

Item	Request Date	Schedule	Question from Refuse Rate Administrator	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?		RY2023 revenue is based on Q-1 times 4, with Jan - Sep increased by the 8.86% Cost of Living Adjustment (COLA) effective 1/1/2023. RY2023 Customers were fixed at 12/31/22. Customers grew in 24 and 25 as revenue per customer was held constant in those years. Tonnage was fixed at 12/31/22 for RY 2023 and was increased by the growth factors in 24 and 25.	Provided response
3.002	3/21/2023		What is the relationship between revenue, accounts, and tonnage?	4/4/2023	same explanation as 3.001	Provided response
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?	4/4/2023	RY2023 is based on Q1 2023 actual tons extended for the rest of the year. RY2023 price per ton is actual price per ton in Q1 and an average price per ton of the last three rate years (ie. 2020 - 2022) for the last three quarters of 2023. For subsequent years, tonnage, and consequently revenue, grew by the 2% growth factor, while holding price per ton constant	Provided response
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?	4/4/2023	RY2023 is based on Q1 2023 extended for the rest of the year. Tonnage level was set based on Q1. Revenue assumptions for subsequent years uses a 2% growth factor for tonnage and the adjusted tip fee at RSF for that year.	Provided response
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.)	5/16/2023	Refer to 2.39 for additional support	Refer to 2.39 for additional support
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?	4/4/2023	The City of San Francisco had a mass exodus from San Francisco which resulted in an increase in bulky item and abandoned materials. The recovery percentage of bulky item and abandoned materials has also gone down as a majority of the tonnage being picked up is considered MSW.	Provided response
3.007	3/21/2023		IMRF treated wood tonnage decreased 49% and 97% in RY20 and RY21. What was the cause?	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?	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?	4/4/2023	The decrease in tonnage by 31% is offset by the increase in tipping fee by also 32% resulting in the cost being down about 10% when comparing RY25 to RY20. Since the cost of the processing facilities are largely fixed, the decreased tonnage does not result in a decrease in costs. Variable labor costs, disposal costs and some minor costs (supplies, etc.) are lower.	Provided response
3.01	3/21/2023		Why doesn't wood have figures for RY24-25?	4/5/2023	Our recovered wood has no value. The wood we recover does not meet II standards needed by BVOH and Hammel for use in retail landscaping.	Provided response
3.011	3/21/2023		RY20-25 compostable, brush, sheetrock, and wood tons are 12% down and cost 11% up. What's driving this?	4/6/2023	Increase in tipping fee for the compostable, brush, sheetrock, and wood more than offsets the decrease in tonnage for these commodities. See reconciliation for additional details.	See response and reconciliation
3.012	3/21/2023	M.1 Repair expenses	Why did IMRF parts/tires/tubes cost increase 473% in RY22?	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?	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?	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?	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?	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?	3/31/2023	The \$25k increase in costs is for forklift certification training for the Sunco 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?	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?	4/2/2023	The \$20k increase in RY2021 is repairs to the equipment belts used in the IMRF facilities. The \$17k increase in RY2023 is due to fire extinguisher installations along with repairs to the building's ventilation system in Q1 2023, we expect routine costs to occur more often starting Q2 2023.	Provided response
3.02	3/21/2023		What are the repairs to the transfer station that increased 37% in RY21 and 86% in RY22?	4/2/2023	The \$3k increase in RY21 repair costs is for incremental pressure washers and fire extinguishers inspections. The \$10k increase in RY22 when compared to prior year is related to the fire pump and other equipment repairs at the transfer station.	Provided response
3.021	3/21/2023		What are the repairs to Organics Annex that increased 37% in RY21 and 77% in RY23?	4/2/2023	The Organics Annex repair costs increased \$2k due to increased service calls to repair equipment at the West Wing. The \$5k increase projected for RY23 is due to non-routine replacements of press effluent discharge that occurred in Q1 2023, we expect routine costs to occur more starting Q2 2023.	Provided response
3.022	3/21/2023	M.2 Fuel Expenses	Why do you project fuel units will increase 6.1% in RY23?	4/4/2023	The 6% increase is due to the fuel rate of Q1 2023 fuel costs. We will have additional visibility in the units of fuel used once Q2 actuals flow through and realign, if needed.	Provided response
3.023	3/21/2023		Why don't submitted fuel costs match Rate Reports or Audited Financials?	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)?	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 visually 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 viewpoint slides
3.025	3/21/2023		What was the RY22 increase in General and Administrative?	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?	3/31/2023	Fantastic 3 labor charges consist of retired drivers that Recology hires on 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?	3/31/2023	The increased need to contract with third parties to train new Recology drivers 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?	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.	3/30/2023	The RY2021 contract services line in the rate application includes T&G maintenance allocation and is available to make a presentation on the Programs. 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 and Reconciliation
3.03	3/21/2023	O.1 Professional Services Expenses	Why is there a 71% increase in external Accounting fees in RY23?	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?	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?	5/3/2023	Following a detailed review of the historical legal activities, Recology revised the reported figures for RY2021 and RY 2022, consistent with the Material Mistakes and Errors disclosure filed on April 24, 2023. Attached also includes an updated legal fee projection for RY23 - RY25 adjusted with Q2 2023 actuals. RY21 includes a settlement of several historic linked legal matters, the settlement amount was not included in the projections. There will be a 20% increase in environmental impact report (EIR) legal fees in RY24, when comparing to RY23.	See response and support provided
3.033	3/21/2023		What are the other professional fees that are anticipated to increase 34% in RY24 and 81% in RY25?	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?	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?	4/6/2023	Commitment to Customer is increasing largely due to increased fees to address complex data conversions from legacy systems and resolve complex integrations to and from Recology systems. The Information Technology increase is due to a few reasons: addressing technical under-investment as shown by an assessment of Recology spend vs peers, new software focused on compliance and environmental, social, and corporate governance reporting (ESG), increased cybersecurity software and compliance audits, etc. RY2024 and RY2025 increases are due to application of inflation factors.	Provided response
3.036	3/21/2023		Why did RY22 increase only 3% while RY21 increased 13%?	4/6/2023	RY21 increase is mainly driven by the Commitment to Customer department ramping up during the year. RY22 is generally an average operating environment for Recology.	Provided response
3.037	3/21/2023		Submission totals are 4-8% lower than Audited Financials but 3-5% higher than Rate Reports.	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?	4/6/2023	The increase in the Sustainability department is due to absorbing the Communications department to help Recology's environmental, social, and corporate governance reporting (ESG) efforts. Corporate Administration increased in RY22 due to a top-line adjustment of \$2M being made in RY21 to reflect the revenue reduction from the rate miscalculation.	Provided response
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?	4/6/2023	Commitment to Customer costs reflect the expenses related to implementation of a new ERP system to manage customer service, operations, scales and billing/receivables. Internal Audit's increase is due to the inception of this department, with RY2023 staffing of a full year staffing of an internal audit employee and Internal Audit Manager. Sustainability's increase is due to the two additional headcount when compared to the prior year. In addition, there is consulting work to aid in Recology's environmental, social, and corporate governance reporting (ESG) and efforts (ie.SASB reporting, Greenhouse Gas inventory, target setting).	Provided response
3.04	3/21/2023	P.1 Residential Rates Comparison	Why is population of SF 3.6M?	3/31/2023	Armanino response: Per the census info, the correct residential population should be 874,000.	Provided response
3.041	3/21/2023		Are rates averages or are they the lowest price available to ratepayers in that jurisdiction?	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	Provided response
3.042	3/21/2023		Why does SF not show breakdown for dwelling unit charge, trash collection, recycling, and compost fees?	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.	Provided response
3.043	3/21/2023		Why are breakdowns not shown for same categories for most other jurisdictions where available?	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.	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?	4/3/2023	The downtrend was due to unfilled open positions, primarily in Accounting and Finance, due to turnover during the pandemic. These additions will ensure that the company has the necessary staffing levels to effectively manage its financial operations. In addition, the company is also in the process of re-aligning various departments to ensure the community reaches zero waste goals.	Provided response
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?	4/3/2023	The reorganization was done to better reflect the responsibilities of the customer service representatives, these team members support the entire company, thus shifting their roles to the general and administrative business unit would provide additional transparency. The four additional FTEs include shifting of two diversion auditors from non-bargaining unit employees to union - clerical. The remaining two union - clerical FTE's are increases are two additional customer service representatives. An increase in call volumes led to additional positions to maintain service levels.	Provided response
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).	4/7/2023	The union drivers/helpers FTE should be viewed in its entirety. Pandemic related absences and leaves and ongoing increases in absenteeism has required additional headcount to support the same FTE requirement in order to limit service disruptions to the ratepayers. For RY23, two relief drivers are needed to provide route coverage due to the regulatory change of Proposition G and absenteeism coverage. For RY24, nine additional drivers is recommended, two public receptacle drivers for increased service demands, two abandoned materials drivers for increased service demands, three drivers for the Tenderloin routing changes and two drivers for cardboard collection in high demand areas.	Provided response
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.	4/4/2023	An agreement was reached in the previous Collective Bargaining Agreement to realign union - sorters to union - utility. There has been no FTE impact to sorting contamination, only a realignment has occurred.	Provided response
3.048	3/22/2023		Why did union utility person FTEs more than double after RY20?	4/4/2023	An agreement was reached in the previous Collective Bargaining Agreement to realign union - sorters to union - utility.	Provided response
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?	4/3/2023	Please refer to the "2.04 - Changes to FTE count" exhibit	Provided response
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?	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?	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?	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?	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.	4/7/2023	The increases in lease expense for RY20 through RY22 is mainly due to vehicle leases coming online (ie. Split body, side body, split rear load, side load, etc.) RY23 through RY25 increases are due to truck replacements consistent with our vehicle replacement schedule, including those required by CARB regulations. In addition, there are operational capital (ie. Cat dozer, organics film screening system @ the West Wing, etc.) to improve efficiency, see tab J.2 Detailed Capital and Lease Expenses tab in the rate application for additional details.	Provided response
3.055	3/22/2023		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?	4/10/2023	Total depreciation expense increased in RY21 due to capitalization of upgrades at Pier 96. In addition, there were journal entry reversals in RY20 that was part of the change in depreciation expense. The reduction in RY2025 is due to assets approaching their useful life. Thus, the reduction in depreciation expense.	Provided response
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?	4/7/2023	CARB vehicles will be broken out for additional visibility on the next draft. The remaining items (ie. Carts, Containers and Debris box) help the reader identify which collection companies (Golden Gate or Sunset Scavenger) these types of assets belong to, in lieu of being duplicative. Quantities for these assets not listed due to the varying operational needs of the company.	Provided response
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?	5/2/2023	See schedule 3.057 - J.2 Detailed Capital and Lease Expenses schedule attached	Provided response and schedule
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?	4/11/2023	All vehicles currently being leased by the Recology Companies are California Air Resources (CARB) compliant. Please note the vehicles for Golden Gate has been revised. The vehicles replaced due to CARB requirements will be detailed in the list of vehicle replacements, see list for additional details.	See response and list of CARB vehicles
3.059	3/22/2023		how many containers are being leased in RY23? What were the numbers in RY2 and 22? What are the projections for RY24 and 25?			
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?			
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?	4/10/2023	We are in communications with the vendor and will provide additional information when provided.	Provided response
3.062	3/28/2023		Why did Machinery/Equipment depreciation increase 33% in RY21 and why would it decrease 42% in RY25?	4/10/2023	Machinery and Equipment depreciation expense increased in RY21 due to capitalization of upgrades at Pier 96. The reduction in RY2025 is due to assets approaching their useful life. Thus, the reduction in depreciation expense.	Provided response
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?	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, predominantly 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?	4/3/2023	See revised Insurance Expense K.1 tab	Provided response
3.065	3/22/2023		For each insurance expense, please list whether they are incurred or claims-made.	4/4/2023	See revised Insurance Expense K.1 tab	Provided response
3.066	3/22/2023		For each insurance expense, please report the coverage amounts.	4/4/2023	See revised Insurance Expense K.1 tab	Provided response
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?	4/3/2023	See revised forecast. The expectation is pollution insurance should remain constant YoY.	Provided response
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?	4/3/2023	See revised forecast. Cyber risk & Other insurance is going to increase by 46% in FY2023 due to market losses and conditions, which translates to higher cyber risk premiums.	Provided response
3.069	4/13/2023	L.1 Intercompany Disposal	Per ton tip fees are proposed to increase significantly. Recology has responded that these per ton fees reflect the tip fees at RSF with respect to recyclables processing costs, but what is the support for the increase in the tipping fee for all materials?	4/18/2023	Recology presentations at the Commission hearings and Rate Board hearing explained the impact of reduced commercial activity and lower tonnage and the need to increase the tipping fee by 16+% in RY 2024. All materials disposed at RSF are charged the same tipping fee.	Provided response
3.07	4/13/2023	D.3 and D.4	Recyclables per ton revenues do not align with Recology's statement that they have used averages. How did they arrive at the projected figures?	5/2/2023	Schedule D.3 - RY2023 is based on Q1 2023 actual tons extended for the rest of the year. RY2023 price per ton is actual price per ton in Q1 and an average price per ton of the last three rate years (ie. 2020 - 2022) for the last three quarters of 2023. Price per ton for mixed rigid plastic is based on Q1 2023 price per ton and SB20/50 E-Recycling is based on \$250 per ton at the end of Q1 2023. These two commodities is based on the Q1 2023 pricing because it provides a more accurate reflection of future pricing. For subsequent years, tonnage, and consequently revenue, grew by the 2% growth factor, while holding price per ton constant. Schedule D.4 - RY2023 is based on Q1 2023 tonnage extended for the rest of the year. Revenue for RY2023 is based on the tonnage charged for with the rate per ton. Expected future run rate is consistent with the current tonnage. For subsequent years, tonnage, and consequently revenue, grew by the 2% growth factor.	Provided response
3.071	4/13/2023	H.1 Salaries, Wages and Payroll Headcount	Please provide staff headcount information (employee listings and payroll information. Any requested new positions should individually include a reason for the request for the addition.	4/17/2023	Please refer to the rate hearing slides on 4/13/2023 for new positions added and the rationale by company.	Provided response
3.072	4/13/2023	O.2 Corporate Services Expenses	What specific services are provided by the amounts in RY22, 23, 24, and 25? What is commitment to customer? What are the corporate administration services provided which aren't/can't be done locally? What are the IT services which were provided under the 2017 rate order, and what new IT services are proposed to be added or modified for RY24 and RY25?	4/20/2023	1. What specific services are provided by the amounts in RY22, 23, 24, and 25? Corporate allocations include costs to provide centralized administration and support services. Some of the centralized services include, but are not limited to: benefits administration (health insurance, pension, 401(k)), the ESOP, worker's compensation – for union and non-union employees), recruiting, payroll management and processing, AP, asset accounting, purchasing (including capital expenditures), self-insurance program administration, environmental permitting and compliance, treasury management, legal compliance. The centralized IT services and Commitment To Customer (C2C) functions are discussed in more detail below. 2. What is commitment to customer? Commitment To Customer (C2C) is the company's initiative to upgrade and modernize the software for customer service, operations, sales, material sales and billing functions from an MS-DOS-based system built inside the company several decades ago to a software as a service platform. Program BACKGROUND •Customer experience improvement opportunities gleaned from customer input and industry best practices. •Need for better/more consistent data to monitor operations and ensure operational efficiency. •Legacy system is inflexible and written in old technology - making technical skills to support the system increasingly expensive and hard to find.	Provided response
3.073	4/4/2023	Cost Accrual Basis	Please provide a summary of which costs have been and are proposed to be: 1) (Full) Accrual Basis, 2) Cash Basis, or 3) Otherwise, e.g. Modified Accrual Basis (along with the recognition period, if modified accrual, ie., 30-days following the RY end, 60-days, etc.).	4/17/2023	Program GOALS Pension costs use a cash basis in accounting. Every other cost category uses full accrual basis in accounting. There has been no change to these methodologies.	Provided response
3.074	4/20/2023	Rate Report Tables 3, 9, and 11	Rate Report tables 9 and 11 contain the line item "I/C Disposal" and "Disposal (Not OR Eligible)" which is the intercompany cost of disposal from Sunset/Golden Gate at Recology San Francisco. Table 3 of the rate report has disposal tonnages that don't appear to correlate with the cost of disposal for S5/GG. Which lines in table 3 need to be added to get the correct tonnage with the associated costs in the line item "I/C Disposal"?	5/16/2023	Please refer to 3.148	Provided response and Reconciliation

3.075	4/27/2023	Business Overview from RRB Presentation	Recology has stated "Reduction in commercial activity and lower tons collected drives a rate increase... Fewer tons collected by RSS/RGG, lower revenue at RSF, same fixed costs at RSF, higher per-ton processing costs, higher tipping fee needed, results in higher RSS/RGG rates." on slide 8 of their RRB presentation. Tonnage has decreased substantially, however RSF's audited financial statements don't show that costs are in any way fixed at RSF. In RY22, RSF personnel expenses were \$70,671,578 - 47% of the \$150.7M total operating expenses, disposal charges were \$26,320,491 - 17.5% of total operating, and fuel made another 2%, adding up to 66.5% of the total operating expenses. Slide 6 indicates that labor and benefits equals an even higher 61% of costs for the consolidated companies. In businesses which have an incentive to reduce expenses, these would typically be reduced with reduced economic activity (tonnage) as we are currently seeing across San Francisco. Please detail for RSF and SS/GG separately what Recology has done to reduce spending on the following categories, and what their annual dollar reductions were/are projected to be: Labor (salaries and wages, payroll taxes, health insurance, workers compensation, pension/401k, benefits), disposal charges, equipment rental, fuel and oil, insurance, parts, projects, property rental, supplies, and utilities.			
3.076	4/27/2023		Please explain how Recology has chosen to allocate costs between residential and commercial customers. It appears that revenues from residential customers are approximately equal to commercial.	5/10/2023	As discussed many times, Recology operates an integrated collection system and therefore does not allocate costs between residential and commercial customers. We have allocated costs to programs based on an overhead factor created at the suggestion of the Controller's Office. One of the future ratemaking activities will be development and adoption of allocation models that will address allocation of costs between residential and commercial customers.	Provided response
3.077	4/27/2023		Please detail the costs within RSF's disposal expenses. Please include fees paid to Hay Road and other landfills as well as any other disposal expenses.	5/12/2023	See file attached for fees paid	See file attached
3.078	4/27/2023		Please provide the documentation which explains how Recology employees qualify for employee ownership, how the ownership is transferred to employees, how it's valued, and any stipulations on sale etc. Please provide copies of any documentation that is provided to employees or retirees.	5/2/2023	See attached ESOP summary document. Document is provided to employees to explain benefit and program parameters.	Provided response and support provided
3.079	4/27/2023		Please describe all retirement benefits that are available to employees, including ownership, pension, 401k, and healthcare. Please identify which benefits are available to all employees or select employees.	5/2/2023	See attached summary of employee benefits available to Recology San Francisco employees.	Provided response and support provided
3.08	4/27/2023	Abandoned Materials from RRB Presentation	Please explain abandoned materials operations in greater detail: How are drivers dispatched for abandoned materials? Are there regular proactive routes within each zone, or are the drivers assigned a route based on 311 complaints or other data? What are the current schedules for each zone? How are pickups allocated between DPW and Recology?	5/12/2023	Expect for Zone K, drivers are dispatched via the 311 system. When a driver starts their route, tickets from 311 will populate their on-board computer system for the drivers to service. Given the volume of daily 311 requests, drivers are almost exclusively responding to the 311 requests. Zone K is the one regular, proactive route. This route exists within Zone B as this is a highly impacted area of the City. Zone/Sweep Route Day of Week Time B Mon-Sun 5:30 A - 1:30 P D Mon-Sun 5:30 A - 1:30 P F Mon-Sun 5:30 A - 1:30 P H Mon-Sun 5:30 A - 1:30 P J Mon-Sun 5:30 A - 1:30 P K Mon-Fri 2:00 A - 10:00 P 853 Mon-Fri 8:00 A - 2:00 P	Provided response
3.081	4/27/2023		Abandoned Material zone K is the new proposed route. If there are safety issues for regular collection drivers in this area, what is being done to address safety for abandoned materials collections? What are the complete estimated costs for RY24 and RY25 for the additional zone K, including the 2 FTE and 2 collection vehicles, but also overhead, fuel, pension, etc.? Please itemize costs.	5/10/2023	Zone K is not the new proposed route, Zone K is a pre-existing route covering the heavily impacted areas of the Tenderloin and Chinatown. This route has always been a two-person route which provides enhanced safety for the collectors. Further, this service is conducted at the curb and does not pose the same risks as collectors proving service in building and other inside spaces. See excel provided on 5/8/2023 detailing out fully-loaded costs for the FTE's and the non-payroll truck costs on an annual basis.	Provided response
3.082	4/27/2023		What advantages do Recology abandoned materials operations have over DPW abandoned materials operations?	5/10/2023	Recology is the service provider for abandoned materials and defers the question regarding internal DPW operations to DPW. For Recology, one of the advantages of the Company providing the service is the ability to leverage existing resources to provide economies of scale. For one, the BIR managerial and field supervisors also oversee the abandoned materials program as well. In addition, Recology has a large scale collections dispatch operation that incorporates the daily dispatching of the abandoned materials program into its functions.	Provided response
3.083	4/27/2023		Please detail the costs for the abandoned materials program in RY22 including salaries, benefits, equipment, fuel, etc. Please also report the tons of material collected in RY22.	5/12/2023	There is \$7.5M in abandoned materials program costs in RY22, see RRB Hearing 1 Questions table for additional details. There was 4553 tons collected during RY22.	Provided response
3.084	4/27/2023	Public Bins	The estimated cost per public barrel pickup appears to be about \$5.50. How would a switch to DPW's newly-proposed public barrels and rolling totes impact the costs of collection? How would it impact costs if DPW were to add a second barrel next to each public barrel which normally requires two collections per day? Which areas are experiencing the greatest need for additional pickups? If need is increasing 137%, why is Recology only proposing a 20% increase in service? Are there any areas that need less attention than before? What are the schedules for public bin collection? What hours are greatest number of 311 calls coming in? Why is average cost \$410k per route on slide 35 but cost of new routes is reported to be \$443k?	5/15/2023	The City determines the placement of receptacles as well as the quantity needed in a given area and in many areas additional cans are already deployed to meet demand. Additional public receptacle service has been requested by DPW for areas in the Mission District. In addition, sensors added to the cans have resulted in a 285% increase in 311 overflow requests thus far in CY2023. The 137% increase was in reference solely to additional 311 requests (since updated to the 285% just mentioned) and is not a 137% increase for all current cans, therefore a 20% routing capacity increase is expected to meet the need. Once the sensor data is validated, we will be able to identify areas that require less than current service levels for public cans. As all cans on the dedicated routes are second pass services, the elimination of base level service must be validated before service is stopped to prevent blight. Second pass collection of public cans occurs between 10:00 AM - 7 PM, depending on location. The greatest volume of 311 calls are between 1 AM and 4 AM and 2 PM and 6 PM.	Provided response
3.085	4/27/2023	Weekend Cleanup Events	What are the estimated FTEs, vehicles, and other costs for this program that add up to \$559k/year? What were historic truckloads or tonnages? What are locations and dates of proposed 22 events? How will Recology notice the public in advance?	5/12/2023	There was an error on the slide presented that erroneously showed the total annual cost as \$559k per year. The correct total annual cost is \$468,793 per year for resuming the weekend cleanup events. This total includes estimated Saturday Labor and Truck costs for 5 drivers per event = \$216,480 per year. Estimated disposal cost = \$92,197 per year. Estimated traffic control cost = \$38,500 per year. Estimated marketing cost = \$121,616. The locations and dates of the events vary and are TBD as they are coordinated in conjunction with DPW closer to an event date to ensure maximum participation and benefit to the community. The public is notified via a limited number of mailers that are sent to customers in the immediate areas surrounding the event.	Provided response
3.086	4/27/2023	Outreach, Art, and Education	What is current fully-loaded cost of the 11 FTE Waste Zero Outreach team (including benefits, pension, etc.)? Slide 42 says "Cost projected is \$393k per year" which would be less than \$36k/FTE if dividing by 11 FTEs, and the bullet beneath mentions an additional FTE which would bring the team to 12 FTEs. What are the estimated RY24 and RY25 printing costs for outreach?	5/12/2023	The average fully loaded cost of the 11 FTE is \$118k each or \$1,298,000 in RY22, this varies depending on experience level. The estimated cost of printing, distribution, and email of the service guides for RY24 is \$251k, same forecast for RY25.	Provided response

				<p>THE OUTREACH FORMS IN A WIDE VARIETY OF FORMS. FOR COMMERCIAL ACCOUNTS, THE trainings are conducted either in-person or virtually. These trainings may be conducted in English, Spanish, or Chinese. Recology's WZ team also train multifamily staff and residents both in-person or virtually in English, Spanish, or Chinese. Additionally, we conduct property walkthroughs to advise property management of waste diversion best practices; deliver or mail waste separation brochures, posters, and stickers; conduct tabling outreach events; and ensure that property management have the waste stream data reports needed to track building's waste streams on monthly or quarterly basis. These data reports are critical for buildings to track their data for environmental reporting and to track programmatic outcomes.</p> <p>Recology coordinates with SFE on outreach to prevent overlap in several ways. In partnership with SFE we establish annual goals specifically for Recology's WZ team to focus on. These goals are tracked and reviewed monthly and created for Recology to focus on areas SFE doesn't. These goals are also used to align specific tasks for Recology to perform so overlap with SFE does not occur. An example of one specific deliverables is the Refuse Separation Compliance Ordinance which focuses on large quantity generator. By ordinance, ever custom that falls within this category must be audited every 3 years. One goal Recology is responsible for is auditing these customers waste streams and documenting the findings according to the ordinance. We conduct these audits each year and report the information back to SFE. SFE is responsible for communicating the findings back to the customer and enforcing the ordinance when necessary. Recology provides the following outreach:</p> <ul style="list-style-type: none"> • Education about local ordinances and regulations • Information regarding keeping sidewalks clear of excess cardboard and garbage • Customer service, increasing or decreasing service, extra pickups • Contamination monitoring, documentation, tagging • Website resources / social media outreach 		
3.087	4/27/2023	Contamination from RRB Presentation	How might the Waste Zero team overlap with DPW ONE team and SFE Outreach staff and contracts? What differentiates the Recology Waste Zero staff and what are the things they can do that others can't?	5/12/2023	Waste stream audits / Refuse Separation Ordinance compliance audits	Provided response
3.088	4/27/2023		How many audits of large refuse generators did the Waste Zero team conduct in each RY from 2020-present?	5/16/2023	7/1/2020 – 6/30/2021 (RY2021) = 474 10/1/2021 – 9/30/2022 (FY2022) = 734 10/1/2022 – 12/31/2022 (Q1 2023) = 238 1/1/2023 – 3/31/2023 (Q2 2023) = 235	Provided response
3.089	4/27/2023		How many customers did the Waste Zero team contact about contamination conduct in each RY from 2020-present and how many of those contacted customers fixed their contamination issues? Please detail how the contact was conducted.			
3.09	4/27/2023		Was licensing of illustration artists work for advertisements/mailers, vehicle art, and other signage paid for with ratepayer funds? If so, what were the services provided and what were the costs? Please include artist in residence program if art products were used. What artist costs are projected in the RY24-25 proposal?			
3.091	4/27/2023	Contamination from RRB Presentation	What is the cost of the 38 unit onboard camera technology? Is there additional FTE need for this operation beyond those included in the 11 outreach FTEs on slide 38?	5/15/2023	The annual cost of the 1 additional FTE is \$139,360. The capital cost of the 38 onboard camera units is \$243K. The actual annual cost is less as the cameras are leased over 7 years at approximately \$40K per year. There is also an annual subscription fee of \$42K for the 38 units. The additional FTE dedicated to this will work with customers directly by providing outreach and education through additional compost related collateral, trainings and site visits.	Provided response
3.092	4/27/2023		Contamination fees include apartment and commercial. How did Recology calculate the \$5M annual revenue from fees? Please include details and assumptions.	5/10/2023	See response to RRA question 2.29 for support.	Provided response
3.093	4/27/2023		How is contamination identified if the bin is not yet dumped? How does camera tech play into this if the bin must be dumped to record a photo?	5/15/2023	Reporting on the type of contamination using video drivers may in the future help dumping the contents. Its important to note that drivers do not rummage through the contents of a container so unless the contaminants are visible, the driver will not be able to identify the contamination until the container is dumped. However, if contamination is identified at this point they can still utilize the system to photograph the contamination.	Provided response
3.094	4/27/2023		If a compost truck is contaminated, is it necessary to send all contents to landfill? What are the current and proposed contamination procedures? If contamination is observed, why can the contaminant be removed and compost/recycling still collected? If recycle/compost truck goes on route first, is it necessary to send an additional trash pickup truck for a contaminated residential bin, or can it simply be collected on the regular route?	5/10/2023	When a contaminated Compost truck tips its load in the compost facility we do not send the entire contents of the truck to the landfill. Currently all incoming loads are load checked for contamination. The load checkers can either remove contaminants manually from the loads on the tipping floor or have the loader operator remove the items with the bucket on the loader. All contaminants extracted from the piles are placed into a debris box, weighed, and dumped as trash over the course of the day. The weights are then deducted from incoming Organics feedstock. Unfortunately the load checking efforts only identify and remove a small portion of the total contamination within the load. Having Load Checkers and Loader operators remove contamination on the tipping floor is not the most desired method of eliminating contamination. The manual process unnecessarily subjects our employees to vehicle traffic and utilizing the loader typically extracts good product along with the prohibitive materials. The Company is proposing to install and operate an Organics Cleaning system that would remove the deleterious items from the feedstock.	Provided response
3.095	4/27/2023		In your proposal, why is the monthly fee added at the 3rd instance, and 100% at the 4th instance of contamination? What is the time period required for a rate payer to reset to zero?			
3.096	4/27/2023		Is the diversion discount proportional to the cost (or gain) from diversion? If not, have your attorneys evaluated compliance with prop 218? If Recology is projecting \$5M additional revenue from contamination fees, please detail the additional costs that would be needed for 218 compliance.	5/10/2023	The diversion discount, adopted initially in RY 2001, is intended to promote diversion from landfill. The rate processes over the last 25 years have met Prop 218 requirements, including notice provisions and conducting Prop 218 hearings.	Provided response
3.097	4/27/2023		How are diversion discounts currently calculated? Please provide a rubric or matrix to accurately calculate all diversion discounts. Are any of these contamination fees or extra trash pickup fees currently charged to residential customers?	5/19/2023	See explanation and file provided.	Provided response and attachment
3.098	4/27/2023	Safe Service from RRB Presentation	Please provide all collection-related Police reports since RY2020.	5/12/2023	See incidents and police reports file provided.	Provided file
3.099	4/27/2023		What were incidents that led to this proposal and where were they located? Is adding another driver or helper sufficient for safety and within the labor negotiations for the job class? Are security services or increased SFPD presence options instead?	5/12/2023	See incidents and police reports file provided.	Provided file
3.1	4/27/2023		Please provide any written agreements with labor unions or commitments to staff on this matter.	5/12/2023	The need is to secure trucks, buildings, and have support while collecting material more quickly minimizing time and exposure. This is an effort to promote safety.	Provided response
3.101	4/27/2023	Organics Compliance from RRB Presentation		5/12/2023	Collective bargaining agreements do not contain specific mention of the operating issues. There is no written commitment at this time.	Provided response
3.102	4/27/2023		Please provide the notice from Stanislaus County regarding cleanup of SF organic feedstock. What has Recology identified as the problems and solutions? What are the consequences of non-compliance?	5/10/2023	See notice attached. The notice does not specifically address contamination as an issue with the land use permits but has directed BVON to simply eliminate offsite litter impacts. The Stanislaus County document has established December 15, 2023 as the deadline to reduce the litter escaping the facility to zero. BVON cannot comply with the County directives unless they have significantly cleaner product delivered to their facility.	Provided signed staff approval and response
3.103	4/27/2023		Has Recology provided SFE or the City and County of San Francisco with the documentation that it needs to show SB1383 compliance and any other known state or federal regulations on organics collection and composting compliance?	5/10/2023	Recology has been working with Stanislaus County to address issues with plastic litter blowing offsite. Staff level conversations between Recology and the County have identified contamination as the primary challenge with processing the material and link the high levels of contamination, especially film plastic-based contamination, as the primary factor contributing to offsite litter. Recology stated in a meeting with Stanislaus County staff that contamination, specifically plastic in the feedstock, is predominantly responsible for offsite litter being experienced on adjacent properties, in canals and drainage culverts.	See response and attachment provided

3.104	4/27/2023		<p>If 24% of compost feedstock is limited/non-compostable, what is the required percentage? Who sets these requirements? What options are available to improve feedstock and what are the projected costs per percent improvement? What are the consequences of not improving feedstock?</p>	5/12/2023	<p>Generally, BVON requires 10% or less contamination. The contamination percentage has been established by BVON and is based upon historical observations, processing equipment capabilities, finished product quality and consumer & market feedback. Feedstock improvements can either be route based or facility based. Recology is committed to pursuing both avenues with education and disincentives at the route level and with post collection contamination removal. Not improving feedstock could result in our inability to deliver material to BVON and positioning the San Francisco tonnage into the market at 20% plus contamination levels would be extremely difficult and significantly more expensive.</p>	Provided response
3.105	4/27/2023		<p>What's the estimated capacity of the proposed organics pre-processing facility? What is the estimated percent improvement in feedstock once the organics pre-processing facility is operational? Would any additional machines be able to further improve that percentage? When is the estimated month and year of operation under the current proposal?</p>	5/12/2023	<p>The equipment manufacturers indicate that the proposed organics processing equipment has a maximum design capacity of up to 50 tons per hour. Based upon experience with maximum design capacities, real world throughput numbers are often less than design capacity calculations. Every waste stream is nuanced and presents the equipment with issues specific to the material being processed. The level of contamination, the weight per cubic foot and the ability to load the equipment as well as runtime & cleaning all factor into the maximum throughput for any given piece of equipment. Based upon our calculations Recology would need a piece of equipment capable of processing between 35 to 40 tons per hour to effectively process all of the incoming Organics tonnage over two shifts. Recology believes that the processing system would be capable of eliminating the majority of the prohibitive materials from the organics feedstock, but the final product would still be required to be subjected to additional cleaning at the composting facility prior to being composted.</p>	Provided response
3.106	4/27/2023		<p>Which regulations require bioplastics or compostable plastics to be removed from the organics stream?</p>	5/10/2023	<p>While there aren't any regulations that specifically state bioplastics cannot be included in compost, recent legislation as well as the Organics Material Review Institute (OMRI) establish circumstances whereby Bio Plastics can be accepted into an organics program and dictate the certification of the finished product.</p> <p>The first is SB 1383, which states that compostable plastic can only be placed in the green bin if they meet the ASTM D6400 standard and they are transported to a processing facility that has provided written notification to the jurisdiction that the facility can process and recover the material. Recology has not provided such notification to the City Of San Francisco. In fact, we've provided notification stating that we cannot process and recover the material. Per the regulations, since they have not received the required written notification, The City of San Francisco should not accept compostable plastics in the green bin. See snippet below.</p> <p>The second item is OMRI certification, see file attached. OMRI cannot certify our compost as organic if we have bioplastics in the feedstock. OMRI has something called a Generic Materials List that is a catalog of over 900 substances that are Allowed, Allowed with Restrictions, or Prohibited for use in organic agriculture and food processing. Per this list, bioplastics are explicitly prohibited for use as a compost feedstock. One of the goals of SB 1383 is to expand markets for and procurement of compost. BVON has been faced with significant marketing challenges with the San Francisco compost because we had to de-list from OMRI, meaning we can't certify our compost as organic. See snippet in below: NO BVON does not have the ability to compost bioplastics separately. Furthermore, since Bioplastics have been identified as a prohibitive and cannot be accepted at the BVON facility BVON has no intention of pursuing this type of activity.</p>	Provided response and attachment
3.107	4/27/2023		<p>Can compostable plastics be composted separately once sorted using the pre-processing facility, perhaps using longer timelines or alternate methods?</p>	5/10/2023	<p>NO BVON does not have the ability to compost bioplastics separately. Furthermore, since Bioplastics have been identified as a prohibitive and cannot be accepted at the BVON facility BVON has no intention of pursuing this type of activity.</p>	Provided response
3.108	4/27/2023	RSS/RGG FTE Changes from RRB Presentation	<p>Why does SSGG need 2 FTEs for rate analysts in non-rate-setting years? You are already trying to fill finance manager and assistant controller positions, and appear to be well-staffed. Please detail the fully-loaded costs of these two FTEs in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	5/9/2023	<p>Rate Analyst FTE is necessary to meet new rate quarterly rate reporting requirements, including reporting on Balancing Account, elective expense analysis and quarterly reconciliation to Recology financials. The current workload is beyond current staffing capacity and deadlines / reporting compliance would be impacted. Also, the rate analysts will work on ensuring rates in our billing system are up to date and accurate. Finally, modifying and enhancing our Accounting ERP to be able to report on Rate vs Non-Rate revenue and expenditures will be a significant project that will take place over the next two years. See FTE excel provided on 5/8/2023 detailing out fully-loaded costs for this role.</p>	Provided response
3.109	4/27/2023		<p>SSGG uses Recology corporate for HR. Why is a senior HR generalist needed? Prop G has no impact from March of 2023. PHELO is prop G, so this is redundant. Please detail the work this HR generalist is needed for. Please detail the fully-loaded costs of this FTE in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	5/9/2023	<p>Corporate HR develops policies, manages group benefits and provides training and support for local teams. The SF HR team supports over 1,000 employees, including union employees covered 9 collective bargaining agreements.</p> <p>As discussed in the rate hearings, there has been a substantial increase in the number of leaves and other administrative and reporting requirements. In addition, union requests for meetings and correspondence have increased with the implementation of the new CBAs. See FTE excel provided on 5/8/2023 detailing out fully-loaded costs for this role.</p>	Provided response
3.11	4/27/2023		<p>How many FTEs are currently dedicated to GIS, including the supervisor role you plan to hire? What are the GIS needs? Please detail the fully-loaded costs of this FTE in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	5/10/2023	<p>There are 3 FTEs currently dedicated to GIS, which supports both collection companies with routing projects undertaken to improve route effectiveness and efficiency. In addition, the team supports the daily routing via the dispatch function of over 300 collection routes and positions with data management services and dynamic routing. See FTE excel provided on 5/8/2023 detailing out the fully-loaded costs for this role.</p>	Provided response
3.111	4/27/2023		<p>Why is Recology moving union employees to weekly payroll if it will require additional FTE? What does this provide for ratepayers? What are the specific new payroll regulatory requirements and what were Recology's estimates of the additional work they would create?</p>	5/12/2023	<p>Recology moved to weekly payroll due to a contractual obligation with Teamsters Local 350. The extra FTE for payroll is not a result of the move to weekly payroll rather it was an addition to the existing two FTEs to allow for more detailed tracking of time and payroll to facilitate program and segment reporting.</p>	Provided response
3.112	4/27/2023		<p>What is the SF region's bad debt per year on average since 2018? What is the average in other regions? DPH provides free lien support, so why is a liens collection FTE needed? What benefit does this provide to ratepayers? What types of accounts can't be lienied? What's the estimated value of revenue collected from these bad debt accounts annually? Please detail the fully-loaded costs of this liens collection new FTE in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	5/9/2023	<p>SF Region's bad debt per year averages \$500k since 2018. A Collections FTE is necessary to send delinquent accounts that cannot be lienied to our 3rd party collection agency. Duties include generating a list of delinquent accounts after each month's lien cycle, formatting and sending information to 3rd party, research and respond to 3rd party and/or customer inquiries, and reconciling payments received.</p> <p>Recology has incurred fees from DPH if a lien is error listed. Error listed liens include customers contacting DPH to contest the lien or if DPH deems the lien to be inaccurate after the fact. The fees associated with error listing include returning the original amount lienied + \$20 recording fee + admin fee (\$121 Apt/Res, \$177 Com) back to DPH. Between FY18 - FY22, Recology has paid DPH approximately \$254k in recording and admin fees.</p> <p>DPH will not lien customers with previous balances older than 180 days from the date of delinquency. Types of accounts that can't be lienied: Contract customers, Debris Box (ALTAR) customers and Self-Haul customers.</p> <p>Revenue collected through the lien process is averages \$2.5M/year.</p>	Provided response
3.113	4/27/2023		<p>Prop G effectively ended in March 2023 when the public health emergency was lifted. Why are 2 additional FTEs needed in RY24 and RY25? Please detail the fully-loaded costs of these two FTEs in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	5/12/2023	<p>RSF had a Transportation Manager who retired just prior to the onset of Covid. The decision to defer replacing the position was made in order to manage Operational expenses, since tonnage was down significantly from prior years. Since this time, we have seen the Transfer Station tonnage rebound somewhat and the need to fill the position is apparent. The manager from Sustainable Crushing has been temporarily assigned to the position during the recruitment process for these two positions. It is expected that this individual will successfully qualify for one of these positions, reducing the actual headcount requirement to one position. For the off position, recent collective bargaining efforts have complicated the dispatch process and Recology believes that a supervisor must be present at all times when we are operating trucks over the road. See excel provided on 5/8/2023 for fully loaded costs on the roles requested.</p>	Provided response

3.114	4/27/2023		<p>Did Recology mandate that employees get vaccinated for COVID or show qualified exemption? What methods did Recology use to minimize health risks to employees and minimize sick leave?</p>	<p>5/12/2023</p>	<p>Since the outbreak of the coronavirus pandemic in 2020, Recology's employees, with the CDC, Cal OSHA, CDPH, and SFPD and followed the ever-changing guidance as we developed more understanding of this global crisis. Recology, in compliance with both Federal and State mandates, initially set out to require all employees to get vaccinated. These requirements were challenged and sanitation employees were no longer mandated. Recology then moved to strongly encourage its employee owners get vaccinated and provided them with accommodations to facilitate vaccination. We initiated a vaccination campaign to have a fully vaccinated workforce and to educate our employee owners on the importance of vaccines. We stressed doing our part as Californians to protect ourselves and each other through the vaccination process.</p> <p>Since 2020 Recology provides educational information to our employee owners about how and why we must continue to minimize health risks. We continue to maintain our covid cleaning protocols to actively minimize sick leave. We halted in-person payments and collections and moved all eligible employees to remote work. For our other employee owners, we moved to contactless check-ins and invested in new systems to reduce risk. All Safety meetings were virtual reduce contact and limit potential exposures. We invested in equipment for disinfecting, sanitizing, and decontaminating cabs pre and post shifts. Recology proactively hired third party professional cleaning services to minimize potential risks.</p> <p>We remind employees through postings and signage of health risks. Recology continues to provide its employee owners with both HR and Safety support to assist employees who may suspect a health risk to stay safe and to provide them with the tools to protect themselves, their loved ones, the public, and co-workers. Recology provides free testing kits, self-monitoring checklists, and a dedicated staff available 24 hours a day 7 days a week to support employee owners who need assistance with Covid health risk or general guidance on next steps. Recology implemented a revised Covid-19 Prevention Program enterprise wide in compliance with CCR Title 8 3205 that continues to monitor and minimize health risks to all our employee owners.</p>	<p>Provided response</p>
3.115	4/27/2023		<p>Please detail the fully-loaded costs of the 2 FTE operations supervisor new hires in RY24 and RY25 (salary, benefits, pension, overhead, etc.). If special event coordination was already included in prior years, why are new FTEs needed? Why are 2 supervisors needed for the 2 new public receptacle FTEs proposed? What is the ratio of staff to supervisors? How do supervisors contribute to safety in the Tenderloin?</p>	<p>5/16/2023</p>	<p>See the FTE excel provided on 5/8/2023 for additional details on the roles. The weekend clean up events have not been held for several years and prior FTE who coordinated the events was eliminated at that time. With Recology's proposal to resume holding the events, it will require an additional supervisor FTE for coordination. This person will coordinate with City partners as well as Recology staff to ensure the events have the most beneficial impact upon rate payers. In addition to the weekend clean up event coordination, this same FTE will provide additional coverage to the public receptacle routes. No additional FTE is being requested. The rate of staff to supervisors is 20:43 drivers for every one operations supervisor. As it relates to the safety in the Tenderloin, we followed the recommendations of SFPD during the meeting with the DA which was to increase our headcount. The need is to secure trucks, buildings, and have support while collecting material more quickly minimizing time and exposure at each stop.</p>	<p>Provided response</p>
3.116	4/27/2023		<p>Why are 2 Waste Zero specialist FTEs needed? Is this in addition to the existing 11 FTEs? What will these FTEs provide that is not provided by current staff, ONE team and ENV team & contracts? Please detail the fully-loaded costs of these two FTEs in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	<p>5/12/2023</p>	<p>initiatives, which were developed in alignment with the Department of the Environment's priorities and requests.</p> <ul style="list-style-type: none"> - In collaboration with SFE, we are developing a Commercial Service Brochure and accompanying web content. The brochure will include details on the "what bin" resource for commercial customers, set-out guidelines, all services, including locking and indoor services, methods to discourage illegal dumping/scavenging (including gravity bin options), contamination charges and how to avoid/remove them, and information on the Very Small Quantity Generator Program and other options for hazardous waste removal - Provide printing and distribution every year for a residential service guide that will promote "what-goes-where," our bulky item pickup program, household hazardous waste collection, and generation reduction strategies, to name a few. The annual mailer will alternate between apartment residents and single family residents. SFE will lead on the design and Recology will pay for printing and mailing of the outreach materials. - Another addition to our programs is outreach to all commercial and apartment customers below 50% diversion. This program prioritizes commercial and apartment customers with two yards or more of service, with a goal of improving their diversion above 67%. This program will focus on 1000 accounts per year within the identified group and require an additional FTE. <p>The costs of these enhancements are projected to be \$393,000 annually, and include one additional Waste Zero Specialist and all costs associated with the printing production and postage for the outreach materials:</p> <ul style="list-style-type: none"> - Commercial Service Brochure: \$9,100 - Residential Zero Waste Outreach Mailer: \$237,000 	<p>Provided response</p>
3.117	4/27/2023		<p>9 new driver FTEs - if tonnage has decreased over time, why are existing FTEs unable to collect at same rate as in past or even improve efficiency? The expectation would be for driver FTEs to decrease with tonnage. What was the prior rate of tons collected per driver FTE in RY2020-present/year? What is anticipated? Why can't a security guard be hired for Tenderloin if safety is concern instead of drivers? Please detail the fully-loaded costs of these 9 FTEs in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	<p>5/16/2023</p>	<p>With the initial decreases in tonnage in RY20, FTEs were also decreased at that time. Generally, a change in service level and/or lifts is the best measure in determining the number of HC per year, not tonnage collected or tons per driver. Services scheduled/lifts will need to be performed regardless of whether the bin or container is 25%, 50%, or 100% full. In addition, as absenteeism rates increased from RY21 - RY23, additional HC are required to ensure service continues uninterrupted. We followed the recommendations of SFPD during the meeting with the DA which was to increase our headcount as safety also plays a factor in the incremental headcount. The need is to secure trucks, buildings, and have support while collecting material more quickly minimizing time and exposure at each stop.</p>	<p>Provided response</p>
3.118	4/27/2023		<p>What were overtime hours billed for each job class each year since RY20?</p>	<p>5/16/2023</p>	<p>See OT hours file provided on 5/16/2023</p>	<p>Provided response and spreadsheet</p>
3.119	4/27/2023	RSF FTE Changes from RRB Presentation	<p>Please detail RSF's HR FTEs and what HR functions are provided by other Recology entities.</p>	<p>5/12/2023</p>	<p>The two Recology San Francisco HR FTEs support 391 RSF employees. Their functions include leave administration, labor relations, training and development in compliance. Corporate Recology HR provide recruiting, benefit and training and development support.</p>	<p>Provided response</p>
3.12	4/27/2023		<p>Why are new FTEs for a Transportation Operations Manager and Transportation Operations Supervisor necessary? Tonnage is down and transport doesn't appear to have changed dramatically. Which roles are currently performing this work? Please detail the fully-loaded costs of these two FTEs in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	<p>5/15/2023</p>	<p>the decision to not replace the position was made in order to manage Operational expenses as tonnage was down significantly over prior years. Since this time, we have seen the Transfer Station tonnage rebound somewhat and the need to fill the position is apparent.</p> <p>The manager from Sustainable Crushing has been temporarily assigned to the Supervisor position during the recruitment process. This individual is expected to qualify for one of these positions, reducing the headcount request to one new FTE. Recent collective bargaining efforts have complicated the dispatch process and a supervisor must now be present at all times when we are operating trucks over the road.</p> <p>See FTE excel provided on 5/8/2023 to support fully loaded costs on the roles requested.</p>	<p>Provided response</p>
3.121	4/27/2023		<p>Why is a new shop supervisor FTE needed for swings and overnight? How many staff are working in the shop during these hours? Which role is currently supervising? Please detail the fully-loaded costs of this FTE in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	<p>5/12/2023</p>	<p>During Covid we had a Shop Foreman retire. This position would supervise the daily shop operations allowing the Shop Manager to split his time between the day and the swing shifts as needed. Recology is looking to add a swing shift shop supervisor to manage the shop operations during the swing shift, in lieu of the Shop Foreman, whose replacement has been assigned specifically to vehicle and equipment maintenance duties. See FTE excel provided on 5/8/2023 to support fully loaded costs on the roles requested</p>	<p>Provided response</p>
3.122	4/27/2023		<p>Replacement Artist in Residence/Enviro Program Specialist FTE - If this headcount is currently open, why is this role needed? What service does this provide to ratepayers? Please detail the fully-loaded costs of this FTE in RY24 and RY25 (salary, benefits, pension, overhead, etc.).</p>	<p>5/12/2023</p>	<p>leads the student educational tours, presents educational programming at pre-schools, assists with adult tours, and assists with the art program. The tour program was suspended during Covid due to the County Health restrictions. And the Education Specialist who conducted tours left the Company and was not immediately replaced.</p> <p>The tour program educates thousands of San Francisco students and adults each year. The program teaches about the importance of proper sorting and a circular economy, inspiring environmental action and improving diversion rates in schools and homes, encouraging visitors to become engaged in the Recology recycling and composting systems at home and at work. The program reaches over 4,000 students and adults per year. See FTE excel provided on 5/8/2023 to support fully loaded costs on the roles requested.</p>	<p>Provided response</p>

3.123	4/27/2023		Replacement EIR coordinator - if no new construction is planned, why is this FTE necessary? Wouldn't consultants be better use as needed? Please detail the fully-loaded costs of this FTE in RY24 and RY25 (salary, benefits, pension, overhead, etc.).	5/12/2023	During Covid Recology offered up voluntary resignation opportunities for several of our Job Classifications to reduce operating headcount. The individual who was managing the administration of the EIR decided to take advantage of the opportunity and left the organization. As we head out of Covid Recology must continue to pursue the EIR in order to proceed with any operational enhancement any type. Additionally with the passage of time, it will be less and less likely that the analysis and documents prepared to date will remain relevant and useable by San Francisco and Brisbane for CEQA clearance of proposed projects at the 501 Tunnel site. Recology proposes to use specialized consultants, as directed by the City of San Francisco's Planning Department, to perform various aspects of the EIR. The Recology EIR Coordinator will be responsible for managing the City's Consultants and liaise between Recology Operations and the City. Based upon our experience, a company based employee is best suited to perform this activity. Having access sensitive Company information at the required level of detail, is not abundantly suited to a third-party consultant. See FTE excel provided on 5/8/2023 to support fully loaded costs on the roles requested.	Provided response
3.124	4/27/2023		What were overtime hours billed for each job class each year since RY20?	5/16/2023	See OT hours file provided on 5/16/2023	Provided response and spreadsheet
3.125	4/27/2023	Follow-up to tracker responses	3.008 What reductions can RSF make to reduce the cost of the tipping fee applied to recycling?	5/12/2023	RSF deploys a universal tipping fee whereby tons entering the system are all charged the same tipping fee. The Universal Tipping Fee concept was employed to allow maximum flexibility to direct material to achieve the greatest diversion, without regard to the cost of any specific processing option.	Provided response
3.126	4/27/2023		3.011 if wood has no value, why are we recovering it?	5/12/2023	Wood represents one of the main components of the construction and demolition Waste Stream. San Francisco has a C&D recovery ordinance that clearly defines wood as one of the constituent materials that must be recovered. Wood, along with other items such as glass and aseptic cartons, do not have adequate scrap value truly justify the costs associated with recovering the products from a purely financial standpoint. The City encourages recovery to help move towards the City's environmental goals.	Provided response
3.127	4/27/2023		3.024 What are the itemized costs of the artist in residence program from RY20-proposal years? Please include all labor, benefits, pension costs, stipends, etc. What are the separate itemized costs for all education programs?			
3.128	4/27/2023		3.025 What are the specific services being provided under General % Administrative contract services? This line item has increased and the explanation that this is temporary labor doesn't match with the continuation of costs through RY25.	5/10/2023	G&A contract services represents regulatory compliance and billing/AR/ collections temporary labor. The costs are expected to continue through the projection period as the activities are expected to continue.	Provided response
3.129	4/27/2023		3.026 How many retired drivers is Recology hiring to conduct driver training, at what rate, and how many hours of training time have been billed in RY20-22, and what are the projections for RY23-25?	5/21/2023	We utilize three drivers to assist in specialty training and the bill rate for these drivers is \$59.51. The average hours for RY2020 - RY2022 has been 1,100 hours annually to train new drivers. Recology budgets 1,300 hours annually to train incoming drivers for the future rate years. The utilization of retired drivers to train new employees is the most cost effective approach to meeting this safety and service need. The work is highly specialized and institutional knowledge specific to providing service in San Francisco is essential. The alternative would be to bring on more costly, additional FTE that would themselves require specialized training.	Provided response
3.13	4/27/2023		3.027 Why does Recology need to contract with outside parties to train its drivers? This seems unusual given the liabilities and importance of the role. Also, what is specifically provided through the equipment and installation/service contract costs budgeted for RY24-25 (\$80k and \$119k)?	5/12/2023	Recology does not contract with outside parties to train its drivers. Driver training is handled in-house and is outlined below. Recology does utilize a 3rd party company to conduct an independent evaluation of potential new hires for driving positions. The new-hire and transfer evaluation includes the ability to conduct proper pre-trip and post-trip inspections, a driving skills assessment course, backing and turning maneuvers, defensive driving practices on city streets and freeways. Recology also contracts 3rd parties for compliance specialized training and testing, (e.g. forklift, fall safe equipment, truck lifts, overhead crane, CPR, 1st aid, bloodborne pathogen, respiratory and hearing conservation). The training for truck driving and on-route positions ensures that employees have the tools to safely and efficiently use the equipment necessary to perform the work. This includes (1) driving the vehicles, (2) operating the equipment and (3) understanding company policies and procedures. This training is led by an in-house, dedicated, Recology Training Specialist who works in the Safety Department to provide for a consistent and compliant program. In addition, the training program is further augmented by using experienced current and former drivers for on-route training that provides vital on-route experience given the complexities of providing service in San Francisco. The dedicated Recology Training Specialist conducts and documents the orientation training, the collection vehicle operation trainings, required safety trainings, and company driver policies and work rules and tracks and documents the on route training. The training documentation for all route vehicles to include side loader, rear loader, front loader, and debris box trucks and onboarding and orientation training for all new drivers, internal transfers, and those using new equipment is placed in the employee's training file.	Provided response
3.131	4/27/2023		3.031 Please provide details on the \$1M seismic study planned for RY24-25. Please provide the results of the \$100k health risk assessment if it is complete, or details on the scope.	5/12/2023	Given the importance of the on-route training, the training program utilizes experienced route employees to partner with new and transitioning employees. O The Port of San Francisco, as part of our new lease negotiations, is requiring Recology SF to perform a Seismic evaluation of their Pier 96 Facility. The evaluation requires a complete structural analysis of the entire building, all of the building systems and the building's foundation as well as the Seawall and the associated tieback system that attaches the seawall to the structure. Engineering estimates for the proposed evaluation places the scope of engineering at \$800K, seawall evaluation estimates at \$100K and the subsurface evaluation (pneumatics, inspecting, filling compacting and paving) of the building and seawall elements estimated to be around \$100K. The \$100K represents two Health Risk Assessments (HRAs). Neither HRA has been performed at this time. The price is based upon experience performing HRA for other Recology SF operations such as Sustainable Crushing. The first HRA will provide a better analysis of the Organics tipping facility emissions. Currently our facility tonnage and throughput is limited by the amount of emissions that we generate or off-gas from the site. Our consultants believe that by performing a new HRA, RSF will be able to revise the permit conditions to eliminate annual testing and reduce the risk of having to restrict incoming organics tonnage. The second HRA represents required assessments for finalizing our C&D facility's Air Permit that is currently under review.	Provided response
3.132	4/27/2023		3.033 Please detail the \$200k EIR work planned for RY24. Please detail the \$715k facility conceptual design work planned for RY25.	5/12/2023	The following represents the estimated expenses for the Legal Team, CEQA Consultants and Engineering Team for RY 2024 and 24 . Legal General and Land Use Council We estimate our legal services to be approximately \$40,000 per month from kickoff to completion of the EIR, which we expect to take between 18 and 24 months. The monthly amount will vary based on our level of involvement in review of architectural plans, consultant coordination, project description refinement, communications with the City about the project, and whether any appeals (including a CEQA appeal) are filed. Legal expenses are estimated to be between \$720K and \$960K, depending upon the time that it takes to complete the CEQA review. CEQA Consultants We have solicited high-level budget estimates from the project's CEQA consultants and received the following feedback: • Panorama (lead CEQA consultant). Panorama estimated that it would require an additional \$175,000 fee to complete an EIR for the project. • Ramboll (air quality consultant). Ramboll provided a ballpark of \$150,000 for updating the air quality and health risk assessment analysis based on the updated excavation figures, changes to building assumptions, and having to revisit analysis of operational emissions (e.g., Recology truck collection assumptions). As a reminder, air quality will be the primary focus of the EIR. • CHS (transportation consultant). CHS provided a ballpark estimate of approximately \$45,000 to update its transportation analysis. • ICF (noise consultant). ICF anticipates that it will cost approximately \$28,000 to update its previous noise analysis based on the revisions to the size/location of new buildings on the site. • Wind Study (Consultant TBD) CEQA, Environmental Planning required a wind study to be performed to assess potential impacts on the windsurfing area in the	Provided response

3.133	4/27/2023	3.034 If corporate allocations exceeded those included in the 2017 rate order by over 50%, why would that be supported by ratepayers? Please justify current expenses such as the commitment to customer system upgrade which is not yet available to ratepayers. Are these costs amortized during rate years when they are in service to ratepayers? Please share the methodology by which corporate administration and commitment to customer costs are allocated to San Francisco ratepayers.	5/10/2023	It has been six years since the 2017 Rate Order was issued. The world has changed dramatically since 2017, including the impacts of a world-wide pandemic that has completely changed the way people work and their attitudes toward employment. To keep up with current reporting and other requirements, Recology has added people to human resources, legal, finance, communications, IT, C2C, internal audit and sustainability departments. These costs are a necessary part of doing business in the more complicated times we live in today. Providing these services from a common parent is cost effective as it creates economies of scale. The Commitment to Customer (C2C) project is necessary to modernize our core operating and billing software. Recology currently relies on a legacy system reaching the end of its useful life. It is written in a programming language (RPG) that is 30 years old and becoming increasingly expensive to maintain. Modern computing platforms have changed dramatically in the ensuing 30 years and are operate in the cloud on a subscription basis. The expenses of implementing and using cloud-based software are charged on a period basis. The C2C costs that have been incurred to date have been incurred to prepare the cloud-based software to meet Recology's business needs. The progress has been significantly slower than Recology expected based on a number of unforeseen challenges scaling the software and dealing with complexities of Recology, especially as it relates to San Francisco. The costs have been expensed as required by GAAP. Recology has been fairly spreading the costs of C2C across all Recology entities in the proportion of a subsidiary's revenue to the total of Recology's revenue. Corporate Administration costs are spread using this same formula.	Provided response
3.134	4/27/2023	3.038a Please detail exactly what Recology's Environment, Social, and Corporate (ESG) governance reporting efforts consist of, what the costs are, and what their connection to communications is.	5/10/2023	Recology's ESG (Environmental, Social, and Governance) program covers a range of issues related to sustainability, responsible business practices, and ethical conduct. This helps ensure that Recology conducts its business to the standards and expectation of San Francisco and our other municipal partners. Here are some key components of this program: 1. Environmental Stewardship: This includes our efforts to reduce the company's carbon footprint, use of renewable energy sources, and conservation of natural resources. 2. Social Responsibility: This encompasses issues such as diversity, equity, and inclusion in the workplace, employee health and safety, fair labor practices, and community engagement. 3. Governance: This covers issues related to transparency, accountability, and ethical behavior in the company's management and decision-making processes. 4. Reporting and Disclosure: We want to be transparent about our ESG efforts and disclose our progress through regular reporting to stakeholders. 6. Continuous Improvement: The company is striving to set targets for improvement, and work towards achieving them on a continuous basis. Overall, our ESG program reflects the company's commitment to sustainability, responsible business practices, and ethical behavior, and demonstrates a genuine effort to make a positive impact on the world. The costs of Sustainability are labor and benefits, professional services, office rent and expenses of four FTEs. The reporting and disclosure that this group does can be seen by visiting the Sustainability Tab under Resource Recovery at the Recology Web Site at www.recology.com	Provided response
3.135	4/27/2023	3.038b Please explain how corporate administration expenses are billed for each year. Your explanation of the top-line adjustment in RY22 doesn't make complete sense given that these costs were lower in RY20 as well, and then remain higher in proposed RY24-25.	5/10/2023	As discussed in 3.133, Recology allocates corporate administration to the San Francisco Companies based on the proportion of those company's third-party revenue to total allocable Recology revenue. Note that only third-party revenues are included. Excluding the inter-company revenues avoids over allocating costs to Recology San Francisco. Corporate expenses are allocated to the Recology subsidiaries on a monthly basis. The change causing Recology San Francisco's allocations to decrease while Sunset and Golden Gate's fees increased was due to changing the allocation methodology such that all corporate costs were allocated based on revenue. Prior to the change HR was allocated based on headcount and IT costs were allocated based a variety of utilization measures that became less reflective of actual utilization over time. Revenues are considered to be the best basis for allocation and are consistent with industry standards.	Provided response
3.136	4/27/2023	3.039 What are the itemized costs for the planned ERP system? Will that system be owned by a Recology entity, and if so, which one? What cost efficiencies has Recology projected the ERP system will bring to SF operations in RY24-25, what are the specific efficiencies, and what are their values? Will the ERP system reduce headcount?	5/10/2023	The ERP Systems that Recology is deploying are SAS "Software As a Service" based systems that are owned by the vendor and located in the cloud. Recology pays for development work and annual subscription fees for as long as the system is used. Because of the uniqueness of San Francisco's programs, i.e. diversion discounts, lien processes, 311 connectivity, bulky item pick-up, tablets on trucks, etc. the implementation costs in FY 2024 & FY 2025 will be significantly more than any savings produced. The company will see savings from streamlined customer service, including expanded self-service, better operations control, including frequent re-routing, fewer missed pick-ups, faster training of drivers on routes, improved rate and billing management and more detailed operating information, allowing for more efficient routing into program and customer segment costs. San Francisco's share of internal audit costs are approximately 2/3 of the total expenses. If IA staff were employed directly by the San Francisco companies the cost would be 2/3s higher. San Francisco ratepayers will benefit from the IA program through improved compliance and process improvement identified through the audits and completed by local staff.	Provided response
3.137	4/27/2023	3.039b If Internal Audit costs plan for an internal audit employee FTE and manager FTE from now through RY25, why aren't those staff employed at RSF or SSGG instead of an indefinite corporate service expense?	5/10/2023	The driver absenteeism rate is 29% in RY22 and Q1 RY23	Provided response
3.138	4/27/2023	3.046 What was your driver rate of absenteeism in RY22 and Q1 RY23?	5/12/2023	the number of HC per year, not tonnage collected or tons per driver. Services scheduled lifts will need to be performed regardless of whether the bin or container is 25%, 50%, or 100% full.	Provided response
3.139	4/27/2023	3.046 In RY2014, the combined FTEs for RSF and SSGG were 1,042.3. In RY2020 they grew to 1,108.0, then dropped to 1,056.0 in RY22 and are proposed to grow to 1,090.0 in RY24. In RY2014 total tons received was 974,752, and steadily reduced to 649,012 tons in RY2022. Total FTEs seem to have grown 1.3% over a period when tonnage declined 33.4% and recovery rate dropped precipitously from 62.0% to 36.7% while disposal tonnage was flat. What can Recology do to better align its staffing with the scale of its operations?	5/16/2023	Regarding the Diversion Rates: The closure of Sustainable Crushing eliminated a significant amount for diversion from the Recology SF operation. The reduction in tonnage correlates to the majority of the 26% diversion reduction reported by the Recology Companies. As explained in the RRA hearing, RSF reduced expenses by 15% between 2019 and 2022 while continuing to support largely fixed costs.	Provided response
3.14	4/27/2023	3.046 How many abandoned materials staff are union drivers and how many are exempt non union in RY23 and in proposed RY24-25?	5/10/2023	RY23 Union Drivers = 13 Non-Union Supervisors/Manager = 4 RY24 Union Drivers = 15 Non-Union Supervisors/Manager = 4 RY25 Union Drivers = 15 Non-Union Supervisors/Manager = 4	Provided response
3.141	4/27/2023	3.054 What quantifiable operational efficiencies do you project for the proposed equipment? What is the estimated benefit per dollar spent?	5/12/2023	The four supervision staff also manage the BIR program. The coverage is geographic, and all four employees cover both programs.	Provided response
3.142	4/27/2023	3.056 What number of spill 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?	5/2/2023	The capital associated with the Dozer represents a replacement program. Recology SF anticipates that the screening system will be capable of removing approximately 50% of the contamination contained within the organics feedstock. The replacement is consistent with Recology's replacement schedule for this type of equipment. Caterpillar Tractors recommends replacing this type of equipment at 7 to 10 years of use or 10,000 hours of operation. This piece of equipment (Unit 21059) is currently 7 1/2 years old and has 12,470 hours of documented use. Based upon the recommended years and service hours this piece of equipment has been utilized well beyond its manufacturer's recommended service life.	Provided response
3.143	4/27/2023	3.059-3.60 How many carts and how many containers are being leased in RY23? What were the numbers in RY21 and 22? What are the projections for RY24 and 25?	5/2/2023	See response provided on 3.057	See response
3.144	4/27/2023	3.061 What is the daily capacity of the West Wing organics film screening system and how many contaminants per minute is it rated to screen?	5/12/2023	Question 3.105 addresses the throughput of the Organics Cleaning system. Recology SF anticipates that the screening system will be capable of removing approximately 50% of the contamination contained within the organics feedstock. The represents 4.5 to 5.10 tons per hour assuming a 35 to 40 ton per hour processing rate. Item counts are typically not considered in this type of calculation as it is very difficult to determine what any given contaminant weighs.	Provided response
3.145	4/27/2023	3.064 Starting in RY21, Directors and Officers Insurance expenses increased substantially from \$90K to over \$1.6M, and is now projected at \$51.3M in RY24 and \$1.0M in RY25. Please provide Recology's justification for this expense and detail the value of the change in coverage.	5/10/2023	There is no change in the base limits for Directors and Officers Insurance included in the rate submission or rate reporting. In rate year 2021, Recology purchased supplemental D&O insurance, which is not included in the rates. The cost of the underlying coverage increased dramatically, based on both market costs and Recology specific risk. The premium cost of all insurance has increased dramatically over the last several years, in large part due to increased climate related losses (fires, hurricanes, etc.) and increased complex litigation.	Provided response

3.146	4/27/2023		3.069 The associated costs of different materials disposed at RSF must differ, so why does RSF have a uniform tip fee? What are the costs for landfill which is not processed, versus recycling or compost?	5/10/2023	SF Environment and Recology made the decision to utilize a Uniform Tipping Fee more than 15 years ago. The Universal Tipping Fee concept was employed to allow maximum flexibility to direct material to achieve the greatest diversion, without regard to the cost of any specific processing option.	Provided response
3.147	4/27/2023		3.070 Please share the data supporting revenues per ton for recyclables.	5/2/2023	See response provided on 3.070	Provided response
3.148	4/27/2023		3.074 Rate Report tables 9 and 11 contain the line item "I/C Disposal" and "Disposal (Not OR Eligible)" which is the intercompany cost of disposal from Sunset/Golden Gate at Recology San Francisco. Table 3 of the rate report has disposal tonnages that don't appear to correlate with the cost of disposal for SS/GG. Which lines in table 3 need to be added to get the correct tonnage with the associated costs in the line item "I/C Disposal"?	5/16/2023	See reconciliation provided.	Provided response and Reconciliation
3.149	4/27/2023		2.15 Please provide RY23 and projected RY24/25 headcount per SS/GG route.	5/12/2023	headcount per route for Recology Golden Gate is 1.24 for RY23 - RY24. Sunset Scavenger has 1.33 HC per route for the same years discussed. See below for calculation. RGG 123 HC / 84 Routes = 1.25 HC per route RSS 320 HC / 240 Routes = 1.33 HC per route	Provided response
3.15	4/27/2023		1.03 Please provide a version of C.2 Waste Collection Revenue Detail which shows a snapshot of all customer accounts both residential and commercial with their individual volumes as of the start of each rate year.			
3.151	4/27/2023		1.04 Please provide a version of C.3 Other Ratepayer Revenue which details the revenues from other charges by rate year.			
3.152	4/27/2023		1.05 and 2.13 Please provide schedule D.2 Revenue Offsets or an exhibit detailing all revenue offsets.	5/12/2023	See response to 2.13	Provided response and support
3.153	4/27/2023		1.1 Please provide schedule E.1 Operating Expense Summary.			
3.154	4/27/2023		1.11 Please provide schedule F.1 Service Apportionment or a proposed method for allocation.			
3.155	4/27/2023		1.12 Please provide additional details requested for schedule G.1 Refuse Collection Detail.	5/11/2023	Provided fixed and variable schedule, see 1.12 for additional details	Provided response
3.156	5/4/2023	HF&H Question	Please report the total discounts provided to ratepayers for each rate year 2020-23. This would include diversion discount and any other discounts from the applicable rate.	5/21/2023	See response provided	Provided response