2%	\$ 69,201,603	\$ 70,518,727	2%
Total Non-San Francisco	1,307	2,893	121%	247,211	545,880	121%
Non-rate Tonnage	86,831	71,875				
Total Tonnage & Revenue from Tipping Charge	454,130	447,885	-1%	\$ 69,448,814	\$ 71,064,607	2%
Net Recycling Revenue				\$ 10,797,343	\$ 8,140,911	-25%
Non-rate Revenue				461,538	1,423,877	209%
Intercompany Dirt, Inerts & Others				550,896	319,804	-42%
Rental Income				23,166	18,200	-21%
Total Other Commercial Revenue				\$ 11,832,942	\$ 9,902,791	-16%
Zero Waste Incentive Funding				\$ (1,440,699)	\$ (1,440,699)	0%
ZWI Facility Improvements				-	-	0%
Total Revenue	-	-		\$ 79,841,056	\$ 79,526,698	0%

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

Recycle Central	Tons			Revenue			Price Per Ton		
	Projected	Actual	Variance	Projected	Actual	Variance	Projected	Actual	Variance
Mixed Paper	38,175	25,849	-32%	\$ 4,438,547	\$ 935,909	-79%	\$ 116.27	\$ 36.21	-69%
Cardboard	15,780	21,455	36%	2,600,666	3,238,336	25%	164.81	150.94	-8%
White Ledger	-	-	n/a	-	-	n/a	247.20	-	-100%
Coated Book Stock	-	15	n/a	-	13,318	n/a	128.10	-	-100%
Aluminum	200	287	44%	849,086	1,114,311	31%	4,245.43	3,881.94	-9%
Metal/Ferrous	800	1,112	39%	104,680	151,442	45%	130.85	136.13	4%
PET	700	973	39%	1,437,337	1,687,866	17%	2,053.34	1,734.03	-16%
HDPE Blend	650	416	-36%	478,227	217,858	-54%	735.73	524.15	-29%
Plastic Film	-	-	n/a	-	-	n/a	-	#DIV/0!	n/a
Mixed Plastics 3-7	550	273	-50%	35,181	8,874	-75%	63.97	32.49	-49%
Flint Glass	175	137	-22%	42,145	31,224	-26%	240.83	227.43	-6%
Amber Glass	163	99	-39%	38,363	22,035	-43%	236.08	222.55	-6%
Green Glass	108	80	-26%	24,276	21,228	-13%	225.82	266.45	18%
Mixed Glass	11,500	12,559	9%	1,465,665	1,618,652	10%	127.45	128.88	1%
Glass Fines	725	-	-100%	90,110	-	-100%	124.29	-	-100%
Total Recycle Central	69,525	63,255	-9%	\$11,604,284	\$ 9,061,052	-22%			n/a
Tunnel Avenue									
Metal	6,881	7,107	3%	\$ 1,082,280	\$ 743,213	-31%	\$ 157.28	\$ 104.58	-34%
Wood	6,952	-	-100%	131,204	-	-100%	18.87	-	-100%
Mixed Rigid Plastic	880	1,161	32%	137,209	56,203	-59%	155.94	48.40	-69%
SB20/50 E-Waste	232	139	-40%	61,891	16,173	-74%	267.19	116.35	-56%
Total Tunnel Avenue	14,945	8,407	-44%	\$ 1,412,584	\$ 815,589	-42%			
Sustainable Crushing				\$ 368,143	\$ 491,869	34%			
Total Recycling Revenue				\$13,385,010	\$10,368,510	-23%			
Processing Expenses				\$ (457,596)	\$ (433,620)	-5%			
Purchases				(2,076,936)	(1,793,980)	-14%			
Net Recycling Revenues				\$10,850,479	\$ 8,140,911	-25%			

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

Item Description	Projected	Actual	Variance
Payroll	\$ 41,118,078	\$ 39,201,470	-5%
Payroll Taxes	3,116,239	2,761,918	-11%
Pension	7,427,625	6,320,425	-15%
Health Insurance	12,690,674	10,041,567	-21%
Workers Compensation	5,290,543	4,699,352	-11%
Total Payroll & Related	\$ 69,643,159	\$ 63,024,731	-10%
Corporate Allocations	\$ 3,765,690	\$ 4,984,927	32%
Bad Debt	76,281	152,566	100%
O/S Billing Services	162,330	141,565	-13%
Office	215,505	229,253	6%
Postage	168,141	132,774	-21%
Professional Services	373,740	364,819	-2%
Security & Janitorial	235,904	242,844	3%
Taxes	903,859	1,292,686	43%
Telephone	297,801	233,969	-21%
Total Administrative	\$ 6,199,252	\$ 7,775,402	25%
Building & Facility Repair	\$ 79,611	\$ 152,829	92%
Depreciation	125,066	274,159	119%
Environmental Compliance	308,583	175,722	-43%
Freight	36,220	33,045	-9%
Fuel	2,608,707	2,293,335	-12%
I/C Disposal	23,930,847	25,098,397	5%
I/C Processing	37,115,596	38,826,790	5%
Lease	7,059,493	5,750,661	-19%
Liability Insurance	1,631,476	2,036,095	25%
Licenses & Permits	844,260	952,760	13%
O/S Disposal	17,524	25,866	48%
O/S Equipment Rental	107,808	144,944	34%
Parts	1,231,894	1,365,306	11%
Property Rental	892,262	745,674	-16%
Repairs & Maintenance	669,491	977,405	46%
Supplies	1,208,851	1,890,626	56%
Tires & Tubes	432,900	446,325	3%
Utilities	255,872	448,037	75%
T&G Maintenance Allocation	(28,748)	(17,678)	-39%
Total Operating	\$ 78,527,716	\$ 81,620,297	4%
Contract Services	\$ 589,488	\$ 655,796	11%
Other	1,028,763	1,696,363	65%
Total Other	\$ 1,618,250	\$ 2,352,159	45%
Total Expenses	\$ 155,988,377	\$ 154,772,590	-1%

Table 10
Recology San Francisco
Expenses
July - December 2018

Item Description	Projected	Actual	Variance
Payroll	\$ 23,922,449	\$ 23,631,833	-1%
Payroll Taxes	1,870,337	1,613,644	-14%
Pension	3,492,881	4,760,581	36%
Health Insurance	7,768,080	6,431,649	-17%
Workers Compensation	1,880,427	1,352,316	-28%
Total Payroll & Related	\$ 38,934,174	\$ 37,790,022	-3%
Corporate Allocations	\$ 790,707	\$ 405,525	-49%
Bad Debt	27,802	113,335	308%
Office	114,279	105,983	-7%
Postage	1,703	8,416	394%
Professional Services	1,293,755	1,060,227	-18%
Repairs & Maintenance	399,753	324,304	-19%
Security & Janitorial	347,669	435,187	25%
Taxes	941,157	1,234,658	31%
Telephone	140,693	139,058	-1%
Total Administrative Expenses	\$ 4,057,517	\$ 3,826,693	-6%
Bridge Tolls	\$ 633,803	\$ 638,041	1%
Building & Facility Repair	373,506	552,569	48%
Depreciation	730,515	1,523,572	109%
Environmental Compliance	22,116	1,875	-92%
Freight	880,645	829,748	-6%
Fuel	1,948,431	1,848,111	-5%
I/C Processing & Disposal	13,980,896	14,913,051	7%
Lease	2,648,225	2,506,444	-5%
Liability Insurance	454,057	627,404	38%
Licenses & Permits	1,757,542	1,681,259	-4%
O/S Disposal	1,407,370	1,113,322	-21%
O/S Equipment Rental	126,538	1,030,002	714%
Parts	915,849	1,074,478	17%
Property Rental	2,959,379	2,911,484	-2%
Supplies	1,222,898	1,403,736	15%
Tires & Tubes	178,462	131,747	-26%
Utilities	834,220	849,349	2%
Total Operating Expenses	\$ 31,074,453	\$ 33,656,089	8%
Contract Services	\$ 150,687	\$ 26,822	-82%
Other	450,568	627,285	39%
Total Other Expenses	\$ 601,255	\$ 654,108	9%
Total Expenses	\$ 74,667,399	\$ 75,926,912	2%

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	11,850,483	4,348,690
Interest	97,227	39,891	2,253	42,617
Administrative Fees	(1,948)	-	-	-
Disbursements	(2,625,000)	-	(11,798,625)	-
Ending Balance 12/31/18	\$ 9,723,408	\$ 4,270,526	\$ 1,885,504	\$ 11,810,389

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
Oct-18	16,446	7,357	194	7,230
Nov-18	16,344	7,311	457	7,284
Dec-18	17,668	7,904	458	8,471
Total	\$ 97,227	\$ 39,891	\$ 2,253	\$ 42,617

Table 3

Administrative Fees	Special Reserve	Reserve Fund	Impound	ZWI
Jul-18	\$ (316)	\$ -	\$ -	\$ -
Aug-18	(323)	-	-	-
Sep-18	(324)	-	-	-
Oct-18	(321)	-	-	-
Nov-18	(348)	-	-	-
Dec-18	(316)	-	-	-
Total	\$ (1,948)	\$ -	\$ -	\$ -

RECOLOGY SAN FRANCISCO
Special Reserve
Cash Disbursements for RY 2019

Table 4

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 5**

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	-	-	-	-
Oct-18	-	-	-	-
Nov-18	-	-	-	-
Dec-18	-	-	-	-
TOTALS	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00

RECOLOGY SAN FRANCISCO**Reserve**Cash Disbursements for RY 2019**Table 6**

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

RECOLOGY SAN FRANCISCO**Impound**Deposit Detail for RY 2019**Table 7**

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	103,717
Sep-18	733,125	959,801	1,692,926
Oct-18	733,125	959,801	1,692,926
Nov-18	1,466,251	1,919,602	3,385,852
Dec-18	733,125	959,801	1,692,926
Total	\$ 5,131,877	\$ 6,718,606	\$ 11,850,483

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

Payee	Date	Check #	Total Disbursements
San Francisco Department of the Environment	07/06/18	992	\$ 933,407
City & County of San Francisco (SF Public Works)	07/06/18	993	707,662
City & County of San Francisco (SF Public Works)	08/01/18	994	730,024
San Francisco Department of the Environment	08/01/18	995	962,902
City & County of San Francisco (SF Public Works)	08/30/18	996	730,024
San Francisco Department of the Environment	08/30/18	997	962,902
City & County of San Francisco (SF Public Works)	09/28/18	998	730,024
San Francisco Department of the Environment	09/28/18	999	962,902
City & County of San Francisco (SF Public Works)	10/15/18	1000	730,024
San Francisco Department of Environment	10/15/18	1001	962,902
San Francisco Department of Environment	11/28/18	1002	962,902
City & County of San Francisco (SF Public Works)	11/28/18	1003	730,024
San Francisco Department of Environment	12/28/18	1004	962,902
City & County of San Francisco (SF Public Works)	12/28/18	1005	730,024
TOTALS			\$ 11,798,625

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
Oct-18	330,368	470,224	432,515	1,233,108
Nov-18	330,368	470,224	432,515	1,233,108
Dec-18	-	-	-	-
Totals	\$ 1,163,997	\$ 1,599,311	\$ 1,585,381	\$ 4,348,690