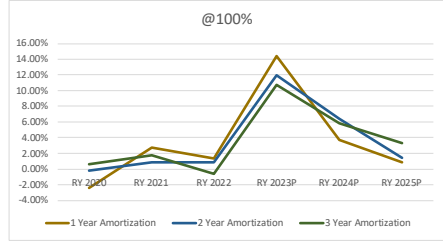
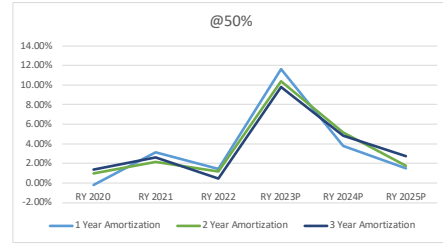


Recology San Francisco Companies

Revised Annual Rate Adjustments for Impact of New Balancing Account Amortization
Rate Increase (Decrease)

	30-Jun RY 2020	30-Jun RY 2021	30-Sep RY 2022	30-Sep RY 2023P	30-Sep RY 2024P	30-Sep RY 2025P
Actual Annual Rate Increase before impact of amortization of balancing account activity	2.11%	3.50%	1.56%	8.86%	3.90%	2.17%
@50%						
1 Year Amortization	-0.16%	3.12%	1.46%	11.65%	3.78%	1.49%
2 Year Amortization	0.97%	2.17%	1.19%	10.41%	5.16%	1.77%
3 Year Amortization	1.35%	2.61%	0.47%	9.81%	4.85%	2.73%
@100%						
1 Year Amortization	-2.43%	2.74%	1.36%	14.44%	3.65%	0.82%
2 Year Amortization	-0.16%	0.84%	0.82%	11.96%	6.42%	1.37%
3 Year Amortization	0.60%	1.72%	-0.61%	10.76%	5.80%	3.29%



	30-Jun RY 2018	30-Jun RY 2019	30-Jun RY 2020	30-Jun RY 2021	30-Sep RY 2022	30-Sep RY 2023P	30-Sep RY 2024P	30-Sep RY 2025P	
Scenario 1 - based on SSGG actuals									
Total Sources - SSGG	355,752,899	376,679,786	374,908,368	340,118,862	358,930,374	383,323,614	383,448,414	391,869,386	
Target Profit	17,402,820	18,187,654	18,904,445	18,784,135	19,819,204	21,141,727	20,618,901	21,137,156	
Actual Profit	34,522,012	38,073,327	37,639,702	18,531,808	20,492,656	27,002,207	20,618,901	21,137,156	
Excess / (shortfall) Profit	17,119,192	19,885,673	18,735,257	(252,327)	673,452	5,860,480	0	0	
Excess / (shortfall) Profit %	98%	109%	99%	-1%	3%	28%	0%	0%	
50%	8,559,596	9,942,837	9,367,629	(126,164)	336,726	2,930,240	0	0	\$27,743,898 Excess profit Recology would keep at 50% balancing acct for RY18 - RY21
100%	17,119,192	19,885,673	18,735,257	(252,327)	673,452	5,860,480	0	0	
True-up in year following release of results									
50%			(8,559,596)	(9,942,837)	(9,367,629)	126,164	(336,726)	(2,930,240)	
100%			(17,119,192)	(19,885,673)	(18,735,257)	252,327	(673,452)	(5,860,480)	
% Increase (Reduction) to Rates									
50%			-2.27%	-2.65%	-2.75%	0.04%	-0.09%	-0.76%	
100%			-2.27%	-2.65%	-2.75%	0.04%	-0.09%	-0.76%	
Subtotal			-2.27%	-0.38%	-0.10%	2.79%	-0.12%	-0.68%	Reverse prior year amortization of balancing account - calculated on current revenue levels
annual rate adjustment SSGG	new rate	7.45%	2.11%	3.50%	1.56%	8.86%	3.90%	2.17%	
Total for 50%			-0.16%	3.12%	1.46%	11.65%	3.78%	1.49%	
100%			-4.54%	-5.30%	-5.51%	0.07%	-0.18%	-1.53%	
100%			-4.54%	-5.30%	-5.51%	0.07%	-0.18%	-1.53%	
Subtotal			-4.54%	-0.76%	-0.20%	5.58%	-0.25%	-1.35%	Reverse prior year amortization of balancing account - calculated on current revenue levels
annual rate adjustment SSGG	new rate	7.45%	2.11%	3.50%	1.56%	8.86%	3.90%	2.17%	
Total for 100%			-2.43%	2.74%	1.36%	14.44%	3.65%	0.82%	
Scenario 2 - based on RSF actuals									
Total Sources - RSF	153,008,512	160,380,252	150,939,025	140,869,017	149,550,959	146,683,490	146,817,319	173,813,280	
Target Profit	11,065,034	11,976,688	12,015,319	11,507,043	11,664,960	12,362,065	12,414,173	12,439,927	
Actual Profit	7,694,816	3,232,139	(5,434,163)	(6,256,252)	(4,052,683)	(12,476,319)	12,414,173	12,439,927	
Excess / (shortfall) Profit	(3,370,218)	(8,744,549)	(17,449,482)	(17,763,295)	(15,717,643)	(24,838,384)	0	(0)	
Excess / (shortfall) Profit %	-30%	-73%	-145%	-154%	-135%	-201%	0%	0%	
50%	(1,685,109)	(4,372,274)	(8,724,741)	(8,881,647)	(7,858,822)	(12,419,192)	0	(0)	
100%	(3,370,218)	(8,744,549)	(17,449,482)	(17,763,295)	(15,717,643)	(24,838,384)	0	(0)	
True-up in year following release of results									
50%			1,685,109	4,372,274	8,724,741	8,881,647	7,858,822	12,419,192	
100%			3,370,218	8,744,549	17,449,482	17,763,295	15,717,643	24,838,384	
% Increase (Reduction) to Rates									
50%			1.05%	2.90%	6.19%	5.94%	5.36%	8.46%	
100%			1.05%	-1.05%	-2.90%	-6.19%	-5.94%	-5.36%	
Subtotal			1.05%	1.85%	3.30%	-0.25%	-0.58%	3.10%	
annual rate adjustment RSF	new rates	4.35%	2.90%	3.06%	3.48%	5.96%	16.36%	0.08%	
Total for 50%			3.95%	4.91%	6.78%	5.71%	15.78%	3.18%	
100%			2.10%	5.79%	12.39%	11.88%	10.72%	16.92%	
100%			2.10%	-2.10%	-5.79%	-12.39%	-11.88%	-10.72%	
Subtotal			3.69%	3.69%	6.59%	-0.51%	-1.16%	6.20%	
annual rate adjustment RSF	new rates	4.35%	2.90%	3.06%	3.48%	5.96%	16.36%	0.08%	
Total for 100%			5.00%	6.75%	10.07%	5.45%	15.20%	6.28%	
Scenario 3 - based SSGG actuals - amortize over 2 years									
Total Sources - SSGG	355,752,899	376,679,786	374,908,368	340,118,862	358,930,374	383,323,614	383,448,414	391,869,386	
Target Profit	17,402,820	18,187,654	18,904,445	18,784,135	19,819,204	21,141,727	20,618,901	21,137,156	
Actual Profit	34,522,012	38,073,327	37,639,702	18,531,808	20,492,656	27,002,207	20,618,901	21,137,156	
Excess / (shortfall) Profit	17,119,192	19,885,673	18,735,257	(252,327)	673,452	5,860,480	0	0	
Excess / (shortfall) Profit %	98%	109%	99%	-1%	3%	28%	0%	0%	
50%	8,559,596	9,942,837	9,367,629	(126,164)	336,726	2,930,240	0	0	
100%	17,119,192	19,885,673	18,735,257	(252,327)	673,452	5,860,480	0	0	
True-up in year following release of results									
50%			(8,559,596)	(9,942,837)	(9,367,629)	126,164	(336,726)	(2,930,240)	
Amortized over 2 years			(4,279,798)	(9,251,216)	(9,655,233)	(4,620,733)	(105,281)	(1,633,483)	(1,465,120) Balance
100%			(17,119,192)	(19,885,673)	(18,735,257)	252,327	(673,452)	(5,860,480)	
Amortized over 2 years			(8,559,596)	(18,502,433)	(19,310,465)	(9,241,465)	(210,562)	(3,266,966)	(2,930,240) Balance
% Increase (Reduction) to Rates									
50%			-1.14%	-2.47%	-2.84%	-1.29%	-0.03%	-0.43%	
100%			-1.14%	-2.47%	-2.84%	-1.29%	-0.03%	-0.43%	
Subtotal			-1.14%	-1.33%	-0.37%	1.55%	1.26%	-0.40%	
annual rate adjustment SSGG	new rate	7.45%	2.11%	3.50%	1.56%	8.86%	3.90%	2.17%	
Total for 50%			0.97%	2.17%	1.19%	10.41%	5.16%	1.77%	
100%			-2.27%	-4.94%	-5.68%	-2.57%	-0.05%	-0.85%	
100%			-2.27%	-2.27%	4.94%	5.68%	2.57%	0.05%	
Subtotal			-2.27%	-2.66%	-0.74%	3.10%	2.52%	-0.80%	
annual rate adjustment SSGG	new rate	7.45%	2.11%	3.50%	1.56%	8.86%	3.90%	2.17%	
Total for 100%			-0.16%	0.84%	0.82%	11.96%	6.42%	1.37%	
Scenario 4 - based SSGG actuals - amortize over 3 years									
Total Sources - SSGG	355,752,899	376,679,786	374,908,368	340,118,862	358,930,374	383,323,614	383,448,414	391,869,386	
Target Profit	17,402,820	18,187,654	18,904,445	18,784,135	19,819,204	21,141,727	20,618,901	21,137,156	
Actual Profit	34,522,012	38,073,327	37,639,702	18,531,808	20,492,656	27,002,207	20,618,901	21,137,156	
Excess / (shortfall) Profit	17,119,192	19,885,673	18,735,257	(252,327)	673,452	5,860,480	0	0	
Excess / (shortfall) Profit %	98%	109%	99%	-1%	3%	28%	0%	0%	
50%	8,559,596	9,942,837	9,367,629	(126,164)	336,726	2,930,240	0	0	
100%	17,119,192	19,885,673	18,735,257	(252,327)	673,452	5,860,480	0	0	
True-up in year following release of results									
50%			(8,559,596)	(9,942,837)	(9,367,629)	126,164	(336,726)	(2,930,240)	
Amortized over 3 years			(2,853,199)	(6,167,478)	(9,290,021)	(6,394,767)	(3,192,730)	(1,046,934)	(2,065,735) Balance
100%			(17,119,192)	(19,885,673)	(18,735,257)	252,327	(673,452)	(5,860,480)	
Amortized over 3 years			(5,706,397)	(12,334,955)	(18,580,041)	(12,789,535)	(6,385,461)	(2,093,868)	(4,131,471) Balance
% Increase (Reduction) to Rates									
50%			-0.76%	-1.65%	-2.73%	-1.78%	-0.83%	-0.27%	
100%			-0.76%	0.76%	1.65%	2.73%	1.78%	0.83%	
Subtotal			-0.76%	-0.89%	-1.09%	0.95%	0.95%	0.56%	
annual rate adjustment SSGG	new rate	7.45%	2.11%	3.50%	1.56%	8.86%	3.90%	2.17%	
Total for 50%			1.35%	2.61%	0.47%	9.81%	4.85%	2.73%	
100%			-1.51%	-3.29%	-5.46%	-3.56%	-1.67%	-0.55%	
100%			-1.51%	1.51%	3.29%	5.46%	3.56%	1.67%	
Subtotal			-1.51%	-1.78%	-2.17%	1.90%	1.90%	1.12%	
annual rate adjustment SSGG	new rate	7.45%	2.11%	3.50%	1.56%	8.86%	3.90%	2.17%	
Total for 100%			0.60%	1.72%	-0.61%	10.76%	5.80%	3.29%	

	30-Jun RY 2018	30-Jun RY 2019	30-Jun RY 2020	30-Jun RY 2021	30-Jun RY 2022	30-Jun RY 2022	30-Sep RY 2023P	30-Sep RY 2024P	30-Sep RY 2025P
SSGG									
		5.88%	-0.47%	-9.28%	4.86%	0.64%	6.80%	0.03%	2.20%
Total Sources	355,752,899	376,679,786	374,908,368	340,118,862	356,645,722	358,930,374	383,323,614	383,448,414	391,869,386
Impound	(19,692,816)	(20,315,113)	(20,863,621)	(21,435,285)	(22,007,611)	(22,007,610)	(23,387,731)	(23,847,771)	(23,847,771)
ZWI	(4,506,108)	(4,648,499)	(4,774,008)	(4,904,816)	(5,035,774)	(5,032,415)	(5,313,635)	(5,148,290)	(5,277,692)
Total Revenue Retained	331,553,975	351,716,174	349,270,739	313,778,761	329,602,337	331,890,349	354,622,249	354,452,353	362,743,922
% revenue change		6.081%	-0.695%	-10.162%	5.043%		6.849%	-0.048%	2.339%
Total OR Eligible	175,961,842	183,897,386	191,144,939	189,928,478	198,941,761	200,394,172	213,766,353	208,479,995	213,720,134
Total Non-OR Eligible	121,070,121	129,745,461	120,486,098	105,318,475	110,966,312	111,003,521	113,853,689	125,353,457	127,886,633
I/C Disposal	47,250,061	49,709,901	47,629,455	46,064,085	50,198,237	50,093,931	50,508,980	55,688,560	56,819,239
I/C Processing	71,919,715	77,969,467	70,477,008	56,859,223	58,289,807	58,416,524	60,831,344	67,225,568	68,571,494
License & Permits	1,900,345	2,066,093	2,379,635	2,395,167	2,478,268	2,493,066	2,513,365	2,439,330	2,495,900
Total Expenses	297,031,963	313,642,847	311,631,037	295,246,953	309,908,073	311,397,693	327,620,042	333,833,452	341,606,766
OR as % of total Expense	59%	59%	61%	64%	64%	64%	65%	62%	63%
OR as % of total Uses	55%	54%	57%	59%	59%	59%	60%	57%	58%
% expense change		6%	-1%	-5%	5%		5%	2%	2%
Net Actual Profits	34,522,012	38,073,327	37,639,702	18,531,808	19,694,264	20,492,656	27,002,207	20,618,901	21,137,156
Target Profit	17,402,820	18,187,654	18,904,445	18,784,135	19,675,559	19,819,204	21,141,727	20,618,901	21,137,156
Excess / (Short)	17,119,192	19,885,673	18,735,257	(252,327)	18,705	673,452	5,860,480	0	0
Net Actual profit as % of Revenue Retained	10.4%	10.8%	10.8%	5.9%	6.0%	6.2%	7.6%	5.8%	5.8%
Net Actual profit as % of Total Sources	9.7%	10.1%	10.0%	5.4%	5.5%	5.7%	7.0%	5.4%	5.4%
RSF									
Total Sources	153,008,512	160,380,252	150,939,025	140,869,017	149,550,959	146,683,490	146,817,319	173,813,280	175,659,215
ZWI	(2,761,284)	(2,881,399)	(2,964,960)	(3,055,688)	(3,162,026)	(3,161,870)	(3,172,268)	(3,099,669)	(3,106,099)
Total Revenue Retained	150,247,228	157,498,853	147,974,065	137,813,329	146,388,933	143,521,620	143,645,051	170,713,611	172,553,116
% revenue change		4.826%	-6.048%	-6.867%	6.223%		0.086%	18.844%	1.078%
Total OR Eligible	111,879,791	121,097,622	121,488,229	116,348,988	117,626,863	117,945,707	124,994,209	125,521,082	125,781,488
Total Non-OR Eligible	30,672,621	33,169,092	31,919,999	27,720,593	29,405,863	29,628,596	31,127,161	32,778,357	34,331,701
I/C Processing & Disposal	28,128,414	29,795,427	27,705,465	23,576,419	25,004,312	25,208,668	26,581,911	28,092,680	29,511,394
License & Permits	2,544,207	3,373,665	4,214,534	4,144,174	4,401,551	4,419,928	4,545,250	4,685,676	4,820,307
Total Expenses	142,552,412	154,266,714	153,408,228	144,069,581	147,032,726	147,574,303	156,121,370	158,299,438	160,113,189
OR as % of total Expense	78%	78%	79%	81%	80%	80%	80%	79%	79%
OR as % of total Uses	77%	77%	78%	79%	78%	78%	78%	78%	77%
% expense change		8%	-1%	-6%	2%		6%	1%	1%
Net Actual Profits	7,694,816	3,232,139	(5,434,163)	(6,256,252)	(643,793)	(4,052,683)	(12,476,319)	12,414,173	12,439,927
Target Profit	11,065,034	11,976,688	12,015,319	11,507,043	11,633,426	11,664,960	12,362,065	12,414,173	12,439,927
Excess / (Short)	(3,370,218)	(8,744,549)	(17,449,482)	(17,763,295)	(12,277,219)	(15,717,643)	(24,838,384)	0	(0)
Net Actual profit as % of Revenue Retained	5.1%	2.1%	-3.7%	-4.5%	-0.4%	-2.8%	-8.7%	7.3%	7.2%
Net Actual profit as % of Total Sources	5.0%	2.0%	-3.6%	-4.4%	-0.4%	-2.8%	-8.5%	7.1%	7.1%
Combined / Consolidated									
Combined Net Actual Profits	42,216,828	41,305,466	32,205,539	12,275,556	19,050,471	16,439,973	14,525,888	33,033,074	33,577,083
Combined Target Profits	28,467,854	30,164,341	30,919,764	30,291,178	31,308,985	31,484,164	33,503,792	33,033,074	33,577,083
Excess / (Short)	13,748,974	11,141,125	1,285,775	(18,015,622)	(12,258,514)	(15,044,191)	(18,977,904)	0	(0)
Combined Revenue Retained	481,801,203	509,215,027	497,244,804	451,592,090	475,991,270	475,411,969	498,267,300	525,165,964	535,297,038
Consolidated Revenue Retained	362,631,427	381,535,659	379,138,341	348,668,782	367,503,226	366,901,514	386,926,976	402,251,837	409,906,305
Profit margin % on combined revenue retained	8.76%	8.11%	6.48%	2.72%	4.00%	3.46%	2.92%	6.29%	6.27%
Profit margin % on consolidated revenue retained	11.64%	10.83%	8.49%	3.52%	5.18%	4.48%	3.75%	8.21%	8.19%