

## Refuse Rates Administrator's (RRA) response to Recology's initial refuse rate change request (submitted March 7<sup>th</sup>, 2023)

Weekly update dated 3/31/23

This document is an update to the RRA's prior response letters and includes only the request items which have been shared with Recology to-date in the shared Questions And Requests workbook. As discussed in previous meetings, the RRA will accept submissions not broken out by the Audited Financial cost centers, and ratepayer class will be based on fee schedule breakout. The RRA's initial and subsequent reviews of the Recology March 7<sup>th</sup> submission identified 23 missing or incomplete schedules and 8 simplified schedules out of 42 total. This update identifies current missing or incomplete schedules as well as additional exhibits which will be necessary for the RRA to conduct analyses which lead to recommendation on future rates. This update also details any additional submissions or clarifications provided by Recology. The RRA has requested that Recology inform them as to when the complete submission can be expected, as the timing by which it is submitted will impact the timeline of the rate review and the RRA's ability to produce a recommendation based on the information available.

**Table 1. Status of Rate Change Request Schedules**

Item	RRA Follow-up Request date	Schedule	Current Status	Initial Status	RRA Notes	Recology Response Date	Recology Timing Response
1.01	3/24/2023	A.2 Total Sources and Uses	Incomplete	Incomplete	Breakdown of Total Uses needed. Missing Residential Multi-Family, 5 units or less.		
1.02	3/21/2023	C.1 Ratepayer Revenue	Validate	Validate	Reconcile commercial revenue with rate reports (i.e. debris box?)		
1.03	3/15/2023	C.2 Waste Collection Revenue Detail	Missing	Missing	Recology has said they will be able to provide this schedule		Will provide April 3-7
1.04	3/21/2023	C.3 Other Ratepayer Revenue	Missing	Missing	Include line-item for Contamination Fees		Will provide April 3-7
1.05	3/15/2023	D.2 Revenue Offsets	Missing	Missing			
1.06	3/24/2023	D.3 Recycling Revenue	Incomplete	Incomplete	Revenue by Customer Type missing, i.e., rows 34-78. Actuals would have to exist in order to have done accurate billings.		
1.07	3/24/2023	D.4 Disposal Revenue	Incomplete	Incomplete	All but 2 rows missing from rows 13-129		
1.08	3/24/2023	D.5 Processing Tonnage	Incomplete	Incomplete	Rows 46-48 Missing, and important for policymaker and public sightline, to know the impact on the Landfill Disposal Agreement's time-to-cap exceedance.		
1.09	3/15/2023	D.6 Toxics Collection	In Review	Incomplete	RY23-RY25 projections not included. Recology has said they will be able to provide projections.	3/16/2023	Recology provided RY23-25 Household Hazardous Waste (HHW) tonnage and collections

1.1	3/15/2023	E.1 Operating Expense Summary	Missing	Missing			Will provide April 3-7
1.11	3/15/2023	F.1 Service Apportionment	Missing	Missing	Recology has said they are working on a cost allocation methodology and will provide		Will provide April 3-7
1.12	3/15/2023	G.1 Refuse Collection Detail	In Review	Incomplete	Identification of Fixed/Variable cost, and Combined and Eliminations columns are missing. Include columns to disaggregate RSF from SS/GG	3/28/2023	Recology provided revised refuse collection detail allocated to RSF and SS/GG, not by audit expenditure category.
1.13	3/15/2023	J.3 Depreciation Expenses	In Review	Incomplete	Actuals are missing	3/28/2023	Recology provided actuals
1.14	3/15/2023	K.1 Insurance Expenses	Incomplete	Incomplete	Actuals are missing		Recology will provide by March 24th
1.15	3/15/2023	L.2 Intercompany Processing	Incomplete	Incomplete	Some categories of recyclables are missing		Recology will provide by March 24th
1.16	3/15/2023	O.1 Professional Services Expenses	Incomplete	Incomplete	FTE and performing and requesting companies are missing		Recology will provide by March 24th
1.17	3/15/2023	O.2 Corporate Services Expenses	Incomplete	Incomplete	FTEs for RY20 and RY21, as well as all years for performing and requesting companies are missing	03/26/23 - initial response with FTEs for RY23-25	Recology will provide by March 24th

In addition to these schedules, the RRA requests additional information and exhibits on changes described in Recology's March 7<sup>th</sup> Narrative and Summary of Assumptions.

**Table 2. Supporting Exhibits**

Item	RRA Follow-up Request date	Exhibits	Current Status	Initial Status	Notes	Response Date	Recology Timing Response
2.01	3/15/2023	Outreach	Missing	Missing	What are current services and costs associated with outreach. What changes to outreach are being made, and what are the associated cost changes?		
2.02	3/15/2023, amended 3/31/23	Abandoned Materials Collection	Missing	Missing	What is the current level of service for abandoned materials collections and what are the associated costs? What changes to abandoned materials collections are being made and what are the associated costs? How were decisions made to propose enhanced service?		
2.03	3/15/2023, amended 3/31/23	Increased "City can" service	Missing	Missing	What is the current level of service for "City can" service and what are the associated costs? What are the current routes and schedules for "City can" service and how will this change? What are the associated cost changes? How were decisions made to propose enhanced service?		
2.04	3/15/2023	Changes to FTE count	Missing	Missing	Please specify what the additional FTE will support.		
2.05	3/15/2023	List of Fees and Charges	Missing	Missing	Please provide list of all fees and charges. Please identify any fees not included in one of the 6 rate schedules		
2.06	3/15/2023	Pension Costs	Missing	Missing	For the 2 year rate period, please explain what the annual cost is assumed for the cash-funded portion of the pension contribution, and what it is by month for each of the 24 month periods.		

2.07	3/21/2023	Contamination Fees	Missing	Missing	Please provide current charges and procedures as well as proposed charges and procedures outlining changes, identify impacted populations and impact to customer waste collection costs.		
2.08	3/31/2023	Balancing Account	Missing	Missing	Please provide a justification for the proposed 100% adjustment for the difference between actual net profits or losses.		
2.09	3/31/2023	Sustainable Crushing at Pier 94	Missing	Missing	Please describe the service provided at Pier 94. What are the associated costs with this service? What are the impact to revenues and costs related to this closure? What are the impacts to labor needs and other material needs related to this closure?		
2.10	3/31/2023	Programs included in proposed rate (Programs 4-29 in Narrative Summary)	Missing	Missing	Please provide current and proposed labor and costs associated with these programs.		

The RRA has also requested answers to the following specific questions pertaining to line items in Recology’s March 7<sup>th</sup> submission.

**Table 3. Line Item Questions**

Item	Request Date	Schedule	Question from Refuse Rate Administrator	Current Status	Recology Response Date	Response from Recology	Recology Timing Response
3.001	3/21/2023	C.1 Ratepayer Revenue	What are assumptions for account growth/tonnage growth tied to these revenue projections for base FY23 and the 2% assumption for the rate years?	Missing			
3.002	3/21/2023		What is the relationship between revenue, accounts, and tonnage?	Missing			
3.003	3/21/2023	D.3 Recycling Revenue	What are assumptions for account growth/tonnage growth tied to these revenue projections for base FY23 and the 2% assumption for the rate years?	Missing			
3.004	3/21/2023	D.4 Disposal Revenue	What are assumptions for account growth/tonnage growth tied to these revenue projections for base FY23 and the 2% assumption for the rate years?	Missing			
3.005	3/21/2023	G.1 Expense Detail	Indicate line-items where enhancements have been included and amount (i.e. Pier 96 Study, Black Can Processing Pilot, Abandoned Material enhancement, outreach, City Can enhancement, etc.)	Missing			
3.006	3/21/2023	L.1 Intercompany Disposal	Bulky item tonnage went up 159% and 42% in RY20 and RY21. Any idea what caused this?	Missing			
3.007	3/21/2023		iMRF treated wood tonnage decreased 49% and 97% in RY20 and RY21. What was the cause?	Validating	3/31/2023	The significant decline in construction projects around the City during the pandemic resulted in a drastic decrease in pressure treated wood in the subsequent years. We are still seeing pressure treated wood coming in small amounts and have projected forward based on recent activity.	Provided response
3.008	3/21/2023	L.2 Intercompany Processing	What is driving the 16% increase in recyclable processing charges in RY24?	Validating	3/31/2023	Increase percentage on the GGSS intercompany processing charges are driven by RSF's proposed tipping fee for RY24.	Provided response
3.009	3/21/2023		Recyclable processing tonnage has dropped 31% from RY20-25, but cost is only down 10%. What causes this discrepancy?	Missing			
3.01	3/21/2023		Why doesn't wood have figures for RY24-25?	Missing			
3.011	3/21/2023		RY20-25 compostable, brush, sheetrock, and wood tons are 12% down and cost 11% up. What's driving this?	Missing			

3.012	3/21/2023	M.1 Repair expenses	Why did iMRF parts/tires/tubes cost increase 473% in RY22?	Validating	3/31/2023	iMRF parts/tires/tubes increased roughly \$67k due to an upgrade to the iMRF processing system. The upgrade included but not limited to large size reducers (shredders), robots, optical sorters, density separation screens. Additionally, there was replacement for certain parts such as control computers, motor starters for shredders, belts, and electric motors which does not get replaced annually.	Provided response
3.013	3/21/2023		Why did Recycle central parts/tires/tubes cost increase 249% in RY22?	Validating	3/31/2023	Recycle Central parts/tires/tubes increased \$6.2k, which represents approximately 0.1% of the total parts cost, due to replacement of a broken computer panel. The computer is used to run the Supervisory Control and Data Acquisition (SCADA) system which is how Recology manages the recycling plant at Pier 96. There was no similar replacement in prior years.	Provided response
3.014	3/21/2023		Why do you project transfer station parts/tires/tubes cost will increase 68% in RY24?	Validating	3/31/2023	Projection of tires will increase \$2k in RY2024 compared to RY2023 due to a delay in tire expense for the transfer station.	Provided response
3.015	3/21/2023		Why have repair costs for bulky/abandoned ceased in RY21?	Validating	3/31/2023	Repair costs on trucks that collect bulky items/abandoned materials has been phased into the truck and garage business unit in recent years.	Provided response
3.016	3/21/2023		Why have repair costs for public cans ceased in RY22?	Validating	3/31/2023	Repair costs on trucks that service Public cans have been realigned to the truck and garage business unit in recent years.	Provided response
3.017	3/21/2023		What are the repairs to gen admin that increased 86% in RY22?	Validating	3/31/2023	The \$25k increase in costs is for forklift certification training for the Sunset Scavenger and Golden Gate facilities. OSHA certification is required for handling heavy duty material with forklifts.	Provided response
3.018	3/21/2023		What are the repairs to rear loaders that increased 84% in RY21?	Validating	3/31/2023	The \$120k increase is due to the realignment of route support fees from other business units to the rear loaders business unit.	Provided response
3.019	3/21/2023		What are the repairs to iMRF that increased 118% in RY21 and 52% in RY23?	Missing			
3.02	3/21/2023		What are the repairs to the transfer station that increased 37% in RY21 and 86% in RY22?	Missing			
3.021	3/21/2023		What are the repairs to Organics Annex that increased 37% in RY21 and 77% in RY23?	Missing			
3.022	3/21/2023	M.2 Fuel Expenses	Why do you project fuel units will increase 6.1% in RY23?	Missing			
3.023	3/21/2023		Why don't submitted fuel costs match Rate Reports or Audited Financials?	Validating	3/29/2023	See reconciliation to reconcile between financial statements, the rate report, and rate application. There was a shift of compressed natural gas from the Utilities line to Fuel for better alignment during the rate-making process. The accounting / reporting change will become effective with RY 2024.	Provided response and Reconciliation
3.024	3/21/2023	N.1 Contract Services Expenses	Is the Artist In Residence included in rates? Likely not prop 218 compliant, art products and education not provided to ratepayers as a whole, no/weak nexus to service. What are components of this contract (costs and services)?	Validating	3/31/2023	Recology's educational outreach helps the public understand the importance of reuse and recycling and shows in a concrete way why they should care about San Francisco's diversion/zero waste goals. Our Facility Tour and Artist in Residence Programs usually reinforce Recology's and the City's outreach efforts by showing residents how to reuse materials, use our recycling systems properly and reduce consumption. Each year, several thousand kids and adults participate in or interact with these programs. Deborah Munk, the Program Manager, has put together a narrative summary and is available to make a presentation on the Programs.	See response and powerpoint slides
3.025	3/21/2023		What was the RY22 increase in General and Administrative?	Validating	3/31/2023	The increase in General and Administrative is temporary labor due to increased regulatory compliance. In addition, there was renewed focus on A/R collection efforts in certain areas of the business.	Provided response
3.026	3/21/2023		What is the Fantastic 3 contract?	Validating	3/31/2023	Fantastic 3 labor charges consist of retired drivers that Recology hires on a temporary basis to train new drivers. Active drivers are not available to train and training is needed to limit service disruption.	Provided response
3.027	3/21/2023		Contract Expenses decreased YoY until the current Rate Year, now expected to increase. Why?	Validating	3/31/2023	The increased need to contract with third parties to train new Recology drivers to limit service disruptions to rate payers. Additionally, there will be staffing requirements for educational outreach programs and facility tours for the Artist in Residence program.	Provided response
3.028	3/21/2023		Where would these expenses appear in the Audited Financial statements?	Validating	3/28/2023	Temporary labor and subcontractor costs in schedule 1.	Provided response
3.029	3/21/2023		Submission total in RY21 is 33% lower than the total in RY21 Rate Report. Why? The subtotal for all RY21 contract services expenses in Recology's submission is \$643,664, but the total from the RY21 rate report is \$954,356 (\$733,162 + \$221,194). That's about a 32.6% difference. Please explain why the two figures differ so much in RY21, but match in RY20 and RY22.	Validating	3/30/2023	The RY2021 contract services line in the rate application includes T&G maintenance allocation credit of (\$310,692). Historically, we reported T&G maintenance allocation as a separate line for rate reporting purposes. See reconciliation	Provided response and Reconciliation

3.03	3/21/2023	O.1 Professional Services Expenses	Why is there a 71% increase in external Accounting fees in RY23?	Validating	3/28/2023	Reconciliation AUP, balancing account AUP and Property file AUP per the settlement agreement.	Provided response
3.031	3/21/2023		Why is there a 593% increase in external engineering fees in RY23 and anticipated 368% further increase in RY24?	Validating	3/29/2023	Costs associated with facilities had no comparable costs in prior years. Health risk assessment of \$100k in 2023 and a seismic study of \$1M split between two years in RY24 and RY25.	Provided response
3.032	3/21/2023		Why was there a 60% increase in legal fees in RY21, 51% decrease in RY22, and estimated 53% increase in RY23?	Missing			
3.033	3/21/2023		What are the other professional fees that are anticipated to increase 34% in RY24 and 81% in RY25?	Validating	3/28/2023	Environmental impact report (EIR) legal consultant for \$200k in RY2024 and RY2025. In addition, there is a Facility Conceptual Design of \$715k in RY2025.	Provided response
3.034	3/21/2023	O.2 Corporate Services Expenses	Recology has underprojected corporate allocations by over 50% in the last 3 rate years. Why have these exceeded projections? What has been done to correct projection methodology?	Validating	3/28/2023	The projections was prepared in 2016 and included in the 2017 rate application. Since the time that the projections were prepared, there have been a number of significant issues that changed the needs of the organization, including the pandemic, identified need to improve technology and the launch of the Commitment to Customer system upgrade project, increase in internal audit focus and increased support for oversight. In addition, there was a change in allocation methodology based on a change in GAAP that occurred after the 2017 rate was approved. Due to a change in the way that franchise fees were recorded, the allocation to Sunset/Golden Gate increased and the allocation to RSF decreased.	Provided response
3.035	3/21/2023		Corporate services expenses are projected to increase by 21.6% in RY23 but only 3.7% in 24 and 3.1% in 25. What is driving this projection and why does RY23 differ so much from RY24 and RY25?	Missing			
3.036	3/21/2023		Why did RY22 increase only 3% while RY21 increased 13%?	Missing			
3.037	3/21/2023		Submission totals are 4-8% lower than Audited Financials but 3-5% higher than Rate Reports.	Validating	3/29/2023	This is a two part question. First part - Submission totals are lower than audited financials because the financials include non-rate allowed costs in the corporate allocations, which we pull out for rate reporting. Second part - Submission is higher than rate reports because the submission includes all corporate allocations, including Environmental Compliance, which we have reported historically on a separate line for rate reporting. The reconciliation between the financial statements and rate reports/rate submission will be reflected on the Recon AUP	Provided response and Reconciliation
3.038	3/21/2023		In RY22, Corporate Administration increased by 140% and Sustainability increased by 4671% YoY. What drove these changes? What does Sustainability include?	Missing			
3.039	3/21/2023		In RY23, Commitment to Customer, Sustainability and Internal Audit are projected to increase 41-54%. What are the specific services that are being added or increased? What does Commitment to Customer include?	Missing			

3.04	3/21/2023	P.1 Residential Rates Comparison	Why is population of SF 3.6M?	Validating	3/31/2023	Armanino response: Per the census info, the correct residential population should be 874,000.	Recology consultant Armanino llp. provided response
3.041	3/21/2023		Are rates averages or are they the lowest price available to ratepayers in that jurisdiction?	Validating	3/31/2023	Armanino response: The rate we used is the set standard rate for the gallonage serviced. It is not the average and typically there is only one charge, the standard rate	Recology consultant Armanino llp. provided response
3.042	3/21/2023		Why does SF not show breakdown for dwelling unit charge, trash collection, recycling, and compost fees?	Validating	3/31/2023	Armanino response: We did not include the specific additional charges associated with San Francisco because other cities included due not have the same breakdown of fees nor do they offer the unique services San Francisco does. Trying to present a comparison tends to complicate the evaluation given the differences in services provided.	Recology consultant Armanino llp. provided response
3.043	3/21/2023		Why are breakdowns not shown for same categories for most other jurisdictions where available?	Validating	3/31/2023	Armanino response: We did not show breakdown for other cities requested because we do not believe it is an "apples to apples" comparison. Most other cities simply charge one rate for 3 cans (trash, recycling and greenwaste/compost). The "additional" charges are for extra can collection and do not represent the rate for a stand-alone collection option for say greenwaste or recycling. In most cities the 3 cans are mandatory service and the rate includes collection of all three. As noted in the response in #3, trying to present these variances in a comparable fashion tends to confuse the reader as the services and options are not similar.	Recology consultant Armanino llp. provided response
3.044	3/22/2023	H.1 Salaries, Wages and Payroll Headcount	Non-union staff had dropped in RYs 20-22, but are now increasing. What is driving this trend, what additional tasks will Recology achieve with these FTE?	Missing			
3.045	3/22/2023		There's a 42% increase in gen admin union clerical staff from RY20-24. 7 FTEs reduced from refuse collection and debris box, but 11 FTEs (42%) added in General Admin. What was the decision behind this reorganization and what additional activities will the 4 FTEs provide for rate payers?	Missing			
3.046	3/22/2023		After a drop in RY21, union drivers/helpers are back to RY20 levels, but tonnage is down 14.2% RY20-22 and 19.8% down since RY2018. Why are the same number of helpers and drivers still needed to collect 14-20% less tonnage? This amounts to \$16.7M difference in RY24 payroll. For debris box and processing these positions are still down 30% and 14% from RY20, but for refuse collection these FTEs have actually increased 5.8% since RY20 despite the drop in tonnage and FTEs needed elsewhere. Recycling tonnage is also down 0.5% during this time, but Driver/Helper FTEs are up from 3 to 4 in RY23 and 5 in RY24 (33% and 67% increase in FTEs).	Missing			
3.047	3/22/2023		Union sorter FTEs have halved since RY20. How does this impact our ability to sort and manage contamination? Are the new proposed contamination fees and policies compensating for these reduced FTEs in any way? Please identify any sorting machines which were added to compensate for the loss of these FTEs.	Missing			
3.048	3/22/2023		Why did union utility person FTEs more than double after RY20?	Missing			
3.049	3/22/2023		Total payroll saw a 4% reduction in FTEs during RY20-RY21, and a 1% reduction in RY21-22. RY22-23 projects a 2% FTE increase and 1% increase in 23-24. What is driving these changes in headcount?	Missing			

3.05	3/22/2023	H.2 Non-Salary and Wage Personnel Expenditures	Why has workers comp grown as a % of payroll by 10% in RY22 and 6% RY23? Why did it drop by 6% in RY21?	Validating	3/31/2023	Workers compensation expense at the San Francisco entities is an allocated portion of a shared cost program. The shared cost program saves considerable money through improved buying power and efficient use of third-party administrators and other program professionals. The cost allocated to San Francisco (and all other participating companies) is based on payroll by job category and historical loss experience. The allocation methodology has not changed and was reviewed by the Controller's Office during the integrity review last year. The percentage of payroll shown in the rate submission was calculated from each year's respective payroll and allocated Workers Compensation cost. Activity in RY 2021 was impacted by the pandemic and was an outlier. RY 2022 was more indicative of the long-term trend and ongoing cost.	Provided response
3.051	3/22/2023	I.2 Property Description	What is APN 0005-152-310 (505 Tunnel) used for?	Validating	3/29/2023	505 Tunnel is used by Sunset Scavenger Operations. It includes safety and other operations personnel.	Provided response
3.052	3/22/2023		What is 595 Tunnel used for? What is the lot size?	Validating	3/29/2023	595 Tunnel is a property along Tunnel road approximately ¼ mile from the Tunnel Beatty complex. It was an old lumber yard that is currently used for debris box and vehicle storage. The parcel includes a warehouse of approximately 35,000 ft2 and parking of approximately 20,000 ft2	Provided response
3.053	3/22/2023		What are the houses at 466 Tocoloma and 465 Wheeler used for?	Validating	3/31/2023	The houses at 465 Wheeler and 466 Tocoloma were originally purchased as buffer properties for the Tunnel Beatty complex. Both properties are rented to third party unaffiliated tenants. Tocoloma has no intercompany rent. The Wheeler property was included in the submission. The rent should terminate during RY 2024. A revision will be made as part of the April update for Q-2 results.	Provided response
3.054	3/22/2023	J.1 Depreciation and Lease	What is driving the increase in lease expenses? 6%-7% change in RY20-21 and 21-22, but 14% change in RY22-23, 18% the next year, 11% the following. Total depreciation saw a 19% increase from RY20-21, and then leveled off until RY24-25, with a 21% decrease. What is driving/drove those changes?	Missing			
3.055	3/22/2023			Missing			
3.056	3/22/2023	J.2 Detailed Capital and Lease Expenses	Many items in Refuse Collection Operating Equipment are duplicated, but with different costs in the same rate year. Examples are CARB vehicles, carts, containers, etc. Why are they duplicated and what are the quantities for each item which has a price but no quantity?	Missing			
3.057	3/22/2023		What number of split loaders, single loaders, autocars, flatbeds, pickups, rear loaders, etc. was Recology operating at the end of RY21 and RY22? What will the numbers be in RY23, 24, and 25?	Missing			
3.058	3/22/2023		how many CARB compliance vehicles are being leased? What are the vehicle makes/models and which CARB regulations are the current vehicles not in compliance with?	Missing			
3.059	3/22/2023		how many containers are being leased in RY23? What were the numbers in RY21 and 22? What are the projections for RY24 and 25?	Missing			
3.06	3/22/2023		how many carts are being leased in RY23? What were the numbers in RY21 and 22? What are the projections for RY24 and 25?	Missing			

3.061	3/22/2023	J.3 Depreciation Expenses	What is the daily capacity of the West Wing organics film screening system and how many contaminants per minute is it rated to screen? Why did Machinery/Equipment depreciation increase 33% in RY21 and why would it decrease 42% in RY25?	Missing			
3.062	3/28/2023			Missing			
3.063	3/22/2023		How many vehicles will the 3rd eye camera system be installed in at the beginning of each rate year? Will this cover all residential and commercial collections?	Validating	3/31/2023	Cameras will be installed on 38 units between the two collection companies during the middle of RY2024. This will cover 10% of the routes, predominately on the commercial side and will touch on a mixture of residential routes.	Provided response
3.064	3/22/2023	K.1 Insurance Expenses	What are the actuals for RY20 and RY21?	Missing			
3.065	3/22/2023		For each insurance expense, please list whether they are incurred or claims-made.	Missing			
3.066	3/22/2023		For each insurance expense, please report the coverage amounts.	Missing			
3.067	3/22/2023		Pollution insurance is projected to drop 76% from RY22-23, then increase 336% from RY23-24, then stabilize. What is causing these swings?	Missing			
3.068	3/22/2023		Cyber risk and other costs increased 61% from RY22-23. What are the specific costs included in these figures? What caused the increase?	Missing			

The San Francisco Environment Department has requested accompanying exhibits, deliverables, and reports to support their analyses and recommendations related to refuse collection and disposal.

**Table 4. Environment Department Exhibits Request**

Request Date	Exhibits	Current Status	Response Date	Recology Timing Response
3/22/2023	Detail on proposed new composting contamination removal processing at the West Wing, including equipment specs, layout, any additional labor, projected material type and tons of contamination removed and impact on net recovery of compostables.	Missing		
3/22/2023	Contamination Charge & Removal of Recovery/Diversion Discount Protocol, including details on the streamlined process to automate the quality assurance review and communication processes referenced in the Summary of Assumptions. What assumptions are associated with the \$5 million revenue?	Missing		
3/22/2023	Detail on Commercial Bulky Item collection service offered and assumed for rate calculation including frequency by generator type and level of recovery. SFE understands from Waste Zero staff that this service is currently available to SF businesses.	Missing		
3/22/2023	Detail on Residential Bulky Item collection service offered and assumed in rate calculation including frequency by generator, level of recovery.	Missing		
3/22/2023	Organizational chart for RSS, RSF, and RGG, including Waste Zero staff	Missing		
3/22/2023	Explain assumptions and justification in tonnage and recovery projections and reason for changes, such as lower residential composting received and lower % diverted, that is shown in Schedule D.5. The % diverted for recycling needs to be corrected as it currently shows % disposed not diverted.	Missing		
3/22/2023	Abandoned Materials Collection assumptions on tonnage and additional services referenced in the Narrative	Missing		
3/22/2023	Special event rate schedule and clarification that no events receive free service.	Missing		
3/22/2023	Trash processing test net costs with avoided Hay Road disposal cost offset and state goal after test to develop plan with SFE for scaling trash processing in subsequent rate process.	Missing		

Table 5. Environment Department Deliverables Request

Category	New activity as of October 2023	Task Oct 2023-Sept 2025	Sector	Exhibit associated
Collection	No	Deliver kitchen pails for all residential and apartment building service starts and upon request.	All Residential	
Collection	Yes	Maintain inventory of gravity bins and locked bins so that any commercial, residential or event customers may request 96 gallon landfill and/or 64 gallon compost and/or recycle service in gravity bin with no more than a two week delay. Experience shows that unlocked bins contribute to contamination and contamination changes have been overturned in an appeal due to lack of locked bins.	All	
Contamination	Yes	Publish a clear and concise summary of the contamination charges and methods to avoid/remove them translated into Spanish, Filipino and Traditional Chinese. Distribution avenues will include website, newsletter, direct mail and provided upon request through customer service.	All	
Contamination	Yes	Implement consistent contamination charges throughout SF apartment and commercial rate customers per a mutually-agreed upon protocol and phased-in approach with SFE. Begin the first year with commercial and apartment rate accounts w/o compactors and between 2 cy and 40 cy.	Apartment & Commercial	
Contamination	No	Conduct required RSO audits of affected large refuse generators as mutually agreed with SFE.	Apartment & Commercial	
Hazardous Waste	Yes	Fully integrate electronic manifesting for all shipments to off-site disposal facilities for Hazardous Waste.	All	
Outreach	No	Outreach to all new accounts, prioritizing customers whose service reflects 50% or less recovery rate.	All	
Outreach	No	Provide printing & distribution every year for residential zero waste outreach mailer promoting what-goes-where, bulky item pickup program, household hazardous waste collection, and generation reduction strategies, alternating between apartment residents (6+ units) and single family (1-5 units). SFE will lead on the design of the outreach by working with SFE's contractors and Recology will pay for printing and mailing of outreach materials.	All Residential	
Outreach	No	Provide regular virtual and in person trainings to property management companies, associations, and buildings. Offer on a monthly basis, customized per audience with a virtual option as well as upon request by customers.	All	
Hazardous Waste	Yes	Provide outreach to property managers, associations, and buildings on battery collection safety issues and identification of "high hazard" batteries [in conjunction with removal of existing orange battery collection containers?]	Apartment	
Hazardous Waste	Yes	Provide outreach to MFD residents on identification of "high hazard" batteries and battery recycling options [in conjunction with removal of existing orange battery collection containers?]	Apartment	
Outreach	No	Engage the waste zero champions with quarterly events	All	

Outreach	Yes	Revise bills to show clearly rate structure and incentive calculation. Publish a website an updated rate calculator for both residential and small, FEL commercial customers outlining the services available	All	
Outreach	Yes	Develop in collaboration with SFE and print/publish a consolidated commercial services brochure and accompanying web/app content, including: Rate calculator for small, FEL commercial customer, Cardboard options, Updated 'what bin' resource for commercial customer materials, Detailed set-out guidelines, Additional services such as locking and indoor services, Methods to discourage illegal dumping/scavenging (including gravity bin options), Contamination charges and how to avoid/remove them, VSQG program and other options for hazardous waste removal, Options for bulky item disposal	Commercial	
Outreach	Yes	Contact all new Apartment and Commercial accounts at least once that subscribe to 2 cubic yards or more weekly refuse service and whose recovery rate (AKA diversion discount) is 50% or less to offer service that reflects at least 67% recovery.	Apartment & Commercial	
Processing	Yes	Recology will deliver 1200 tons of SF representative trash to Waste Management (WM)organics material recovery facility (OMRF) in San Leandro, CA for trash processing test. WM will provide a San Francisco material only test in both the OMRF and the Organics Material Composting Facility (OMCF). WM will also provide analysis of the recoverable material and composting quality of end product. This analysis will provide data in determining whether to utilize this facility for full scale SF trash in subsequent rate. Projected cost \$542, 521.08	All	Yes
		Reporting as outlined in separate communications to controller.	All	
Outreach	Yes	Provide SB 1383-qualified compost, transportation and staffing to distribute compost at four events annually for a total of at least 80 cubic yards annually, distributed at the direction of SFE.	All	
Contamination	No	Improve route monitoring by drivers with full utilization of test camera technology to monitor every container that is unloaded.	All	Need exhibit
Outreach	No	Provide at least 1,250 Commercial and 600 apartment building accounts (defined by SIC code) with one or more assists annually (e.g., site visit, presentation, phone exchange, email or letter offering outreach, outreach materials sent, self-assessment forms completed, waste zero champion sign-up, service level recovery improvement), captures data on zip code and language served for assists, and submits a list of Commercial and Apartment accounts assisted quarterly.	Apartment & Commercial	
Contamination	No	Perform waste evaluations per the container contamination minimization requirements of SB 1383 Section 18984.5(c) twice annually and report outcomes to the City as mutually agreed	All	
Contamination	No	Contact every Commercial and Apartment account with contamination charge or removal of diversion discount at least once a year. First attempt to contact by email or phone, then send letter to the account if not able to reach anyone. Escalate charges as mutually agreed upon.	Apartment & Commercial	
Outreach	No	Communicate the source separation requirements to all new accounts. Contact all new Apartment and Commercial accounts at least once that subscribe to 2 cubic yards or more weekly refuse service and whose recovery rate (AKA diversion discount) is 50% or less to offer service that reflects at least 67% diversion.	All	
Hazardous Waste	yes	Fully integrate electronic manifesting for all shipments to off-site disposal facilities.	All	
Hazardous Waste	yes	Add Spanish and Chinese language options to Household Hazardous Waste voicemail (330-1405)	All Residential	
Collection	yes	Plan, promote, staff and execute District Clean-Up Events annually in each supervisor district. Include services to maximize recovery and reuse including all three streams (recycle, landfill, compost), household hazardous waste (light bulbs, batteries, appliances, sharps, lamps, etc.) and a reuse component such as partnering with Goodwill to refurbish	All Residential	
Collection	yes	Bulky Item recycling (RecycleMyJunk)- Single family (1-5 units) receives 2 free pick-ups per year, apartment and commercial rate apartment residents receive 1 free pick up per year, property managers receive 1 free pick up per year.	Residential	Need exhibit

Table 6. Environment Department Reports

Number	Title	Criteria	Purpose	Template (Y/N)	Frequency	Current rate report connection
1	Annual HHW Report	Form 303 data (weights and disposition by type by program), Retail Site weights by type and site, zip code summary for Facility Drop-off and Home	Required by CalRecycle to report collection numbers by program and waste type	Y	Quarterly	Table 5
2	Annual route collection reports & Table 3	See template	Used to reconcile disposal for CalRecycle Electronic Annual Report (EAR) and generation studies	Y	Annually	Missing
3	Apartment & Commercial rate customer information	AR and Altar accounts	Used to update our CRM service information and provide direct technical assistance for compliance with source separation and adequate service. All account information from AR and ALTAR services in one row.	Y	Monthly	Table 4
4	Commercial & Apartment customer outreach for source separation	Commercial and apartment building accounts (defined by SIC code) with one or more assists (e.g., site visit, presentation, phone exchange, email or letter offering outreach, outreach materials sent, self-assessment forms completed, waste zero champion sign-up, service level recovery improvement). Include relevant account details	Tracking progress toward shared action plan goals for FY 22-23	N	Quarterly	Table 4
5	Contamination charges and recovery discount removals	Accounts with contamination charges and/or discount removals	Used for direct technical assistance and other monitoring needs	Y	Quarterly	Missing
6	Customer communication tracking	Number of communications by type and sector, including call wait time. Quarterly in-language support to all customers through call center, email, online requests forms, direct technical assistance, and in-person/virtual trainings. Capture geographic information and language(s) delivered as frequently	Monitor major customer service issues. Establish customer service equity baseline of monolingual or limited-English-proficient resident and business account holders.	N	Biannually	Missing
7	Monthly route collection reports & Table 3	Recycling, composting and trash graphs, summary, monthly Table 3 and disposal	Used for technical assistance, overall communication, and reporting to the Office of the Controller.	Y	Monthly	Table 3
8	Noncompliant accounts	All commercial accounts and residential accounts 5 units or more without collection service for any refuse stream (and if noted SFE compliant), should tie to quarterly rate report Table 4	Used for direct technical assistance and reporting to the state regarding AB 341/1826 required recycling & composting compliance	Y	Quarterly	Table 4
9	Quarterly HHW Report	Narrative Report, Form 303 data, Battery Bucket Collection Report	Supports the annual HHW report and required by HHW Facility Operating Agreement contract	Y	Quarterly	Missing
10	Refuse Separation Compliance Ordinance	Large refuse generator (LRG) accounts (compactor or 40 cy/week total refuse collection volume)	Used to communicate to new LRGs and identify audit needs	Y	Quarterly	Missing

Table 7. Abbreviations or Acronyms

Abbreviation or Acronym	Title
AB	Assembly Bill
AUP	Agreed Upon Procedures
CRM	Customer Relationship Management
EAR	Electronic Annual Report
FTE	Full Time-Equivalent (for employee count)
FY	Fiscal Year
HHW	Household Hazardous Waste
iMRF	Integrated Material Recovery Facility
LRG	Large Refuse Generator
MFD	Multi Family Dwelling
OMRF	Organics Material Recovery Facility
RGG	Recology Golden Gate
RRA	Refuse Rates Administrator
RSF	Recology San Francisco
RSS	Recology Sunset Scavenger
RY or RYE	Rate Year Ending
SB	Senate Bill
SFE or ENV	San Francisco Environment Department
SS/GG	Recology Sunset Scavenger and Golden Gate
WM	Waste Management inc.