

**SAN FRANCISCO
QUARTERLY RATE REPORT**

**1st Quarter of Rate Year 2023
3 Months Ending December 31, 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, operating ratios 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 the first three months of Rate Year 2023 ending September 30, 2023 for the period from October 2022 to December 2022 (RY2023 Q1). This report is revised to account for the Material Mistakes or Errors disclosed on March 1, 2023 and April 24, 2023.

LOW-INCOME AND DISABLED SERVICES PROGRAMS

As of December 31, 2022, 8,462 customers participated in the low-income program. As of the same date, there were 470 participants in the disabled services program.

ACCOUNT REPORTING

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, withdrawal, or administrative fees activity to report related to the Reserve Fund. Interest earned is reflected in Table A-2.

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 2022 - December 2022**

	Actual	Tier 1	Tier 2	Tier 3	Tier 4
Tons Disposed	100,849	88,140	82,890	75,000	68,750

**Table 2
Alternative Daily Cover Tonnage
Recology San Francisco
October 2022 - December 2022**

Source	Tonnage
Composting Overs	-
iMRF Fines	3,058
C-soil	-
Clean Wood	-
Total Alternative Daily Cover	3,058

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

	Received	Recovered	Disposed	% Recovered
Recycle Central Recyclables				
Collected	32,332	26,325	6,007	81.4%
Buyback	1,714	1,714	-	100.0%
Total Recyclables	34,046	28,039	6,007	82.4%
Tunnel Avenue Compostables				
Collected	34,203	22,826	11,377	66.7%
San Francisco Public Works	746	746	-	100.0%
Other City of San Francisco Departments	66	66	-	100.0%
Account Customers	78	78	-	100.0%
Non-Account Customers	107	107	-	100.0%
Total Compostables	35,200	23,823	11,377	67.7%
Tunnel Avenue iMRF				
Collected	2,212	973	1,239	44.0%
San Francisco Public Works	-	-	-	0.0%
Other City of San Francisco Departments	7	3	4	42.9%
Account Customers	2,925	1,286	1,639	44.0%
Total iMRF	5,144	2,262	2,882	44.0%
Other Tunnel Avenue				
Collected Other Trash	45,702	-	45,702	0.0%
Collected Roll-off Trash	8,528	-	8,528	0.0%
Bulky Item Recycling & Abandoned Materials Collection	3,254	451	2,803	13.9%
Public Refuse Receptacles	4,841	-	4,841	0.0%
San Francisco Public Works	7,079	335	6,744	4.7%
Other City of San Francisco Departments	338	-	338	0.0%
Account Customers	1,980	268	1,712	13.5%
Non-Account Customers	7,660	2,338	5,322	30.5%
Collected Inerts	853	853	-	100.0%
Construction Material Reuse	2	2	-	100.0%
Other Recycling	204	204	-	100.0%
Total Other Tunnel Avenue	80,441	4,451	75,990	5.5%
Sustainable Crushing	-	-	-	0.0%
Adjustments (Inventory, moisture, etc.)	4,593	-	4,593	0.0%
Total Tons	159,424	58,575	100,849	36.7%

Disposal Breakdown	
Recology Hay Road Landfill	89,381
Recology Hay Road Landfill (RBVON residual)	11,364
Recology Ostrom Road Landfill (RBVON residual)	13
Zanker Material Processing Facility (C&D residual)	91
Total Disposal	100,849

Table 4
Number of Accounts, Service and Compliance
Recology Sunset Scavenger and Recology Golden Gate
As of December 31, 2022

	Number of Accounts	Trash Compliant		Recycling Compliant		Composting Compliant	
Residential	138,720	138,708	100.0%	138,627	99.9%	138,583	99.9%
Apartment	8,494	8,493	100.0%	8,415	99.1%	8,416	99.1%
Commercial	14,868	14,851	99.9%	14,827	99.7%	14,778	99.4%
City and County of San Francisco	372	369	99.2%	364	97.8%	356	95.7%
School District & UC	184	176	95.7%	177	96.2%	180	97.8%
Total	162,638	162,597	100.0%	162,410	99.9%	162,313	99.8%

Residential Single Dwelling Unit Accounts	
16-Gallon Trash Bins	48,663
20-Gallon Trash Bins	23,821

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

Program	Collection Weight Tons Handled	Service Standard	
		Number	Unit
HHW Facility Drop Off	42.44	2,260	Customers Served
HHW Home Collection	20.27	653	Pickups
HHW Home Collection	-	1,195	Equivalent Loads
Very Small Quantity Generator	14.01	124	Business Appointments
Residential Curbside Battery Collection	15.90	-	
Apartment Building Battery Collection	1.98	123	Pickups
Commercial Battery Collection	0.70	-	
Retail Collection Partners	9.08	203	Pickups
Gigantic 3 Collection Events	-	-	
Waste Acceptance Control Program	8.00	-	
Bulky Item Recycling - E-Waste*	-	20,139	Pickups
E-Waste sent to Processor	137.39	-	

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

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

	Projection	Actual	Variance
Residential	\$ 22,075,535	\$ 23,214,840	5%
Apartment	17,629,423	19,060,889	8%
Commercial	39,802,351	35,457,926	-11%
Commercial Compactors	8,382,565	6,345,146	-24%
Debris Box	1,788,696	901,300	-50%
ZWI Rebate Revenue	1,990,126	1,990,126	0%
Total Revenue Subject to Rate	\$ 91,668,696	\$ 86,970,227	-5%
Open Market Debris Box Revenue	\$ 4,787,010	\$ 2,434,312	-49%
Equipment & Supply Sales	522,108	293,322	-44%
CalRecycle Payment	154,667	675,605	337%
Miscellaneous Income	88,411	125,099	41%
Interest Income	-	96,847	100%
Total Other Revenue not Subject to Rate	\$ 5,552,196	\$ 3,625,185	-35%
Total Sources	\$ 97,220,892	\$ 90,595,412	-7%
Impound Account Funding	\$ (5,501,903)	\$ (5,501,903)	0%
ZWI Funding	(1,259,899)	(1,259,899)	0%
Net Revenue Retained	\$ 90,459,090	\$ 83,833,610	-7%

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

*Interest income represents a 1.5% finance charge to commercial customers for past due balances.

Table 7
Revenue
Recology San Francisco
October 2022 - December 2022

	Tonnage			Revenue		
	Projection	Actual	Variance	Projection	Actual	Variance
Tonnage & Revenue from Tipping Fee						
Recology Sunset Scavenger/Golden Gate						
Recycle Central	36,434	32,361	-11%	\$ 8,010,467	\$ 7,114,439	-11%
Compostables	43,192	34,203	-21%	9,496,092	7,519,795	-21%
<i>i</i> MRF	18,209	2,212	-88%	4,003,321	486,286	-88%
Trash	66,034	56,901	-14%	14,518,312	12,510,330	-14%
Other	3,351	724	-78%	736,729	159,271	-78%
Subtotal (Recology Sunset Scavenger/Golden Gate)	167,220	126,401	-24%	\$ 36,764,921	\$ 27,790,121	-24%
Non-Account Customers	9,621	7,755	-19%	2,115,284	1,705,104	-19%
Account Customers	6,155	7,554	23%	1,353,197	1,658,190	23%
Total San Francisco	182,996	141,710	-23%	\$ 40,233,402	\$ 31,153,415	-23%
Total Non-San Francisco	654	1,201	84%	143,727	264,113	84%
Non-rate Tonnage	-	17,714	100%			
Tipping Fee	183,650	160,625	-13%	\$ 40,377,129	\$ 31,417,528	-22%
Net Recycling Revenue				\$ 6,277,561	\$ 3,443,376	-45%
Non-rate Revenue				268,337	776,599	189%
Intercompany Dirt, Inerts & Others				426,157	124,723	-71%
Rental Income				13,469	6,000	-55%
Total Other Revenue				\$ 6,985,524	\$ 4,350,698	-38%
Total Sources				\$ 47,362,653	\$ 35,768,226	-24%
ZWI Funding				\$ (793,067)	\$ (793,067)	0%
Net Revenue Retained				\$ 46,569,586	\$ 34,975,159	-25%

**Table 8
Recycling Revenue
Recology San Francisco
October 2022 - December 2022**

Recycle Central	Tons			Revenue			Price Per Ton		
	Projection	Actual	Variance	Projection	Actual	Variance	Projection	Actual	Variance
Mixed Paper	19,088	9,616	-50%	\$ 2,580,595	\$ 251,642	-90%	\$ 135.19	\$ 26.17	-81%
Cardboard	7,890	10,391	32%	1,512,041	888,100	-41%	191.64	85.47	-55%
Aseptic Carton	-	42	100%	-	850	100%	-	20.24	100%
EPS Foam	-	-	n/a	-	-	n/a	-	-	n/a
Aluminum	100	142	42%	493,663	583,129	18%	4,936.63	4,106.54	-17%
Metal/Ferrous	400	470	18%	60,862	50,721	-17%	152.16	107.92	-29%
PET	350	617	76%	835,675	975,718	17%	2,387.64	1,581.39	-34%
HDPE Blend	325	371	14%	278,044	293,914	6%	855.52	792.22	-7%
Plastic Film	-	18	100%	-	4,686	100%	-	260.33	100%
Mixed Plastics 3-7	275	44	-84%	20,455	7,828	-62%	74.38	177.91	139%
Flint Glass	88	-	-100%	24,504	-	-100%	278.45	-	-100%
Amber Glass	81	-	-100%	22,304	-	-100%	275.36	-	-100%
Green Glass	54	-	-100%	14,114	-	-100%	261.37	-	-100%
Mixed Glass	5,750	5,720	-1%	852,146	694,240	-19%	148.20	121.37	-18%
Glass Fines	363	-	-100%	52,390	-	-100%	144.33	-	-100%
Total Recycle Central	34,764	27,431	-21%	\$ 6,746,793	\$ 3,750,828	-44%			
Tunnel Avenue									
Metal	3,297	1,496	-55%	\$ 629,243	\$ 166,780	-73%	\$ 190.85	\$ 111.48	-42%
Wood	3,331	-	-100%	76,283	-	-100%	22.90	-	-100%
Mixed Rigid Plastic	422	189	-55%	79,774	1,599	-98%	189.04	8.46	-96%
SB20/50 E-Waste	113	72	-36%	36,935	56,415	53%	326.86	783.54	140%
Total Tunnel Avenue	7,163	1,757	-75%	\$ 822,235	\$ 224,794	-73%			
Sustainable Crushing				\$ 214,040	\$ 6,533	-97%			
Total Recycling Revenue				\$ 7,783,068	\$ 3,982,155	-49%			
Processing Expenses				\$ (266,048)	\$ (227,271)	-15%			
Purchases				(1,239,459)	(311,508)	-75%			
Net Recycling Revenue				\$ 6,277,561	\$ 3,443,376	-45%			

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

Item Description	Projection	Actual	Variance
Payroll	\$ 22,355,965	\$ 22,862,597	2%
Payroll Taxes	1,694,304	1,422,391	-16%
Pension	3,713,813	4,052,475	9%
Health Insurance	7,171,877	6,382,243	-11%
Workers Compensation	2,862,074	1,925,644	-33%
Total Payroll & Related	\$ 37,798,033	\$ 36,645,350	-3%
Corporate Allocations	\$ 2,037,160	\$ 3,179,078	56%
Bad Debt	42,890	107,982	152%
O/S Billing Services	89,942	99,414	11%
Office	121,171	72,917	-40%
Postage	94,539	7,425	-92%
Professional Services	204,014	294,099	44%
Security & Janitorial	128,774	189,875	47%
Taxes	500,800	995,845	99%
Telephone	167,443	162,311	-3%
Total Administrative	\$ 3,386,733	\$ 5,108,946	51%
Building & Facility Repair	\$ 44,110	\$ 77,943	77%
Depreciation	62,533	256,851	311%
Environmental Compliance	166,937	87,714	-47%
Freight	19,980	11,499	-42%
Fuel	1,376,282	1,477,560	7%
I/C Disposal	13,701,953	12,627,245	-8%
I/C Processing	21,251,071	15,207,836	-28%
Lease	3,529,746	4,193,304	19%
Liability Insurance	882,595	1,525,691	73%
Licenses & Permits	474,696	634,885	34%
O/S Disposal	9,710	12,522	29%
O/S Equipment Rental	60,617	62,495	3%
Parts	692,649	721,223	4%
Property Rental	501,686	273,550	-45%
Repairs & Maintenance	370,944	311,965	-16%
Supplies	679,692	581,789	-14%
Tires & Tubes	243,404	182,795	-25%
Utilities	143,867	373,916	160%
Total Operating	\$ 44,212,472	\$ 38,620,783	-13%
Contract Services	\$ 305,345	\$ 121,380	-60%
Other	570,005	593,820	4%
Total Other	\$ 875,350	\$ 715,200	-18%
Total Expenses	\$ 86,272,588	\$ 81,090,279	-6%

Table 10
Expenses
Recology San Francisco
October 2022 - December 2022

Item Description	Projection	Actual	Variance
Payroll	\$ 14,068,049	\$ 12,078,381	-14%
Payroll Taxes	1,099,887	744,896	-32%
Pension	1,692,012	2,171,094	28%
Health Insurance	4,539,232	3,700,218	-18%
Workers Compensation	1,120,640	843,455	-25%
Total Payroll & Related	\$ 22,519,820	\$ 19,538,044	-13%
Corporate Allocations	471,221	62,429	-87%
Bad Debt	16,451	100,000	508%
Office	67,622	50,721	-25%
Postage	1,008	677	-33%
Professional Services	741,537	310,649	-58%
Repairs & Maintenance	236,544	221,119	-7%
Security & Janitorial	199,272	322,360	62%
Taxes	548,173	864,174	58%
Telephone	83,252	81,500	-2%
Total Administrative	\$ 2,365,080	\$ 2,013,629	-15%
Bridge Tolls	387,102	240,647	-38%
Building & Facility Repair	217,547	250,624	15%
Depreciation	365,258	1,223,629	235%
Amortization of ZWI Funding For Capital Expenditures	-	(707,675)	-100%
Environmental Compliance	13,180	1,633	-88%
Freight	522,960	1,556,999	198%
Fuel	1,619,741	868,017	-46%
I/C Processing & Disposal	8,143,121	6,411,249	-21%
Lease	1,324,112	1,433,809	8%
Liability Insurance	270,595	663,402	145%
Licenses & Permits	1,039,983	1,161,430	12%
O/S Disposal	416,347	305,327	-27%
O/S Equipment Rental	74,876	54,713	-27%
Parts	541,931	445,871	-18%
Property Rental	2,213,477	2,007,006	-9%
Supplies	723,620	560,743	-23%
Tires & Tubes	105,601	24,933	-76%
Utilities	493,629	587,456	19%
Total Operating	\$ 18,473,080	\$ 17,089,813	-7%
Contract Services	86,369	29,875	-65%
Other	262,432	172,225	-34%
Total Other	\$ 348,801	\$ 202,100	-42%
Total Expenses	\$ 43,706,781	\$ 38,843,586	-11%

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

		Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
SOURCES	Residential	See Table 6	\$ 22,075,535	\$ 23,214,840	\$ 1,139,305	5%
	Apartment	See Table 6	17,629,423	19,060,889	1,431,466	8%
	Commercial	See Table 6	39,802,351	35,457,926	(4,344,425)	-11%
	Commercial Compactors	See Table 6	8,382,565	6,345,146	(2,037,419)	-24%
	Debris Box	See Table 6	1,788,696	901,300	(887,396)	-50%
	Current Ratepayer Revenue		89,678,570	84,980,101	(4,698,469)	-5%
	ZWI Rebate Revenue	See Table 6	1,990,126	1,990,126	-	0%
	Applied Ratepayer Revenue from Prior Years		1,990,126	1,990,126	-	0%
	Open Market Debris Box and Other Non Rate Revenue	See Table 6	5,552,196	3,625,185	(1,927,011)	-35%
	(a) Total Sources		97,220,892	90,595,412	(6,625,480)	-7%
USES	Impound Account Funding (Not OR Eligible)	See Table 6	5,501,903	5,501,903	-	0%
	ZWI Funding (Not OR Eligible)	See Table 6	1,259,899	1,259,899	-	0%
	Processing (Not OR Eligible)	See Table 9	21,251,071	15,207,836	(6,043,235)	-28%
	Disposal (Not OR Eligible)	See Table 9	13,701,953	12,627,245	(1,074,708)	-8%
	Licenses & Permits (Not OR Eligible)	See Table 9	474,696	634,885	160,189	34%
	(b) OR Eligible Expenses	See Table 9	50,844,868	52,620,313	1,775,445	3%
	(c) Total Uses		93,034,390	87,852,081	(5,182,309)	-6%
(d) NET PROFIT = (a) less (c)			\$ 4,186,502	\$ 2,743,331	\$ (1,443,171)	-34%
OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))			92.4%	95.0%		
OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))			95.7%	97.0%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by (a)			4.3%	3.0%		

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

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

		Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
SOURCES	Tipping Fee Revenue	See Table 7	\$ 40,377,129	\$ 31,417,528	\$ (8,959,601)	-22%
	Net Recycling Revenue	See Table 7	6,277,561	3,443,376	(2,834,185)	-45%
	Other Revenue	See Table 7	707,963	907,322	199,359	28%
	Revenue		47,362,653	35,768,226	(11,594,427)	-24%
	(a) Total Sources		47,362,653	35,768,226	(11,594,427)	-24%
USES	ZWI Funding (Not OR Eligible)	See Table 7	793,067	793,067	-	0%
	I/C Processing & Disposal (Not OR Eligible)	See Table 10	8,143,121	6,411,249	(1,731,872)	-21%
	Licenses & Permits (Not OR Eligible)	See Table 10	1,039,983	1,161,430	121,447	12%
	(b) OR Eligible Expenses	See Table 10	34,523,677	31,270,907	(3,252,770)	-9%
	(c) Total Uses		44,499,848	39,636,653	(4,863,195)	-11%
(d) NET PROFIT (LOSS) = (a) less (c)			\$ 2,862,805	\$ (3,868,427)	\$ (6,731,232)	-235%
OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))			92.3%	114.1%		
OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))			94.0%	110.8%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by (a)			6.0%	-10.8%		

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

	Crosswalk	Projection	Actual	Dollar Variance	Percentage Variance
RSS & RGG OR Eligible Expenses	See Table 11	\$ 50,844,868	\$ 52,620,313	\$ 1,775,445	3%
RSF OR Eligible Expenses	See Table 12	34,523,677	31,270,907	(3,252,770)	-9%
(b) Combined Recology OR Eligible Expenses		85,368,545	83,891,220	(1,477,325)	-2%
RSS & RGG Total Uses	See Table 11	93,034,390	87,852,081	(5,182,309)	-6%
RSF Total Uses	See Table 12	44,499,848	39,636,653	(4,863,195)	-11%
(c) Combined Recology Total Uses		137,534,238	127,488,734	(10,045,504)	-7%
RSS & RGG Net Profit	See Table 11	4,186,502	2,743,331	(1,443,171)	-34%
RSF Net Profit (Loss)	See Table 12	2,862,805	(3,868,427)	(6,731,232)	-235%
(d) Combined Recology Net Profit (Loss)		\$ 7,049,307	\$ (1,125,096)	\$ (8,174,403)	-116%
COMBINED OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES = 100% less ((d) divided by ((b) plus (d)))		92.4%	101.4%		
COMBINED OPERATING RATIO ON ALL EXPENSES = 100% less ((d) divided by ((c) plus (d)))		95.1%	100.9%		
PROFIT MARGIN ON ALL EXPENSES = (d) divided by ((c) plus (d))		4.9%	-0.9%		

Table 14
Amortization of ZWI Funds for Capital Expenditures
Recology San Francisco
October 2022 - December 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	\$ (1,967,518)	\$ (81,089)	\$ (2,048,607)	\$ 572,618
Improvements for Pier 96 - RY15	3,157,691	2/10/2016	10/1/2016	3,157,691	(2,370,195)	(97,684)	(2,467,879)	689,812
Improvements for Pier 96 - RY16	3,200,551	9/21/2016	10/1/2016	3,200,551	(2,402,365)	(99,010)	(2,501,375)	699,176
Recycle Central Improvement - 2017	3,247,569	9/29/2017	10/1/2016	2,152,069	(1,615,364)	(66,575)	(1,681,939)	470,130
Recycle Central Improvement - 2017			10/1/2017	1,095,500	(709,626)	(33,890)	(743,516)	351,984
Pier 96 Upgrade Project	2,927,507	11/19/2019	10/1/2019	2,927,507	(804,617)	(73,023)	(877,640)	2,049,867
Pier 96 Baler Project	437,776	3/31/2020	4/1/2020	437,776	(109,295)	(10,929)	(120,224)	317,552
Tunnel Ave iMRF Upgrade Project	391,174	6/30/2020	10/1/2020	391,174	(94,552)	(11,819)	(106,371)	284,803
Tunnel Ave iMRF Upgrade Project	1,699,530	6/30/2020	10/1/2020	1,699,530	(410,802)	(51,350)	(462,152)	1,237,378
Tunnel Ave iMRF Upgrade Project	527,966	7/17/2020	10/1/2020	527,966	(127,618)	(15,952)	(143,570)	384,396
Tunnel Ave iMRF Upgrade Project	1,610,589	9/30/2020	10/1/2020	1,610,589	(389,304)	(48,663)	(437,967)	1,172,622
Tunnel Ave iMRF Upgrade Project	3,895,174	11/30/2020	10/1/2020	3,895,174	(941,522)	(117,691)	(1,059,213)	2,835,961
Total	\$23,716,752			\$ 23,716,752	\$ (11,942,778)	\$ (707,675)	\$(12,650,453)	\$11,066,299

*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 RY2023 Q1

Table A-1

Account Details	Reserve Fund	Impound	ZWI
Beginning Balance 10/1/2022	\$ 9,957,952	\$ (5)	\$ 8,422,389
Deposits	-	5,501,903	2,052,966
Disbursements	-	(5,501,903)	-
Interest	83,444	179	8,385
Rounding Adjustment	-	5	-
Ending Balance 12/31/2022	\$ 10,041,396	\$ 179	\$ 10,483,740

Interest for RY2023 Q1

Table A-2

Interest	Reserve Fund	Impound	ZWI
Oct-22	\$ 23,544	\$ -	\$ 1,746
Nov-22	27,985	-	1,751
Dec-22	31,915	179	4,888
Total	\$ 83,444	\$ 179	\$ 8,385

Administrative Fees for RY2023 Q1

Table A-3

Administrative Fees	Reserve Fund	Impound	ZWI
Oct-22	\$ -	\$ -	\$ -
Nov-22	-	-	-
Dec-22	-	-	-
Total	\$ -	\$ -	\$ -

Impound

Deposit Detail for RY2023 Q1

Table A-4

Month	Recology Golden Gate	Recology Sunset Scavenger	Total Deposit Amount
Oct-22	\$ 790,844	\$ 1,043,124	\$ 1,833,968
Nov-22	790,844	1,043,124	1,833,968
Dec-22	790,843	1,043,124	1,833,967
Total	\$ 2,372,531	\$ 3,129,372	\$ 5,501,903

Impound

Disbursements for RY2023 Q1

Table A-5

Payee	Date	Check #	Total Disbursements
City & County of San Francisco (SF Public Works)	10/25/22	1108	\$ 790,843
San Francisco Department of Environment	10/25/22	1109	1,043,124
City & County of San Francisco (SF Public Works)	11/30/22	1110	790,844
San Francisco Department of Environment	11/30/22	1111	1,043,124
City & County of San Francisco (SF Public Works)	12/22/22	1112	790,844
San Francisco Department of Environment	12/22/22	1113	1,043,124
Total			\$ 5,501,903

Zero Waste Incentives

Deposit Detail for RY2023 Q1

Table A-6

Month	Recology Golden Gate	Recology Sunset Scavenger	Recology San Francisco	Total Deposit Amount
Oct-22	\$ 181,244	\$ 237,284	\$ 263,451	\$ 681,979
Nov-22	181,244	237,284	263,450	681,978
Dec-22	183,113	239,730	266,166	689,009
Total	\$ 545,601	\$ 714,298	\$ 793,067	\$ 2,052,966

NOTES

- (1) Q1 2023 Zero Waste Incentives Disbursement of \$1,930,802 to Recology San Francisco were outstanding as of December 31, 2022. The payment cleared the bank on January 3, 2023.

APPENDIX B
Substituted Costs
Combined SF Companies
October 2022 - December 2022

Substituted Costs means all material, elective expenses incurred by the SF Recology Companies in the RY 2023 Quarterly Rate report for the 3 months ending December 31, 2022 not previously reported as expenses in Tables 9 and 10 of the RY 2022 Quarterly Rate report for the 6 months ending December 31, 2021 (this report includes 6 months of reporting activity, of which Recology Companies are presenting the last 3 months for this reporting period), 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	Rate Report Table	Q1 RY2023	Q1 RY2022 *	Increase in Expenses	Carve-Outs	Non-Elective	Substituted Costs	Notes
Payroll	Table 9	\$ 22,862,597	\$ 20,905,499	\$ 1,957,098	\$ 1,077,000	\$ 880,098	\$ -	Carve out for increase of payroll rates due to Collective Bargaining Agreement and expenses incurred due to Prop G. Non-elective expenses from increase in overtime and weekend hours due to coverage for COVID-19 related leaves of absence.
Workers Compensation	Table 9	\$ 1,925,644	\$ 1,751,400	\$ 174,244	\$ -	\$ 174,244	\$ -	Increase in workers compensation costs due to higher claims paid and adverse loss experience.
Corporate Allocations/ Environmental Compliance	Table 9/ Table 10	\$ 3,330,854	\$ 3,034,182	\$ 296,672	\$ -	\$ 296,672	\$ -	Increase due to higher overall IT and C2C costs. C2C project is modernization of billing and operations system. IT costs increased for systems support and mobile technology.
Lease	Table 9	\$ 4,193,304	\$ 3,879,873	\$ 313,431	\$ -	\$ 313,431	\$ -	Increase due to timing of vehicle deliveries.
Payroll	Table 10	\$ 12,078,381	\$ 11,391,174	\$ 687,207	\$ 683,471	\$ 3,736	\$ -	Carve out for increase of payroll rates due to Collective Bargaining Agreement and expenses incurred due to Prop G. Non-elective expenses from increase in overtime and weekend hours due to coverage for COVID-19 related leaves of absence.
Professional Services	Table 10	\$ 310,649	\$ 116,155	\$ 194,494	\$ -	\$ 194,494	\$ -	Increase in expenses due to Union matters and support of the Collective Bargain Agreement. Also incurred additional costs for Engineering and Waste Zero support.
Taxes	Table 10	\$ 864,174	\$ 380,719	\$ 483,455	\$ 483,455	\$ -	\$ -	Taxes are carved out per (d) of the substituted costs definition.
Building & Facility Repa	Table 10	\$ 250,624	\$ 46,556	\$ 204,068	\$ -	\$ 204,068	\$ -	Increase due to a credit for LNG overcharge and increase in fire suppression and electrical costs in Q1 RY2023.
Freight	Table 10	\$ 1,556,999	\$ 624,398	\$ 932,601	\$ -	\$ 932,601	\$ -	Increase from freight costs incurred to haul sustainable crushing material to Hay Road Landfill for disposal due to the requirement to vacate Pier 94 and close the sustainable crushing operations.
Property Rental	Table 10	\$ 2,007,006	\$ 1,744,297	\$ 262,709	\$ -	\$ 262,709	\$ -	Due to reversal in Q1 RY2022 of excess accruals for estimated rent increases for Pier 96 and Pier 94.

* Obtained by calculating the difference between the YTD 6 months ending 12/31/21 and the YTD 3 months ending 9/30/21 rate reports.