

**SAN FRANCISCO
ANNUAL RATE REPORT**

12 Months Ending September 30, 2022

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, collection accounts, toxics collection and participation, revenues and expenses, operation ratio and profit margins, amortization of ZWI funds for capital expenditures, and activity reporting for the Reserve Fund, the Impound account, and the Zero Waste Incentives account. This report covers 12 months from October 2021 to September 2022. This reflects the realignment of rate year 2022 (RY 2022) from a June 30 year-end to a September 30 year-end pursuant to an agreement between the SF Controller's Office and the Recology San Francisco Companies.

LOW-INCOME AND DISABLED SERVICES PROGRAMS

As of September 30, 2022, 8,509 customers participated in the low-income program. As of the same date, there were 469 participants in the disabled services program.

ACCOUNT REPORTINGS

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

RESERVE FUND

There is no deposit or withdrawal activity to report related to the Reserve Fund. Interest earned and administrative fees are reflected in Tables A-2 and A-3.

IMPOUND

Recology makes monthly deposits to the Impound account in accordance with the amounts approved in the 2017 rate order and adjusted for cost-of-living adjustment for subsequent rate years.

ZERO WASTE INCENTIVES

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

SUBSTITUTED COSTS

Appendix B contains a report of Substituted Costs pursuant to Article 4.3 of the Settlement Agreement between the City and County of San Francisco and Sunset Scavenger Company, Golden Gate Disposal & Recycling Company, Recology San Francisco, and Recology Properties Inc., effective December 22, 2022.

Table 1
Disposal Tonnage
Recology San Francisco
October 2021 - September 2022

	Actual	Tier 1	Tier 2	Tier 3	Tier 4
Tons Disposed	383,875	363,561	352,561	331,561	300,000

Table 2
Alternative Daily Cover Tonnage
Recology San Francisco
October 2021 - September 2022

Source	Tonnage
Composting Overs	-
iMRF Fines	15,141
C-soil	-
Clean Wood	-
Total Alternative Daily Cover	15,141

Table 3
Recovery and Disposal Tonnage
Combined SF Companies
October 2021 - September 2022

	Received	Recovered	Disposed	% Recovered
Recycle Central Recyclables				
Collected	125,349	103,223	22,126	82.3%
Buyback	10,414	10,414	-	100.0%
Total Recyclables	135,763	113,637	22,126	83.7%
Tunnel Avenue Compostables				
Collected	135,493	106,548	28,945	78.6%
San Francisco Public Works	2,951	2,951	-	100.0%
Other City of San Francisco Departments	476	476	-	100.0%
Account Customers	212	212	-	100.0%
Non-Account Customers	546	546	-	100.0%
Total Compostables	139,678	110,733	28,945	79.3%
Tunnel Avenue iMRF				
Collected	14,477	6,489	7,988	44.8%
San Francisco Public Works	5	2	3	44.8%
Other City of San Francisco Departments	57	25	32	44.8%
Account Customers	12,640	5,666	6,974	44.8%
Total iMRF	27,179	12,182	14,997	44.8%
Other Tunnel Avenue				
Collected Other Trash	188,583	-	188,583	0.0%
Collected Roll-off Trash	36,453	-	36,453	0.0%
Bulky Item Recycling & Abandoned Materials Collection	13,244	1,805	11,439	13.6%
Public Refuse Receptacles	19,365	-	19,365	0.0%
San Francisco Public Works	26,157	918	25,239	3.5%
Other City of San Francisco Departments	3,058	-	3,058	0.0%
Account Customers	8,219	1,411	6,808	17.2%
Non-Account Customers	32,282	9,442	22,840	29.2%
Collected Inerts	5,467	5,467	-	100.0%
Construction Material Reuse	35	35	-	100.0%
Other Recycling	827	827	-	100.0%
Total Other Tunnel Avenue	333,690	19,905	313,785	6.0%
Sustainable Crushing	149	149	-	100.0%
Adjustments (Inventory, moisture, etc.)	4,022	-	4,022	0.0%
Total Tons	640,481	256,606	383,875	40.1%

Disposal Breakdown	
Recology Ostrom Road Landfill (RBVON residual)	1,919
Recology Hay Road Landfill	354,898
Recology Hay Road Landfill (RBVON residual)	27,026
Zanker Material Processing Facility (C&D residual)	32
Total Disposal	383,875

Table 4
Number of Accounts, Service and Compliance
Recology Sunset Scavenger and Recology Golden Gate
As of September 30, 2022

	Number of Accounts	Trash Compliant		Recycling Compliant		Composting Compliant	
Residential	138,667	138,648	100.0%	138,495	99.9%	138,438	99.8%
Apartment	8,418	8,417	100.0%	8,412	99.9%	8,413	99.9%
Commercial	14,861	14,844	99.9%	14,806	99.6%	14,755	99.3%
City and County of San Francisco	371	368	99.2%	362	97.6%	359	96.8%
School District & UC	186	178	95.7%	179	96.2%	182	97.8%
Total	162,503	162,455	100.0%	162,254	99.8%	162,147	99.8%

Residential Single Dwelling Unit Accounts	
16-Gallon Trash Bins	48,904
20-Gallon Trash Bins	24,023

Table 5
Toxics Collection and Participation
Recology San Francisco
October 2021 - September 2022

Program	Collection Weight Tons Handled	Service Standard	
		Number	Unit
HHW Facility Drop Off	205.34	8,327	Customers Served
HHW Home Collection	101.90	2,341	Pickups
HHW Home Collection	-	4,222	Equivalent Loads
Very Small Quantity Generator	54.76	473	Business Appointments
Residential Curbside Battery Collection	52.05	-	
Apartment Building Battery Collection	4.82	506	Pickups
Commercial Battery Collection	2.80	-	
Retail Collection Partners	45.10	845	Pickups
Gigantic 3 Collection Events	-	-	Customers Served
Waste Acceptance Control Program	34.37	-	
Bulky Item Recycling - E-Waste*	-	76,776	Pickups
E-Waste sent to Processor	588.75	-	

* Bulky item pickups include non-e-waste customers.

Table 6
Revenue
Recology Sunset Scavenger and Recology Golden Gate
October 2021 - September 2022

	Projection	Actual	Variance
Residential	\$ 88,302,141	\$ 92,949,246	5%
Apartment	70,517,693	75,437,514	7%
Commercial	159,209,403	140,881,141	-12%
Commercial Compactors	33,530,259	24,758,404	-26%
ZWI Rebate Revenue	7,960,504	7,960,504	0%
Total Revenue Subject to Rate	\$ 359,520,000	\$ 341,986,809	-5%
Debris Box Revenue	\$ 26,302,824	\$ 14,000,565	-47%
Equipment & Supply Sales	2,088,432	1,678,032	-20%
CalRecycle Payment	618,668	736,937	19%
Miscellaneous Income	353,644	528,031	49%
Total Other Revenue not Subject to Rate	\$ 29,363,568	\$ 16,943,565	-42%
Total Sources	\$ 388,883,568	\$ 358,930,374	-8%
Impound Account Funding	\$ (22,007,610)	\$ (22,007,610)	0%
ZWI Funding	(5,032,415)	(5,032,415)	0%
Net Revenue Retained	\$ 361,843,543	\$ 331,890,349	-8%

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

Table 7
Revenue
Recology San Francisco
October 2021 - September 2022

	Tonnage			Revenue		
	Projection	Actual	Variance	Projection	Actual	Variance
Tonnage & Revenue from Tipping Fee						
Recology Sunset Scavenger/Golden Gate						
Recycle Central	145,738	125,560	-14%	\$ 30,689,786	\$ 26,382,603	-14%
Compostables	172,766	135,468	-22%	36,381,530	28,536,735	-22%
iMRF	72,834	14,483	-80%	15,337,568	3,024,658	-80%
Trash	264,137	235,789	-11%	55,622,712	49,673,680	-11%
Other	13,404	2,873	-79%	2,822,566	602,080	-79%
Subtotal (Recology Sunset Scavenger/Golden Gate)	668,879	514,173	-23%	\$ 140,854,162	\$ 108,219,756	-23%
Non-Account Customers	38,484	32,781	-15%	8,104,101	6,868,580	-15%
Account Customers	24,619	29,590	20%	5,184,383	6,199,546	20%
Total San Francisco	731,982	576,544	-21%	\$ 154,142,646	\$ 121,287,882	-21%
Total Non-San Francisco	2,615	6,816	161%	550,648	1,426,124	159%
Non-rate Tonnage	173,662	63,937	-63%			
Tipping Fee	908,259	647,297	-29%	\$ 154,693,294	\$ 122,714,006	-21%
Net Recycling Revenue				\$ 24,050,942	\$ 20,255,660	-16%
Non-rate Revenue				1,028,069	3,266,182	218%
Intercompany Dirt, Inerts & Others				1,632,718	423,642	-74%
Rental Income				51,601	24,000	-53%
Total Other Revenue				\$ 26,763,330	\$ 23,969,484	-10%
Total Sources				\$ 181,456,624	\$ 146,683,490	-19%
ZWI Funding				\$ (3,161,870)	\$ (3,161,870)	0%
Net Revenue Retained				\$ 178,294,754	\$ 143,521,620	-20%

**Table 8
Recycling Revenue
Recology San Francisco
October 2021- September 2022**

Recycle Central	Tons			Revenue			Price Per Ton		
	Projection	Actual	Variance	Projection	Actual	Variance	Projection	Actual	Variance
Mixed Paper	76,350	30,758	-60%	\$ 9,886,922	\$ 3,038,314	-69%	\$ 129.49	\$ 98.78	-24%
Cardboard	31,560	34,893	11%	5,793,017	5,712,668	-1%	183.56	163.72	-11%
Aseptic Carton	-	240	100%	-	4,803	100%	-	20.01	100%
EPS Foam	-	27	100%	-	18,458	100%	-	683.63	100%
Aluminum	400	636	59%	1,891,350	2,814,408	49%	4,728.38	4,425.17	-6%
Metal/Ferrous	1,600	2,137	34%	233,176	398,154	71%	145.74	186.31	28%
PET	1,400	1,935	38%	3,201,687	3,613,255	13%	2,286.92	1,867.32	-18%
HDPE Blend	1,300	1,419	9%	1,065,256	1,065,772	0%	819.43	751.07	-8%
Plastic Film	-	414	100%	-	138,603	100%	-	334.79	100%
Mixed Plastics 3-7	1,100	354	-68%	78,367	109,083	39%	71.24	308.14	333%
Flint Glass	350	-	-100%	93,879	-	-100%	268.23	-	-100%
Amber Glass	325	-	-100%	85,454	-	-100%	262.94	-	-100%
Green Glass	215	-	-100%	54,075	-	-100%	251.51	-	-100%
Mixed Glass	23,000	22,418	-3%	3,264,789	2,929,791	-10%	141.95	130.69	-8%
Glass Fines	1,450	-	-100%	200,721	-	-100%	138.43	-	-100%
Total Recycle Central	139,050	95,231	-32%	\$ 25,848,693	\$ 19,843,309	-23%			
Tunnel Avenue									
Metal	13,189	7,530	-43%	\$ 2,410,792	\$ 1,378,658	-43%	\$ 182.79	\$ 183.09	0%
Wood	13,325	-	-100%	292,259	-	-100%	21.93	-	-100%
Mixed Rigid Plastic	1,686	723	-57%	305,635	91,311	-70%	181.28	126.29	-30%
SB20/50 E-Waste	450	100	-78%	141,507	10,068	-93%	314.46	100.68	-68%
Total Tunnel Avenue	28,650	8,353	-71%	\$ 3,150,193	\$ 1,480,037	-53%			
Sustainable Crushing				\$ 820,042	\$ 451,636	-45%			
Total Recycling Revenue				\$ 29,818,928	\$ 21,774,982	-27%			
Processing Expenses				\$ (1,019,300)	\$ (962,844)	-6%			
Purchases				(4,748,686)	(556,478)	-88%			
Net Recycling Revenue				\$ 24,050,942	\$ 20,255,660	-16%			

Table 9
Expenses
Recology Sunset Scavenger and Recology Golden Gate
October 2021 - September 2022

Item Description	Projection	Actual	Variance
Payroll	\$ 89,423,858	\$ 85,893,564	-4%
Payroll Taxes	6,777,216	6,428,103	-5%
Pension	14,855,250	15,571,408	5%
Health Insurance	28,687,509	22,203,719	-23%
Workers Compensation	11,448,296	8,099,806	-29%
Total Payroll & Related	\$ 151,192,129	\$ 138,196,600	-9%
Corporate Allocations	\$ 8,148,640	\$ 12,031,556	48%
Bad Debt	171,560	1,180,745	588%
O/S Billing Services	359,769	362,369	1%
Office	484,683	325,077	-33%
Postage	378,157	146,905	-61%
Professional Services	816,058	1,046,263	28%
Security & Janitorial	515,095	807,889	57%
Taxes	2,003,199	3,802,935	90%
Telephone	669,771	634,242	-5%
Total Administrative	\$ 13,546,932	\$ 20,337,981	50%
Building & Facility Repair	\$ 176,439	\$ 324,941	84%
Depreciation	250,132	1,058,645	323%
Environmental Compliance	667,748	358,108	-46%
Freight	79,919	64,981	-19%
Fuel	5,505,130	5,378,556	-2%
I/C Disposal	54,807,811	50,093,931	-9%
I/C Processing	85,004,285	58,416,524	-31%
Lease	14,118,986	15,825,639	12%
Liability Insurance	3,530,380	5,522,159	56%
Licenses & Permits	1,898,786	2,493,066	31%
O/S Disposal	38,839	56,335	45%
O/S Equipment Rental	242,467	422,485	74%
Parts	2,770,595	3,041,140	10%
Property Rental	2,006,745	1,102,759	-45%
Repairs & Maintenance	1,483,776	1,867,913	26%
Supplies	2,718,770	2,556,896	-6%
Tires & Tubes	973,616	791,776	-19%
Utilities	575,469	1,216,955	111%
T&G Maintenance Allocation	(65,762)	-	-100%
Total Operating	\$ 176,784,131	\$ 150,592,809	-15%
Contract Services	\$ 1,287,142	\$ 518,690	-60%
Other	2,280,018	1,751,613	-23%
Total Other	\$ 3,567,160	\$ 2,270,303	-36%
Total Expenses	\$ 345,090,352	\$ 311,397,693	-10%

Table 10
Expenses
Recology San Francisco
October 2021 - September 2022

Item Description	Projection	Actual	Variance
Payroll	53,883,281	45,528,404	-16%
Payroll Taxes	4,212,776	3,410,298	-19%
Pension	6,768,047	8,742,729	29%
Health Insurance	17,709,150	12,926,087	-27%
Workers Compensation	4,292,261	3,503,623	-18%
Total Payroll & Related	\$ 86,865,515	\$ 74,111,141	-15%
Corporate Allocations	1,804,867	401,391	-78%
Bad Debt	63,347	912,011	1340%
Office	260,386	220,336	-15%
Postage	3,881	8,114	109%
Professional Services	2,860,215	1,547,231	-46%
Repairs & Maintenance	910,844	863,299	-5%
Security & Janitorial	768,621	1,268,097	65%
Taxes	2,112,568	2,561,830	21%
Telephone	320,571	233,263	-27%
Total Administrative	\$ 9,105,300	\$ 8,015,572	-12%
Bridge Tolls	1,490,585	983,813	-34%
Building & Facility Repair	838,391	904,332	8%
Depreciation	1,461,030	4,894,141	235%
Amortization of ZWI Funding For Capital Expenditures	-	(2,830,700)	-100%
Environmental Compliance	50,482	11,943	-76%
Freight	2,008,361	2,850,341	42%
Fuel	4,763,648	3,196,580	-33%
I/C Processing & Disposal	31,382,228	25,208,668	-20%
Lease	5,296,449	5,910,415	12%
Liability Insurance	1,036,430	2,424,037	134%
Licenses & Permits	4,004,586	4,419,928	10%
O/S Disposal	1,604,531	1,111,822	-31%
O/S Equipment Rental	288,319	482,385	67%
Parts	2,086,775	2,120,522	2%
Property Rental	8,969,544	7,652,457	-15%
Supplies	2,786,391	2,455,548	-12%
Tires & Tubes	406,629	231,091	-43%
Utilities	1,900,783	2,732,118	44%
Total Operating	\$ 70,375,162	\$ 64,759,441	-8%
Contract Services	333,136	41,825	-87%
Other	1,011,368	646,324	-36%
Total Other	\$ 1,344,504	\$ 688,149	-49%
Total Expenses	\$167,690,481	\$147,574,303	-12%

Table 11
Statement of Operating Ratios and Profit Margin
Recology Sunset Scavenger and Recology Golden Gate
October 2021 - September 2022

		Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
SOURCES	Residential	See Table 6	\$ 88,302,141	\$ 92,949,246	\$ 4,647,105	5%
	Apartment	See Table 6	70,517,693	75,437,514	4,919,821	7%
	Commercial	See Table 6	159,209,403	140,881,141	(18,328,262)	-12%
	Commercial Compactors	See Table 6	33,530,259	24,758,404	(8,771,855)	-26%
	Current Ratepayer Revenue		351,559,496	334,026,305	(17,533,191)	-5%
	ZWI Rebate Revenue	See Table 6	7,960,504	7,960,504	-	0%
	Applied Ratepayer Revenue from Prior Years		7,960,504	7,960,504	-	0%
	Debris Box and Other Non Rate Revenue	See Table 6	29,363,568	16,943,565	(12,420,003)	-42%
	(a) Total Sources		388,883,568	358,930,374	(29,953,194)	-8%
USES	Impound Account Funding (Not OR Eligible)	See Table 6	22,007,610	22,007,610	-	0%
	ZWI Funding (Not OR Eligible)	See Table 6	5,032,415	5,032,415	-	0%
	Processing (Not OR Eligible)	See Table 9	85,004,285	58,416,524	(26,587,761)	-31%
	Disposal (Not OR Eligible)	See Table 9	54,807,811	50,093,931	(4,713,880)	-9%
	Licenses & Permits (Not OR Eligible)	See Table 9	1,898,786	2,493,066	594,280	31%
	(b) OR Eligible Expenses	See Table 9	203,379,470	200,394,172	(2,985,298)	-1%
	(c) Total Uses		372,130,377	338,437,718	(33,692,659)	-9%
(d) NET PROFIT = (a) less (c)			\$ 16,753,191	\$ 20,492,656	\$ 3,739,465	22%
OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))			92.4%	90.7%		
OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))			95.7%	94.3%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by (a)			4.3%	5.7%		

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

Table 12
Statement of Operating Ratios and Profit Margin
Recology San Francisco
October 2021 - September 2022

		Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
SOURCES	Tipping Fee Revenue	See Table 7	\$ 154,693,294	\$ 122,714,006	\$ (31,979,288)	-21%
	Net Recycling Revenue	See Table 7	24,050,942	20,255,660	(3,795,282)	-16%
	Other Revenue	See Table 7	2,712,388	3,713,824	1,001,436	37%
	Revenue		181,456,624	146,683,490	(34,773,134)	-19%
	(a) Total Sources		181,456,624	146,683,490	(34,773,134)	-19%
USES	ZWI Funding (Not OR Eligible)	See Table 7	3,161,870	3,161,870	-	0%
	I/C Processing & Disposal (Not OR Eligible)	See Table 10	31,382,228	25,208,668	(6,173,560)	-20%
	Licenses & Permits (Not OR Eligible)	See Table 10	4,004,586	4,419,928	415,342	10%
	(b) OR Eligible Expenses	See Table 10	132,303,667	117,945,707	(14,357,960)	-11%
	(c) Total Uses		170,852,351	150,736,173	(20,116,178)	-12%
(d) NET PROFIT (LOSS) = (a) less (c)			\$ 10,604,273	\$ (4,052,683)	\$ (14,656,956)	-138%
OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))			92.6%	103.6%		
OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))			94.2%	102.8%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by (a)			5.8%	-2.8%		

Table 13
Statement of Operating Ratios and Profit Margin
Combined SF Companies
October 2021 - September 2022

	Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
RSS & RGG OR Eligible Expenses	See Table 11	\$ 203,379,470	\$ 200,394,172	\$ (2,985,298)	-1%
RSF OR Eligible Expenses	See Table 12	132,303,667	117,945,707	(14,357,960)	-11%
(b) Combined Recology OR Eligible Expenses		335,683,137	318,339,879	(17,343,258)	-5%
RSS & RGG Total Uses	See Table 11	372,130,377	338,437,718	(33,692,659)	-9%
RSF Total Uses	See Table 12	170,852,351	150,736,173	(20,116,178)	-12%
(c) Combined Recology Total Uses		542,982,728	489,173,891	(53,808,837)	-10%
RSS & RGG Net Profit	See Table 11	16,753,191	20,492,656	3,739,465	22%
RSF Net Profit (Loss)	See Table 12	10,604,273	(4,052,683)	(14,656,956)	-138%
(d) Combined Recology Net Profit		\$ 27,357,464	\$ 16,439,973	\$ (10,917,491)	-40%
COMBINED OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))		92.5%	95.1%		
COMBINED OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))		95.2%	96.7%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by ((c) plus (d))		4.8%	3.3%		

Table 14
Amortization of ZWI Funds for Capital Expenditures
Recology San Francisco
October 2021 - September 2022

Capital Expenditure Project	ZWI Funds Received	Date Received	Amortization Start Date	ZWI Funds to be Amortized	Cumulative Amortization End of Prior Rate Year	Amortization in Current Report	Cumulative Amortization as of this Report	Remaining Balance
Improvements for Pier 96 - RY14	\$ 2,621,225	2/10/2016	10/1/2016	\$ 2,621,225	\$ (1,643,163)	\$ (324,355)	\$ (1,967,518)	\$ 653,707
Improvements for Pier 96 - RY15	3,157,691	2/10/2016	10/1/2016	3,157,691	(1,979,457)	(390,738)	(2,370,195)	787,496
Improvements for Pier 96 - RY16	3,200,551	9/21/2016	10/1/2016	3,200,551	(2,006,324)	(396,041)	(2,402,365)	798,186
Recycle Central Improvement - 2017	3,247,569	9/29/2017	10/1/2016	2,152,069	(1,349,064)	(266,300)	(1,615,364)	536,705
Recycle Central Improvement - 2017			10/1/2017	1,095,500	(574,067)	(135,559)	(709,626)	385,874
Pier 96 Upgrade Project	2,927,507	11/19/2019	10/1/2019	2,927,507	(512,527)	(292,090)	(804,617)	2,122,890
Pier 96 Baler Project	437,776	3/31/2020	4/1/2020	437,776	(65,577)	(43,718)	(109,295)	328,481
Tunnel Ave iMRF Upgrade Project	391,174	6/30/2020	10/1/2020	391,174	(47,276)	(47,276)	(94,552)	296,622
Tunnel Ave iMRF Upgrade Project	1,699,530	6/30/2020	10/1/2020	1,699,530	(205,401)	(205,401)	(410,802)	1,288,728
Tunnel Ave iMRF Upgrade Project	527,966	7/17/2020	10/1/2020	527,966	(63,809)	(63,809)	(127,618)	400,348
Tunnel Ave iMRF Upgrade Project	1,610,589	9/30/2020	10/1/2020	1,610,589	(194,652)	(194,652)	(389,304)	1,221,285
Tunnel Ave iMRF Upgrade Project	3,895,174	11/30/2020	10/1/2020	3,895,174	(470,761)	(470,761)	(941,522)	2,953,652
Total	\$ 23,716,752			\$ 23,716,752	\$ (9,112,078)	\$ (2,830,700)	\$ (11,942,778)	\$ 11,773,974

*Funds were released from the ZWI account to offset the cost of capital expenditures incurred by Recology San Francisco.

The funds received are being amortized and recorded as negative expenses in Table 10 over the same period as the related capital expenditure project assets.

APPENDIX A
COMBINED SF COMPANIES
Account Details

Deposits, Disbursements and Balances for RY 2022

Table A-1

Account Details	Reserve Fund	Impound	ZWI
Beginning Balance 10/1/2021	\$ 9,899,657	\$ 2,029,978	\$ 10,014,119
Deposits	-	22,007,610	8,194,285
Interest	64,554	-	3,457
Administrative Fees	(6,259)	-	-
Refund of excess iMRF reimbursement	-	-	220,482
Reconciliation Adjustment	-	(196,009)	-
Disbursements	-	(23,841,584)	(10,009,954)
Ending Balance 9/30/2022	\$ 9,957,952	\$ (5)	\$ 8,422,389

Table A-2

Interest for RY 2022

Interest	Reserve Fund	Impound	ZWI
Oct-21	\$ 208	\$ -	\$ -
Nov-21	201	-	-
Dec-21	208	-	-
Jan-22	208	-	266
Feb-22	187	-	17
Mar-22	1,042	-	19
Apr-22	2,229	-	18
May-22	5,287	-	19
Jun-22	8,195	-	18
Jul-22	12,014	-	122
Aug-22	16,622	-	1,273
Sep-22	18,153	-	1,705
Total	\$ 64,554	\$ -	\$ 3,457

Table A-3Administrative Fees for RY 2022

Administrative Fees	Reserve Fund	Impound	ZWI
Oct-21	\$ -	\$ -	\$ -
Nov-21	839	-	-
Dec-21	537	-	-
Jan-22	535	-	-
Feb-22	552	-	-
Mar-22	539	-	-
Apr-22	545	-	-
May-22	545	-	-
Jun-22	540	-	-
Jul-22	541	-	-
Aug-22	543	-	-
Sep-22	543	-	-
Total	\$ 6,259	\$ -	\$ -

ImpoundDeposit Detail for RY 2022**Table A-4**

Month	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Oct-21	790,844	1,043,124	1,833,968
Nov-21	790,844	1,043,124	1,833,968
Dec-21	790,844	1,043,124	1,833,968
Jan-22	790,844	1,043,124	1,833,968
Feb-22	790,844	1,043,124	1,833,968
Mar-22	790,844	1,043,124	1,833,968
Apr-22	790,844	1,043,124	1,833,968
May-22	790,844	1,043,124	1,833,968
Jun-22	790,844	1,043,124	1,833,968
Jul-22	790,843	1,043,123	1,833,966
Aug-22	790,843	1,043,123	1,833,966
Sep-22	790,843	1,043,123	1,833,966
Total	\$ 9,490,125	\$ 12,517,485	\$ 22,007,610

ImpoundDisbursements for RY 2022**Table A-5**

Payee	Date	Check #	Total Disbursements
City & County of San Francisco (SF Public Works)	10/31/21	1083	790,844
San Francisco Department of Environment	10/31/21	1082	1,043,124
City & County of San Francisco (SF Public Works)	11/30/21	1085	790,844
San Francisco Department of Environment	11/30/21	1084	1,043,124
City & County of San Francisco (SF Public Works)	11/30/21	1087	790,844
San Francisco Department of Environment	11/30/21	1086	1,043,124
City & County of San Francisco (SF Public Works)	12/31/21	1089	790,844
San Francisco Department of Environment	12/31/21	1088	1,043,124
City & County of San Francisco (SF Public Works)	02/10/22	1090	790,844
San Francisco Department of Environment	02/10/22	1091	1,043,124
City & County of San Francisco (SF Public Works)	02/24/22	1092	790,844
San Francisco Department of Environment	02/24/22	1093	1,043,124
City & County of San Francisco (SF Public Works)	03/15/22	1094	790,844
San Francisco Department of Environment	03/15/22	1095	1,043,124
City & County of San Francisco (SF Public Works)	04/21/22	1096	790,844
San Francisco Department of Environment	04/21/22	1097	1,043,124
City & County of San Francisco (SF Public Works)	05/19/22	1098	790,844
San Francisco Department of Environment	05/19/22	1099	1,043,124
City & County of San Francisco (SF Public Works)	07/06/22	1100	790,844
San Francisco Department of Environment	07/06/22	1101	1,043,124
City & County of San Francisco (SF Public Works)	07/21/22	1102	790,844
San Francisco Department of Environment	07/21/22	1103	1,043,124
City & County of San Francisco (SF Public Works)	09/08/22	1104	790,844
San Francisco Department of Environment	09/08/22	1105	1,043,124
City & County of San Francisco (SF Public Works)	09/29/22	1106	790,844
San Francisco Department of Environment	09/29/22	1107	1,043,124
Total			\$ 23,841,584

Zero Waste Incentives
Deposit Detail for RY 2022

Table A-6

Month	Recology Golden Gate	Recology Sunset Scavenger	Recology San Francisco	Total Deposit Amount
Oct-21	\$ 181,729	\$ 237,919	\$ 263,502	\$ 683,150
Nov-21	181,729	237,919	263,502	683,150
Dec-21	181,729	237,919	263,502	683,150
Jan-22	181,729	237,919	263,502	683,150
Feb-22	181,729	237,919	263,502	683,150
Mar-22	181,729	237,919	263,502	683,150
Apr-22	181,729	237,919	263,502	683,150
May-22	181,729	237,919	263,502	683,150
Jun-22	181,729	237,919	263,502	683,150
Jul-22	181,244	237,284	263,450	681,978
Aug-22	181,244	237,284	263,451	681,979
Sep-22	181,244	237,283	263,451	681,978
Total	\$ 2,179,293	\$ 2,853,122	\$ 3,161,870	\$ 8,194,285

Zero Waste Incentives
Disbursements for RY 2022

Table A-7

Transaction Date	Payee	Description	Amount
04/30/22	RSF	July 2021 through March 2022 75% of Tier 1 and Tier 2	\$ 2,985,189
05/31/22	RSF	July 2021 through March 2022 75% of Tier 3 and Tier 4	2,985,189
05/31/22	RSF	April 2022 through May 2022 Tiers 1 through 4, remaining 25% for 2 (April 2022 and May 2022) out of 3 months	1,326,751
07/31/22	RSF	April 2022 through May 2022 Tiers 1 through 4, remaining 25% for 1 (June 2022) out of 3 months	663,375
09/30/22	RSF	July 2022 through September 2022 25% Tiers 1 through 4	2,049,450
Total			\$ 10,009,954

APPENDIX B
Substituted Costs
Combined SF Companies
October 2021 - September 2022

Substituted Costs means all material, elective expenses incurred by the SF Recology Companies in the RY 2022 Annual Rate report for the 12 months ending September 30, 2022 not previously reported as expenses in Tables 9 and 10 of the RY 2021 Annual Rate Report (last updated on June 13, 2022), and not previously approved as expense types in the 2017 Rate Order. For the purposes of this definition, a material expense is the greater of (i) the dollar amount of the COLA applied to the prior rate year's line item amount or (ii) \$150,000. For the purposes of this definition, an elective expense is an expense incurred by the SF Recology Companies that was not incurred as a result of (a) changes in refuse volumes, including but not limited to, number of employees, employee overtime, employee benefits, fuel, and disposal and processing costs relating to those changes in refuse volumes; (b) fuel or other commodity costs; (c) changes in employee costs due to Collective Bargaining Agreements entered into on or after January 1, 2022; (d) federal, state, local, or other taxes or regulatory requirements; (e) GAAP required changes in accounting rules; (f) requirements of third-party lease amendments or agreements relating to real property leased by any of the Bound Recology Companies; and (g) bad debt.

Item Description	Crosswalk	Substituted Costs	Substituted Costs Explanation
Payroll	Table 9	\$ 2,105,538	Increase in overtime and weekend hours due to coverage for COVID-19 related and other leaves of absence.
Workers Compensation	Table 9	\$ 1,119,956	Increase in workers compensation costs due to higher claims paid and adverse loss experience.
Telephone	Table 9	\$ 155,685	Overcharge credit from telephone service provider for Recology Sunset Scavenger and Recology Golden Gate recorded in Recology San Francisco (Table 10).
Lease	Table 9	\$ 1,554,338	Interest rates and the actual costs of replacement vehicles have increased. Timing of new leases for replacement vehicles due to supply chain delays caused an increase in the lease expense in RY2022 when compared to RY2021.
Liability Insurance	Table 9	\$ 590,704	Increase in loss reserves due to adverse claims activity and increased claims administration costs.
Corporate Allocations/ Environmental Compliance	Table 9/ Table 10	\$ 409,680	Increase due to expansion of internal audit and sustainability functions.
Payroll	Table 10	\$ 899,760	Increase in overtime and weekend hours due to coverage for COVID-19 related and other leaves of absence.
Workers Compensation	Table 10	\$ 690,708	Increase in workers compensation costs due to higher claims paid and adverse loss experience.
Freight	Table 10	\$ 950,887	Increase due to higher fees at the Port of Oakland, higher freight charges due to increased fuel costs and more charges for wait time at the Port of Oakland terminal.
Liability Insurance	Table 10	\$ 277,737	Increase in loss reserves due to adverse claims activity and increased claims administration costs.
Licenses & Permits	Table 10	\$ 275,754	City of Brisbane Recycling license fee increase.
Parts	Table 10	\$ 283,425	Increase due to higher cost of parts and increase in usage of parts in the Truck and Garage facilities.
Supplies	Table 10	\$ 316,879	Increase in supplies due to inflation, and higher costs for baling wire due to extraordinary price increase and volume usage.