



A Public Agency

STUDY SESSION

Review of the SBWMA DRAFT Report Reviewing the 2020 South Bay
Recycling Compensation Application

Agenda Item 6

Review of the SBWMA DRAFT Report Reviewing the 2020 South Bay Recycling Compensation Application

**No Staff Report – Attachments Only for Discussion at the
September 12, 2019 Board/TAC Study Session**

Attachments:

Attachment A - SBWMA DRAFT Report Reviewing the 2020 South Bay Recycling Compensation Application

Attachment B – APPENDIX A to the SBR 2020 Compensation Application



SBWMA DRAFT
REPORT REVIEWING THE
2020 SOUTH BAY RECYCLING
COMPENSATION APPLICATION
Redline from version issued on August 15th

September 5, 2019

TABLE OF CONTENTS

SUMMARY

SECTION 1. Overview of SBR Compensation Adjustment and Rate Setting Process	
A. Shoreway Operations Agreement Terms	1
B. Calculation of Total Collection Revenue Requirement.....	1
C. Description of SBR’s Fees and Service Elements	2
D. Compensation Adjustment Process.....	3
E. Commodity Revenue Sharing.....	4
SECTION 2. South Bay Recycling 2020 Compensation Application	
A. Analysis of SBR 2020 Compensation Application	5
B. Description of 2020 Compensation Adjustments	5
SECTION 3. Recommended SBR Fees Per Ton for 2020	7

APPENDICES

Appendix A – SBR Cost Adjustment Worksheets

SECTION 1. OVERVIEW

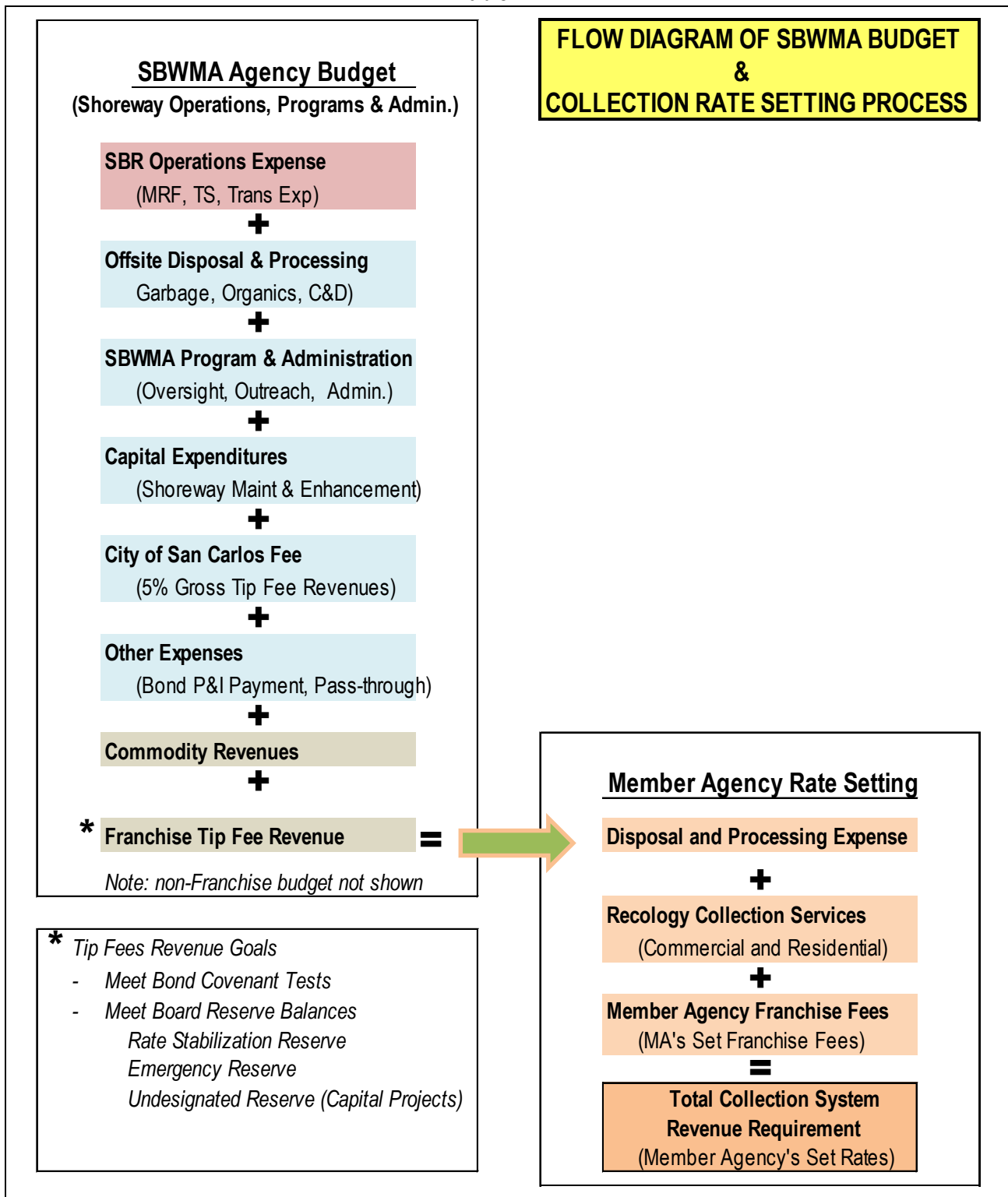
A. **Shoreway Operations Agreement Terms**

South Bay Recycling, LLC (SBR) was selected as the facility operator in 2009 and is paid on a fee per ton basis for three services: processing materials at the Transfer Station (TS), processing materials at the Materials Recovery Facility (MRF) and transporting materials to the disposal and processing facilities. The Shoreway Operations Agreement (“Agreement”) with SBR prescribes that the SBWMA is responsible for conducting the annual review and analysis of SBR’s compensation application which sets the fees each year. The application is reviewed for completeness, accuracy and that the prescribed compensation adjustment methodology is followed to arrive at the recommended 2020 fees per ton contained in this report. The SBR Compensation Application is also reviewed and approved by the SBWMA Board of Directors.

B. **Calculation of Total Collection Revenue Requirement**

The approved 2020 compensation for SBR will be bundled with all other SBWMA operating budget expenses (e.g., disposal expense, franchise fees paid to the City of San Carlos, debt service, SBWMA program budget, etc.) to set the 2020 Shoreway Tip Fees. The 2020 Shoreway Tip Fees are the basis for setting the Shoreway Disposal and Processing expense that becomes part of the total Revenue Requirement for each Member Agency upon which solid waste rates are set for 2020. SBR compensation is approximately 18% of the total Revenue Requirement. These costs are the result of the Shoreway tipping fees charged on the solid waste and organics tons delivered to Shoreway. The Flow Diagram of SBWMA Budget and Collection Rate Setting Process, **Table 1** below, describes this process and relationship.

Table 1



C. Description of SBR Fees and Cost Components

The process for adjusting SBR's compensation is detailed in the Operations Agreement in Article 7.03 and Attachment 13-A of the Agreement. All costs are adjusted based on various US Department of Labor indices (except depreciation which is not adjusted).

The fees for the three services are each comprised of distinct cost components:

- A. Labor Costs
- B. Fuel and Power Costs
- C. Depreciation Cost
- D. Other Operating and Maintenance Costs

The above cost components have the following subcomponents:

- A. Labor Costs
 - Wages for CBA labor (*index*)
 - Benefits for CBA labor (*index*)
 - Workers' compensation insurance (CBA labor) (*index*)
 - Payroll taxes (CBA labor) (*non-index*)
 - Outside contracted workers from third-party sources (VRS) (*index*)
- B. Fuel and Power Costs
 - Electricity (*based on actuals/non-index*)
 - Fuel (*index*)
- C. Depreciation Cost (*no adjustment*)
- D. Other Operating and Maintenance Costs (*index*)
 - Wages and benefits for non-CBA employees
 - Wages and benefits for CBA clerical
 - Repair and maintenance expenses
 - Equipment rental expenses
 - Other vehicle-related expenses (e.g. licensing, taxes)
 - Insurance, safety and claims
 - Other general & administrative expense

D. Compensation Adjustment Process

The compensation adjustment methodology is the basis for SBR's Rate Application submittal and the SBWMA staff's subsequent review. The compensation adjustment process uses the approved 2019 SBR fees as the basis for the adjustment to the new 2020 fees. As detailed in the Agreement, the adjustment process for the 2020 fees is illustrated in **Table 2** below.

Table 2

SBR ANNUAL COST ADJUSTMENT PROCESS				
BASE COST - 2019		ADJUSTMENT		2020 CONTRACTORS COMPENSATION
CBA: TS/MRF, Mechanics, Drivers, & Clerical (wages and benefits)	+	Index	=	Base plus Adjustment
Other Cost	+	Index	=	Base plus Adjustment
Power	+	Blend of actual PG&E rate & ISH Solar rate	=	Base plus Adjustment
Depreciation	+	No Change	=	Last Year's Depreciation
Profit	+	Based on operating ratio in Proposal	=	Base plus Adjustment
Pass-Through Cost				
Interest	+	Interest is fixed on sliding scale	=	Annual Interest Expense per Interest Schedule
Other	+	Actual cost reimbursed to Buyback customers	=	Actual Cost
Total 2019 Compensation	+	Total Adjustments	=	Total 2020 Compensation

E. Commodity Revenue Sharing

A portion of SBR's compensation comes from the sale of commodities through the "Commodity Revenue Share" program where the commodity revenue from the recyclable materials processed at the Shoreway MRF are split between SBWMA and SBR above the Revenue Guarantee of \$5,555,409. The Revenue Share available to SBR is an incentive to maximize recovery and obtain the best commodity sale prices. The current Commodity Revenue Share above the Guarantee is 25% to SBR and 75% to the SBWMA.

Note: the actual value of the revenue share is not shown in this report, since it is based on the actual tonnage and commodity revenue for the full calendar year of 2020.

SECTION 2. SBR 2020 COMPENSATION APPLICATION

A. Analysis of SBR 2020 Compensation Application

SBWMA staff conducted the review of the Compensation Application submitted by SBR and worked closely with the company to ensure that questions and concerns were answered. Their application was modified as necessary to address any changes. Staff recommends two additional adjustments to SBR's 2020 Compensation Adjustment Application request per the items identified by bullet below, subject to review by SBR prior to the final staff recommendation to the Board at the September 26th, 2019 BOD Meeting. The below adjustments represent a total reduction of \$2.18 per ton from SBR's 2020 Compensation Adjustment Application Submission.

- Staff is recommending that SBR adjust their Compensation Application for Third Party (VRS) Supervisory cost to the Labor CPI index of 3% per Contractual Agreement (\$0.23/ton).
- Staff is recommending that SBR adjust the profit share calculation for the VRS Program Costs (**Appendix A, L. VRS Program Costs**), as profit is applied on **Appendix A, D. Comp Adjustment MRF** (\$1.95/ton).

Table 3 below illustrates the Total Compensation for SBR in 2020 with the adjustments above reflected in the total compensation. Total Compensation is estimated to be \$19,760,836 which is \$378,677 (2.0%) higher than in 2019.

Table 3

2019 Costs & Fees vs. 2020 Costs & Fees					
SOUTH BAY RECYCLING	2019		Adjustment	2020	
Operating Cost	Total Cost	Fee/Ton	%	Total Cost	Fee/Ton
Transfer Station	\$ 4,844,789	\$ 13.54	3.0%	\$ 4,990,800	\$ 13.95
Recyclable Materials Processing, net of Residue	\$ 6,817,455	\$ 92.10	0.8%	\$ 6,868,913	\$ 92.80
Transportation (<i>cost/ton-mile</i>)	\$ 6,834,758	\$ 1.13	3.2%	\$ 7,054,511	\$ 1.16
<i>Transport (cost/ton)</i>	-	\$ 19.11	3.2%	-	\$ 19.72
Total Operating Cost	\$ 18,497,002		2.3%	\$ 18,914,224	
Contractor Pass-Through Costs					
Total Interest	\$ 60,158		-64.1%	\$ 21,612	
Buyback Payments	\$ 825,000		0.0%	\$ 825,000	
Total Contractor Pass-Through Cost	\$ 885,158		-4.4%	\$ 846,612	
Total Compensation	\$ 19,382,160		2.0%	\$ 19,760,836	

B. Description of 2020 Compensation Adjustments

Costs in the SBR Compensation Application are adjusted primarily based on changes in indexes. The specific results of the index-based cost adjustments for 2020 are presented in **Table 4** on the following page.

Cost categories are adjusted based on the following criteria:

- *Labor & Benefits Cost* – adjusted by CPI index (U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series # cis201s000000000i).

- *VRS Labor* – adjusted based on SBR’s VRS contract changes with the County of San Mateo. VRS Supervisor costs are adjusted by a predetermined annual schedule developed in a prior year which provides for a larger percentage increase than CPI. SBR’s actual supervisor percentage cost increase is greater than the predetermined schedule by approximately 9 percentage points. Staff recommends that SBR adjust their Compensation Application for Third Party (VRS) Supervisory cost to the Labor CPI Index per Contractual Agreement.
- *Power Cost* - adjusted based on the actual change in the blended power rates (PG&E and Solar)
- *Fuel Cost* - adjusted by a fuel index. (U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series# wpu057303).
- *Other Operating Costs* – adjusted by CPI index (U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series# cuur0000sa).
- *Depreciation Cost* - not adjusted
- *Interest Expense* - based on fixed schedule

Pass-Through Costs

Pass-through costs are not subject to profit but are reimbursed to SBR at actual cost. The pass-through costs in the Facility Operations Agreement (Article 7.09) are as follows:

- Payments to Buyback customers for purchase of recyclables based primarily on state CRV rates. (SBR’s buyback payments to public customers are reimbursed monthly).
- Interest expense on allowed capital per a fixed schedule for the ten-year life of the contract on a sliding scale.

Member Agency Questions on Draft Report issued on August 15

The County of San Mateo submitted questions on the August 15 Draft Report. The questions were addressed by the SBWMA and resulted in part to the recommended profit adjustment noted in this staff report.

Table 4

Results of Cost Adjustments			
Cost Component	Adjustment	Basis	Description
Labor - (all CBAs)			
Wages & Benefits	3.00%	Index	CBA wages compensation adjustment based on index change.
Worker's Comp Insurance	2.55%	Index	Workers compensation adjustment based on index change.
Payroll Tax	3.00%	Wages & tax rate change	The payroll tax rate changes with any changes in federal or state payroll tax rates.
VRS Labor (non-CBA)	-4.08%	Non-Index	Non-CBA (VRS) compensation adjustment based on VRS contract changes with County.
Power	2.43%	PG&E & Solar Rates	Power is adjusted by the blend of actual PG&E electricity rates and the Solar Power rate.
Fuel	18.8%	Index	Fuel expense is adjusted by the actual change in the fuel index.
Depreciation	0.0%	n/a	There is no adjustment to depreciation.
Other O&M	1.81%	Index	Other O&M expense includes non-CBA personnel, maintenance parts, insurance, general office expense, safety, etc. Other O&M expense is adjusted by 80% of an index.

SECTION 3. SBR FEE PER TON ADJUSTMENTS FOR 2020

After review of the SBR Compensation Adjustment Application, staff recommends the following Fees (shown in **Table 3**, prior page) be paid to SBR on a per-ton basis for 2020:

- Transfer Station Processing Fee. The 2020 Transfer Station fee is \$13.95 per ton.
- MRF Processing Fee. The 2020 MRF Processing fee is \$98.73 per ton (note the Contractor pays for MRF residue transportation and disposal which is deducted from MRF Processing Fee resulting in an *Estimated Net MRF Processing Fee of \$92.80*).
- Transportation Fee. There are multiple transportation fees for each material type and destinations (i.e., solid waste, inerts, construction and demolition, and organics). The average 2020 Transportation Fee is \$1.16 per ton mile which is 3.2% increase over prior year (the transportation rate detail for each material type and destination are presented in the **Appendix A** – SBR Compensation Adjustment Application Worksheets).

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

A. Summary of Fees and Estimated Cost

SBWMA Recommended Adjustment

SUMMARY	Year 9		Year 10
	2019	2020	% Increase
Annual % Change			
TS	2.86%	3.01%	
MRF	3.30%	3.12%	
Transport	3.16%	3.22%	
Cost per Ton Fees			
Transfer Station	\$ 13.54	\$ 13.95	3.0%
MRF (net residue)	\$ 92.10	\$ 94.98	3.1%
Transportation (cost / ton-mile)	\$ 1.13	\$ 1.16	3.2%
Total Cost Estimate by LOB			
Transfer Station	\$ 4,844,789	\$ 4,990,800	3.0%
MRF (net residue)	\$ 6,817,455	\$ 7,030,493	3.1%
Transportation	\$ 6,834,758	\$ 7,054,511	3.2%
Total Operating Cost	\$ 18,497,002	\$ 19,075,804	3.1%
Pass-Through Costs			
Total Interest	\$ 60,158	\$ 21,612	-64.1%
Buyback Payment (estimate)	\$ 825,000	\$ 825,000	
Total Pass-Through Cost	\$ 885,158	\$ 846,612	-4.4%
Total Estimated Compensation	\$ 19,382,160	\$ 19,922,416	2.8%

Year 10	
2020	% Increase
3.01%	
0.75%	
3.22%	
\$ 13.95	3.0%
\$ 92.80	0.8%
\$ 1.16	3.2%
\$ 4,990,800	3.0%
\$ 6,868,913	0.8%
\$ 7,054,511	3.2%
\$ 18,914,224	2.3%
\$ 21,612	-64.1%
\$ 825,000	
\$ 846,612	-4.4%
\$ 19,760,836	2.0%

Detail Transportation Fees	Year 9		Year 10
	2019	2020	% Increase
Cost/Ton-Mile			
MSW to OX Mtn.	\$ 1.274	\$ 1.314	3.2%
Inert to OX Mtn.	\$ 1.307	\$ 1.348	3.2%
C&D to Zanker Road	\$ 0.947	\$ 0.979	3.4%
Plant Materials to Newby	\$ 0.764	\$ 0.790	3.4%
Plant Materials to Grover	\$ 0.466	\$ 0.484	3.9%
Organics to Newby	\$ 0.937	\$ 0.969	3.4%
Organics to Grover	\$ 0.521	\$ 0.542	3.9%
Plant Materials to Zanker	\$ 0.764	\$ 0.790	3.4%

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

B. Cost Detail Transfer Station and MRF

SBWMA Recommended Adjustment

TRANSFER STATION	tons	Year 9		Year 10	
Base Tonnage	357,725	%	2019	%	2020
		Adjustment	Cost / Ton	Adjustment	Cost / Ton
Direct Labor - CBA					
Wages		2.6%	\$ 5.25	3.0%	\$ 5.41
Benefits		2.6%	\$ 2.65	3.0%	\$ 2.73
W/C		2.3%	\$ 0.71	2.6%	\$ 0.73
PR Tax		2.6%	\$ 0.46	3.0%	\$ 0.47
Total CBA Labor Cost		2.6%	\$ 9.06	3.0%	\$ 9.33
Power		2.8%	\$ 0.83	2.4%	\$ 0.85
Fuel		31.5%	\$ 0.26	18.8%	\$ 0.30
Depreciation		0.0%	\$ 0.29	0.0%	\$ 0.29
Other O&M		1.7%	\$ 1.82	1.8%	\$ 1.85
Clerical CBA Wages & Benefits		2.6%	\$ 0.40	3.0%	\$ 0.41
Total Operating		2.9%	\$ 12.67	3.0%	\$ 13.05
Profit		2.9%	\$ 0.88	3.0%	\$ 0.90
Profit %			6.9%		6.9%
Total Transfer Station Fee		2.9%	\$ 13.54	3.0%	\$ 13.95

MATERIALS RECOVERY FACILITY (MRF)	tons	Year 9		Year 10	
Base Tonnage	74,022	%	2019	%	2020
		Adjustment	Cost / Ton	Adjustment	Cost / Ton
Direct Labor - CBA					
Wages		2.6%	\$ 19.76	3.0%	\$ 20.35
Benefits		2.6%	\$ 10.47	3.0%	\$ 10.78
W/C		2.3%	\$ 2.80	2.6%	\$ 2.87
PR Tax		2.6%	\$ 1.90	3.0%	\$ 1.96
Total CBA Labor Cost		2.6%	\$ 34.91	3.0%	\$ 35.95
Non-CBA Wages		5.5%	\$ 24.03	4.4%	\$ 25.08
Power		2.8%	\$ 4.86	2.4%	\$ 4.98
Fuel		31.5%	\$ 0.55	18.8%	\$ 0.66
Depreciation		0.0%	\$ 1.91	0.0%	\$ 1.91
Other O&M		1.7%	\$ 17.32	1.8%	\$ 17.64
Clerical CBA Wages & Benefits		2.6%	\$ 1.94	3.0%	\$ 2.00
Total Operating		3.3%	\$ 85.53	3.1%	\$ 88.20
Profit		3.3%	\$ 6.57	3.1%	\$ 6.78
Profit %			7.7%		7.7%
Total MRF Fee		3.3%	\$ 92.10	3.1%	\$ 94.98

Year 10	
%	2020
Adjustment	Cost / Ton
3.0%	\$ 20.35
3.0%	\$ 10.78
2.6%	\$ 2.87
3.0%	\$ 1.96
3.0%	\$ 35.95
-4.1%	\$ 23.05
2.4%	\$ 4.98
18.8%	\$ 0.66
0.0%	\$ 1.91
1.8%	\$ 17.64
3.0%	\$ 2.00
0.8%	\$ 86.18
0.8%	\$ 6.62
	7.7%
0.8%	\$ 92.80

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

C. Compensation Adjustment - Transfer Station

	Year 9		Year 10	
	2019		2020	
	Cost / Ton		Cost / Ton	
SUMMARY OF ANNUAL FEE ADJUSTMENTS				
Direct Labor - CBA				Increase
Wages	\$ 5.25	\$ 5.41		3.00%
Benefits	\$ 2.65	\$ 2.73		3.00%
W/C	\$ 0.71	\$ 0.73		2.55%
PR Tax	\$ 0.46	\$ 0.47		3.00%
Total CBA Labor Cost	\$ 9.06	\$ 9.33		2.96%
Power	\$ 0.83	\$ 0.85		2.43%
Fuel	\$ 0.26	\$ 0.30		18.81%
Depreciation	\$ 0.29	\$ 0.29		0.00%
Other O&M	\$ 1.82	\$ 1.85		1.81%
Clerical CBA Wages & Benefits	\$ 0.40	\$ 0.41		3.00%
Total Operating	\$ 12.67	\$ 13.05		3.01%
Profit	\$ 0.88	\$ 0.90		3.01%
Profit %	6.9%	6.9%		0.00%
Total TS Fee	\$ 13.54	\$ 13.95		3.01%
% Increase	2.86%	3.01%		

DETAIL OF ANNUAL FEE ADJUSTMENTS				
Labor Cost Component Adjustment Factors				
Wages for Direct Labor				
Updated direct labor cost per ton	\$ 5.25	\$ 5.41		
Adjustment Factor for Wages Direct Labor	1.026	1.030		
% Increase	2.61%	3.00%		
Benefits for Direct Labor				
Updated annual benefit cost per ton	\$ 2.65	\$ 2.73		
Adjustment Factor for Benefits	1.026	1.030		
% Increase	2.61%	3.00%		
Workers Compensation Insurance for Direct Labor				
Updated annual benefit cost per ton	\$ 0.71	\$ 0.73		
Adjustment Factor	1.023	1.026		
% Increase		2.55%		

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

C. Compensation Adjustment - Transfer Station

	Year 9		Year 10	
	2019		2020	
	Cost / Ton		Cost / Ton	
<u>Payroll Taxes for Direct Labor</u>				
Updated Payroll Tax cost per Ton	\$ 0.46		\$ 0.47	
Adjustment Factor for payroll taxes shall equal the change	8.70%		8.70%	
Federal Social Security & Medicare Tax Cost	7.65%		7.65%	
Adjustment Factor	1.000		1.000	
% Increase			0.00%	
<u>Fuel and Power Cost Component Adjustment Factors</u>				
Power Adjustment				
Updated Power cost per ton	\$ 0.83		\$ 0.85	
Adjustment Factor	1.028		1.024	
% Increase			2.43%	
<u>Fuel Adjustment</u>				
Updated Fuel cost per ton	\$ 0.26		\$ 0.30	
Adjustment Factor	1.315		1.188	
% Increase			18.81%	
<u>Depreciation</u>				
Updated Depreciation cost per ton	\$ 0.29		\$ 0.29	
Adjustment Factor (No adjustment after Year 1)	1.000		1.000	
% Increase			0.00%	
<u>Other Operating & Maintenance</u>				
Updated Other cost per ton	\$ 1.82		\$ 1.85	
Adjustment Factor @ 80% of Index	1.017		1.018	
% Increase			1.81%	

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

D. Compensation Adjustment - Materials Recovery Facility (MRF)

**SBWMA
Recommended
Adjustment**

	Year 9		Year 10		Year 10	
	2019 Cost / Ton	2020 Cost / Ton	2019 Cost / Ton	2020 Cost / Ton	2020 Cost / Ton	Increase
SUMMARY OF ANNUAL FEE ADJUSTMENTS						
Direct Labor - CBA						
Wages	\$ 19.76	\$ 20.35			\$ 20.35	3.00%
Benefits	\$ 10.47	\$ 10.78			\$ 10.78	3.00%
Workers Comp	\$ 2.80	\$ 2.87			\$ 2.87	2.55%
PR Tax	\$ 1.90	\$ 1.96			\$ 1.96	3.00%
Total CBA Labor Cost	\$ 34.91	\$ 35.95			\$ 35.95	2.96%
Third Party Wages & Benefits (VRS)	\$ 24.03	\$ 25.08			\$ 23.05	-4.08%
Power	\$ 4.86	\$ 4.98			\$ 4.98	2.43%
Fuel	\$ 0.55	\$ 0.66			\$ 0.66	18.81%
Depreciation	\$ 1.91	\$ 1.91			\$ 1.91	0.00%
Other O&M	\$ 17.32	\$ 17.64			\$ 17.64	1.81%
Clerical CBA Wages & Benefits	\$ 1.94	\$ 2.00			\$ 2.00	3.00%
Total Operating	\$ 85.53	\$ 88.20			\$ 86.18	0.75%
Profit	\$ 6.57	\$ 6.78			\$ 6.62	0.75%
Profit %	7.7%	7.7%			7.7%	0.00%
Total MRF Fee (excluding residue)	\$ 92.10	\$ 94.98			\$ 92.80	0.75%
% Increase	3.30%	3.12%			0.75%	
MRF Residue Paid by SBR						
MRF Residue Tons	6,800	6,800			6,800	0.00%
Disposal Tip Fee @ Ox Mtn.	\$ 42.73	\$ 52.57			\$ 52.57	23.03%
Disposal Fees	\$ 3.93	\$ 4.83			\$ 4.83	23.03%
Transfer & Haul	\$ 1.07	\$ 1.11			\$ 1.11	3.15%
Total MRF Residue Fee	\$ 5.00	\$ 5.94			\$ 5.94	18.76%
Total Cost with MRF Residue	\$ 97.10	\$ 100.91			\$ 98.73	1.68%

DETAIL OF ANNUAL FEE ADJUSTMENTS						
Labor Cost Component Adjustment Factors						
Updated annual labor for direct labor	\$ 19.76	\$ 20.35				
Adjustment Factor	1.026	1.030				
% Increase	2.61%	3.00%				
Benefits for Direct Labor						
Updated annual benefit cost per ton	\$ 10.47	\$ 10.78				
Adjustment Factor	1.026	1.030				
% Increase	2.61%	3.00%				
Workers Compensation Insurance for Direct Labor						
Updated annual benefit Costs	\$ 2.80	\$ 2.87				
Adjustment Factor	1.023	1.026				
% Increase		2.55%				
Payroll Taxes for Direct Labor						
Updated Payroll Tax cost per ton	\$ 1.90	\$ 1.96				
Total Payroll Tax Rate %	9.6%	9.6%				
Federal Social Security & Medicare tax rates	9.61%	9.61%				
Adjustment Factor	1.000	1.000				
% Increase		0.00%				

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

D. Compensation Adjustment - Materials Recovery Facility (MRF)

**SBWMA
Recommended
Adjustment**

	Year 9		Year 10		Year 10
	2019 Cost / Ton		2020 Cost / Ton		2020 Cost / Ton
Labor & Benefits Component Adjustment Factor - non-CBA labor (VRS)					
Updated annual costs	\$ 24.03		\$ 25.08		\$ 23.05
% Increase	6%		4.35%		-4.1%
Fuel and Power Cost Component Adjustment Factors					
Power Adjustment					
Updated Power cost per ton	\$ 4.86		\$ 4.98		
Adjustment Factor	1.028		1.024		
% Increase			2.43%		
Fuel Adjustment					
Updated Fuel Costs	\$ 0.55		\$ 0.66		
Adjustment Factor	1.315		1.188		
% Increase			18.81%		
Depreciation					
Updated Depr cost per ton	\$ 1.91		\$ 1.91		
Adjustment Factor (No adjustment after Year 1)	1.000		1.000		
% Increase			0.00%		
Other Operating & Maintenance					
Updated Other cost per ton	\$ 17.32		\$ 17.64		
Adjustment Factor @ 80% of Index	1.017		1.018		
% Change in underlying index	2.07%		2.26%		
% Increase			1.81%		
MRF Load Contamination					
Plant Materials & Organics Contamination	\$ 9.70		\$ 10.00		
% Increase			3.12%		

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

E. Compensation Adjustment - Transportation

	Year 9		Year 10	
	2019	2020		
	Per Ton-Mile	Adjustment Factor	Per Ton-Mile	
SUMMARY OF ANNUAL FEE ADJUSTMENTS				
Solid Waste Transport Fee - Ox Mtn.	\$ 1.27	3.2%	\$ 1.31	
Inert Transport Fee - Ox Mtn.	\$ 1.31	3.2%	\$ 1.35	
C&D Transport Fee - Zanker	\$ 0.95	3.4%	\$ 0.98	
Plant Matls Trans Fee - Newby	\$ 0.76	3.4%	\$ 0.79	
Plant Matls Trans Fee - Grover	\$ 0.47	3.9%	\$ 0.48	
Organic Matl Trans Fee - Newby	\$ 0.94	3.4%	\$ 0.97	
Organic Matl Trans Fee - Grover	\$ 0.52	3.9%	\$ 0.54	
Biomass Trans Fee - Biofuel	\$ 0.62		\$ 0.64	
Plant Matls Trans Fee - Zanker	\$ 0.76		\$ 0.79	
Blended Total Fee	\$ 1.13	3.2%	\$ 1.16	
Total Cost Increase %		3.2%		3.2%

DETAIL OF ANNUAL FEE ADJUSTMENTS			
Direct Labor Component for All Transport Fees			
Wages for CBA Labor	\$ 1,749,924	1.030	\$ 1,802,375
Benefits for CBA Labor	\$ 747,114	1.030	\$ 769,507
WC Insurance	\$ 185,451	1.026	\$ 190,184
Payroll Taxes	\$ 148,048	1.000	\$ 152,486
Total Cost Estimate (SW to Ox)	\$ 2,830,537	1.0297	\$ 2,914,552
Cost/Ton	\$ 10.85		\$ 11.18
Adjusted Labor for MSW Transport Fee (cost/ton-mile)	\$ 0.835	1.030	\$ 0.860
Solid Waste Transport Fee (OX)			
Labor component	\$ 0.8348	1.030	\$ 0.8596
Fuel	\$ 0.0429	1.188	\$ 0.0510
Depreciation	\$ 0.0851	1.000	\$ 0.0851
Other O&M Component	\$ 0.1831	1.018	\$ 0.1864
Clerical CBA wages & benefits	\$ 0.0274	1.030	\$ 0.0283
Total Operating Cost	\$ 1.1734		\$ 1.2104
Profit per Operating Ratio	\$ 0.1006		\$ 0.1038
Total SW Transportation Fee	\$ 1.27402	3.2%	\$ 1.31418
Inert Transport Fee - OX Mtn.			
Labor component	\$ 0.796	1.030	\$ 0.820
Fuel	\$ 0.047	1.188	\$ 0.056
Depreciation	\$ 0.085	1.000	\$ 0.085
Other O&M Component	\$ 0.230	1.018	\$ 0.234
Clerical CBA wages & benefits	\$ 0.035	1.030	\$ 0.036
Total Operating Cost	\$ 1.193		\$ 1.231
Profit per Operating Ratio	\$ 0.114		\$ 0.117
Total Inert Transportation Fee	\$ 1.307	3.2%	\$ 1.348

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

E. Compensation Adjustment - Transportation

	Year 9		Year 10	
	2019	2020		
	Per Ton-Mile	Adjustment Factor	Per Ton-Mile	
C&D Transport Fee - Zanker Road				
Labor component	\$ 0.6263	1.030	\$ 0.6449	
Fuel	\$ 0.0435	1.188	\$ 0.0517	
Depreciation	\$ 0.0530	1.000	\$ 0.0530	
Other O&M Component	\$ 0.1254	1.018	\$ 0.1277	
Clerical CBA wages & benefits	\$ 0.0188	1.030	\$ 0.0194	
Total Operating Cost	\$ 0.8670		\$ 0.8966	
Profit per Operating Ratio	\$ 0.0795		\$ 0.0822	
Total C&D Transportation Fee	\$ 0.94654	3.4%	\$ 0.97886	
Plant Materials Transport Fee - Newby Is				
Labor component	\$ 0.4925	1.030	\$ 0.5071	
Fuel	\$ 0.0363	1.188	\$ 0.0432	
Depreciation	\$ 0.0442	1.000	\$ 0.0442	
Other O&M Component	\$ 0.1118	1.018	\$ 0.1138	
Clerical CBA wages & benefits	\$ 0.0168	1.030	\$ 0.0173	
Total Operating Cost	\$ 0.7016		\$ 0.7256	
Profit per Operating Ratio	\$ 0.0627		\$ 0.0648	
Total Plant Material Transportation Fee	\$ 0.76431	3.4%	\$ 0.79043	
Plant Materials Transport Fee - Grover				
Labor component	\$ 0.2924	1.030	\$ 0.3011	
Fuel	\$ 0.0363	1.188	\$ 0.0431	
Depreciation	\$ 0.0286	1.000	\$ 0.0286	
Other O&M Component	\$ 0.0613	1.018	\$ 0.0624	
Clerical CBA wages & benefits	\$ 0.0092	1.030	\$ 0.0095	
Total Operating Cost	\$ 0.4278		\$ 0.4447	
Profit per Operating Ratio	\$ 0.0382		\$ 0.0397	
Total Plant Material Transportation Fee	\$ 0.46606	3.9%	\$ 0.48446	
Organic Material Transport Fee - Newby Is				
Labor component	\$ 0.6156	1.030	\$ 0.6339	
Fuel	\$ 0.0399	1.188	\$ 0.0474	
Depreciation	\$ 0.0442	1.000	\$ 0.0442	
Other O&M Component	\$ 0.1211	1.018	\$ 0.1233	
Clerical CBA wages & benefits	\$ 0.0182	1.030	\$ 0.0187	
Total Operating Cost	\$ 0.8390		\$ 0.8675	
Profit per Operating Ratio	\$ 0.0984		\$ 0.1018	
Total Organic Material Transportation Fee	\$ 0.93739	3.4%	\$ 0.96923	

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

E. Compensation Adjustment - Transportation

	Year 9		Year 10	
	2019		2020	
	Per Ton-Mile	Adjustment Factor	Per Ton-Mile	
Organic Material Transport Fee - Grover				
Labor component	\$ 0.3187	1.030	\$ 0.3282	
Fuel	\$ 0.0396	1.188	\$ 0.0470	
Depreciation	\$ 0.0313	1.000	\$ 0.0313	
Other O&M Component	\$ 0.0668	1.018	\$ 0.0680	
Clerical CBA wages & benefits	\$ 0.0100	1.030	\$ 0.0103	
Total Operating Cost	\$ 0.4663		\$ 0.4847	
Profit per Operating Ratio	\$ 0.0547		\$ 0.0569	
Total Organic Material Transportation Fee	\$ 0.52101	3.9%	\$ 0.54158	

SOUTH BAY RECYCLING, LLC
Compensation Adjustment Application for Rate Year 2020

F. Indexes

	Year 9 2019	Year 10 2020
<u>Workers Compensation</u>		
Use- Factor	1.023	1.026
<u>Direct Labor</u>		
Use- Factor	1.026	1.030
<u>Fuel</u>		
Use- Factor	1.315	1.188
<u>Other O&M</u>		
Use- Factor	1.021	1.023
<u>Depreciation</u>		
Use- Factor	1.000	1.000

SOUTH BAY RECYCLING, LLC
Compensation Adjustment Application for Rate Year 2020
G. Department of Labor Index Detail

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Total All workers (not seasonally adjusted, total benefits, series no. (CIU2030000000000i).

Workers Compensation

	2017	2018	2019
Average Index	127.30	130.28	133.60
% Change	1.78%	2.34%	2.55%
Q1	128.40	131.60	134.70
Q2	129.30	132.90	
Q3	130.00	133.20	
Q4	130.20	133.60	

Index: U.S. Department of Labor, Bureau of Labor Statistics, Private Industry Employment Cost Index for Service-Producing Industries (seasonally adjusted, total compensation, series no. (cis201s000000000i).

Direct Labor

	2017	2018	2019
Index 1ST QTR	127.63	130.95	134.88
% Change	2.28%	2.61%	3.00%
Q1	128.80	132.50	136.20
Q2	129.60	133.40	
Q3	130.50	134.50	
Q4	131.20	135.40	

Index: U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index - Commodity Index for #2 diesel fuel (not seasonally adjusted, fuels and related products and power, series no. (wpu057303).

Fuel

	2017	2018	2019
Avg Index Apr	158.00	207.70	246.76
% Change	-0.26%	31.46%	18.81%
Jan	160.70	231.00	200.80
Feb	163.30	226.40	217.70
Mar	161.60	225.40	245.40
Apr	164.60	230.70	241.80
May	173.60	251.10	
Jun	171.50	261.40	
Jul	179.60	256.90	
Aug	188.90	254.30	
Sep	204.20	262.50	
Oct	213.50	271.70	
Nov	223.70	264.80	
Dec	223.90	232.70	

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

G. Department of Labor Index Detail

Index: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. city average (not seasonally adjusted, all items, base period: 1982-84=100, series no. (cuur0000sa0).

Other O&M

Avg Index April

% Change

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

	2017	2018	2019
Avg Index April	241.95	246.97	252.55
% Change	1.72%	2.07%	2.26%
Jan	242.84	247.87	251.71
Feb	243.60	248.99	252.78
Mar	243.80	249.55	254.20
Apr	244.52	250.55	255.54
May	244.73	251.59	
Jun	244.96	251.99	
Jul	244.79	252.01	
Aug	245.52	252.15	
Sep	246.82	252.44	
Oct	246.66	252.89	
Nov	246.67	252.04	
Dec	246.52	251.23	

SOUTH BAY RECYCLING, LLC
Compensation Adjustment Application for Rate Year 2020
H. Electric Power and Solar Cost

PG&E	Actual Use	
	Apr-18	Apr-19
Year		
Total Bill	\$ 23,149	\$ 24,246
KWH Allocation *	109,004	469,044
KWH	109,004	118,236
Rate / KWH	\$ 0.212	\$ 0.052
% increase from Prior Yr.	2.54%	1.93%
Adjustment Factor	1.0254	1.019

ISH (Solar)	Apr-18	Apr-19
	Year	
Total Bill	\$ 21,742	\$ 21,794
KWH	95,834	93,265
Rate / KWH	\$ 0.227	\$ 0.234
% increase vs. Prior Yr.	3.0%	3.0%
Adjustment Factor	1.030	1.03

Blended	Apr-18	Apr-19
	Year	
Total Bill	\$ 44,891	\$ 46,041
KWH Allocation	204,838	562,309.30
Rate / KWH	\$ 0.219	\$ 0.082
% increase vs. Prior Yr.	2.8%	2.4%
Adjustment Factor	1.0276	1.024

* Additional line items charged on the power bill are being allocated across total KWH to arrive at Rate/KWH

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

I. Debt Service Schedule

Year one interest rate adjustment per Operations Agreement Article 8.03

Assumed interest rate per SBR 2009 proposal:	5.00%
Ten-year U.S. Treasury note interest rate in March, 2008:	3.50%
Ten-year U.S. Treasury note interest rate in effect on July 1, 2010:	3.50%
Adjustment factor:	100.00%
Fixed interest rate for entire period of Ops Agreement:	5.00%

Year	Financed Purchase - BASE 2009 COST			Adjusted for Capital indexed price change			
	Principal Payment	Interest	Total	Adj. Factor	Depreciation	Interest	Total
Interest Rate %		5.00%				5.00%	
1	\$ 505,441	\$ 308,120	\$ 813,561	1.0000	\$ 505,441	\$ 308,120	\$ 813,561
2	\$ 531,300	\$ 282,260	\$ 813,560	1.0000	\$ 531,300	\$ 282,260	\$ 813,560
3	\$ 558,483	\$ 255,077	\$ 813,560	1.0000	\$ 558,483	\$ 255,077	\$ 813,560
4	\$ 587,055	\$ 226,505	\$ 813,560	1.0000	\$ 587,055	\$ 226,505	\$ 813,560
5	\$ 617,091	\$ 196,470	\$ 813,561	1.0000	\$ 617,091	\$ 196,470	\$ 813,561
6	\$ 648,662	\$ 164,898	\$ 813,560	1.0000	\$ 648,662	\$ 164,898	\$ 813,560
7	\$ 681,849	\$ 131,712	\$ 813,561	1.0000	\$ 681,849	\$ 131,712	\$ 813,561
8	\$ 716,734	\$ 96,827	\$ 813,561	1.0000	\$ 716,734	\$ 96,827	\$ 813,561
9	\$ 753,403	\$ 60,158	\$ 813,561	1.0000	\$ 753,403	\$ 60,158	\$ 813,561
10	\$ 791,948	\$ 21,612	\$ 813,560	1.0000	\$ 791,948	\$ 21,612	\$ 813,560
TOTAL COST	\$ 6,391,966	\$ 1,743,639	\$ 8,135,605		\$ 6,391,966	\$ 1,743,639	\$ 8,135,605

# Years	10	10
Average Interest / Year	\$174,364	\$174,364

SOUTH BAY RECYCLING, LLC
Compensation Adjustment Application for Rate Year 2020
J. CBA Wages & Benefits

BASE						Actual		Actual	
						2019 Rates		2020 Rates	
TRANSFER STATION									
Direct Labor	<u>FTE</u>	<u>Reg Hrs</u>	<u>OT Hrs</u>	<u>Hourly Rate</u>	<u>Annual Cost</u>				
Leads	1.0	2,080	390	\$33.34	\$88,851.10	\$ 45.62	\$ 121,572	\$ 46.99	\$ 125,216
Scale Operator	3.0	6,240	1,170	\$31.75	\$253,841.25	\$ 43.45	\$ 347,349	\$ 44.75	\$ 357,760
Spotter ²	5.0	10,400	780			\$ 30.24	\$ 349,934	\$ 31.15	\$ 360,423
Sorter ²	6.0	12,480	3,120			\$ 24.06	\$ 412,909	\$ 24.78	\$ 425,285
Equipment Operator-Lead	2.0	4,160	624		\$0.00	\$ 47.65	\$ 242,802	\$ 49.07	\$ 250,079
Equipment Operator	3.0	6,240	936	\$33.16	\$253,475.04	\$ 45.37	\$ 346,831	\$ 46.73	\$ 357,227
Personal Day Adjustment							\$ 14,059		\$ 14,481
True Up						\$ -	\$ -	\$ -	\$ -
Total						\$ 1,835,455		\$ 1,890,470	
						\$ -		\$ -	
						2.61%		3.00%	
Total	20.0	74,880	12,480		\$ 1,283,084				

MRF									
Direct Labor	<u>FTE</u>	<u>Reg Hrs</u>	<u>OT Hrs</u>	<u>Hourly Rate</u>	<u>Annual Cost</u>				
Scale Operator - Lead	2	4,160	0	33.34	138694.4	\$ 45.62	\$ 189,771	\$ 46.99	\$ 195,459
Equipment Operator-Lead	2.0	4,160	0		\$0.00	\$ 43.45	\$ 727,456	\$ 44.75	\$ 749,260
Equipment Operator	7.0	14,560	1,456	\$31.75	\$531,622.00	\$ 45.65	\$ 94,955	\$ 47.02	\$ 97,801
MRF Mechanic	1.0	2,080	0	\$33.36	\$69,388.80	\$ 39.16	\$ 81,446	\$ 40.33	\$ 83,888
PM Technician	1.0	2,080	0	\$28.80	\$59,904.00	\$ 30.24	\$ 62,909	\$ 31.15	\$ 64,795
Utility ²	1.0	2,080	0			\$ 30.24	\$ 62,909	\$ 31.15	\$ 64,795
Spotter ²	1.0	2,080	0			\$ 30.24	\$ 62,909	\$ 31.15	\$ 64,795
Buyback Attendant	2.2	4,576	1,664	\$22.20	\$156,998.40	\$ 30.38	\$ 214,838	\$ 31.29	\$ 221,277
Personal Day Adjustment							\$ 12,150		\$ 12,514
True Up						\$ -	\$ -	\$ -	\$ -
Total						\$ 1,446,435		\$ 1,489,789	
						\$ -		\$ -	
						2.61%		3.00%	
Total	15.2	35,776	3,120		\$ 1,048,544				

TRANSPORT									
Direct Labor		<u>Reg Hrs</u>	<u>OT Hrs</u>	<u>Hourly Rate</u>	<u>Annual Cost</u>				
Semi-Driver	20.0	41,600	6,344	\$ 34.21	1,748,678	\$ 45.37	\$ 2,319,340	\$ 46.73	\$ 2,388,858
Mechanic	1.6	3,250	-	\$ 33.36	108,407	\$ 43.97	\$ 142,872	\$ 45.28	\$ 147,154
PM Technician	-	-	-	\$ 28.80	-	\$ 38.78	\$ -	\$ 39.94	\$ -
Personal Day Adjustment							\$ 19,523		\$ 20,109
							\$ 2,481,735		\$ 2,556,121
Total		44,850	6,344		1,857,085				

BENEFITS		/ month	/ hour	/ month	/ hour	/ month	/ hour
Plant & Transportation Operations	Medical	\$1,361.00	\$7.85	\$ 2,175.63	\$ 12.55	\$ 2,240.84	\$ 12.93
	RSP	\$268.62	\$1.55	\$ 564.54	\$ 3.26	\$ 581.47	\$ 3.35
	IP	\$4.90	\$0.03	\$ 5.46	\$ 0.03	\$ 5.62	\$ 0.03
	Peer-84	\$667.33	\$3.85	\$ 1,139.24	\$ 6.57	\$ 1,173.39	\$ 6.77
Total TS & Recycling			\$ 13.28		\$ 22.41		\$ 23.08
					\$ -		\$ -
					2.61%		3.00%

Total Teamster	\$ 13.28	\$ 22.41	\$ 23.08
USE FOR TRANSFER STATION		2.6%	3.0%

Total Teamster	\$ 13.09	\$ 22.41	\$ 23.08
USE FOR MRF		2.6%	3.0%

Notes
¹ In base rate for forward calculation purposes only
² Job Classifications (**not hours**) added due to grievance by Teamsters Local No. 350

SOUTH BAY RECYCLING, LLC
Compensation Adjustment Application for Rate Year 2020
K. Clerical CBA Wages & Benefits

BASE					Actual 2019 Rates		Actual 2020 Rates	
CLERICAL								
G&A Labor (2009)	Reg Hrs	OT Hrs	Hourly Rate	Annual Cost				
Accounting Clerk	2,080.00	390.00	\$15.00	\$39,975.00				
Admin Assistant	2,080.00	390.00	\$16.88	\$44,985.20				
Dispatcher	2,080.00	390.00	\$13.13	\$34,991.45				
	6,240.00	1,170.00						
G&A Labor (2011)								
Payroll Processor	2,080.00	125.00			\$ 35.34	\$ 80,144	\$ 36.40	\$ 82,546
A/P Coordinator	2,080.00	125.00			\$ 28.61	\$ 64,881	\$ 29.47	\$ 66,825
Admin Assistant	2,080.00	125.00			\$ 28.07	\$ 63,649	\$ 28.91	\$ 65,557
Dispatcher	2,080.00	125.00			\$ 29.44	\$ 66,755	\$ 30.32	\$ 68,756
Total Hours	8,320.00	500.00				\$ -		\$ -
					Total	\$ 275,429	Total	\$ 283,684
2009 Base Totals	6,240.00	1,170.00		\$119,951.65		2.61%		3.0%

2009 BASE							
Transfer	33.33%	\$ 39,984	33.33%	\$ 91,810	33.33%	\$ 94,561	
MRF	33.33%	\$ 39,984	33.33%	\$ 91,810	33.33%	\$ 94,561	
Transportation	33.33%	\$ 39,984	33.33%	\$ 91,810	33.33%	\$ 94,561	

BENEFITS		/ month	/ hour	CPI Adjust	/ hour	CPI Adjust	/ hour
Clerical Unit	Medical	\$ 1,139.00	\$ 6.57	\$ 2,122.22	\$ 12.24	\$ 2,185.83	\$ 12.61
	Peer-84	\$ -	\$ -	\$ 590.45	\$ 3.41	\$ 608.15	\$ 3.51
	RSP	\$ -	\$ -	\$ 526.41	\$ 3.04	\$ 542.18	\$ 3.13
	IP	\$ -	\$ -	\$ 5.56	\$ 0.03	\$ 5.73	\$ 0.03
				True Up	\$ -	True Up	\$ -
	Total	\$ 6.57	Total	\$ 18.72	Total	\$ 19.28	
					\$ -	\$ -	
					2.61%	3.0%	

Total H&W, Pension / Hr	\$ 2.19	\$ 6.24	\$ 6.43
USE FOR TRANSFER STATION		2.61%	3.00%

Total H&W, Pension / Hr	\$ 2.19	\$ 6.24	\$ 6.43
USE FOR MRF		2.61%	3.00%

Total H&W, Pension / Hr	\$ 2.19	\$ 6.24	\$ 6.43
USE FOR TRANSPORTATION		2.61%	3.00%

Total Wages + Benefits for G&A Group			
Transfer Station	\$ 53,651.88	\$ 143,723.93	\$ 148,031.80
MRF	\$ 53,651.88	\$ 143,723.93	\$ 148,031.80
Transportation	\$ 53,651.88	\$ 143,723.93	\$ 148,031.80
%		2.61%	3.00%

SOUTH BAY RECYCLING, LLC

Compensation Adjustment Application for Rate Year 2020

L. Vocational Rehabilitation Services Cost

**SBWMA
Recommended
Adjustment**

	2019	2020	2020
SEP Clients			
Regular Hours	50,496	50,496	50,496
Overtime Hours	6,312	6,312	6,312
Holidays	789	790	790
Production Supervisor			
Regular Hours	2,080	2,080	2,080
Overtime Hours	260	260	260
Bilingual Pay Hours	2,340	2,340	2,340
Holiday Hours	96	96	96
Utility Worker			
Regular Hours	2,080	2,080	2,080
Overtime Hours	260	260	260
Bilingual Pay Hours	2,340	2,340	2,340
Holiday Hours	96	96	96
Client Wages-Regular	\$ 823,680.00	\$ 859,372.80	\$ 859,372.80
Client Wages-Overtime	\$ 154,440.00	\$ 161,132.40	\$ 161,132.40
Client Wages-Holiday	\$ 12,672.00	\$ 13,221.12	\$ 13,221.12
Client Seasonal-Regular	\$ 9,600.00	\$ 9,957.12	\$ 9,957.12
Client Seasonal-Overtime	\$ 1,800.00	\$ 1,866.96	\$ 1,866.96
Client Seasonal-Holiday	\$ 358.40	\$ 385.66	\$ 385.66
Subtotal Clients	\$ 1,002,550.40	\$ 1,045,936.06	\$ 1,045,936.06
Supervision	\$ 371,172.30	\$ 399,645.65	\$ 382,307.47
Overhead Fee	\$ 123,552.00	\$ 123,552.00	\$ 123,552.00
Regulatory Fee	\$ 154,440.00	\$ 154,440.00	\$ 154,440.00
Administration Fee	\$ 277,992.00	\$ 277,992.00	\$ 277,992.00
Total Program Expense	\$ 1,651,714.70	\$ 1,723,573.70	\$ 1,706,235.53
Total Program Cost/Ton		\$ 23.28	\$ 23.05
SBR Profit Margin	7.70%	7.70%	7.70%
Total Program Expense	\$ 1,778,896.74	\$ 1,856,288.88	\$ 1,837,615.66
Total Program Cost/Ton	\$ 24.03	\$ 25.08	\$ 24.83

OUTH BAY RECYCLING, LLC
Compensation Adjustment Application for Rate Year 2020
Power Allocation Usage Worksheet

	April 2018 Actual			April 2019 Actual		
	KWH	Rate/KWH		KWH	Rate/KWH	
PG&E						
Customer Charge	30.00	\$ 19.7125	\$ 591.38	32.00	\$ 19.7125	\$ 630.80
Max Part Peak	634.80	\$ 0.1200	\$ 76.18	615.60	\$ 0.1300	\$ 80.03
Max Demand	634.80	\$ 17.7400	\$ 11,261.35	615.60	\$ 18.3000	\$ 11,265.48
Partial Peak	79,338.00	\$ 0.1100	\$ 8,730.35	74,908.65	\$ 0.1131	\$ 8,470.67
Off Peak	37,598.00	\$ 0.0940	\$ 3,534.59	34,198.80	\$ 0.0967	\$ 3,305.31
Power Factor Adjustment			\$ 58.47			\$ 43.65
Generation Credit	116,936.00	\$ (0.0820)	\$ (9,588.32)	109,107.45	\$ (0.0841)	\$ (9,180.40)
Power Charge Indifference Adjustment	116,936.00	\$ 0.0210	\$ 2,460.35	109,107.45	\$ 0.0210	\$ 2,295.62
Energy Commission Tax			\$ 71.33			\$ 68.74
Generation Off Peak	37,598.70	\$ 0.0458	\$ 1,721.36	34,198.80	\$ 0.0459	\$ 1,570.07
Generation Part Peak	79,338.00	\$ 0.0610	\$ 4,837.05	74,908.65	\$ 0.0611	\$ 4,579.91
Energy Commission Surcharge			\$ 33.91			\$ 32.73
Total Bill	469,044.30	\$ 0.0507	\$ 23,788.00	437,693.00	\$ 0.0529	\$ 23,162.61
ISH Solar						
Transfer Station (333)	37,041.00	\$ 0.2269	\$ 8,403.49	36,401.00	\$ 0.2337	\$ 8,506.19
MRF (225)	56,224.00	\$ 0.2269	\$ 12,755.54	44,648.00	\$ 0.2337	\$ 10,433.34
Total ISH Solar	93,265.00	\$ 0.2269	\$ 21,159.03	81,049.00	\$ 0.2337	\$ 18,939.53
Blended	562,309.30	\$ 0.0799	44,947.03	518,742.00	\$ 0.0812	42,102.14

April 2019 SBWMA Usage				
PG&E				
Customer Charge	30.00	\$ 19.7125	\$ 591.38	
Max Part Peak	634.80	\$ 0.1300	\$ 82.52	
Max Demand	634.80	\$ 18.3000	\$ 11,616.84	
Partial Peak	79,338.00	\$ 0.1131	\$ 8,971.54	
Off Peak	37,598.00	\$ 0.0967	\$ 3,633.85	
Power Factor Adjustment			45.75	
Generation Credit	116,936.00	\$ (0.0841)	\$ (9,839.10)	
Power Charge Indifference Adjustment	116,936.00	\$ 0.0210	\$ 2,460.33	
Energy Commission Tax			71.39	
Generation Off Peak	37,598.70	\$ 0.0459	\$ 1,726.16	
Generation Part Peak	79,338.00	\$ 0.0611	\$ 4,850.73	
Energy Commission Surcharge			35.00	
Total Bill	469,044.30	\$ 0.0517	\$ 24,246.38	1.93%
ISH Solar				
Transfer Sta	37,041.00	\$ 0.2337	\$ 8,655.75	
MRF	56,224.00	\$ 0.2337	\$ 13,138.42	
Total ISH Solar	93,265.00	\$ 0.2337	\$ 21,794.16	3.00%
Blended	562,309.30	\$ 0.0819	46,040.55	2.433%