

Exhibit A



SBWMA **FINAL**  
REPORT REVIEWING THE  
2020 SOUTH BAY RECYCLING  
COMPENSATION APPLICATION

September 5, 2019

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## SECTION 1. OVERVIEW

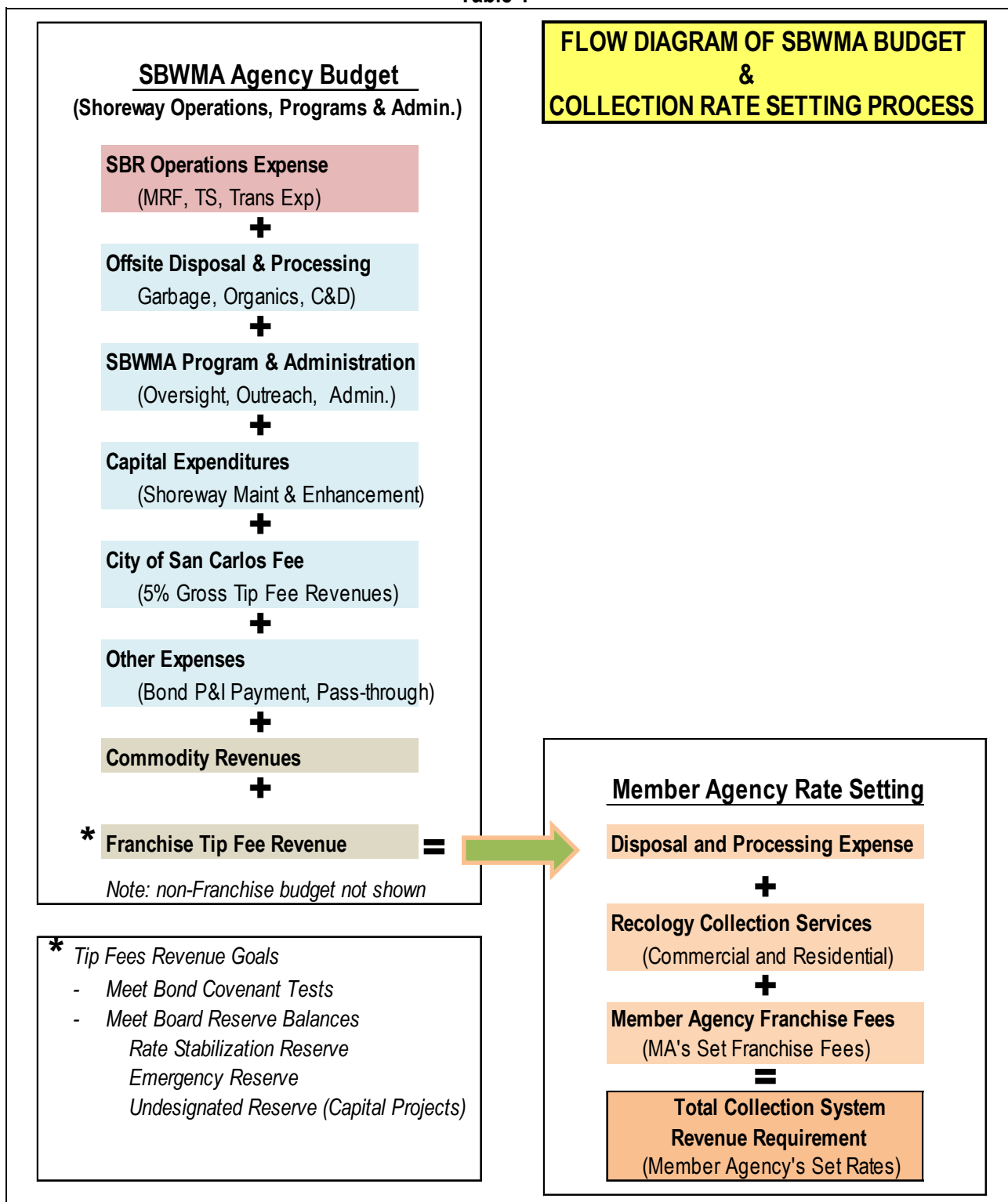
### A. Shoreway Operations Agreement Terms

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**

<b>SBR ANNUAL COST ADJUSTMENT PROCESS</b>			
<b>BASE COST - 2019</b>		<b>ADJUSTMENT</b>	<b>2020 CONTRACTORS COMPENSATION</b>
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
<b>Profit</b>	+	Based on operating ratio in Proposal	= Base plus Adjustment
<b>Pass-Through Cost</b>			
Interest	+	Interest is fixed on sliding scale	= Annual Interest Expense per Interest Schedule
Other	+	Actual cost reimbursed to Buyback customers	= Actual Cost
<b>Total 2019 Compensation</b>	+	<b>Total Adjustments</b>	= <b>Total 2020 Compensation</b>

**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 has verified that the SBR Compensation Application is complete and meets the requirements of the Operations Agreement. As shown in **Table 3** below, Total Compensation for SBR in 2020 is estimated to be \$19,779,506 which is \$397,347 (2.1%) higher than in 2019.

One modification to SBR's 2020 Compensation Application also applies the compensation in prior years to the benefit of the SBWMA. The SBWMA and SBR have agreed meet in an effort to remedy prior year compensation. Staff will report the results of the meeting and the compensation modification to the Board at a subsequent Board Meeting. The specific modification is related to the application of profit to the VRS Program costs twice in the Compensation Application.

**Table 3**

2019 Costs & Fees vs. 2020 Costs & Fees					
SOUTH BAY RECYCLING	2019		Adjustment	2020	
	Total Cost	Fee/Ton	%	Total Cost	Fee/Ton
<b>Operating Cost</b>					
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	1.0%	\$ 6,887,583	\$ 93.05
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
<b>Total Operating Cost</b>	\$ 18,497,002		2.4%	\$ 18,932,894	
<b>Contractor Pass-Through Costs</b>					
Total Interest	\$ 60,158		-64.1%	\$ 21,612	
Buyback Payments	\$ 825,000		0.0%	\$ 825,000	
<b>Total Contractor Pass-Through Cost</b>	\$ 885,158		-4.4%	\$ 846,612	
<b>Total Compensation</b>	\$ 19,382,160		2.1%	\$ 19,779,506	

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 agreed upon in a prior year in conjunction with the Living Wage Ordinance as part of the complete VRS compensation package, 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
- *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.

**Table 4**

<b>Results of Cost Adjustments</b>			
<b>Cost Component</b>	<b>Adjustment</b>	<b>Basis</b>	<b>Description</b>
<b>Labor - (all CBAs )</b>			
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.
<b>VRS Labor (non-CBA)</b>	-3.11%	Non-Index	Non-CBA (VRS) compensation adjustment based on VRS contract changes with County.
<b>Power</b>	2.43%	PG&E & Solar Rates	Power is adjusted by the blend of actual PG&E electricity rates and the Solar Power rate.
<b>Fuel</b>	18.8%	Index	Fuel expense is adjusted by the actual change in the fuel index.
<b>Depreciation</b>	0.0%	n/a	There is no adjustment to depreciation.
<b>Other O&amp;M</b>	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 \$98.98 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 \$93.05*).
- 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**

<b>SUMMARY</b>	<b>Year 9</b>		<b>Year 10</b>
	<b>2019</b>	<b>2020</b>	<b>% Increase</b>
<b><u>Annual % Change</u></b>			
TS	2.86%	3.01%	
MRF	3.30%	1.03%	
Transport	3.16%	3.22%	
<b><u>Cost per Ton Fees</u></b>			
Transfer Station	\$ 13.54	\$ 13.95	3.0%
MRF (net residue)	\$ 92.10	\$ 93.05	1.0%
Transportation (cost / ton-mile)	\$ 1.13	\$ 1.16	3.2%
<b><u>Total Cost Estimate by LOB</u></b>			
Transfer Station	\$ 4,844,789	\$ 4,990,800	3.0%
MRF (net residue)	\$ 6,817,455	\$ 6,887,583	1.0%
Transportation	\$ 6,834,758	\$ 7,054,511	3.2%
<b>Total Operating Cost</b>	<b>\$ 18,497,002</b>	<b>\$ 18,932,894</b>	<b>2.4%</b>
<b><u>Pass-Through Costs</u></b>			
Total Interest	\$ 60,158	\$ 21,612	-64.1%
Buyback Payment (estimate)	\$ 825,000	\$ 825,000	
<b>Total Pass-Through Cost</b>	<b>\$ 885,158</b>	<b>\$ 846,612</b>	<b>-4.4%</b>
<b>Total Estimated Compensation</b>	<b>\$ 19,382,160</b>	<b>\$ 19,779,506</b>	<b>2.1%</b>

<b>Detail Transportation Fees</b>	<b>Year 9</b>		<b>Year 10</b>
	<b>2019</b>	<b>2020</b>	<b>% Increase</b>
<b><u>Cost/Ton-Mile</u></b>			
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**

<b>TRANSFER STATION</b>	tons	Year 9		Year 10	
Base Tonnage	<b>357,725</b>	%	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
<b>Total CBA Labor Cost</b>		<b>2.6%</b>	<b>\$ 9.06</b>	<b>3.0%</b>	<b>\$ 9.33</b>
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
<b>Total Operating</b>		<b>2.9%</b>	<b>\$ 12.67</b>	<b>3.0%</b>	<b>\$ 13.05</b>
Profit		2.9%	\$ 0.88	3.0%	\$ 0.90
Profit %			6.9%		6.9%
<b>Total Transfer Station Fee</b>		<b>2.9%</b>	<b>\$ 13.54</b>	<b>3.0%</b>	<b>\$ 13.95</b>

<b>MATERIALS RECOVERY FACILITY (MRF)</b>	tons	Year 9		Year 10	
Base Tonnage	<b>74,022</b>	%	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
<b>Total CBA Labor Cost</b>		<b>2.6%</b>	<b>\$ 34.91</b>	<b>3.0%</b>	<b>\$ 35.95</b>
Non-CBA Wages		5.5%	\$ 24.03	-3.1%	\$ 23.28
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
<b>Total Operating</b>		<b>3.3%</b>	<b>\$ 85.53</b>	<b>1.0%</b>	<b>\$ 86.41</b>
Profit		3.3%	\$ 6.57	1.0%	\$ 6.64
Profit %			7.7%		7.7%
<b>Total MRF Fee</b>		<b>3.3%</b>	<b>\$ 92.10</b>	<b>1.0%</b>	<b>\$ 93.05</b>

**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	
<b>SUMMARY OF ANNUAL FEE ADJUSTMENTS</b>			
Direct Labor - CBA			<b>Increase</b>
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%
<b>Total CBA Labor Cost</b>	<b>\$ 9.06</b>	<b>\$ 9.33</b>	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%
<b>Total Operating</b>	<b>\$ 12.67</b>	<b>\$ 13.05</b>	3.01%
Profit	\$ 0.88	\$ 0.90	3.01%
Profit %	6.9%	6.9%	0.00%
<b>Total TS Fee</b>	<b>\$ 13.54</b>	<b>\$ 13.95</b>	3.01%
% Increase	2.86%	3.01%	

<b>DETAIL OF ANNUAL FEE ADJUSTMENTS</b>			
<b>Labor Cost Component Adjustment Factors</b>			
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%	
<b>Benefits for Direct Labor</b>			
Updated annual benefit cost per ton	\$ 2.65	\$ 2.73	
Adjustment Factor for Benefits	1.026	1.030	
% Increase	2.61%	3.00%	
<b>Workers Compensation Insurance for Direct Labor</b>			
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	
<b><u>Payroll Taxes for Direct Labor</u></b>				
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%
<b><u>Fuel and Power Cost Component Adjustment Factors</u></b>				
Power Adjustment				
Updated Power cost per ton	\$	0.83	\$	0.85
Adjustment Factor		1.028		1.024
% Increase				2.43%
<b><u>Fuel Adjustment</u></b>				
Updated Fuel cost per ton	\$	0.26	\$	0.30
Adjustment Factor		1.315		1.188
% Increase				18.81%
<b><u>Depreciation</u></b>				
Updated Depreciation cost per ton	\$	0.29	\$	0.29
Adjustment Factor (No adjustment after Year 1)		1.000		1.000
% Increase				0.00%
<b><u>Other Operating &amp; Maintenance</u></b>				
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)**

	Year 9		Increase
	2019	2020	
	Cost / Ton	Cost / Ton	
<b>SUMMARY OF ANNUAL FEE ADJUSTMENTS</b>			
Direct Labor - CBA			
Wages	\$ 19.76	\$ 20.35	3.00%
Benefits	\$ 10.47	\$ 10.78	3.00%
Workers Comp	\$ 2.80	\$ 2.87	2.55%
PR Tax	\$ 1.90	\$ 1.96	3.00%
<b>Total CBA Labor Cost</b>	<b>\$ 34.91</b>	<b>\$ 35.95</b>	2.96%
Third Party Wages & Benefits (VRS)	\$ 24.03	\$ 23.28	-3.11%
Power	\$ 4.86	\$ 4.98	2.43%
Fuel	\$ 0.55	\$ 0.66	18.81%
Depreciation	\$ 1.91	\$ 1.91	0.00%
Other O&M	\$ 17.32	\$ 17.64	1.81%
Clerical CBA Wages & Benefits	\$ 1.94	\$ 2.00	3.00%
<b>Total Operating</b>	<b>\$ 85.53</b>	<b>\$ 86.41</b>	1.03%
Profit	\$ 6.57	\$ 6.64	1.03%
Profit %	7.7%	7.7%	0.00%
<b>Total MRF Fee (excluding residue)</b>	<b>\$ 92.10</b>	<b>\$ 93.05</b>	1.03%
% Increase	3.30%	1.03%	
<b>MRF Residue Paid by SBR</b>			
MRF Residue Tons	6,800	6,800	
Disposal Tip Fee @ Ox Mtn.	\$ 42.73	\$ 52.57	23.03%
Disposal Fees	\$ 3.93	\$ 4.83	23.03%
Transfer & Haul	\$ 1.07	\$ 1.11	3.15%
<b>Total MRF Residue Fee</b>	<b>\$ 5.00</b>	<b>\$ 5.94</b>	18.76%
<b>Total Cost with MRF Residue</b>	<b>\$ 97.10</b>	<b>\$ 98.98</b>	1.94%

<b>DETAIL OF ANNUAL FEE ADJUSTMENTS</b>			
<b>Labor Cost Component Adjustment Factors</b>			
Updated annual labor for direct labor	\$ 19.76	\$ 20.35	
Adjustment Factor	1.026	1.030	
% Increase	2.61%	3.00%	
<b>Benefits for Direct Labor</b>			
Updated annual benefit cost per ton	\$ 10.47	\$ 10.78	
Adjustment Factor	1.026	1.030	
% Increase	2.61%	3.00%	
<b>Workers Compensation Insurance for Direct Labor</b>			
Updated annual benefit Costs	\$ 2.80	\$ 2.87	
Adjustment Factor	1.023	1.026	
% Increase		2.55%	
<b>Payroll Taxes for Direct Labor</b>			
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)**

	Year 9		Year 10	
	2019		2020	
	Cost / Ton		Cost / Ton	
<b>Labor &amp; Benefits Component Adjustment Factor - non-CBA labor (VRS)</b>				
Updated annual costs	\$ 24.03		\$ 23.28	
% Increase	6%		-3.11%	
<b>Fuel and Power Cost Component Adjustment Factors</b>				
Power Adjustment				
Updated Power cost per ton	\$ 4.86		\$ 4.98	
Adjustment Factor	1.028		1.024	
% Increase			2.43%	
<b>Fuel Adjustment</b>				
Updated Fuel Costs	\$ 0.55		\$ 0.66	
Adjustment Factor	1.315		1.188	
% Increase			18.81%	
<b>Depreciation</b>				
Updated Depr cost per ton	\$ 1.91		\$ 1.91	
Adjustment Factor (No adjustment after Year 1)	1.000		1.000	
% Increase			0.000	
<b>Other Operating &amp; Maintenance</b>				
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%	
<b>MRF Load Contamination</b>				
	\$ 34.64		\$ 35.00	
Plant Materials & Organics Contamination	\$ 9.70		\$ 9.80	
% Increase			1.03%	

**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	
<b>SUMMARY OF ANNUAL FEE ADJUSTMENTS</b>				
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	
<b>Blended Total Fee</b>	<b>\$ 1.13</b>	<b>3.2%</b>	<b>\$ 1.16</b>	
<b>Total Cost Increase %</b>		<b>3.2%</b>		<b>3.2%</b>

<b>DETAIL OF ANNUAL FEE ADJUSTMENTS</b>			
<b>Direct Labor Component for All Transport Fees</b>			
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
<b>Total Cost Estimate (SW to Ox)</b>	<b>\$ 2,830,537</b>	<b>1.0297</b>	<b>\$ 2,914,552</b>
Cost/Ton	\$ 10.85		\$ 11.18
Adjusted Labor for MSW Transport Fee (cost/ton-mile)	\$ 0.835	1.030	\$ 0.860
<b>Solid Waste Transport Fee (OX)</b>			
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
<b>Total Operating Cost</b>	<b>\$ 1.1734</b>		<b>\$ 1.2104</b>
Profit per Operating Ratio	\$ 0.1006		\$ 0.1038
<b>Total SW Transportation Fee</b>	<b>\$ 1.27402</b>	<b>3.2%</b>	<b>\$ 1.31418</b>
<b>Inert Transport Fee - OX Mtn.</b>			
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
<b>Total Operating Cost</b>	<b>\$ 1.193</b>		<b>\$ 1.231</b>
Profit per Operating Ratio	\$ 0.114		\$ 0.117
<b>Total Inert Transportation Fee</b>	<b>\$ 1.307</b>	<b>3.2%</b>	<b>\$ 1.348</b>



**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	
<b>C&amp;D Transport Fee - Zanker Road</b>				
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	
<b>Total Operating Cost</b>	<b>\$ 0.8670</b>		<b>\$ 0.8966</b>	
Profit per Operating Ratio	\$ 0.0795		\$ 0.0822	
<b>Total C&amp;D Transportation Fee</b>	<b>\$ 0.94654</b>	<b>3.4%</b>	<b>\$ 0.97886</b>	
<b>Plant Materials Transport Fee - Newby Is</b>				
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	
<b>Total Operating Cost</b>	<b>\$ 0.7016</b>		<b>\$ 0.7256</b>	
Profit per Operating Ratio	\$ 0.0627		\$ 0.0648	
<b>Total Plant Material Transportation Fee</b>	<b>\$ 0.76431</b>	<b>3.4%</b>	<b>\$ 0.79043</b>	
<b>Plant Materials Transport Fee - Grover</b>				
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	
<b>Total Operating Cost</b>	<b>\$ 0.4278</b>		<b>\$ 0.4447</b>	
Profit per Operating Ratio	\$ 0.0382		\$ 0.0397	
<b>Total Plant Material Transportation Fee</b>	<b>\$ 0.46606</b>	<b>3.9%</b>	<b>\$ 0.48446</b>	
<b>Organic Material Transport Fee - Newby Is</b>				
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	
<b>Total Operating Cost</b>	<b>\$ 0.8390</b>		<b>\$ 0.8675</b>	
Profit per Operating Ratio	\$ 0.0984		\$ 0.1018	
<b>Total Organic Material Transportation Fee</b>	<b>\$ 0.93739</b>	<b>3.4%</b>	<b>\$ 0.96923</b>	

**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	
<b>Organic Material Transport Fee - Grover</b>				
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	
<b>Total Operating Cost</b>	<b>\$ 0.4663</b>		<b>\$ 0.4847</b>	
Profit per Operating Ratio	\$ 0.0547		\$ 0.0569	
<b>Total Organic Material Transportation Fee</b>	<b>\$ 0.52101</b>	<b>3.9%</b>	<b>\$ 0.54158</b>	

**SOUTH BAY RECYCLING, LLC**  
**Compensation Adjustment Application for Rate Year 2020**  
**F. Indexes**

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

	<b>2017</b>	<b>2018</b>	<b>2019</b>
Avg Index April	241.95	246.97	252.55
% Change	1.72%	2.07%	<b>2.26%</b>
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 Year	Actual Use	
	Apr-18	Apr-19
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) Year	Apr-18	Apr-19
	Total Bill	\$ 21,742
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 Year	Apr-18	Apr-19
	Total Bill	\$ 44,891
KWH Allocation	204,838	562,309.30
Rate / KWH	\$ 0.219	\$ 0.082
% increase vs. Prior Yr.	2.8%	<b>2.4%</b>
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
<b>TOTAL COST</b>	<b>\$ 6,391,966</b>	<b>\$ 1,743,639</b>	<b>\$ 8,135,605</b>		<b>\$ 6,391,966</b>	<b>\$ 1,743,639</b>	<b>\$ 8,135,605</b>

# 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 2019 Rates		Actual 2020 Rates	
<b>TRANSFER STATION</b>									
<b>Direct Labor</b>	<b>FTE</b>	<b>Reg Hrs</b>	<b>OT Hrs</b>	<b>Hourly Rate</b>	<b>Annual Cost</b>				
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 <sup>2</sup>	5.0	10,400	780			\$ 30.24	\$ 349,934	\$ 31.15	\$ 360,423
Sorter <sup>2</sup>	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	\$ -	True Up	\$ -
<b>Total</b>	<b>20.0</b>	<b>74,880</b>	<b>12,480</b>		<b>\$ 1,283,084</b>	<b>Total</b>	<b>\$ 1,835,455</b>	<b>Total</b>	<b>\$ 1,890,470</b>
							\$ -		\$ -
							2.61%		3.00%

<b>MRF</b>									
<b>Direct Labor</b>	<b>FTE</b>	<b>Reg Hrs</b>	<b>OT Hrs</b>	<b>Hourly Rate</b>	<b>Annual Cost</b>				
Scale Operator - Lead	2	4160	0	33.34	138694.4				
Equipment Operator-Lead	2.0	4,160	0		\$0.00	\$ 45.62	\$ 189,771	\$ 46.99	\$ 195,459
Equipment Operator	7.0	14,560	1,456	\$31.75	\$531,622.00	\$ 43.45	\$ 727,456	\$ 44.75	\$ 749,260
MRF Mechanic	1.0	2,080	0	\$33.36	\$69,388.80	\$ 45.65	\$ 94,955	\$ 47.02	\$ 97,801
PM Technician	1.0	2,080	0	\$28.80	\$59,904.00	\$ 39.16	\$ 81,446	\$ 40.33	\$ 83,888
Utility <sup>2</sup>	1.0	2,080	0			\$ 30.24	\$ 62,909	\$ 31.15	\$ 64,795
Spotter <sup>2</sup>	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	\$ -	True Up	\$ -
<b>Total</b>	<b>15.2</b>	<b>35,776</b>	<b>3,120</b>		<b>\$ 1,048,544</b>	<b>Total</b>	<b>\$ 1,446,435</b>	<b>Total</b>	<b>\$ 1,489,789</b>
							\$ -		\$ -
							2.61%		3.00%

<b>TRANSPORT</b>									
<b>Direct Labor</b>		<b>Reg Hrs</b>	<b>OT Hrs</b>	<b>Hourly Rate</b>	<b>Annual Cost</b>				
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
<b>Total</b>		<b>44,850</b>	<b>6,344</b>		<b>1,857,085</b>				

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
<b>USE FOR TRANSFER STATION</b>		2.6%	3.0%

Total Teamster	\$ 13.09	\$ 22.41	\$ 23.08
<b>USE FOR MRF</b>		2.6%	3.0%

**Notes**

- <sup>1</sup> In base rate for forward calculation purposes only
- <sup>2</sup> 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								
<b>G&amp;A Labor (2009)</b>	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						
<b>G&amp;A Labor (2011)</b>								
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	<b>8,320.00</b>	<b>500.00</b>				\$ -		\$ -
					Total	\$ 275,429	Total	\$ 283,684
<b>2009 Base Totals</b>	<b>6,240.00</b>	<b>1,170.00</b>		<b>\$119,951.65</b>		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**

	2019	2020
<b>SEP Clients</b>		
Regular Hours	50,496	50,496
Overtime Hours	6,312	6,312
Holidays	789	790
<b>Production Supervisor</b>		
Regular Hours	2,080	2,080
Overtime Hours	260	260
Bilingual Pay Hours	2,340	2,340
Holiday Hours	96	96
<b>Utility Worker</b>		
Regular Hours	2,080	2,080
Overtime Hours	260	260
Bilingual Pay Hours	2,340	2,340
Holiday Hours	96	96
Client Wages-Regular	\$ 823,680.00	\$ 859,372.80
Client Wages-Overtime	\$ 154,440.00	\$ 161,132.40
Client Wages-Holiday	\$ 12,672.00	\$ 13,221.12
Client Seasonal-Regular	\$ 9,600.00	\$ 9,957.12
Client Seasonal-Overtime	\$ 1,800.00	\$ 1,866.96
Client Seasonal-Holiday	\$ 358.40	\$ 385.66
<b>Subtotal Clients</b>	<b>\$ 1,002,550.40</b>	<b>\$ 1,045,936.06</b>
<b>Supervision</b>	<b>\$ 371,172.30</b>	<b>\$ 399,645.65</b>
Overhead Fee	\$ 123,552.00	\$ 123,552.00
Regulatory Fee	\$ 154,440.00	\$ 154,440.00
<b>Administration Fee</b>	<b>\$ 277,992.00</b>	<b>\$ 277,992.00</b>
<b>Total Program Expense</b>	<b>\$ 1,651,714.70</b>	<b>\$ 1,723,573.70</b>
<b>Total Program Cost/Ton</b>		\$ 23.28
SBR Profit Margin	7.70%	0.00%
<b>Total Program Expense</b>	<b>\$ 1,778,896.74</b>	<b>\$ 1,723,573.70</b>
<b>Total Program Cost/Ton</b>	<b>\$ 24.03</b>	<b>\$ 23.28</b>

**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
<b>Total Bill</b>	<b>469,044.30</b>	<b>\$ 0.0507</b>	<b>\$ 23,788.00</b>	<b>437,693.00</b>	<b>\$ 0.0529</b>	<b>\$ 23,162.61</b>
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
<b>Total ISH Solar</b>	<b>93,265.00</b>	<b>\$ 0.2269</b>	<b>\$ 21,159.03</b>	<b>81,049.00</b>	<b>\$ 0.2337</b>	<b>\$ 18,939.53</b>
<b>Blended</b>	<b>562,309.30</b>	<b>\$ 0.0799</b>	<b>44,947.03</b>	<b>518,742.00</b>	<b>\$ 0.0812</b>	<b>42,102.14</b>

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
<b>Total Bill</b>	<b>469,044.30</b>	<b>\$ 0.0517</b>	<b>\$ 24,246.38</b>	<b>1.93%</b>
ISH Solar				
Transfer Sta	37,041.00	\$ 0.2337		8,655.75
MRF	56,224.00	\$ 0.2337		13,138.42
<b>Total ISH Solar</b>	<b>93,265.00</b>	<b>\$ 0.2337</b>	<b>\$ 21,794.16</b>	<b>3.00%</b>
<b>Blended</b>	<b>562,309.30</b>	<b>\$ 0.0819</b>	<b>46,040.55</b>	<b><u>2.433%</u></b>