

Extraordinary Service Fund

Our understanding of the proposal to create a new extraordinary service fund is that it is intended to pay for requests for service from City departments not included in the rate order.

We have included some suggested parameters for operation and administration of the Fund:

- Requests for funding should not include services normally billed to a customer, including City Departments
- Recology to deposit to the Fund, in monthly installments, an amount equal to 0.2% of actual Net Revenue Retained of Recology Sunset Scavenger and Recology Golden Gate, as reported in Table 6 of the quarterly and annual rate report for each rate year (\$720K in RY 2024)
- Service requests will be forwarded to RRA for consideration
- Upon RRA approval of a service request, for which Recology has submitted an estimated cost plus 91% OR to the RRA, Recology permitted to draw total amount approved from the Extraordinary Service Fund
- Service requests must be for periods not to exceed one rate year and not to extend beyond the end of RY 2025
- The balance of the Fund may not fall below zero
- For a service request to be fulfilled, the balance must be sufficient to allow Recology to draw the estimated cost for that service request plus 91% OR from the Fund
- All activity of Fund in applicable period to be reported as a separate appendix in quarterly and annual rate reports
- The actual expenses incurred for each service request, offset by the amount received from the Fund for the requested services, to be included in calculating above- or below-target profit for Balancing Account
- Any unused balance at the end of a rate year will roll over into a separate Capital Expenditure Fund, to be used for approved capital expenses, as a future rate order may direct