



Refuse Rate Board Hearing

September 30, 2024



Recology Update

- 1) Introduction
- 2) YTD Financial Results through 6/30/24
- 3) Program Enhancements
 - Abandoned Materials and Public Receptacle Updates
- 4) City-Wide Weekend Clean-ups
- 5) Hydrogen Powered Truck Test
- 6) Contamination Program Update
- 7) Additional Initiatives
 - Organics Processing, Trash Processing Test, and Waste Characterization Study
- 8) Facilities Update
- 9) YTD Summary

6/30/24 YTD Financial Results

	Projection	Adjusted Actual
Revenue	\$396.8M	\$386.5M
Expenses	\$373.2M	\$368.3M
Net Profit	\$23.6M	\$18.2M
OR Eligible Expenses	\$238.8M	\$238.3M

	9 Months Ending 6/30	
Adjusted Net Profit	\$18.2M	
Target Profit	\$23.6M	
Target Surplus (Shortfall)	(\$5.4M)	
50% of Target (Shortfall)	(\$2.7M)	
(estimate full year)	RY24	RY25
Surplus (Shortfall)	(\$6.0M)	(\$23.8M)
Balancing Account	(\$3.0M)	(\$11.9M)

Program Enhancements

- Additional Abandoned Materials and Cardboard Collection Routes
- Additional Public Receptacle Collection Routes

Program	Tons Collected	311 Requests
Abandoned Materials Collection	3,516	73,118
Abandoned Cardboard Collection	471	-
Public Receptacle Collection	4,028	13,085

City-Wide Weekend Cleanups

- 3-Stream collection offered to residents of each District
- Goodwill drop-off of gently used items and e-waste
- Compost giveaway included

Number of Events	# of Attendees	Average Recovery Rate	Compost Tons Offered
11	3,163	41%	99



Hydrogen Powered Collection Truck

- Recology first waste hauler in North America to test a hydrogen powered collection vehicle
- San Francisco first City in North America to host the technology
- Tested on City streets in August
- Positive results – quiet operation, ample horsepower, plenty of distance



Hydrogen Powered Collection Truck



Contamination Program

- New contamination protocol
- 6 New Genesis Systems (Online March 2024)
- 1 Additional Waste Zero FTE (January 2024)
- Contamination AI technology is promising but not ready

Advantages	Challenges
<ul style="list-style-type: none">• Images captured in real time• Evolving AI - Easily scalable• High-definition quality images• Dynamic software updates• Versatile technology	<ul style="list-style-type: none">• Genesis system still in beta stage• Camera alignment and maintenance• Manual processing of data• Challenges with customer association• Additional staffing required for scaling

Contamination Program

March 2024 - Present	Driver	Cameras	Total
Tags / Events	4,662	36,000	40,662
Notice Letter	1,110	89	1,124
Customer Outreach	423	22	445
Warning Letter	290	2	292
Final Charge Letter	87	0	87

- AI is generating exponential events for review
- Low numbers driven by manual processing and reliability of AI
- Additional resources needed to review events
- Outreach effort is changing behavior

Organics Processing

- New trommel up and operational - January 2024
- Targeting most contaminated loads – plastic film
- Process nearly half of all inbound organic materials daily
- Working with SFE and consultants to analyze full process effectiveness
- Substantially improved compost quality

Trommel Screen



Organics Material

Inbound Organics



Processed Organics



Trash Processing Test

- Recology partnering with SFE to conduct trash processing tests
- Recology delivered trash tons to Green Waste Recovery in San Jose for processing and composting
- SFE working with Recology to deliver trash tons for processing to Colony Energy Partners in Fresno, CA
- Recology exploring trash processing options on site to assist San Francisco meet its climate action goals

Waste Characterization Study

- Recology and Cascadia Consulting conducting a citywide waste characterization study
- Last study conducted in Spring 2020
- Characterization study based on customer sector
- 515 distinct samples to be collected and sorted
- Study will be used to drive future program design and enhancement

Waste Characterization Study

Sample Material



Sorting Process



Facilities Update

- Pier 96 Facility Assessment
 - Seismic Evaluation started – estimated completion December 2024
 - Retrofit Report - estimated completion March 2025
 - Facility Condition Assessment - estimated completion September 2025
- Tunnel/Beatty Facility Modernization
 - Conducted RFP and engaged 3rd party engineering firm
 - RRT Design & Construction
 - Site readiness for alternative fuel vehicles
 - Trash processing
 - Site layout & utilization – traffic and parking

RY24 YTD Summary

- Recology **successfully implemented enhanced services** contemplated in the Rate Order
 - Abandoned Materials Collection Routes
 - Increased Public Receptacle Collection Routes
 - City-wide Weekend Clean-up Events
 - Contamination Monitoring Technology Pilot
 - Improved Processing of Organic Materials
- YTD financial results after adjustments **yield a \$5.4M shortfall**
- Recology continues to **work closely with the RRA, SFE, and DPW** to enhance services and improve reporting
- Recology tested the **first of its kind** hydrogen fuel cell collection vehicle in San Francisco
- Program **enhancements to expect** in the upcoming Rate Application
 - Trash Processing
 - Alternative Fuel Collection Vehicles
 - Implementation of AI Technology
 - Engineering Work for Facility Upgrades
 - IT Infrastructure Upgrades
 - Increased Outreach



Questions?

