

RECOLOGY SAN MATEO COUNTY  
RATE YEAR 2015 APPLICATION FOR  
CONTRACTOR'S COMPENSATION  
ADJUSTMENT

June 15, 2014







June 15, 2014

Kevin McCarthy  
Executive Director  
SBWMA/RethinkWaste  
610 Elm Street, Suite 202  
San Carlos, CA 94070

Subject: Rate Year 2015 Application for Contractor's Compensation Adjustment

Dear Mr. McCarthy:

Enclosed is Recology San Mateo County's Rate Year 2015 Application for Contractor's Compensation Adjustment, as provided for in Attachment K of the Franchise Agreement between Recology San Mateo County (RSMC) and each Member Agency of the South Bayside Waste Management Authority (SBWMA).

RSMC management accepts responsibility for the accuracy and completeness of the Application.

The Application is based on the Contractor's Compensation adjustment procedures addressed in Franchise Agreement Article 11 and in Attachment K to the Franchise Agreement.

All significant information and supporting documents relevant to the Contractor's Compensation adjustment process are available for review by SBWMA.

Sincerely yours,

Michael J. Sangiacomo  
President and Chief Executive Officer  
Recology Inc.



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# **EXECUTIVE SUMMARY**

## Overview of the Application

Recology San Mateo County (Recology) is pleased to submit our 2015 Application for a Contractor's Compensation Adjustment per Section 11.04 of the Franchise Agreements with the twelve South Bayside Waste Management Authority (SBWMA) Member Agencies. The format of this Application is similar to the prior year submittal, which had been modified, with the assistance of the SBWMA and feedback from Board members, in an effort to provide a more user friendly and easier to understand Application.

The feedback received identified that the Application would be best presented in two parts. Part I is made up of the report summarizing the construction of the Calculation of Contractor's Compensation, the supporting tables and charts and describing identified cost allocation variances. Part 2 is made up of the source files and contains the data used to create the Application as well as other specific data identified in Article 11 of the Franchise Agreement as required information needed to be included in the Application.

Section 1 of this Application (Calculation of Contractor's Compensation for the 2015 Rate Year and Variance Analysis) explains the first step in calculating the annual adjustment to Recology's compensation. This section provides the results of our calculations and explains how the base compensation is adjusted using the indices prescribed in the Franchise Agreements. Also included are explanations on special issues such as Incentive and Disincentive payments and sections pertaining to several Member Agencies that have unique cost adjustments.

Section 2 (Annual 2013 Revenue Reconciliation) details the annual process to determine what net revenue Recology retained in compensation versus the amount actually owed to the company. This reconciliation of revenues billed by Recology calculates the surplus or shortfall due to/from each Member Agency for 2013.

Section 3 (Allocation of Costs to the Member Agencies) explains the second step which is to allocate contractor's compensation across all Member Agencies equitably as prescribed in the Franchise Agreements. This section provides the details of the operational metrics used to allocate costs, the results of the cost allocation and explanations for the highest variances for the following agencies: Foster City and North Fair Oaks (CSA 8).

Section 4 (Cost Adjustment Calculations in Total and by Member Agency) consists of several Appendices which provide statistical tables and various cost adjustment tables. These tables provide a summary of the detailed calculations and steps taken to derive the compensation adjustment for 2015 by Member Agency.

Results of Index and Non-Indexed Based Cost Adjustments (Section 1)

Section 1 provides the results of the index and non-index based cost adjustments for the ten cost categories which ranged from -2.6% (i.e., Fuel) to a 1.97% increase (i.e., Worker's Compensation Insurance). The changes for the 10 cost categories can be seen on **Table C**, page 9. The total adjustment for index-based cost adjustments is a 1.2% increase in compensation before interest and incentives/disincentives adjustments.

Specific Issues for 2015 (Section 1)

Section 1.2 describes the specific issues for 2015 which include a calculation of performance incentives and disincentives. The net performance incentive payment, which is lowered by performance disincentive payments, is calculated at \$253,210. The Member Agency specific issues are discussed in detail in Section 1.3.

Results of the 2013 Revenue Reconciliation (Section 2)

Recology issued its 2013 Revenue Reconciliation Report to the SBWMA and its Member Agencies on March 31, 2014, per Section 11.03 of the Franchise Agreement(s). The Revenue Reconciliation compares the amount owed to Recology to the amount paid to Recology by Member Agency. The result was a shortfall including interest due to Recology of \$1,281,336 in 2013. The impact across the Member Agencies ranged from shortfalls in the cities of Belmont of \$940,070 and San Mateo of \$433,685 to a surplus in Hillsborough of \$356,908. The following table provides the results of the 2013 revenue reconciliation.

<b>Member Agency</b>	<b>2013 Surplus or (Shortfall)</b>	<b>Interest Due (to)/from Recology</b>	<b>Total</b>
Atherton	(\$136,721)	(\$8,716)	(\$145,437)
Belmont	(\$883,732)	(\$56,338)	(\$940,070)
Burlingame	\$41,259	\$0	\$41,259
East Palo Alto	\$134,974	\$0	\$134,974
Foster City	(\$333,499)	\$0	(\$333,499)
Hillsborough	\$356,908	\$0	\$356,908
Menlo Park	(\$150,422)	(\$9,589)	(\$160,011)
North Fair Oaks	\$17,634	\$0	\$17,634
Redwood City	\$144,629	\$0	\$144,629
San Carlos	(\$91,362)	(\$5,824)	(\$97,186)
City of San Mateo	(\$433,685)	\$0	(\$433,685)
West Bay Sanitary District	\$14,775	\$942	\$15,717
County of San Mateo	\$117,433	\$0	\$117,433
<b>Total</b>	<b>(\$1,201,811)</b>	<b>(\$79,525)</b>	<b>(\$1,281,336)</b>

Please see West Bay Sanitary District Surplus/Shortfall discussion on page 17 section 1.3.6.

Results of the 2015 Cost Allocation (Section 3)

Section 3 provides the details of the allocation of total contractor collection costs to the Member Agencies. This cost allocation process resulted in year-over-year variances ranging from an increase in the North Fair Oaks of 4.03% or \$68,376 to a decrease in Foster City of 5% or \$181,804. The biggest factor of the cost allocation is driver hours attributed to each Member Agency which can fluctuate for a variety of reasons. The following table provides the percentage and dollar variance in the allocation of total compensation for 2015 compared to 2014.

<b>Percentage of Total Contractor's Compensation</b>					
<b>Total Cost Allocation</b>					
	<b>2014</b>	<b>2015</b>	<b>Difference %</b>	<b>Variance %</b>	<b>Difference \$</b>
Atherton	2.60%	2.52%	-0.08%	-2.93%	\$ (44,002)
Belmont	6.33%	6.23%	-0.09%	-1.49%	\$ (54,449)
Burlingame	9.81%	9.84%	0.03%	0.30%	\$ 17,158
East Palo Alto	4.09%	4.14%	0.05%	1.15%	\$ 27,232
Foster City	6.27%	5.96%	-0.31%	-5.00%	\$ (181,804)
Hillsborough	4.18%	4.18%	0.00%	-0.01%	\$ (231)
Menlo Park	10.00%	10.00%	0.00%	-0.04%	\$ (2,523)
North Fair Oaks	2.93%	3.04%	0.12%	4.03%	\$ 68,376
Redwood City	17.66%	18.15%	0.48%	2.74%	\$ 280,071
San Carlos	9.00%	8.77%	-0.23%	-2.51%	\$ (130,907)
San Mateo	21.65%	21.76%	0.11%	0.53%	\$ 66,286
West Bay Sanitary	1.71%	1.72%	0.01%	0.44%	\$ 4,403
County of San Mateo	3.78%	3.70%	-0.09%	-2.26%	\$ (49,610)
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>0.00%</b>	<b>N/A</b>	<b>\$ (0)</b>
Note: Dollar difference amounts in parentheses are a reduction in total cost allocation.					
Year 2014 and 2015 percentages are shown rounded to two decimal places.					

2015 Total Adjustment to Contractor's Compensation (Section 4)

The calculated adjustment for the Total Contractor's Compensation for Rate Year 2015 increased by 0.2%, or \$137,473 over the compensation approved for 2014. This total contractor's compensation adjustment for the SBWMA service area as a whole is summarized in the table on the next page.

	Compensation - 2014	Compensation - 2015	Change	% Change
<b>Total Annual Cost of Operations</b>	<b>49,998,504</b>	<b>50,595,200</b>	<b>596,696</b>	<b>1.2%</b>
<b>Profit</b>	5,248,462	5,311,098	62,637	<b>1.2%</b>
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>55,246,966</b>	<b>55,906,299</b>	<b>659,333</b>	<b>1.2%</b>
<b>Total Contractor Pass-Through Costs</b>	<b>1,866,892</b>	<b>1,563,993</b>	<b>(302,899)</b>	-16.2%
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>57,113,858</b>	<b>57,470,292</b>	<b>356,434</b>	<b>0.6%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	472,171	253,210	(218,961)	
<b>Total Other Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>57,586,029</b>	<b>57,723,502</b>	<b>137,473</b>	<b>0.2%</b>

This table provides the year-over-year comparison of the percentage change in total Contractor's Compensation due to Recology for collection services. **These figures do not include disposal and processing costs, franchise fees or the annual Revenue Reconciliation surplus/shortfall.**

# **1. CALCULATION OF CONTRACTOR'S COMPENSATION FOR THE 2015 RATE YEAR AND VARIANCE ANALYSIS**

## **1.1. ANNUAL ADJUSTMENT TO CONTRACTOR'S BASE COMPENSATION**

The process to adjust Recology's compensation entails several steps which are explained in detail in this report.

The first step is to adjust the prior year's costs by the various indices prescribed in the Franchise Agreements (refer to section 1.1.3.). The second step is to add specific adjustments to the Base Contractor's Compensation. These include Incentive/Disincentive payment owed to/from Recology and other specific adjustments that may arise in the normal course of this contract. The final step is to calculate the Surplus/Shortfall due to/from Recology for the prior year's compensation. Since this is a revenue issue and not a cost issue, it is dealt with separately in this report (refer to Section 2).

### **1.1.1. Overview of Annual Contractor's Compensation Adjustment**

The annual compensation adjustment process is prescribed in the Member Agency Franchise Agreements in Article 11 (Contractor's Compensation, Pass-Through Costs and Rates), Attachment K (Contractor's Compensation and Rate Setting Process) and Attachment N (Contractor's Compensation and Rate Setting Statistics). Article 11 provides an overview of the compensation methodology. Attachment K explains the detailed process and specific rules used to adjust the various cost categories and the allocation of costs to the Member Agencies. The tables that comprise Attachment N are used to calculate the specific cost adjustments prescribed in Attachment K. Therefore, the process to annually adjust Contractor's Compensation is implemented by following the provisions in Article 11, Attachment K and Attachment N.

**1.1.2. Total Contractor's Compensation Adjustment**

The calculated adjustment for the Total Contractor's Compensation for Rate Year 2015 increased by 0.2%, or \$137,473, to \$57,723,502 over the compensation approved for 2014. This total cost adjustment for the SBWMA service area as a whole is summarized in **Table A** below.

**Table A**

	Compensation - 2014	Compensation - 2015	Change	% Change
<b>Total Annual Cost of Operations</b>	<b>49,998,504</b>	<b>50,595,200</b>	<b>596,696</b>	<b>1.2%</b>
<b>Profit</b>	5,248,462	5,311,098	62,637	1.2%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>55,246,966</b>	<b>55,906,299</b>	<b>659,333</b>	<b>1.2%</b>
<b>Total Contractor Pass-Through Costs</b>	<b>1,866,892</b>	<b>1,563,993</b>	<b>(302,899)</b>	<b>-16.2%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>57,113,858</b>	<b>57,470,292</b>	<b>356,434</b>	<b>0.6%</b>
<b>Other Adjustments</b>				
<b>Incentive / Disincentives</b>	472,171	253,210	(218,961)	
<b>Total Other Adjustments</b>	-	-	-	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>57,586,029</b>	<b>57,723,502</b>	<b>137,473</b>	<b>0.2%</b>

The adjusted Total Contractor's Compensation for each Agency is provided in **Table B** on the next page.

Please note that the figures in the above **Table A** and **Table B** do not include disposal and processing costs, franchise fees or the annual revenue reconciliation. **Table A** and **Table B** only pertain to Recology's Base Compensation.

Table B

BASE COLLECTION COSTS	2015 Costs													
	2015Total	Atherton	Belmont	Burlingame	E Palo Alto	Foster City	Hillsborough	Menlo Park	North Fair Oaks	Redwood City	San Carlos	San Mateo	West Bay	Unincorporated County
<b>Annual Cost of Operations</b>														
Direct Labor-Related Costs														
Wages for CBAs	\$16,087,056	\$414,595	\$1,020,799	\$1,646,504	\$636,448	\$932,795	\$712,942	\$1,536,427	\$510,138	\$2,899,466	\$1,374,805	\$3,559,930	\$272,181	\$570,027
Benefits for CBAs	\$6,402,691	\$167,403	\$408,493	\$642,608	\$254,504	\$369,708	\$288,632	\$605,643	\$204,565	\$1,154,351	\$548,074	\$1,419,205	\$109,047	\$230,457
Payroll Taxes	\$1,338,443	\$34,494	\$84,930	\$136,989	\$52,952	\$77,609	\$59,317	\$127,831	\$42,443	\$241,236	\$114,384	\$296,186	\$22,645	\$47,426
Workers Compensation Insurance	\$1,417,940	\$36,543	\$89,975	\$145,125	\$56,098	\$82,218	\$62,840	\$135,423	\$44,965	\$255,564	\$121,178	\$313,778	\$23,991	\$50,243
Total Direct Labor Related-Costs	\$25,246,130	\$653,035	\$1,604,198	\$2,571,226	\$1,000,002	\$1,462,329	\$1,123,731	\$2,405,324	\$802,111	\$4,550,617	\$2,158,441	\$5,589,100	\$427,863	\$898,153
Direct Fuel Costs	\$4,108,341	\$112,349	\$252,785	\$388,665	\$164,734	\$245,162	\$198,179	\$412,827	\$125,956	\$747,309	\$358,875	\$870,347	\$74,177	\$156,976
Other Direct Costs	\$2,150,774	\$56,869	\$132,603	\$209,814	\$85,363	\$128,121	\$99,327	\$217,189	\$65,088	\$391,297	\$188,719	\$459,164	\$37,665	\$79,552
Depreciation														
- Collection Vehicles	\$4,016,792	\$113,022	\$244,835	\$378,001	\$156,970	\$241,740	\$193,880	\$418,966	\$119,157	\$731,793	\$354,851	\$836,229	\$73,054	\$154,294
- Containers	\$1,882,550	\$58,416	\$123,998	\$164,155	\$84,856	\$115,730	\$59,158	\$182,268	\$56,777	\$339,881	\$168,254	\$411,007	\$36,090	\$81,961
Total Depreciation	\$5,899,342	\$171,439	\$368,833	\$542,156	\$241,825	\$357,470	\$253,037	\$601,234	\$175,934	\$1,071,675	\$523,105	\$1,247,236	\$109,144	\$236,255
Allocated Indirect Costs														
General and Administrative	\$7,055,693	\$109,543	\$424,151	\$651,675	\$358,265	\$443,830	\$168,282	\$766,331	\$202,024	\$1,310,886	\$669,536	\$1,576,923	\$108,440	\$265,807
Operations	\$1,750,219	\$49,418	\$105,079	\$178,603	\$66,649	\$106,605	\$85,344	\$183,653	\$48,424	\$315,180	\$152,570	\$358,443	\$32,876	\$67,375
Vehicle Maintenance	\$3,005,558	\$84,862	\$180,447	\$306,706	\$114,452	\$183,068	\$146,556	\$315,377	\$83,155	\$541,242	\$262,001	\$615,535	\$56,457	\$115,700
Container Maintenance	\$1,039,517	\$24,496	\$65,768	\$98,350	\$48,414	\$66,242	\$26,055	\$116,165	\$28,456	\$189,410	\$92,124	\$230,061	\$16,168	\$37,806
Total Allocated Indirect Costs	\$12,850,988	\$268,320	\$775,445	\$1,235,334	\$587,780	\$799,745	\$426,237	\$1,381,525	\$362,060	\$2,356,718	\$1,176,231	\$2,780,962	\$213,941	\$486,689
Total Allocated Indirect Depreciation Costs	\$152,451	\$4,304	\$9,078	\$15,683	\$5,822	\$9,376	\$7,390	\$15,922	\$4,160	\$27,469	\$13,385	\$31,206	\$2,823	\$5,834
Annual Implementation Cost Amortization	\$187,175	\$5,639	\$11,084	\$17,649	\$7,966	\$10,926	\$9,895	\$18,175	\$5,635	\$34,408	\$16,040	\$38,607	\$3,470	\$7,682
<b>Total Annual Cost of Operations <sup>3</sup></b>	\$50,595,200	\$1,271,954	\$3,154,026	\$4,980,526	\$2,093,493	\$3,013,129	\$2,117,796	\$5,052,195	\$1,540,945	\$9,179,494	\$4,434,797	\$11,016,622	\$69,083	\$1,871,140
<b>Profit</b>	\$5,311,098	\$133,520	\$331,086	\$522,818	\$219,759	\$316,295	\$222,310	\$530,341	\$161,757	\$963,593	\$465,531	\$1,156,441	\$91,230	\$196,418
<b>Operating Ratio</b>	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
<b>Total Operating Cost</b>	\$55,906,299	\$1,405,474	\$3,485,111	\$5,503,344	\$2,313,252	\$3,329,425	\$2,340,107	\$5,582,536	\$1,702,702	\$10,143,087	\$4,900,328	\$12,173,063	\$960,313	\$2,067,558
Contractor Pass-Through Costs														
Interest Expense	\$1,935,353	\$51,487	\$120,815	\$185,587	\$78,547	\$117,820	\$75,036	\$201,758	\$58,377	\$352,149	\$172,459	\$415,661	\$33,559	\$72,097
Interest Expense on Implementation Cost	\$63,894	\$1,718	\$3,772	\$6,404	\$2,726	\$3,781	\$2,950	\$6,259	\$1,987	\$11,832	\$5,475	\$13,544	\$1,078	\$2,368
Contract Changes to Specific Agencies	(\$435,254)	\$0	\$0	\$0	\$0	\$0	(\$453,384)	\$24,201	\$0	\$0	(\$6,071)	\$0	\$0	\$0
<b>BASE COMPENSATION</b>	\$57,470,292	\$1,458,679	\$3,609,698	\$5,695,334	\$2,394,526	\$3,451,025	\$1,964,709	\$5,814,754	\$1,763,066	\$10,507,068	\$5,072,191	\$12,602,268	\$994,950	\$2,142,023
Incentives and Disincentives	\$253,210	\$2,395	\$11,280	\$33,983	\$16,423	\$15,327	\$2,878	\$23,827	\$7,592	\$54,105	\$18,063	\$60,521	\$1,576	\$5,239
<b>Total Contractor Adjustments</b>	\$253,210	\$2,395	\$11,280	\$33,983	\$16,423	\$15,327	\$2,878	\$23,827	\$7,592	\$54,105	\$18,063	\$60,521	\$1,576	\$5,239
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	\$57,723,502	\$1,461,074	\$3,620,978	\$5,729,318	\$2,410,949	\$3,466,353	\$1,967,587	\$5,838,582	\$1,770,658	\$10,561,173	\$5,090,254	\$12,662,789	\$996,526	\$2,147,262

### **1.1.3. Cost Adjustment Process**

The 2015 Recology Compensation Application adjusts 2014 costs by applying the year-over-year changes in several United States Department of Labor indices. Additional cost adjustments have been made for the 2013 Revenue Surplus/Shortfall, interest payments due to/from Recology and 2013 performance incentive/disincentive payments. In addition, several Agencies have specific adjustments (i.e., the Town of Hillsborough, the City of San Carlos, and the City of Menlo Park – see page 16 for more information on this).

The percentage increase and explanation of the various adjustments by cost categories used as the basis for the 2015 adjustment to Recology's compensation are provided in **Table C** on the following page.



**Table C**

<u>Cost Category</u>	<u>Cost Adjustment</u>	<u>Explanation</u>
<b>CBA Wages (Drivers)</b>	1.89%	The wages adjustment is based on the CPI index described in Table 1 of Attachment K.
<b>CBA Benefits (Drivers)</b>	1.89%	The benefits adjustment is based on the CPI index described in Table 1 of Attachment K.
<b>Payroll Tax (Drivers)</b>	1.89%	The payroll tax rate is adjusted by changes in Federal or state payroll tax rates. There are no tax rate changes for 2015; therefore, the payroll tax expense changes in accordance with change in wages.
<b>Worker's Compensation Insurance (Drivers)</b>	1.97%	The workers compensation insurance adjustment is based on an index which increased 1.97%.
<b>Depreciation – Collection Vehicles</b>	0.0%	No adjustment in 2015.
<b>Depreciation - Containers</b>	0.0%	No adjustment in 2015.
<b>CBA (Mechanics and Clerical) Wages and Benefits</b>	1.89%	The wages and benefits adjustments are based on the CPI index described in Table 1 of Attachment K.
<b>Non-CBA Labor</b>	1.89%	The adjustment is based on the CPI index described in Table 1 of Attachment K.
<b>Fuel</b>	-2.60%	The Fuel expense is adjusted by the change in a fuel index of -2.60%.
<b>Other Indirect</b>	1.18%	The Other Indirect expense includes insurance, general office expense, safety, etc. Other Indirect expenses are adjusted by 80% of a CPI index change of 1.47%.

The flowchart provided as **Table D** illustrates graphically the cost adjustment process that is conducted each year.

**Table D**

SBWMA - CONTRACTOR COST ADJUSTMENT PROCESS					
<u>Collection and Shoreway Operations Contracts</u>					
2014 APPROVED COSTS (not actual costs)			ADJUSTMENT		2015 CONTRACTORS COMPENSATION
CBA (wages & benefits)	+		Index adjustment beginning Rate Year 2014	=	Base plus Adjustment
Other Cost	+		Index	=	Base plus Adjustment
Fuel	+		Index	=	Base plus Adjustment
Depreciation	+		No Change	=	Last Year's Depreciation
<b>Allowable Profit</b>					Profit calculated on total approved costs at Operating ratio in Proposal
<b>Contractor Pass-Through Cost</b>					
Interest			Interest is fixed on sliding scale based on final capital cost		Annual Interest Expense per Interest Schedule
Other			Actual cost; ie, regulatory fees, etc.		Actual Cost
<b>2014 TOTAL BASE CONTRACTOR COMPENSATION</b>	+		<b>Total of all Costs Above</b>	=	<b>2015 TOTAL BASE CONTRACTOR COMPENSATION</b>
<i>Note: The "CBA (wages &amp; benefits)" row applies to the Collective Bargaining Agreements covering drivers, mechanics and clerical employees. Simplified - for illustration only.</i>					

The result of the Cost Adjustment Process is provided in **Table E** on page 13.

**1.1.4. Direct Labor-Related Costs**

Total Direct Labor and related costs increased by \$470,003 or 1.9%, from the approved 2014 costs. This change is the result of applying an increase for changes in indices, as described in Table 1 of Attachment K. The four specific costs that are adjusted which comprise the Direct Labor cost category increased as follows: 1) Wages for CBAs \$298,841; 2) Benefits for CBAs \$118,940; 3) Payroll Taxes \$24,864; and 4) Workers Compensation \$27,359.

Payroll tax expense has increased by \$24,864 due to the increase in wages described above. The actual payroll tax rate is unchanged from 2014.

The final component of Direct Labor cost, Workers' Compensation expense, increased by 2.0% or \$27,359 as a result of applying the change in the Employment Cost Index.

#### **1.1.5. Direct Fuel Costs**

Direct Fuel Costs are adjusted based on the change in the Producer Price Index - Commodity Index for #2 diesel fuel. The adjustment for 2015 is a decrease of 2.6% or \$109,711 from 2014. In 2012, this index experienced a 25.55% increase which is indicative of the volatility of this index and the actual cost of fuel.

#### **1.1.6. Other Direct Costs**

Other Direct Costs are adjusted based on applying 80% of the change in a Federal Consumer Price Index. The result is an increase of 1.2% or \$25,083.

#### **1.1.7. Depreciation on Collection Vehicles, Containers and Equipment**

There is no cost adjustment for depreciation expense unless a change is approved to the base capital for trucks, containers and equipment. Therefore depreciation expense for Rate Year 2015 is the same as for Rate Year 2014.

#### **1.1.8. Indirect Costs Excluding Depreciation**

Allocated Indirect Costs Excluding Depreciation include overhead costs, as follows: General and Administrative costs, Operations (Supervisory) costs, Vehicle Maintenance costs and Container Maintenance costs. These overhead cost categories each include labor and related costs, fuel costs, and other costs. Each cost category is separately adjusted as explained above. Allocated Indirect Costs Excluding Depreciation, increased by 1.7% or \$211,321.

#### **1.1.9. Annual Implementation Cost Amortization**

The Implementation or start-up costs for Recology to roll-out the services are amortized over the ten year Term of the Franchise Agreements and are fixed costs. The annual cost is \$187,175.

#### **1.1.10. Profit**

Allowable Profit is calculated by applying the Operating Ratio (OR) of ninety and one-half percent (90.5%) to the Contractor's approved Total Annual Costs of Operations.

The Total Annual Cost of Operations is not the actual cost of operations. The Total Annual Cost of Operations is determined by increasing the certain line items included in the prior year approved Total Costs of Operations by the index identified in Attachment K. The Total Contractor's Compensation for Rate Year 2015 is made up of annual approved increases added to the amounts originally included in Recology's 2008 RFP submittal.

The compensation for Total Annual Cost of Operations increased 1.2% or \$596,696 and is made up of the items discussed. Applying the prescribed OR to the Total Annual Cost of Operations results in an increase in Profit for 2015 of 1.2%, or \$62,637.

#### **1.1.11. Contractor Pass-Through Costs**

Contractor Pass-Through Costs are made up of any new Regulatory Agency Fees (no changes for 2015), Interest Expense (on capital for trucks and equipment), and Interest Expense on Implementation Costs. Interest expense is adjusted based on the ten year debt service schedule approved at the start of the contract. Interest expense decreased by \$289,373 to \$1,935,353 for 2015. Interest on implementation costs decreased by \$9,604 to \$63,894.

**Table E**

	Compensation - 2014	Compensation - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	15,788,215	16,087,056	298,841	1.9%
Benefits for CBAs	6,283,751	6,402,691	118,940	1.9%
Payroll Taxes	1,313,579	1,338,443	24,864	1.9%
Workers Compensation Insurance	1,390,582	1,417,940	27,359	2.0%
<b>Total Direct Labor Related-Costs</b>	<b>24,776,127</b>	<b>25,246,130</b>	<b>470,003</b>	<b>1.9%</b>
Direct Fuel Costs	4,218,052	4,108,341	(109,711)	-2.6%
Other Direct Costs	2,125,690	2,150,774	25,083	1.2%
Depreciation				
- Collection Vehicles	4,016,792	4,016,792	-	0.0%
- Containers	1,882,550	1,882,550	-	0.0%
<b>Total Depreciation</b>	<b>5,899,342</b>	<b>5,899,342</b>	<b>-</b>	<b>0.0%</b>
Allocated Indirect Costs				
General and Administrative	6,943,824	7,055,693	111,868	1.6%
Operations	1,720,794	1,750,219	29,426	1.7%
Vehicle Maintenance	2,951,711	3,005,558	53,847	1.8%
Container Maintenance	1,023,338	1,039,517	16,179	1.6%
<b>Total Allocated Indirect Costs</b>	<b>12,639,667</b>	<b>12,850,988</b>	<b>211,321</b>	<b>1.7%</b>
Total Allocated Indirect Depreciation Costs	152,451	152,451	-	0.0%
Annual Implementation Cost Amortization	187,175	187,175	-	0.0%
<b>Total Annual Cost of Operations</b>	<b>49,998,504</b>	<b>50,595,200</b>	<b>596,696</b>	<b>1.2%</b>
<b>Profit</b>	<b>5,248,462</b>	<b>5,311,098</b>	<b>62,637</b>	<b>1.2%</b>
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>55,246,966</b>	<b>55,906,299</b>	<b>659,333</b>	<b>1.2%</b>
<b>Contractor Pass-Through Costs</b>				
Regulatory Agency Fees	-	-	-	
Interest Expense	2,224,726	1,935,353	(289,373)	-13.0%
Interest Expense on Implementation Cost	73,498	63,894	(9,604)	-13.1%
Contract Changes to Specific Agencies	(431,332)	(435,254)	(3,922)	
<b>Total Contractor Pass-Through Costs</b>	<b>1,866,892</b>	<b>1,563,993</b>	<b>(302,899)</b>	<b>-16.2%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>57,113,858</b>	<b>57,470,292</b>	<b>356,434</b>	<b>0.6%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	472,171	253,210	(218,961)	
<b>Total Other Adjustments</b>	<b>472,171</b>	<b>253,210</b>	<b>(218,961)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>57,586,029</b>	<b>57,723,502</b>	<b>137,473</b>	<b>0.2%</b>

## **1.2. SPECIFIC ISSUES FOR 2015**

### **1.2.1. Performance Incentives and Disincentives**

The Franchise Agreements prescribe numerous performance standards and also require Recology to compile information and submit monthly, quarterly and annual reports. The information and data contained in these reports are primarily self-reported by Recology. All of the Performance Incentives and Disincentives (Attachment I) with the exception of disincentives related to contamination are self-reported by Recology. The incentives and disincentives self-reported by Recology are currently being audited and may be adjusted pending the results of the audit. The contamination related disincentives are calculated by the SBWMA and payment is remitted directly to the SBWMA so these amounts are not presented.

The calculated Performance Incentives/Disincentives payment for 2013 (net of additional Liquidated Damages per the SBWMA audit) was an incentive payment to Recology of \$253,210. **Table F** provides a breakdown by Member Agency. The payment for Performance Incentives/Disincentives (net of additional Liquidated Damages per the SBWMA audit) to Recology for 2012 was \$472,171 (applied to 2014 rates); therefore, the compensation for Performance Incentives/Disincentives to Recology for 2013 (applied to 2015 rates) is reduced by \$218,961 from 2012.

Table F

<b>Performance Incentive/Disincentive Payments 2013*</b>						
<b>Performance Incentives and Disincentives*</b>						
<b>Member Agency</b>	<b>SFD Missed P/U Events</b>	<b>Average Speed of Answer</b>	<b>90 Second Max Hold Time</b>	<b>Diversion</b>	<b>Additional Liquidated Damages</b>	<b>Net Incentives and Disincentives*</b>
Atherton	\$192	(\$131)	\$0	(\$3,248)	\$792	(\$2,395)
Belmont	\$442	(\$484)	\$0	(\$12,029)	\$792	(\$11,280)
Burlingame	\$542	(\$1,365)	\$0	(\$33,951)	\$792	(\$33,983)
East Palo Alto	\$42	(\$667)	\$0	(\$16,589)	\$792	(\$16,423)
Foster City	\$142	(\$629)	\$0	(\$15,632)	\$792	(\$15,327)
Hillsborough	\$342	(\$155)	\$0	(\$3,856)	\$792	(\$2,878)
Menlo Park	\$442	(\$969)	\$0	(\$24,092)	\$792	(\$23,827)
North Fair Oaks	\$246	(\$318)	\$0	(\$7,916)	\$396	(\$7,592)
Redwood City	\$942	(\$2,158)	\$0	(\$53,680)	\$792	(\$54,105)
San Carlos	\$292	(\$740)	\$0	(\$18,407)	\$792	(\$18,063)
San Mateo	\$1,192	(\$2,416)	\$0	(\$60,088)	\$792	(\$60,521)
SM County	\$446	(\$235)	\$0	(\$5,845)	\$396	(\$5,239)
WBSD	\$42	(\$93)	\$0	(\$2,317)	\$792	(\$1,576)
<b>Total</b>	<b>\$5,300</b>	<b>(\$10,360)</b>	<b>\$0</b>	<b>(\$257,650)</b>	<b>\$9,500</b>	<b>(\$253,210)</b>
Negative number in parenthesis denotes Incentive payment due to Recology.						
*The payment calculated includes a reduction in reported <b>SFD Missed P/U Events</b> and additional <b>Liquidated Damages</b> delineated in the SBWMA audit of Recology's 2013 Annual Report approved by the SBWMA Board of Director's on June 26, 2014.						

### **1.3. MEMBER AGENCY SPECIFIC ISSUES**

#### **1.3.1. Town of Hillsborough Backyard Service Adjustment**

In 2008, the Town of Hillsborough (Hillsborough) initiated a backyard collection fee designed to encourage Single Family Dwelling customers to bring their garbage carts to the curb for collection. As a result of the new fees imposed by Hillsborough, fewer customers requested backyard service. This decrease in backyard collection data was not reflected in Recology's 2008 proposal submittal. Since the data had changed from the time of RSMC's 2008 proposal submittal, Hillsborough requested that Recology review the data included in the proposal and update the assumptions to more accurately reflect the migration to curbside service.

Recology agreed that the decrease in backyard service should in fact reduce the estimated number of Route Hours and the number of Route Labor Hours (two key metrics for cost allocations) needed to service Hillsborough. Therefore, Recology reduced Hillsborough's and the other SBWMA Member Agencies Total Single Family Dwelling (SFD) Route Labor Hours and Route Hours for Recyclable Materials, Compostable collection and Organic Materials collection. These changes were only made in the Town of Hillsborough and no other Member Agencies were affected by the changes.

The reduction in hours reduced the Total 2015 Contractor's Compensation for Hillsborough's Single Family Dwelling costs by \$433,191, slightly higher than last year, and is combined with the Greenwaste cost adjustment described in **1.3.4** below.

#### **1.3.2. City of San Carlos Kitchen Pail Adjustment**

A deduction will be made for the City of San Carlos which had already purchased their kitchen pails. This cost of \$6,071, page 7 in **Table B**, will be deducted from Recology's compensation and is adjusted annually.

#### **1.3.3. City of Menlo Park Billing Adjustment**

The City of Menlo Park requested that Recology add the service of billing its customers who had previously been billed by the city. This cost of \$24,201, page 7 in **Table B**, will be added to Recology's compensation and adjusted annually.

#### **1.3.4. Town of Hillsborough Used Green Waste Carts Adjustment**

The Town of Hillsborough decided to use their previously owned organics containers and not purchase new ones. The cost of new carts in the amount of \$20,193 will be deducted from Recology's compensation and is adjusted annually. This amount can be



found on page 7 in **Table B** and is combined with the backyard service adjustment described in **1.3.1** above in a total of \$453,384.

As part of the agreement to use used green waste carts, the annual depreciation of any new carts requested by residents of Hillsborough would need to be added to Contractor's Compensation (\$10,278 for Rate Year 2015). The staff report for the July 12, 2010 town council agenda is included page 90 of Part 2. The residents have requested 2,061 new green waste carts since January 1, 2011. An additional depreciation schedule can be found on page 93 of Part 2.

### **1.3.5. City of Belmont Unique Franchise Agreement**

Eleven of the twelve SBWMA Member Agency Franchise Agreements use the same compensation methodology to calculate the annual adjustment to the compensation paid to Recology. One Member Agency (i.e., City of Belmont) used a different compensation adjustment methodology; however, use of this different methodology does not impact the costs or services provided to the other eleven Member Agencies. Including the City of Belmont in the cost calculations with the other eleven Member Agencies is necessary in order to accurately implement the cost allocation process prescribed in the Franchise Agreements.

### **1.3.6. West Bay Sanitary District Surplus/Shortfall Adjustments**

In Rate Year 2012, the West Bay Sanitary District paid Recology using District funds to offset customer rates. This payment was intended to offset the anticipated rate shortfall in 2013. These funds were received by Recology in 2012 and booked as revenue in 2012. As these funds were intended to offset the 2013 anticipated shortfall, the result created a surplus of \$187,547 in the 2012 Revenue Reconciliation and a subsequent shortfall of \$174,328 in the 2013 Revenue Reconciliation. To smooth out the revenue surplus/shortfall issue created by timing of the payment of these funds, it was agreed in April 2014 that the 2012 surplus would be applied to the 2013 shortfall. The final result of these changes netted an Adjusted Surplus/(Shortfall) for Rate Year 2015 of \$14,775. As part of this adjustment, interest has also been recalculated on the combined balance for the past two years. The total interest for these two years is \$942. This adjustment is presented in **Table H** on page 21.

## **2. ANNUAL REVENUE RECONCILIATION**

### **2.1. REVENUE RECONCILIATION FOR 2013 TO ACCOUNT FOR ANY SHORTFALL OR SURPLUS IN COMPENSATION PAID TO RECOLOGY**

For rate years 2013 through 2020, there is an annual revenue reconciliation process to determine what net revenue Recology retained in compensation versus the amount actually owed to the company. The calculation compares gross revenue billed, less contractor paid Pass-Through expenses for agency fees and disposal expense at Shoreway, versus the approved Contractor's Compensation. This reconciliation of what was owed versus what was paid to Recology results in a surplus or shortfall owed to/from Recology by each Member Agency. The 2013 Revenue Reconciliation is submitted and reviewed in 2014 and the results are included in Recology's 2015 total compensation. **Table G** illustrates how the revenue reconciliation process is conducted each year.

**Table G**

2013 REVENUE RECONCILIATION PROCESS	
January 1, 2013 <sup>1</sup>	December 31, 2013
Approved 2013 Recology Compensation	2013 Actual Revenue Billed
+↓	-↓
2013 <u>Estimated</u> Disposal Expense	2013 <u>Actual</u> Disposal <sup>2</sup> Expense Paid to SBWMA
+↓	-↓
2013 <u>Estimated</u> Agency Fees	2013 <u>Actual</u> Agency Fees Paid to Agency
+↓	-↓
Prior Period Surplus/Shortfall	Approved 2013 Recology Compensation (no changes)
=↓	=↓
2013 Approved Revenue Requirement	<u>Actual</u> Revenue Surplus/Shortfall Applied to 2015 Rates

<sup>1</sup> SBWMA Board approves Total Revenue Requirement in September for Member Agencies to set rates effective January 1.

<sup>2</sup> Also includes Organics and Food Scraps Processing costs (tons by Member Agency x contractor rates/ton).

This surplus or shortfall will be added to or subtracted from the company's compensation for the subsequent rate year (2015) by Member Agency. The Recology 2013 Revenue Reconciliation Report was submitted on March 31, 2014 and has been audited by a third party firm hired by the SBWMA.

Included in the Revenue Reconciliation is a review of revenue received by Recology to provide backyard service. The Franchise Agreement identifies that revenues billed for providing backyard service for the first twenty percent (20%) of single family dwelling (SFD) customers is to be excluded from contractor's compensation. Currently, no

Member Agency has over 20% of their SFD customers subscribing to backyard service, Therefore, 100% of all backyard service revenue is credited back to the Member Agencies for Rate Year 2013.

The final Revenue Reconciliation Report for Rate Year 2013 submitted by Recology on June 13, 2014 after the SBWMA audit was completed and provided to Recology for review, finds that Recology was undercompensated by \$1,281,336 including interest. (Refer to page 21 for the Recology Revenue Reconciliation summary table.)

## **2.2. INTEREST ASSOCIATED WITH A SHORTFALL OR SURPLUS IN REQUIRED REVENUES**

Section 11.07.B of the Franchise Agreement prescribes that interest shall be applied to any surplus or shortfall as calculated in the Revenue Reconciliation Report. The interest is applied to fifty percent (50%) of the difference during the Rate Year in which the difference in revenue occurred (Rate Year 2013) and one hundred percent (100%) of the difference during the immediately following Rate Year (Rate Year 2014). The interest rate is set at the prime rate plus one percent (1%). The prime rate in effect since December 16, 2008 is 3.25%. Therefore interest is calculated at 4.25%.

In March 2014, a Memorandum of Understanding (MOU) between Recology San Mateo County and the SBWMA was developed for Shortfall and Surplus amounts for Rate Year 2013 and beyond (see Part 2, page 86). This MOU described that shortfall amounts that are a result of a Member Agency setting rates lower than had been recommended by the SBWMA Board shall have interest applied as described in Section 11.07.B of the Franchise Agreement.

The MOU describes that no interest will be applied to shortfall or surplus amounts that were generated if the Member Agency set rates as recommended by the SBWMA Board. If a Member Agency sets rates above those recommended by the SBWMA Board and a surplus is generated, that Member Agency can have the amount of the surplus refunded to the Member Agency. The Refund must be requested in writing by July 31 of each year and Recology will comply with the request for refund in a reasonable time frame. If a Member Agency elects to have the surplus amount refunded, that surplus amount will not be subtracted from the company's compensation for the subsequent rate year as described in Section 2.1 above.

The interest to be charged or credited on the 2013 Revenue Reconciliation surplus/shortfall and included in the Rate Year 2014 Total Contractor's Compensation is included in **Table H**, page 21.

Table H

Recology San Mateo County Revenue Reconciliation and Interest Rate Year 2013														
	Atherton	Belmont	Burlingame	E Palo Alto	Foster City	Hillsborough	Menlo Park	North Fair Oaks	Redwood City	San Carlos	San Mateo	West Bay	Unincorporated County	Member Agency Total
Gross Revenue Billed	\$ 3,140,420	6,444,463	10,653,855	4,688,953	5,277,965	3,513,653	10,316,892	2,533,242	17,916,862	8,354,577	21,927,777	1,525,802	3,078,201	99,372,662
Less:														
Pass-Through Costs	1,277,303	2,982,150	4,146,321	2,254,142	2,093,954	1,057,715	4,332,118	890,146	7,465,295	2,852,575	8,448,020	484,804	963,743	39,248,286
Unscheduled and Intermittent Services Excluding Agency Fees	18,921	67,918	94,380	51,234	22,402	7,034	122,974	27,264	54,779	79,391	312,950	15,136	18,910	893,293
Net Revenue Billed	1,844,196	3,394,395	6,413,154	2,383,577	3,161,609	2,448,904	5,861,800	1,615,832	10,396,788	5,422,611	13,166,807	1,025,862	2,095,548	59,231,083
Contractor's Compensation Agency Specific Contract Changes	1,390,581	3,656,499	5,644,000	2,252,939	3,479,863	1,883,350 (34,596)	5,976,300 23,601	1,697,655	10,598,199	5,340,463 (6,523)	12,431,010	1,085,680	2,070,059	57,506,598 (17,518)
Approved Contractor's Compensation	1,390,581	3,656,499	5,644,000	2,252,939	3,479,863	1,848,754	5,999,901	1,697,655	10,598,199	5,333,940	12,431,010	1,085,680	2,070,059	57,489,080
2011 (Surplus)/Shortfall	557,857	592,047	709,885	—	40,787	539,728	50,866	(89,107)	(292,478)	178,538	1,133,085	111,559	(84,662)	3,448,105
Interest on 2011 (Surplus)/Shortfall	35,563	35,478	42,540	—	2,444	32,343	3,048	(5,681)	(18,645)	10,699	72,234	2,951	(5,397)	207,577
Total Due Recology San Mateo County for Rate Year 2013	1,984,001	4,284,024	6,396,425	2,252,939	3,523,094	2,420,825	6,053,815	1,602,867	10,287,076	5,523,177	13,636,329	1,200,190	1,980,000	61,144,762
Specific 2011 Shortfall Billed in 2012						326,311								326,311
Surplus/(Shortfall) for Rate Year 2013	\$ (139,805)	(889,629)	16,729	130,638	(361,485)	354,390	(192,015)	12,965	109,712	(100,566)	(469,522)	(174,328)	115,548	(1,587,368)
2012 Calculated Surplus due to Balancing Account Funds Paid to Recology												187,547		187,547
2013 Food Waste Disposal Adjustment	3,084	5,897	24,530	4,336	27,986	2,518	41,593	4,669	34,917	9,204	35,837	1,556	1,885	198,010
Adjusted Surplus/(Shortfall) for Rate Year 2015	(136,721)	(883,732)	41,259	134,974	(333,499)	356,908	(150,422)	17,634	144,629	(91,362)	(433,685)	14,775	117,433	(1,201,811)
Interest to/from Recology (1)	(8,716)	(56,338)					(9,589)			(5,824)		942		(79,525)
<b>TOTAL REVENUE RECONCILIATION</b>	<b>(145,437)</b>	<b>(940,070)</b>	<b>41,259</b>	<b>134,974</b>	<b>(333,499)</b>	<b>356,908</b>	<b>(160,011)</b>	<b>17,634</b>	<b>144,629</b>	<b>(97,186)</b>	<b>(433,685)</b>	<b>15,717</b>	<b>117,433</b>	<b>(1,281,336)</b>
(1) Notes: In accordance with the Memorandum of Understanding, interest is applied to the shortfall between net revenue billed and the approved amount due Recology if rates are set below those recommended in the SBWMA report approved by the SBWMA Board. Interest is applied to 50% of the difference during the rate year in which the difference occurred (2013) because the difference occurs throughout the year and to 100% of the difference in the immediately following year (2014) because the difference exists the entire year. The interest applied to both years is the prime rate in effect when the SBWMA issued the report for that year plus one percent (1%). The prime rate has been 3.25% since December 16, 2008. Interest does not apply to a surplus.														
As described in Section 1.3.6, page 17, the surplus/shortfall for the West Bay Sanitary District for years 2012 and 2013 were combined including interest. Interest of \$11,956 on the calculated 2012 surplus is offset by the interest of \$11,014 on the 2013 shortfall and combines for a net amount of \$942.														

### **3. ALLOCATION OF COSTS TO THE MEMBER AGENCIES**

#### **3.1. EXPLANATION OF COST ALLOCATION PROCESS**

The process to allocate Recology's cost equitably across all Member Agencies is prescribed in Article 11 and Attachment K of the Agreements. Recology's sixteen cost categories are allocated based on four operational statistics for each of the 17 service sectors specific to each Member Agency. These operational statistics are:

- Annual route labor hours
- Annual route hours
- Number of containers in service
- Number of customer accounts serviced

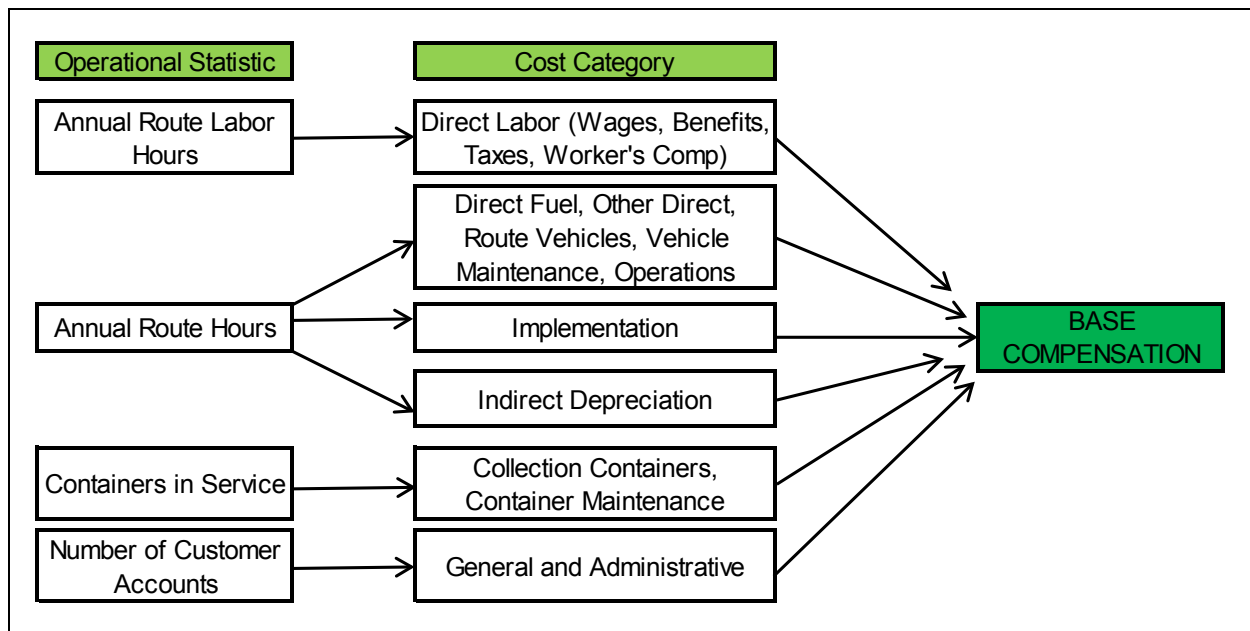
Recology conducted its Annual Route Assessment over a four week period in April and May 2014 to determine the statistics that will be applied to each Member Agency. A summary of the metrics used for the cost allocation process are provided in Appendix 1-1. Refer to Appendix 1-2 and Appendix 1-3 on pages 36 and 37 for two of the statistics comparing 2014 to 2015 data by Member Agency (route labor hours and route hours).

**Table I** details which operational statistics are applied to allocate each of the cost categories. **Table J** is a graphical representation of **Table I**.

**Table I**

<u>Cost Category</u>	<u>Operational Statistic</u>
<b>COST OF OPERATIONS</b>	
Wages for Direct Labor	Annual Route Labor Hours
Benefits for Direct Labor	Annual Route Labor Hours
Payroll Taxes	Annual Route Labor Hours
Worker's Compensation Expense	Annual Route Labor Hours
Direct Fuel Costs	Annual Route Hours
Other Direct Costs	Annual Route Hours
Route Vehicles	Annual Route Hours
Collection Containers	Containers in Service
Other	Annual Route Hours
<b>INDIRECT COSTS</b>	
General and Administrative	Number of Customer Accounts
Vehicle Maintenance	Annual Route Hours
Container Maintenance	Number of Containers in Service
Operations	Annual Route Hours
<b>IMPLEMENTATION</b>	Annual Route Hours
<b>INDIRECT DEPRECIATION</b>	Annual Route Hours

**Table J**



In an effort to illustrate how the cost allocation process is conducted, an example for the City of Menlo Park residential solid waste line of business is provided as **Table K** on page 25. The first section of this table outlines Menlo Park's share of the four operating statistics (i.e., number of accounts, total route labor hours per year, route hours per year and total containers in service.) The second section shows how the allocation of these operational statistics is applied to the cost categories (i.e., direct labor, direct fuel, etc.).

It is important to note that this process is conducted for seventeen lines of business (e.g., Single-Family solid waste, recycling, organics; Commercial/MFD solid waste, recycling, organics, etc.) and **Table K**, on page 25, only represents the calculation for one service sector (i.e., Single-Family Dwelling) in one line of business (i.e., Solid Waste collection service). **Table L**, on page 26, provides a list of all seventeen lines of business.



Table K

Example of Cost Allocation Calculation - 2015			
City of Menlo Park Allocated Cost for SFD, Solid Waste Line of Business			
			Statistics
<b>1</b>	<b># of Accounts - City</b>		7,829
	# of Accounts - Total SBWMA		93,999
	% of Accounts - City		8.3%
<b>2</b>	<b>Total Route Labor hours year - City</b>		3,767
	Total Route Labor hours year - Total SBWMA		46,797
	% Total Route Labor hours year - City		8.1%
<b>3</b>	<b># of route hours/year - City</b>		3,480
	# of route hours/year - Total SBWMA		42,960
	% Total Route Labor hours year - City		8.1%
<b>4</b>	<b>Total Containers in Service - City</b>		8,057
	Total Containers in Service - Total SBWMA		96,133
	% Total Containers in Service - City		8.4%
		a	b
			c
Service Sector: SFD	Line of Business		
	Solid Waste	Solid Waste	Solid Waste
	SBWMA Total	% to MP	MP Cost Allocation
<b>Annual Cost of Operations</b>			(a x b)
Direct Labor-Related Costs			
Wages for CBAs	\$3,225,470	8.1%	\$259,670
Benefits for CBAs	\$1,276,255	8.1%	\$102,746
Payroll Taxes	\$268,359	8.1%	\$21,605
Workers Compensation Insurance	\$284,305	8.1%	\$22,888
<b>Total Direct Labor Related-Costs</b>	<b>\$5,054,389</b>		<b>\$406,909</b>
Direct Fuel Costs	\$804,044	8.1%	\$65,133
Other Direct Costs	\$400,529	8.1%	\$32,445
Depreciation - Collection Vehicles	\$803,031	8.1%	\$65,051
Depreciation - Containers	\$428,963	8.4%	\$35,952
Depreciation for Collection Equipment	\$1,231,994		\$101,003
Allocated Indirect Costs			
General and Administrative	\$1,323,444	8.3%	\$110,227
Operations	\$328,291	8.1%	\$26,594
Vehicle Maintenance	\$563,756	8.1%	\$45,668
Container Maintenance	\$194,983	8.4%	\$16,342
<b>Total Allocated Indirect Costs</b>	<b>\$2,410,474</b>		<b>\$198,830</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$28,295	8.1%	\$2,292
Annual Implementation Cost Amortization (Form A)	\$40,497	8.1%	\$3,281
<b>Total Annual Cost of Operations</b>	<b>\$9,970,223</b>		<b>\$809,892</b>
<b>Profit (from Operating Ratio below)</b>	\$1,046,598		<b>\$85,016</b>
	90.5%	90.5%	90.5%
<b>Total Costs before Pass-Through Cost</b>	<b>\$11,016,821</b>		<b>\$894,909</b>
<b>Contractor Pass-Through Costs</b>			
Interest Expense	\$362,711	see note	\$29,736
Interest Expense on Implementation Cost	\$12,018	see note	\$974
<b>Total Contractor Pass-Through Costs</b>	<b>\$374,729</b>		<b>\$30,710</b>
<b>BASE CONTRACTOR'S COMPENSATION - 2015</b>	<b>\$11,391,551</b>		<b>\$925,618</b>
Note: Interest Expense is allocated based on the % of each agency's depreciation expense to the total. Interest Expense on Implementation Cost is allocated based on route hours. Calculation is not shown above.			

See Appendix 3-7, page 84 column A to trace the example identified in **Table K** to the Single-Family solid waste cost allocation to the actual Member Agency cost worksheet.

**Table L**

<b>Attachment N Reference</b>	<b><u>Line of Business</u></b>	<b><u>Service Sector</u></b>
<b>A</b>	<b>Solid Waste (1)</b>	<b>Single-Family Residential</b>
<b>B</b>	<b>Recyclable Materials (2)</b>	
<b>C</b>	<b>Organic Materials (3)</b>	
<b>D</b>	<b>Weekly Battery and Cell Phone Collection (4)</b>	
<b>E</b>	<b>Weekly Used Motor Oil and Filters (5)</b>	
<b>F</b>	<b>Twice Annual Bulky Item Collection (6)</b>	
<b>E</b>	<b>Cart and Bin Solid Waste (7)</b>	<b>Commercial/MFD</b>
<b>F</b>	<b>Cart and Bin Recyclable Materials (8)</b>	
<b>G</b>	<b>Cart and Bin Organic Materials (9)</b>	
<b>H</b>	<b>Drop Box Solid Waste (10)</b>	
<b>H</b>	<b>Drop Box Recyclable Materials (11)</b>	
<b>H</b>	<b>Drop Box Organic Materials (12)</b>	
<b>J</b>	<b>Twice Annual Bulky Item Collection (13)</b>	
<b>E</b>	<b>Solid Waste (14)</b>	<b>Agency Facility</b>
<b>G</b>	<b>Organic Materials (15)</b>	
<b>I</b>	<b>Public Litter and Recycling Cans (16)</b>	
<b>I</b>	<b>Venues and Events (17)</b>	

### 3.2. COST ALLOCATION VARIANCES FOR MEMBER AGENCIES

Total Contractor's Compensation is allocated each year based on the new operational statistics compiled from the annual route assessment conducted by Recology each year in April/May. Therefore, the percent of cost allocated to each Agency changes each year. **Table M** below shows the total cost allocation percent by Agency in 2014 and 2015, the allocation percentage difference, the total cost percent change, and the total cost variance attributed to the change in cost allocation percent.

**Table M**

Percentage of Total Contractor's Compensation					
Total Cost Allocation					
	2014	2015	Difference %	Variance %	Difference \$
Atherton	2.60%	2.52%	-0.08%	-2.93%	\$ (44,002)
Belmont	6.33%	6.23%	-0.09%	-1.49%	\$ (54,449)
Burlingame	9.81%	9.84%	0.03%	0.30%	\$ 17,158
East Palo Alto	4.09%	4.14%	0.05%	1.15%	\$ 27,232
Foster City	6.27%	5.96%	-0.31%	-5.00%	\$ (181,804)
Hillsborough	4.18%	4.18%	0.00%	-0.01%	\$ (231)
Menlo Park	10.00%	10.00%	0.00%	-0.04%	\$ (2,523)
North Fair Oaks	2.93%	3.04%	0.12%	4.03%	\$ 68,376
Redwood City	17.66%	18.15%	0.48%	2.74%	\$ 280,071
San Carlos	9.00%	8.77%	-0.23%	-2.51%	\$ (130,907)
San Mateo	21.65%	21.76%	0.11%	0.53%	\$ 66,286
West Bay Sanitary	1.71%	1.72%	0.01%	0.44%	\$ 4,403
County of San Mateo	3.78%	3.70%	-0.09%	-2.26%	\$ (49,610)
Totals	100%	100%	0.00%	N/A	\$ (0)
Note: Dollar difference amounts in parentheses are a reduction in total cost allocation.					
Year 2014 and 2015 percentages are shown rounded to two decimal places.					

The Total SBWMA year-over-year percentage change in the cost categories for the three service sectors (i.e., Residential, Commercial/Multi-Family and Member Agency Facilities) is provided as **Appendix 2-2**, page 41. For each Agency, the year-over-year changes in the main operational statistics are shown in the Agency Snapshot Summary table and the associated cost adjustments are provided in detail in **Appendix 3**. Additionally, the bottom of the Attachment N, Schedule B, shows the change in allocation in percent and cost by Line of Business (cost from allocation change only).

The primary factor that is attributable to the year-over-year cost allocation variances is the number of labor hours used to service each Member Agency. Because all Member

Agencies comprise 100% of the total allocation of cost, a reduction or increase in the allocation of one Member Agency affects the other Member Agencies.

Changes in each Agency's percent of route hours results in changes in the allocation of costs which can be impacted by several possible factors. Allocation changes can be the result of changes in route drivers, changes in traffic patterns, changes in set-out locations for containers, new service time constraints due to noise, street sweeping, requested collection times, etc.

In looking at the change in statistics from one year to the next, it is important to point out that it is not just how one Member Agency's statistics change but how the Agency's statistics change in comparison to the total. For example, if an Agency has a 10% reduction in hours but the total SBWMA also has a 10% reduction, then the cost allocation percent to this Agency will not change. If an Agency has a 10% reduction but the total SBWMA has a 15% reduction, then the Agency will actually have a larger cost allocation percent than the previous year. So the Agency's statistical changes in comparison to the total are what really affect changes to the cost allocation percent. The tables in Appendix 1 provide a useful comparison of how each Member Agency statistics change in comparison to other Member Agencies and to the total SBWMA.

The following sections provide an explanation of the year-over-year variances in cost allocation for the specific Agencies as identified on page 27.

### **3.3. INDIVIDUAL MEMBER AGENCY VARIANCES**

For Rate Year 2015, the Variance analysis focused on individual jurisdictions that had material changes of over 3% on the total of the Contractors Compensation cost allocation. Only two jurisdictions fell into that category. Those agencies are Foster City and North Fair Oaks (CSA 8). The following provides the explanation for these variances. The 3% benchmark is used as anything less than 3% could be driven by a variety of "soft factors". Factors such as traffic, relief driver impact, proper/improper set outs, and seasonality can attribute to variances of less than 3%. Of the eleven remaining jurisdictions who had less than a 3% variance, seven of them saw year over year reductions in their cost allocations while only two of the remaining four (Redwood City and East Palo Alto) had an increase of between 1% and 3% in their cost allocation.

#### **Foster City**

In Foster City, the Multi-Family Dwelling (MFD)/ Commercial Lines of Business (LOB) had the greatest change in Route Labor Hours and Route Hours compared to the prior year.

When comparing the allocation used for rate year 2014, the annual Route Labor Hours and Route Hours in MFD/Commercial Roll-off and Compactor LOB were reduced by over 44% due to less hauls during the audit period. Below is an example of some accounts that had a reduction in Compactor or Debris Box hauls, including on-call services and MFD Bulky Item Collections (BIC) during the four-week period in 2014 as compared to 2013:

<u>Account</u>	<u># of hauls in 2013</u>	<u># of hauls in 2014</u>	<u>2013 vs. 2014</u>
Avalon Bay	4	0	-4
Isle Cove (BIC)	12	9	-3
Marina Point (BIC)	3	2	-1
Marina Green (BIC)	3	2	-1
Safeway	8	4	-4
Solar City	5	2	-3

Foster City also realized a significant reduction of containers in the MFD/Commercial Recycle LOB. This is due in part to increased container sizes, allowing for less frequent hauls. The number of cart based collections was reduced 9% as a result of consolidation into metal containers, which increased by 9%. This consolidation resulted in less service time required, which lowered the Route Labor Hours by 17.2%.

The same holds true for the MFD/Commercial Organics LOB. This is due in part to the consolidation of containers, which increases route efficiencies. The number of cart based collections was reduced by 9%, whereas the bin collections increased 7.5%. This consolidation resulted in less service time required, which lowered the Route labor Hours by 22%.

### **North Fair Oaks (CSA 8)**

The Community of North Fair Oaks (NFO) experienced an overall cost allocation variance increase of 4.03%, which equates to an increase of \$68,376 (per Table M). The largest part of this increase is attributed to the collection of MFD/Commercial service sector in Solid Waste, Recyclable, and the Organics lines of business (LOB) where the total costs increased \$55,000 of which \$50,000 is attributed to the change in

cost allocation (Appendix 3-11). As an example, the MFD /Commercial Solid Waste LOB saw a cumulative increase in Route Labor Hours of 91.2 hours or 5.8% year over year, which resulted in the NFO percentage of the total SBWMA MFD/Commercial increasing from 4.8% in 2014 to 5.1% in 2015. This was further magnified as total Route Labor Hours in this MFD/Commercial Solid Waste LOB decreased SBWMA wide in 2015 by 555 hours or 1.7%.

The increase in the MFD/Commercial sector can be attributed to a year over year increase in the number of collection lifts. Solid waste realized an increase of 546 lifts, recycling had an increase of 403 lifts, and organics saw an increase of 468 lifts. While there has not been a significant increase in tons, there has been a migration from bins to carts which was a factor in the increase in lifts. As an example, in 2014 solid waste bins realized a reduction of 3 bins while solid waste carts saw an increase of 12 from 458 for 2014 to 470 for 2015. Many of the smaller restaurants in the NFO area have space constraints so using carts within their facilities and then bringing them out for service certainly is beneficial to them however; it creates more lifts for Recology, which in turn leads to increases in route labor hours.

We have also seen an increase in frequency of service and new accounts. Some examples are:

<u>Account</u>	<u>2014 yards</u>	<u>2013 yards</u>	<u>2014 vs. 2013 yards</u>	<u>2014 vs. 2013 lifts</u>
523 Hampshire LLC	18	16	+2 (+104 annually)	+4 (+208 annually)
La Petite Baleen	1	0	+1 (+52 annually)	+1 (+52 annually)
Specialties Café	12	0	+12 (+624 annually)	+12 (+624 annually)
TOTAL	31	16	+15 (+780 annually)	+17 (+884 annually)

These three businesses account for a total of 884 additional lifts annually.

The same holds true for the MFD/Commercial Organics LOB. The NFO area also experienced an increase in MFD/Commercial Organics Service which increased its labor hours in this LOB by 20.4% as presented in Appendix 1-2, page 36. Not only have “lifts” increased (as stated above), we also have seen an increase in volume of the organic material from 275 cubic yards in April 2013 to 365 cubic yards in April 2014. A few examples of new organic starts are 3151 Edison, Ayar Produce, and Pena Meats which resulted in increased lifts and yardage.

The bottom line is that the time associated with the NFO increase in Member Agency allocation for all the MFD/Commercial LOB amounts to 40 minutes (more) per day when comparing 2013 to 2014. Customer service level changes, additional services, and/or container/cart placements all can effect collection service times and allocations.

The overall contractors compensation cost allocation variance over Rate Year 2014 created by the percentage increase in the NFO area and the percentage decrease (overall) in the SBWMA, and the fact that the NFO area is one of the smaller jurisdictions, increases the allocation to NFO regarding the overall SBWMA contractor compensation package. As an example, the cost allocation impact on NFO can be compared to the City of San Mateo. NFO has a 0.12% increase in total cost allocation which increases their cost by \$68,376. However, because NFO has a small relative total cost, the impact to NFO is a 4.03% increase in their total cost. Whereas, the City of San Mateo has an increase in total cost allocation of 0.11% (\$66,286), which is obviously a very similar percentages to the increase of total SBWMA cost. However, because of San Mateo's much higher total cost, the percentage increase for San Mateo's total cost allocation is only 0.53%.

### **3.4. OPERATIONAL INFORMATION FOR COST ALLOCATION**

Operational information used to allocate Contractor's Compensation can be found in the following tables provided in **Appendix 1**:

- A summary of major statistics (Appendix 1-1)
- Number of Labor Hours by Line of Business (Appendix 1-2)
- Number of Route Hours by Line of Business (Appendix 1-3)
- Number of Containers in service by Line of Business (Appendix 1-4)
- Number of accounts by Line of Business and account type (i.e., Container size, Collection frequency, and material type) (Appendix 1-5)

All data provided is a result of the Annual Route Assessment conducted in April and May of 2013.

#### **3.4.1. Annual Route Hours by Line of Business**

Annual Route Hours by Line of Business identifies the time spent by each route servicing customers by Member Agency, Service Sector (i.e., Single-Family Dwelling, Multi-Family Dwelling, Commercial and Agency Facility), and Line of Business (e.g., solid waste collection, organic materials collection). This information was gathered over the 4 week period from April 14, 2014 to May 11, 2014 using the Route Time and Distance Reports from our Routeware System.

It should be noted that in order to optimize routing efficiencies we maintain some collection routes that include stops in the territory of more than one Member Agency. For such routes our data management systems (Routeware System) enable us to accurately identify route hours to the appropriate Member Agencies. In instances where Routeware was not available on an individual truck on an individual day, route hours for that route and that day from another week in the four week period were used.

Route Hours are made up of the hours route vehicles spend servicing the customers in each jurisdiction. Route Labor Hours includes the employee actual worked hours spent servicing customers in each jurisdiction as well as any off route time. Off route time, which includes paid breaks, pre and post trip inspection of vehicles as well as travel time to and from the route, is allocated to each jurisdiction based on that jurisdictions percentage of route time for each specific route each day. Additionally, certain commercial routes are two man routes and include 2 employees. In these cases, the route labor hours will be doubled to include both employees.

#### **3.4.2. Annual Route Labor Hours by Line of Business**

The annual route labor hours by line of business were generated by using information gathered during the four-week period from April 14, 2014 through May 11, 2014 using the daily "Route Time & Distance by Franchise" reports from our Routeware on-board computer system.

#### **3.4.3. Number of Containers in Service by Line of Business**

The Number of Containers in Service by Line of Business table is the number of containers, both carts and bins, located at active accounts at a point in time, that being May 9, 2014.

#### **3.4.4. Number of Accounts by Line of Business**

The number of accounts by line of business table is not an annualized report. This particular report represents active accounts at a point in time, which was May 9, 2014.

### **3.5. DESCRIPTION OF OTHER OPERATIONAL INFORMATION**

The tables included in **Appendix 1** (Operational Information) of this Compensation Application include other data required in the Agreements. These tables provide a breakdown of the data by Member Agency, Service Sector, and Line of Business. For the complete list of statistical tables, see Part 2, section 1, including these same tables and additional statistical tables (e.g., list of vehicles, personnel, set-outs).



## **4. COST ADJUSTMENT CALCULATIONS IN TOTAL AND BY MEMBER AGENCY**

The Franchise Agreement Attachment N illustrates the calculation process to derive the actual total compensation adjustment and allocation to each Member Agency. A summary of the tables from the Attachment N adjustment process are found in **Appendix 2**.

As previously shown in **Section 1.1.11 Table E**, the table provided as **Appendix 2-1** shows the results of all the cost adjustments as previously described, in total for the combined SBWMA service area. In Appendix 2-1, each cost category is broken out with this year's cost, next year's cost, the dollar variance and the percent variance. In total, there was a 0.2% compensation adjustment including Performance Incentives/Disincentives.

**Appendix 2-2** breaks out the Base Contractor's costs by line of business and shows an increase in compensation of 0.6% before the Performance Incentives/Disincentives adjustment. Single Family collection costs increased by 0.6%, Commercial and Multi-Family costs increased by 0.7% and Agency Facilities costs increased by 0.5 %.

**Appendix 2-3** shows the 2015 total costs including special and one-time adjustments by Agency. At the bottom of the table is a comparison to the 2014 total costs and the percentage change. The variance by Agency is primarily due to changes in the cost allocation percent versus last year and specific adjustments to individual Agencies.

**Appendices 2-4, 2-5 and 2-6** provide the 2015 costs by line of business and service sector. Costs are adjusted and allocated at the level of detail shown in this table. At the bottom of each table is the 2014 total cost, the dollar change and the percentage change. The variance by service sector reflects changes in operating hours which impacts how the total cost is allocated.

**Appendix 3** provides six tables for each Agency:

1. Contractor's Base Compensation – Detail
2. Contractor's Compensation by Service Sector
3. Allocated Costs – SFD
4. Allocated Costs – MFD & Commercial
5. Allocated Costs – Agency Facilities
6. The Snapshot Report for the Member Agency.

Contractor's Compensation by Service Sector shows the 2015 total costs including special and one-time adjustments by Agency. At the bottom of this table is a comparison to the 2014 total costs and the change in percentage. Also included at the bottom is a comparison of the total cost allocation by line of business for this year, next year, the dollar impact of the allocation change and the percentage change. For example, on page 95, San Carlos had a 9.2% allocation of the 2014 Single Family Dwelling cost but 8.5% for 2015 with a 0.6% year-over-year allocation decrease. This decrease resulted in a cost allocation decrease of \$204,383. Similarly, the Agency Facilities cost allocation declined 0.6%, or \$6,157. These cost decreases were offset by a 0.3% allocation increase in the Multi-Family and Commercial line of business, resulting in a cost allocation increase of \$79,689. The result was a total cost allocation decrease of 0.23% or \$130,850.

Allocated Costs by Service Sector and Line of Business provide the 2015 costs by line of business and service sector. Costs are adjusted and allocated at the seventeen lines of business shown in these tables. For comparison purposes, at the bottom of each column is also the 2014 total cost, the dollar change and the percentage change. Provided at the top of each column are the operational statistics and percent of the total attributed to that specific Agency for each line of business. The color coding denotes the statistic used to adjust each cost category

Member Agency Snapshot is a summary and comparison of the basic operating statistics and includes three years of data. It includes the four statistics used to allocate costs as described in Section 3 of this Application, as follows:

1. Number of Accounts
2. Total Route Labor hours
3. Total Route Hours
4. Total Number of Solid Waste Containers

SBWMA COLLECTION AGREEMENT ATTACHMENT N  
SERVICE METRICS USED FOR COST ALLOCATION BY MEMBER AGENCY

Appendix 1-1

2015	Metrics Summary Used for Cost Allocation													
	Total	Atherton	Belmont	Burlingame	E Palo Alto	Foster City	Hillsborough	Menlo Park	North Fair Oaks	Redwood City	San Carlos	San Mateo	West Bay	Unincorporated County
<b>SINGLE-FAMILY DWELLING</b>														
# of Accounts - 2015	93,999	2,340	6,759	6,604	4,155	6,747	3,646	7,829	2,626	17,316	8,608	20,120	2,208	5,041
# of Accounts - 2014	93,874	2,341	6,743	6,591	4,153	6,789	3,637	7,816	2,632	17,248	8,595	20,082	2,217	5,030
Change #	125	-1	16	13	2	-42	9	13	-6	68	13	38	-9	11
Change %	0.1%	0.0%	0.2%	0.2%	0.0%	-0.6%	0.2%	0.2%	-0.2%	0.4%	0.2%	0.2%	-0.4%	0.2%
Total Route Labor hours year - 2015	142,302	6,045	8,670	9,843	6,658	8,635	11,186	11,765	4,065	24,736	11,848	27,287	3,580	7,984
Total Route Labor hours year - 2014	149,744	6,600	9,672	10,301	6,712	9,194	11,658	12,517	4,204	25,108	13,656	27,502	3,851	8,769
Change #	-7,442	-555	-1,002	-458	-54	-560	-471	-752	-139	-372	-1,808	-215	-271	-785
Change %	-5.0%	-8.4%	-10.4%	-4.4%	-0.8%	-6.1%	-4.0%	-6.0%	-3.3%	-1.5%	-13.2%	-0.8%	-7.0%	-9.0%
# of route hours/year - 2015	130,515	5,307	8,042	8,831	5,833	7,711	10,208	10,871	3,698	22,873	11,171	25,306	3,277	7,386
# of route hours/year - 2014	137,593	5,927	8,837	9,373	6,076	8,394	10,728	11,543	3,712	23,184	12,689	25,702	3,421	8,007
Change #	-7,078	-619	-794	-543	-244	-683	-519	-672	-15	-311	-1,518	-396	-144	-621
Change %	-5.1%	-10.5%	-9.0%	-5.8%	-4.0%	-8.1%	-4.8%	-5.8%	-0.4%	-1.3%	-12.0%	-1.5%	-4.2%	-7.8%
Total Containers in Service - 2015	505,867	17,010	35,710	35,342	21,970	34,267	20,193	42,410	14,828	92,901	45,700	107,036	11,954	26,546
Total Containers in Service - 2014	505,541	17,000	35,288	34,962	22,031	34,475	20,194	43,148	14,925	92,962	45,553	106,331	12,120	26,552
Change #	326	10	422	380	-61	-208	-1	-738	-97	-61	147	705	-166	-6
Change %	0.1%	0.1%	1.2%	1.1%	-0.3%	-0.6%	0.0%	-1.7%	-0.6%	-0.1%	0.3%	0.7%	-1.4%	0.0%
<b>COMMERCIAL &amp; MFD</b>														
# of Accounts - 2015	22,072	28	904	2,925	863	1,167	24	2,569	914	4,214	2,491	5,492	77	404
# of Accounts - 2014	21,840	28	908	2,835	837	1,186	24	2,549	902	4,191	2,445	5,451	75	409
Change #	232	0	-4	90	26	-19	0	20	12	23	46	41	2	-5
Change %	1.1%	0.0%	-0.4%	3.2%	3.1%	-1.6%	0.0%	0.8%	1.3%	0.5%	1.9%	0.8%	2.7%	-1.2%
Total Route Labor hours year - 2015	87,651	499	5,917	12,316	2,599	4,838	116	9,797	3,083	16,303	7,861	22,872	599	851
Total Route Labor hours year - 2014	88,501	492	6,056	12,625	2,654	5,426	161	9,626	2,908	15,899	7,519	23,688	589	858
Change #	-850	6	-138	-309	-55	-588	-45	171	175	404	341	-816	10	-7
Change %	-1.0%	1.3%	-2.3%	-2.4%	-2.1%	-10.8%	-27.8%	1.8%	6.0%	2.5%	4.5%	-3.4%	1.7%	-0.8%
# of route hours/year - 2015	68,918	394	4,481	9,365	2,215	4,292	110	8,220	2,191	12,818	6,427	17,174	507	724
# of route hours/year - 2014	69,602	378	4,508	9,466	2,274	4,993	139	8,024	2,060	12,584	6,361	17,605	495	716
Change #	-684	16	-27	-102	-60	-700	-29	196	130	234	67	-431	12	8
Change %	-1.0%	4.3%	-0.6%	-1.1%	-2.6%	-14.0%	-20.9%	2.4%	6.3%	1.9%	1.1%	-2.4%	2.4%	1.2%
<b>AGENCY FACILITY SERVICES</b>														
# of Lifts per year - 2015	281,164	1,820	11,804	36,348	3,016	3,133	1,456	75,491	2,704	74,529	24,154	45,812	273	624
# of Lifts per year - 2014	270,465	1,820	6,188	38,532	3,224	3,289	1,456	70,174	2,912	73,944	23,452	44,733	377	364
Change #	10,699	0	5,616	-2,184	-208	-156	0	5,317	-208	585	702	1,079	-104	260
Change %	4.0%	0.0%	90.8%	-5.7%	-6.5%	-4.7%	0.0%	7.6%	-7.1%	0.8%	3.0%	2.4%	-27.6%	71.4%
Total Route Labor hours year - 2015	5,844	72	268	1,447	59	100	12	1,049	90	1,435	475	815	9	13
Total Route Labor hours year - 2014	5,439	86	170	1,302	86	142	24	951	107	1,369	446	724	8	24
Change #	405	-15	98	145	-27	-42	-12	98	-17	66	29	91	1	-11
Change %	7.4%	-16.9%	57.6%	11.1%	-31.2%	-29.5%	-48.5%	10.3%	-15.8%	4.9%	6.4%	12.6%	14.3%	-45.2%
# of route hours/year - 2015	3,715	52	182	662	56	94	11	837	49	866	345	540	8	12
# of route hours/year - 2014	3,512	58	132	617	57	137	20	736	73	819	326	509	7	21
Change #	204	-5	50	46	-1	-42	-10	101	-24	47	19	31	1	-9
Change %	5.8%	-9.5%	38.0%	7.4%	-1.5%	-31.1%	-48.4%	13.8%	-32.5%	5.8%	5.8%	6.1%	11.1%	-41.7%

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Table 8		Annual Route Labor Hours by Line of Business															
SBWMA Member Agency	Rate Year	Single-Family Solid Waste	Single-Family Recyclable Materials	Single-Family Organic Materials	Single-Family Battery, Cell Phone, Oil and Oil Filter Collection	Multi-Family and Commercial Solid Waste (Bins)	Multi-Family and Commercial Solid Waste (Carts)	Multi-Family and Commercial Recyclable Materials (Bins)	Multi-Family and Commercial Recyclable Materials (Carts)	Multi-Family and Commercial Organic Materials (Bins)	Multi-Family and Commercial Organic Materials (Carts)	Multi-Family and Commercial Roll-off and Compactor (Solid Waste, Recyclable and Organic Materials)	Member Agency Facilities Solid Waste	Member Agency Facilities Organic Materials	Member Agency Facilities Recyclable Materials	Member Agency Facilities (Roll-off and Compactor)	Two On-Call Collection Events (SFD and MFD)
Atherton	2015	1,467.4	1,781.3	2,583.9	8.9	286.9	13.0	135.8	6.2	54.2	2.5	0.0	49.8	2.5	19.6	57.2	194.7
	2014	1,604.3	1,716.3	3,044.8	8.6	310.3	14.1	103.5	4.7	57.2	2.6	0.0	66.6	7.1	12.8	108.0	217.3
	% change	-8.5%	3.8%	-15.1%	3.8%	-7.5%	-7.5%	31.2%	31.3%	-5.2%	-5.4%	0.0%	-25.3%	-64.8%	53.5%	-47.1%	-10.4%
Belmont	2015	2,559.4	2,467.6	2,622.7	12.3	2,099.3	1,129.6	1,447.3	778.7	224.4	120.7	117.5	176.8	10.1	80.8	18.8	995.8
	2014	2,966.8	2,818.5	3,071.4	14.1	2,265.5	1,219.0	1,393.8	750.0	146.6	78.9	201.9	89.1	17.1	63.7	41.6	787.5
	% change	-13.7%	-12.5%	-14.6%	-12.5%	-7.3%	-7.3%	3.8%	3.8%	53.0%	53.0%	-41.8%	98.5%	-40.9%	26.8%	-54.9%	26.4%
Burlingame	2015	3,166.5	2,753.9	2,916.6	13.8	3,687.0	2,909.4	1,993.5	1,573.1	435.7	343.8	1,373.4	1,380.3	15.8	50.9	349.9	978.8
	2014	3,476.2	2,903.3	3,022.9	14.5	3,698.0	2,918.1	2,110.8	1,665.6	544.1	429.4	1,258.9	1,242.7	16.2	43.3	494.1	869.6
	% change	-8.9%	-5.1%	-3.5%	-5.1%	-0.3%	-0.3%	-5.6%	-5.6%	-19.9%	-19.9%	9.1%	11.1%	-2.6%	17.6%	-29.2%	12.6%
East Palo Alto	2015	2,546.5	1,783.1	1,819.0	8.9	1,339.6	309.2	497.6	114.8	108.5	25.1	204.7	52.7	0.0	6.6	104.0	492.1
	2014	2,496.8	1,790.3	1,855.1	9.0	1,329.3	306.8	523.3	120.8	122.8	28.4	223.1	70.8	0.0	15.4	64.6	552.4
	% change	2.0%	-0.4%	-1.9%	-0.4%	0.8%	0.8%	-4.9%	-4.9%	-11.6%	-11.6%	-8.2%	-25.6%	0.0%	-56.9%	61.1%	-10.9%
Foster City	2015	3,063.1	2,756.6	1,957.5	13.8	1,997.0	381.5	1,369.9	261.7	373.3	71.3	382.9	78.1	12.0	9.8	90.1	830.1
	2014	3,064.1	2,983.5	2,194.1	14.9	1,841.8	351.9	1,653.8	316.0	481.6	92.0	688.7	63.5	15.3	62.8	66.1	922.8
	% change	0.0%	-7.6%	-10.8%	-7.6%	8.4%	8.4%	-17.2%	-17.2%	-22.5%	-22.5%	-44.4%	22.9%	-21.8%	-84.4%	36.3%	-10.0%
Hillsborough	2015	3,832.3	4,264.2	2,663.7	21.3	33.0	0.8	21.1	0.5	59.0	1.5	0.0	2.6	2.2	7.5	176.4	383.6
	2014	3,961.1	4,095.4	3,113.6	20.5	55.9	1.4	49.3	1.3	51.4	1.3	0.0	4.5	6.6	13.0	135.8	446.5
	% change	-3.3%	4.1%	-14.5%	4.1%	-41.0%	-40.8%	-57.3%	-56.8%	14.7%	14.5%	0.0%	-41.1%	-66.2%	-42.1%	29.9%	-14.1%
Menlo Park	2015	3,767.4	3,735.1	3,475.2	18.7	3,160.9	2,019.7	1,772.0	1,132.2	623.7	398.5	689.8	692.5	18.5	338.1	102.3	749.7
	2014	3,880.5	3,901.3	3,602.5	19.5	3,319.3	2,120.9	1,727.7	1,103.9	581.0	371.2	401.8	680.3	35.4	235.7	113.6	1,093.3
	% change	-2.9%	-4.3%	-3.5%	-4.3%	-4.8%	-4.8%	2.6%	2.6%	7.4%	7.4%	71.7%	1.8%	-47.9%	43.5%	-10.0%	-31.4%
Redwood City	2015	8,191.0	8,103.6	6,385.8	40.5	6,280.4	3,422.3	2,834.7	1,544.7	714.9	389.5	1,116.3	1,304.7	29.7	100.9	292.1	1,974.6
	2014	7,653.4	8,256.5	6,882.9	41.3	6,298.7	3,432.4	2,753.3	1,500.3	648.5	353.4	912.5	1,257.4	33.4	78.1	492.8	2,232.3
	% change	7.0%	-1.9%	-7.2%	-1.9%	-0.3%	-0.3%	3.0%	3.0%	10.2%	10.2%	22.3%	3.8%	-11.1%	29.3%	-40.7%	-11.5%
San Carlos	2015	3,793.3	3,695.5	3,137.5	18.5	2,800.8	1,242.5	1,950.7	865.3	335.4	148.8	517.0	246.2	28.3	200.3	166.6	1,184.7
	2014	4,456.1	4,363.2	3,623.4	21.8	2,691.7	1,194.1	1,949.6	864.9	274.0	121.5	423.5	246.5	72.6	127.0	176.7	1,169.3
	% change	-14.9%	-15.3%	-13.4%	-15.3%	4.1%	4.1%	0.1%	0.1%	22.4%	22.4%	22.1%	-0.1%	-61.0%	57.7%	-5.7%	1.3%
San Mateo	2015	9,444.7	7,825.1	7,065.1	39.1	8,048.0	5,082.2	4,411.7	2,785.9	686.3	433.4	1,425.0	542.8	62.3	209.6	190.9	2,873.5
	2014	9,475.3	7,924.7	7,307.9	39.6	8,466.8	5,346.6	4,436.3	2,801.5	754.4	476.4	1,406.3	420.1	80.2	223.3	155.0	2,714.6
	% change	-0.3%	-1.3%	-3.3%	-1.3%	-4.9%	-4.9%	-0.6%	-0.6%	-9.0%	-9.0%	1.3%	29.2%	-22.3%	-6.1%	23.2%	5.9%
North Fair Oaks	2015	1,379.0	1,546.2	849.6	7.7	1,652.0	513.5	559.0	173.8	141.1	43.9	0.0	88.3	1.8	0.4	0.0	274.6
	2014	1,385.9	1,386.3	1,077.0	6.9	1,560.9	485.2	540.7	168.1	117.2	36.4	0.0	98.5	3.9	4.9	0.0	341.1
	% change	-0.5%	11.5%	-21.1%	11.5%	5.8%	5.8%	3.4%	3.4%	20.4%	20.4%	0.0%	-10.4%	0.0%	0.0%	0.0%	-19.5%
WBSD	2015	1,111.9	1,173.1	1,082.6	5.9	210.3	41.9	200.8	40.0	88.5	17.6	0.0	4.8	2.3	1.7	0.0	200.5
	2014	1,178.1	1,258.5	1,131.7	6.3	251.3	50.0	189.2	37.7	50.7	10.1	0.0	1.6	2.5	3.5	0.0	270.5
	% change	-5.6%	-6.8%	-4.3%	-6.8%	-16.3%	-16.3%	6.2%	6.2%	74.5%	74.5%	0.0%	195.1%	-9.6%	0.0%	0.0%	-25.9%
Uninc. County	2015	2,474.4	2,547.1	2,433.4	12.7	336.3	110.5	227.0	74.6	77.6	25.5	0.0	0.0	7.0	6.1	0.0	503.7
	2014	2,667.0	2,688.8	2,881.0	13.4	397.4	130.6	196.3	64.5	52.5	17.2	0.0	0.0	13.1	10.8	0.0	505.6
	% change	-7.2%	-5.3%	-15.5%	-5.3%	-15.4%	-15.4%	15.6%	15.6%	47.8%	47.9%	0.0%	0.0%	-46.5%	0.0%	0.0%	-0.4%
<b>TOTAL</b>	2015	<b>46,797.0</b>	<b>44,432.3</b>	<b>38,992.3</b>	<b>222.2</b>	<b>31,931.5</b>	<b>17,176.1</b>	<b>17,421.1</b>	<b>9,351.6</b>	<b>3,922.5</b>	<b>2,022.1</b>	<b>5,826.5</b>	<b>4,619.5</b>	<b>192.3</b>	<b>1,032.2</b>	<b>1,548.1</b>	<b>11,636.3</b>
<b>TOTAL</b>	2014	<b>48,265.5</b>	<b>46,086.6</b>	<b>42,808.4</b>	<b>230.4</b>	<b>32,486.7</b>	<b>17,570.9</b>	<b>17,627.5</b>	<b>9,399.0</b>	<b>3,881.9</b>	<b>2,018.8</b>	<b>5,516.7</b>	<b>4,241.6</b>	<b>303.3</b>	<b>894.2</b>	<b>1,848.2</b>	<b>12,122.5</b>
	% change	-3.0%	-3.6%	-8.9%	-3.6%	-1.7%	-2.2%	-1.2%	-0.5%	1.0%	0.2%	5.6%	8.9%	-36.6%	15.4%	-16.2%	-4.0%

1. Rate year 2015 information was gathered over the 4-week period from April 14, 2014 to May 11, 2014 using the daily "Route Time & Distance by Franchise" reports from our Routeware System
2. Rate year 2014 information was gathered over the 4-week period from April 15, 2013 to May 12, 2013 using the daily "Route Time & Distance by Franchise" reports from our Routeware System

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Table 7		Annual Route Hours by Line of Business															
Rate Year	Single-Family Solid Waste	Single-Family Recyclable Materials	Single-Family Organic Materials	Single-Family Battery, Cell Phone, Oil and Oil Filter Collection	Multi-Family and Commercial Solid Waste (Bins)	Multi-Family and Commercial Solid Waste (Carts)	Multi-Family and Commercial Recyclable Materials (Bins)	Multi-Family and Commercial Recyclable Materials (Carts)	Multi-Family and Commercial Recyclable Materials (Bins)	Multi-Family and Commercial Recyclable Materials (Carts)	Multi-Family and Commercial Organic Materials (Bins)	Multi-Family and Commercial Organic Materials (Carts)	Multi-Family and Commercial Roll-off and Compactor (Solid Waste, Recyclable and Organic Materials)	Member Agency Facilities Solid Waste	Member Agency Facilities Organic Materials	Member Agency Facilities Recyclable Materials	Member Agency Facilities (Roll-off and Compactor)
Atherton	2015	1,331.9	1,531.6	2,233.9	7.7	199.2	9.1	130.8	5.9	47.1	2.1	0.0	31.2	2.2	18.9	57.2	
	2014	1,370.4	1,509.1	2,814.8	7.5	213.4	9.7	97.1	4.4	51.1	2.3	0.0	39.6	6.0	12.2	108.0	
	% change	-2.8%	1.5%	-20.6%	1.5%	-6.6%	-6.5%	34.7%	34.4%	-7.7%	-7.8%	0.0%	-21.2%	-63.3%	55.6%	-47.1%	
Belmont	2015	2,452.7	2,270.2	2,300.9	11.4	1,243.2	668.9	1,376.4	740.6	217.3	116.9	117.5	95.3	9.9	76.3	18.8	
	2014	2,727.0	2,579.4	2,716.8	12.9	1,342.3	722.2	1,316.2	708.2	141.1	75.9	201.9	55.2	16.6	59.7	41.6	
	% change	-10.1%	-12.0%	-15.3%	-12.0%	-7.4%	-7.4%	4.6%	4.6%	54.1%	54.1%	-41.8%	72.7%	-40.2%	27.7%	-54.9%	
Burlingame	2015	2,826.0	2,444.0	2,557.4	12.2	1,569.8	2,283.9	1,392.2	2,025.5	293.3	426.7	1,373.4	597.4	15.2	49.7	349.9	
	2014	3,164.5	2,609.0	2,704.1	13.0	1,554.8	2,262.2	1,435.1	2,088.0	353.4	514.1	1,258.9	562.0	14.4	40.3	494.1	
	% change	-10.7%	-6.3%	-5.4%	-6.3%	1.0%	1.0%	-3.0%	-3.0%	-17.0%	-17.0%	9.1%	6.3%	5.6%	23.3%	-29.2%	
East Palo Alto	2015	2,125.9	1,552.1	1,647.1	7.8	1,067.6	246.4	468.7	108.2	96.9	22.4	204.7	49.8	0.0	6.3	104.0	
	2014	2,195.6	1,624.7	1,687.4	8.1	1,064.4	245.7	492.2	113.6	110.1	25.4	223.1	42.2	0.0	14.8	64.6	
	% change	-3.2%	-4.5%	-2.4%	-4.5%	0.3%	0.3%	-4.8%	-4.8%	-12.0%	-12.0%	-8.2%	18.1%	0.0%	-57.6%	61.1%	
Foster City	2015	2,641.1	2,404.6	1,811.2	12.0	1,621.5	309.8	1,305.1	249.3	355.6	68.0	382.9	73.1	11.8	9.3	90.1	
	2014	2,789.6	2,596.0	2,059.5	13.0	1,593.8	304.5	1,573.1	300.6	446.6	85.3	688.7	62.0	15.2	59.6	66.1	
	% change	-5.3%	-7.4%	-12.1%	-7.4%	1.7%	1.7%	-17.0%	-17.0%	-20.4%	-20.4%	-44.4%	18.0%	-22.4%	-84.4%	36.3%	
Hillsborough	2015	3,513.6	4,072.1	2,198.1	20.4	31.8	0.8	19.8	0.5	55.6	1.4	0.0	1.2	2.2	7.2	176.4	
	2014	3,609.1	3,915.7	2,717.2	19.6	42.4	1.1	46.8	1.2	46.4	1.2	0.0	2.0	5.9	12.5	135.8	
	% change	-2.6%	4.0%	-19.1%	4.0%	-25.0%	-25.0%	-57.7%	-57.7%	19.9%	20.3%	0.0%	-42.3%	-63.6%	-42.2%	29.9%	
Menlo Park	2015	3,480.1	3,468.5	3,137.9	17.3	1,701.1	2,173.8	1,207.0	1,542.5	397.7	508.2	689.8	501.5	17.1	318.8	102.3	
	2014	3,594.2	3,614.1	3,204.9	18.1	1,800.7	2,301.1	1,171.4	1,497.0	374.0	478.0	401.8	480.6	32.7	222.7	113.6	
	% change	-3.2%	-4.0%	-2.1%	-4.0%	-5.5%	-5.5%	3.0%	3.0%	6.3%	6.3%	71.7%	4.3%	-47.6%	43.2%	-10.0%	
Redwood City	2015	7,596.1	7,440.3	5,788.0	37.2	3,618.5	2,870.5	2,338.3	1,854.9	568.6	451.0	1,116.3	741.9	28.2	96.0	292.1	
	2014	7,074.3	7,537.2	6,265.2	37.7	3,717.6	2,949.1	2,276.2	1,805.7	514.4	408.1	912.5	712.0	30.8	75.9	492.8	
	% change	7.4%	-1.3%	-7.6%	-1.3%	-2.7%	-2.7%	2.7%	2.7%	10.5%	10.5%	22.3%	4.2%	-8.4%	26.5%	-40.7%	
San Carlos	2015	3,601.2	3,511.0	2,839.1	17.6	1,946.9	863.7	1,822.6	808.5	324.6	144.0	517.0	125.3	27.3	192.7	166.6	
	2014	4,058.9	4,080.0	3,340.3	20.4	1,972.6	875.1	1,877.9	833.1	262.1	116.3	423.5	133.8	70.9	121.7	176.7	
	% change	-11.3%	-13.9%	-15.0%	-13.9%	-1.3%	-1.3%	-2.9%	-2.9%	23.8%	23.8%	22.1%	-6.3%	-61.6%	58.3%	-5.7%	
San Mateo	2015	8,876.1	7,262.0	6,222.1	36.3	3,554.8	4,358.2	3,052.9	3,742.9	467.4	573.1	1,425.0	287.3	59.2	193.6	190.9	
	2014	8,824.6	7,411.6	6,677.0	37.1	3,684.7	4,517.5	3,088.1	3,786.1	504.2	618.1	1,406.3	223.9	73.9	211.1	155.0	
	% change	0.6%	-2.0%	-6.8%	-2.0%	-3.5%	-3.5%	-1.1%	-1.1%	-7.3%	-7.3%	1.3%	28.3%	-19.9%	-8.3%	23.2%	
North Fair Oaks	2015	1,202.5	1,424.7	781.6	7.1	1,018.7	316.7	575.1	114.5	126.4	39.3	0.0	47.4	1.6	0.3	0.0	
	2014	1,162.1	1,202.7	994.4	6.0	949.0	295.0	565.9	112.7	104.9	32.6	0.0	64.9	3.4	4.7	0.0	
	% change	3.5%	18.5%	-21.4%	18.5%	7.3%	7.3%	1.6%	1.6%	20.4%	20.4%	0.0%	-27.0%	-54.4%	-93.4%	0.0%	
WBSD	2015	1,021.7	1,094.0	950.1	5.5	153.0	30.5	191.7	38.2	77.8	15.5	0.0	4.4	2.1	1.7	0.0	
	2014	1,034.9	1,081.4	1,023.4	5.4	188.2	37.5	179.0	35.6	45.3	9.0	0.0	1.6	2.3	3.4	0.0	
	% change	-1.3%	1.2%	-7.2%	1.2%	-18.7%	-18.7%	7.1%	7.1%	71.7%	71.6%	0.0%	181.3%	-9.5%	0.0%	0.0%	
Uninc. County	2015	2,291.5	2,316.5	2,251.5	11.6	255.4	83.9	215.7	70.9	73.9	24.3	0.0	0.0	6.8	5.7	0.0	
	2014	2,452.1	2,446.6	2,578.6	12.2	304.7	100.1	186.0	61.1	48.1	15.8	0.0	0.0	11.6	9.7	0.0	
	% change	-6.5%	-5.3%	-12.7%	-5.3%	-16.2%	-16.2%	16.0%	16.0%	53.8%	53.9%	0.0%	0.0%	-41.6%	-41.8%	0.0%	
<b>TOTAL</b>	2015	<b>42,960.3</b>	<b>40,791.6</b>	<b>34,718.8</b>	<b>204.0</b>	<b>17,981.4</b>	<b>14,216.1</b>	<b>14,096.2</b>	<b>11,302.4</b>	<b>3,102.3</b>	<b>2,392.9</b>	<b>5,826.5</b>	<b>2,555.7</b>	<b>183.5</b>	<b>976.3</b>	<b>1,548.1</b>	
<b>TOTAL</b>	2014	<b>44,057.3</b>	<b>42,207.5</b>	<b>38,783.4</b>	<b>211.0</b>	<b>18,428.5</b>	<b>14,620.7</b>	<b>14,305.0</b>	<b>11,347.1</b>	<b>3,001.6</b>	<b>2,382.2</b>	<b>5,516.7</b>	<b>2,379.7</b>	<b>283.8</b>	<b>848.3</b>	<b>1,848.2</b>	
	% change	-2.5%	-3.4%	-10.5%	-3.4%	-2.4%	-2.8%	-1.5%	-0.4%	3.4%	0.5%	5.6%	7.4%	-35.3%	15.1%	-16.2%	

1. Rate year 2015 information was gathered over the 4-week period from April 14, 2014 to May 11, 2014 using the daily Route Time & Distance by Franchise reports from our Routeware System
2. Rate year 2014 information was gathered over the 4-week period from April 15, 2013 to May 12, 2013 using the daily Route Time & Distance by Franchise reports from our Routeware System

OPERATIONAL INFORMATION

Appendix 1-4

Table 4		Number of Containers in Service by Line of Business													
SBWMA Member Agency	Single-Family Solid Waste	Single-Family Recyclable Materials	Single-Family Organic Materials	Multi-Family and Commercial Solid Waste (Bins)	Multi-Family and Commercial Solid Waste (Carts)	Multi-Family and Commercial Recyclable Materials (Bins)	Multi-Family and Commercial Recyclable Materials (Carts)	Multi-Family and Commercial Organic Materials (Bins)	Multi-Family and Commercial Organic Materials (Carts)	Multi-Family and Commercial Roll-off and Compactor (Solid Waste, Recyclable and Organic Materials)	Member Agency Facilities Solid Waste	Member Agency Facilities Organic Materials	Member Agency Facilities Recyclable Materials	Member Agency Facilities (Roll-off and Compactor)	Two On-Call Collection Events (SFD and MFD)
Atherton	2,539.0	2,542.0	6,443.0	13.0	1.0	10.0	32.0	5.0	0.0	0.0	11.0	6.0	15.0	10.0	0.0
Belmont	6,793.0	6,693.0	6,782.0	384.0	475.0	269.0	978.0	50.0	42.0	11.0	55.0	51.0	66.0	4.0	0.0
Burlingame	6,674.0	6,652.0	6,691.0	476.0	2,060.0	384.0	2,194.0	32.0	226.0	20.0	16.0	11.0	27.0	13.0	0.0
East Palo Alto	4,191.0	4,177.0	4,232.0	198.0	366.0	98.0	540.0	16.0	150.0	11.0	5.0	1.0	11.0	11.0	0.0
Foster City	6,765.0	6,746.0	5,550.0	303.0	461.0	216.0	980.0	50.0	38.0	34.0	10.0	4.0	13.0	10.0	0.0
Hillsborough	3,712.0	3,738.0	4,475.0	9.0	2.0	6.0	26.0	8.0	3.0	0.0	4.0	6.0	16.0	9.0	0.0
Menlo Park	8,057.0	8,020.0	8,745.0	562.0	1,484.0	364.0	1,763.0	83.0	220.0	48.0	283.0	25.0	137.0	9.0	0.0
Redwood City	18,052.0	17,802.0	17,366.0	1,115.0	2,198.0	716.0	2,510.0	96.0	194.0	55.0	277.0	19.0	40.0	23.0	0.0
San Carlos	8,637.0	8,640.0	8,697.0	553.0	1,084.0	374.0	1,493.0	48.0	89.0	20.0	13.0	20.0	69.0	10.0	0.0
San Mateo	20,418.0	20,268.0	19,881.0	1,156.0	3,786.0	685.0	4,555.0	65.0	254.0	67.0	103.0	69.0	106.0	20.0	0.0
North Fair Oaks	2,990.0	2,817.0	2,820.0	251.0	470.0	154.0	465.0	18.0	16.0	0.0	6.0	2.0	5.0	1.0	0.0
WBSD	2,235.0	2,252.0	2,549.0	22.0	32.0	21.0	61.0	5.0	5.0	0.0	1.0	1.0	1.0	2.0	0.0
Uninc. County	5,070.0	5,063.0	5,247.0	57.0	183.0	50.0	284.0	8.0	24.0	0.0	0.0	4.0	7.0	1.0	0.0
<b>TOTAL</b>	<b>96,133.0</b>	<b>95,410.0</b>	<b>99,478.0</b>	<b>5,099.0</b>	<b>12,602.0</b>	<b>3,347.0</b>	<b>15,881.0</b>	<b>484.0</b>	<b>1,261.0</b>	<b>266.0</b>	<b>784.0</b>	<b>219.0</b>	<b>513.0</b>	<b>123.0</b>	<b>0.0</b>

The data was generated using a query run across all active accounts in the RSMC AS400 data base. The data was run as of May 9, 2014.

Table 1		Number of Accounts by Line of Business													
SBWMA Member Agency	Rate Year	Single-Family Solid Waste	Single-Family Recyclable Materials	Single-Family Organic Materials	Single-Family Battery, Cell Phone, Oil and Oil Filter Collection	Multi-Family and Commercial Solid Waste (Bins)	Multi-Family and Commercial Solid Waste (Carts)	Multi-Family and Commercial Recyclable Materials (Bins)	Multi-Family and Commercial Recyclable Materials (Carts)	Multi-Family and Commercial Organic Materials (Bins)	Multi-Family and Commercial Organic Materials (Carts)	Multi-Family and Commercial Roll-off and Compactor (Solid Waste, Recyclable and Organic Materials)	Member Agency Facilities (Solid Waste, Organic and Recyclable Materials)	Member Agency Facilities (Roll-off and Compactor)	
Atherton	2015	2,340.0	2,336.0	2,317.0	2,336.0	10.0	1.0	7.0	5.0	5.0	0.0	0.0	7.0	5.0	
	2014	2,341.0	2,338.0	2,319.0	2,338.0	10.0	1.0	7.0	5.0	5.0	0.0	0.0	7.0	2.0	
	% change	0.0%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Belmont	2015	6,759.0	6,660.0	6,540.0	6,660.0	207.0	183.0	138.0	294.0	24.0	31.0	9.0	18.0	3.0	
	2014	6,743.0	6,730.0	6,506.0	6,730.0	206.0	212.0	134.0	283.0	21.0	28.0	8.0	19.0	3.0	
	% change	0.2%	-1.0%	0.5%	-1.0%	0.5%	-13.7%	3.0%	3.9%	14.3%	10.7%	12.5%	-5.3%	0.0%	
Burlingame	2015	6,604.0	6,581.0	6,519.0	6,581.0	449.0	909.0	362.0	991.0	30.0	136.0	16.0	97.0	2.0	
	2014	6,591.0	6,569.0	6,505.0	6,569.0	437.0	927.0	306.0	989.0	29.0	102.0	15.0	98.0	2.0	
	% change	0.2%	0.2%	0.2%	0.2%	2.7%	-1.9%	18.3%	0.2%	3.4%	33.3%	6.7%	-1.0%	0.0%	
East Palo Alto	2015	4,155.0	4,151.0	4,152.0	4,151.0	158.0	181.0	86.0	252.0	16.0	137.0	11.0	41.0	1.0	
	2014	4,153.0	4,148.0	4,150.0	4,148.0	154.0	177.0	79.0	253.0	11.0	136.0	9.0	41.0	1.0	
	% change	0.0%	0.1%	0.0%	0.1%	2.6%	2.3%	8.9%	-0.4%	45.5%	0.7%	22.2%	0.0%	0.0%	
Foster City	2015	6,747.0	6,737.0	5,525.0	6,737.0	167.0	354.0	138.0	391.0	41.0	16.0	20.0	9.0	3.0	
	2014	6,789.0	6,779.0	5,461.0	6,779.0	171.0	364.0	142.0	401.0	39.0	18.0	17.0	9.0	2.0	
	% change	-0.6%	-0.6%	1.2%	-0.6%	-2.3%	-2.7%	-2.8%	-2.5%	5.1%	-11.1%	17.6%	0.0%	0.0%	
Hillsborough	2015	3,646.0	3,639.0	3,608.0	3,639.0	6.0	1.0	3.0	7.0	5.0	2.0	0.0	6.0	2.0	
	2014	3,637.0	3,630.0	3,603.0	3,630.0	6.0	1.0	3.0	7.0	5.0	2.0	0.0	6.0	1.0	
	% change	0.2%	0.2%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Menlo Park	2015	7,829.0	7,811.0	7,499.0	7,811.0	514.0	618.0	339.0	768.0	77.0	193.0	20.0	159.0	2.0	
	2014	7,816.0	7,800.0	7,500.0	7,800.0	514.0	620.0	309.0	792.0	80.0	183.0	17.0	159.0	3.0	
	% change	0.2%	0.1%	0.0%	0.1%	0.0%	0.0%	9.7%	-3.0%	-3.8%	5.5%	17.6%	0.0%	0.0%	
Redwood City	2015	17,316.0	17,294.0	16,455.0	17,294.0	982.0	1,016.0	669.0	1,202.0	90.0	147.0	36.0	131.0	8.0	
	2014	17,248.0	17,223.0	16,440.0	17,223.0	969.0	1,039.0	659.0	1,209.0	80.0	139.0	32.0	129.0	5.0	
	% change	0.4%	0.4%	0.1%	0.4%	1.3%	0.0%	1.5%	-0.6%	12.5%	5.8%	12.5%	1.6%	0.0%	
San Carlos	2015	8,608.0	8,596.0	8,474.0	8,596.0	527.0	637.0	385.0	789.0	48.0	72.0	11.0	55.0	6.0	
	2014	8,595.0	8,585.0	8,463.0	8,585.0	533.0	609.0	372.0	787.0	36.0	69.0	13.0	55.0	5.0	
	% change	0.2%	0.1%	0.1%	0.1%	-1.1%	0.0%	3.5%	0.3%	33.3%	4.3%	-15.4%	0.0%	0.0%	
San Mateo	2015	20,120.0	20,064.0	19,434.0	20,064.0	866.0	1,732.0	544.0	1,930.0	63.0	186.0	57.0	78.0	6.0	
	2014	20,082.0	20,034.0	19,449.0	20,034.0	870.0	1,754.0	498.0	1,968.0	51.0	145.0	55.0	77.0	2.0	
	% change	0.2%	0.1%	-0.1%	0.1%	-0.5%	-1.3%	9.2%	-1.9%	23.5%	28.3%	3.6%	1.3%	0.0%	
North Fair Oaks	2015	2,626.0	2,622.0	2,612.0	2,622.0	243.0	210.0	151.0	277.0	18.0	15.0	0.0	16.0	1.0	
	2014	2,632.0	2,628.0	2,619.0	2,628.0	247.0	202.0	146.0	278.0	15.0	14.0	0.0	17.0	0.0	
	% change	-0.2%	-0.2%	-0.3%	-0.2%	-1.6%	0.0%	3.4%	-0.4%	20.0%	7.1%	0.0%	-5.9%	0.0%	
WBSD	2015	2,208.0	2,207.0	2,194.0	2,207.0	21.0	11.0	20.0	16.0	5.0	4.0	0.0	1.0	2.0	
	2014	2,217.0	2,215.0	2,202.0	2,215.0	21.0	11.0	19.0	17.0	5.0	2.0	0.0	2.0	1.0	
	% change	-0.4%	-0.4%	-0.4%	-0.4%	0.0%	0.0%	5.3%	-5.9%	0.0%	100.0%	0.0%	-50.0%	0.0%	
Uninc. County	2015	5,041.0	5,032.0	5,018.0	5,032.0	54.0	135.0	53.0	139.0	8.0	15.0	0.0	2.0	1.0	
	2014	5,030.0	5,019.0	5,004.0	5,019.0	54.0	138.0	53.0	145.0	7.0	12.0	0.0	2.0	5.0	
	% change	0.2%	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%	-4.1%	14.3%	25.0%	0.0%	0.0%	0.0%	
<b>TOTAL</b>	2015	<b>93,999.0</b>	<b>93,730.0</b>	<b>90,347.0</b>	<b>93,730.0</b>	<b>4,204.0</b>	<b>5,988.0</b>	<b>2,895.0</b>	<b>7,061.0</b>	<b>430.0</b>	<b>954.0</b>	<b>180.0</b>	<b>620.0</b>	<b>42.0</b>	
<b>TOTAL</b>	2014	<b>93,874.0</b>	<b>93,698.0</b>	<b>90,221.0</b>	<b>93,698.0</b>	<b>4,192.0</b>	<b>6,055.0</b>	<b>2,727.0</b>	<b>7,134.0</b>	<b>384.0</b>	<b>850.0</b>	<b>166.0</b>	<b>621.0</b>	<b>32.0</b>	
	% change	0.1%	0.0%	0.1%	0.0%	0.3%	-1.1%	6.2%	-1.0%	12.0%	12.2%	8.4%	-0.2%	31.3%	

1. For rate year 2015: The data was generated using a query run across all active accounts in the RSMC AS400 data base. The data was run on May 9, 2014.  
 2. For rate year 2014: The data was generated using a query run across all active accounts in the RSMC AS400 data base. The data was run on May 10, 2013.

SBWMA COLLECTION AGREEMENT

Appendix 2-1

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S TOTAL COMPENSATION - DETAIL**

**TOTAL SBWMA**

	Compensation - 2014	Compensation - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	15,788,215	16,087,056	298,841	1.9%
Benefits for CBAs	6,283,751	6,402,691	118,940	1.9%
Payroll Taxes	1,313,579	1,338,443	24,864	1.9%
Workers Compensation Insurance	1,390,582	1,417,940	27,359	2.0%
Total Direct Labor Related-Costs	24,776,127	25,246,130	470,003	1.9%
Direct Fuel Costs	4,218,052	4,108,341	(109,711)	-2.6%
Other Direct Costs	2,125,690	2,150,774	25,083	1.2%
Depreciation				
- Collection Vehicles	4,016,792	4,016,792	-	0.0%
- Containers	1,882,550	1,882,550	-	0.0%
Total Depreciation	5,899,342	5,899,342	-	0.0%
Allocated Indirect Costs				
General and Administrative	6,943,824	7,055,693	111,868	1.6%
Operations	1,720,794	1,750,219	29,426	1.7%
Vehicle Maintenance	2,951,711	3,005,558	53,847	1.8%
Container Maintenance	1,023,338	1,039,517	16,179	1.6%
Total Allocated Indirect Costs	12,639,667	12,850,988	211,321	1.7%
Total Allocated Indirect Depreciation Costs	152,451	152,451	-	0.0%
Annual Implementation Cost Amortization	187,175	187,175	-	0.0%
<b>Total Annual Cost of Operations</b>	<b>49,998,504</b>	<b>50,595,200</b>	<b>596,696</b>	<b>1.2%</b>
<b>Profit</b>	5,248,462	5,311,098	62,637	1.2%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>55,246,966</b>	<b>55,906,299</b>	<b>659,333</b>	<b>1.2%</b>
<b>Contractor Pass-Through Costs</b>				
Regulatory Agency Fees	-	-	-	
Interest Expense	2,224,726	1,935,353	(289,373)	-13.0%
Interest Expense on Implementation Cost	73,498	63,894	(9,604)	-13.1%
Contract Changes to Specific Agencies	(431,332)	(435,254)	(3,922)	
<b>Total Contractor Pass-Through Costs</b>	<b>1,866,892</b>	<b>1,563,993</b>	<b>(302,899)</b>	<b>-16.2%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>57,113,858</b>	<b>57,470,292</b>	<b>356,434</b>	<b>0.6%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	472,171	253,210	(218,961)	
<b>Total Other Adjustments</b>	<b>472,171</b>	<b>253,210</b>	<b>(218,961)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>57,586,029</b>	<b>57,723,502</b>	<b>137,473</b>	<b>0.2%</b>

Base compensation before Revenue Reconciliation



Recology San Mateo County  
Rate Year 2015 Application for Contractor's Compensation Adjustment

June 15, 2014

SBWMA COLLECTION AGREEMENT

CONTRACTOR'S COMPENSATION BY SERVICE SECTOR

Appendix 2-2

TOTAL SBWMA

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$8,724,097	\$8,889,227	\$165,131	1.9%	\$6,889,861	\$7,020,273	\$130,412	1.9%	\$174,257	\$177,556	\$3,298	1.9%	\$15,788,215	\$16,087,056	\$298,841	1.9%
Benefits for CBAs	\$3,561,209	\$3,628,616	\$67,407	1.9%	\$2,652,774	\$2,702,986	\$50,212	1.9%	\$69,769	\$71,090	\$1,321	1.9%	\$6,283,751	\$6,402,691	\$118,940	1.9%
Payroll Taxes	\$725,845	\$739,584	\$13,739	1.9%	\$573,236	\$584,087	\$10,850	1.9%	\$14,498	\$14,773	\$274	1.9%	\$1,313,579	\$1,338,443	\$24,864	1.9%
Workers Compensation Insurance	\$768,394	\$783,512	\$15,118	2.0%	\$606,840	\$618,779	\$11,939	2.0%	\$15,347	\$15,649	\$302	2.0%	\$1,390,582	\$1,417,940	\$27,359	2.0%
Total Direct Labor Related-Costs	\$13,779,544	\$14,040,939	\$261,394	1.9%	\$10,722,712	\$10,926,125	\$203,413	1.9%	\$273,871	\$279,067	\$5,195	1.9%	\$24,776,127	\$25,246,130	\$470,003	1.9%
Direct Fuel Costs	\$2,455,739	\$2,391,866	(\$63,873)	-2.6%	\$1,707,645	\$1,663,229	(\$44,416)	-2.6%	\$54,668	\$53,246	(\$1,422)	-2.6%	\$4,218,052	\$4,108,341	(\$109,711)	-2.6%
Other Direct Costs	\$1,190,571	\$1,204,619	\$14,049	1.2%	\$897,572	\$908,163	\$10,591	1.2%	\$37,548	\$37,991	\$443	1.2%	\$2,125,690	\$2,150,774	\$25,083	1.2%
Depreciation																
- Collection Vehicles	\$2,345,729	\$2,345,729	\$0	0.0%	\$1,529,046	\$1,529,046	\$0	0.0%	\$142,017	\$142,017	\$0	0.0%	\$4,016,792	\$4,016,792	\$0	0.0%
- Containers	\$1,401,267	\$1,401,267	\$0	0.0%	\$481,282	\$481,282	\$0	0.0%	\$0	\$0	\$0	#DIV/0!	\$1,882,550	\$1,882,550	\$0	0.0%
Total Depreciation	\$3,746,996	\$3,746,996	\$0	0.0%	\$2,010,328	\$2,010,328	\$0	0.0%	\$142,017	\$142,017	\$0	0.0%	\$5,899,342	\$5,899,342	\$0	0.0%
Allocated Indirect Costs																
General and Administrative	\$4,029,660	\$4,094,579	\$64,920	1.6%	\$2,730,076	\$2,774,059	\$43,983	1.6%	\$184,089	\$187,055	\$2,966	1.6%	\$6,943,824	\$7,055,693	\$111,868	1.6%
Operations	\$998,616	\$1,015,692	\$17,077	1.7%	\$676,557	\$688,127	\$11,569	1.7%	\$45,621	\$46,401	\$780	1.7%	\$1,720,794	\$1,750,219	\$29,426	1.7%
Vehicle Maintenance	\$1,712,946	\$1,744,194	\$31,249	1.8%	\$1,160,512	\$1,181,683	\$21,171	1.8%	\$78,253	\$79,681	\$1,428	1.8%	\$2,951,711	\$3,005,558	\$53,847	1.8%
Container Maintenance	\$593,865	\$603,255	\$9,389	1.6%	\$402,342	\$408,703	\$6,361	1.6%	\$27,130	\$27,559	\$429	1.6%	\$1,023,338	\$1,039,517	\$16,179	1.6%
Total Allocated Indirect Costs	\$7,335,086	\$7,457,721	\$122,635	1.7%	\$4,969,487	\$5,052,572	\$83,084	1.7%	\$335,093	\$340,695	\$5,602	1.7%	\$12,639,667	\$12,850,988	\$211,321	1.7%
Total Allocated Indirect Depreciation Costs	\$88,423	\$88,423	\$0	0.0%	\$59,456	\$59,456	\$0	0.0%	\$4,572	\$4,572	\$0	0.0%	\$152,451	\$152,451	\$0	0.0%
Annual Implementation Cost Amortization	\$122,719	\$122,719	\$0	0.0%	\$57,762	\$57,762	\$0	0.0%	\$6,694	\$6,694	\$0	0.0%	\$187,175	\$187,175	\$0	0.0%
<b>Total Annual Cost of Operations</b>	<b>\$28,719,079</b>	<b>\$29,053,283</b>	<b>\$334,204</b>	<b>1.2%</b>	<b>\$20,424,962</b>	<b>\$20,677,636</b>	<b>\$252,674</b>	<b>1.2%</b>	<b>\$854,463</b>	<b>\$864,282</b>	<b>\$9,819</b>	<b>1.1%</b>	<b>\$49,998,504</b>	<b>\$50,595,200</b>	<b>\$596,696</b>	<b>1.2%</b>
<b>Profit</b>	\$3,014,710	\$3,049,792	\$35,082	1.2%	\$2,144,057	\$2,170,581	\$26,524	1.2%	\$89,695	\$90,726	\$1,031	1.1%	\$5,248,462	\$5,311,098	\$62,637	1.2%
<b>Operating Ratio</b>	90.50%	90.5%				90.5%				90.5%						
<b>Total Operating Cost</b>	<b>\$31,733,789</b>	<b>\$32,103,075</b>	<b>\$369,286</b>	<b>1.2%</b>	<b>\$22,569,019</b>	<b>\$22,848,216</b>	<b>\$279,197</b>	<b>1.2%</b>	<b>\$944,158</b>	<b>\$955,007</b>	<b>\$10,850</b>	<b>1.1%</b>	<b>\$55,246,966</b>	<b>\$55,906,299</b>	<b>\$659,333</b>	<b>1.2%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$1,268,094	\$1,103,151	(\$164,943)	-13.0%	\$912,138	\$793,495	(\$118,643)	-13.0%	\$44,495	\$38,707	(\$5,787)	-13.0%	\$2,224,726	\$1,935,353	(\$289,373)	-13.0%
Interest Expense on Implementation Cost	\$41,894	\$36,419	(\$5,474)	-13.1%	\$30,134	\$26,197	(\$3,938)	-13.1%	\$1,470	\$1,278	(\$192)	-13.1%	\$73,498	\$63,894	(\$9,604)	-13.1%
Contract Changes to Specific Agencies	(\$431,332)	(\$435,254)	(\$3,922)	0.9%	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	#DIV/0!	(\$431,332)	(\$435,254)	(\$3,922)	0.9%
<b>Total Contractor Pass-Through Costs</b>	<b>\$878,656</b>	<b>\$704,317</b>	<b>(\$174,339)</b>	<b>-19.8%</b>	<b>\$942,272</b>	<b>\$819,691</b>	<b>(\$122,581)</b>	<b>-13.0%</b>	<b>\$45,965</b>	<b>\$39,985</b>	<b>(\$5,980)</b>	<b>-13.0%</b>	<b>\$1,866,892</b>	<b>\$1,563,993</b>	<b>(\$302,899)</b>	<b>-16.2%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$32,612,445</b>	<b>\$32,807,392</b>	<b>\$194,947</b>	<b>0.6%</b>	<b>\$23,511,291</b>	<b>\$23,667,907</b>	<b>\$156,617</b>	<b>0.7%</b>	<b>\$990,123</b>	<b>\$994,993</b>	<b>\$4,870</b>	<b>0.5%</b>	<b>\$57,113,858</b>	<b>\$57,470,292</b>	<b>\$356,434</b>	<b>0.6%</b>

**Recology San Mateo County**  
**Rate Year 2015 Application for Contractor's Compensation Adjustment**

June 15, 2014

SBWMA COLLECTION AGREEMENT

Appendix 2-3

**TOTAL CONTRACTOR'S COMPENSATION BY MEMBER AGENCY**

BASE COLLECTION COSTS	2015 Costs													
	2015Total	Atherton	Belmont	Burlingame	E Palo Alto	Foster City	Hillsborough	Menlo Park	North Fair Oaks	Redwood City	San Carlos	San Mateo	West Bay	Unincorporated County
<b>Annual Cost of Operations</b>														
Direct Labor-Related Costs														
Wages for CBAs	\$16,087,056	\$414,595	\$1,020,799	\$1,646,504	\$636,448	\$932,795	\$712,942	\$1,536,427	\$510,138	\$2,899,466	\$1,374,805	\$3,559,930	\$272,181	\$570,027
Benefits for CBAs	\$6,402,691	\$167,403	\$408,493	\$642,608	\$254,504	\$369,708	\$288,632	\$605,643	\$204,565	\$1,154,351	\$548,074	\$1,419,205	\$109,047	\$230,457
Payroll Taxes	\$1,338,443	\$34,494	\$84,930	\$136,989	\$52,952	\$77,609	\$59,317	\$127,831	\$42,443	\$241,236	\$114,384	\$296,186	\$22,645	\$47,426
Workers Compensation Insurance	\$1,417,940	\$36,543	\$89,975	\$145,125	\$56,098	\$82,218	\$62,840	\$135,423	\$44,965	\$255,564	\$121,178	\$313,778	\$23,991	\$50,243
Total Direct Labor Related-Costs	\$25,246,130	\$653,035	\$1,604,198	\$2,571,226	\$1,000,002	\$1,462,329	\$1,123,731	\$2,405,324	\$802,111	\$4,550,617	\$2,158,441	\$5,589,100	\$427,863	\$898,153
Direct Fuel Costs	\$4,108,341	\$112,349	\$252,785	\$388,665	\$164,734	\$245,162	\$198,179	\$412,827	\$125,956	\$747,309	\$358,875	\$870,347	\$74,177	\$156,976
Other Direct Costs	\$2,150,774	\$56,869	\$132,603	\$209,814	\$85,363	\$128,121	\$99,327	\$217,189	\$65,088	\$391,297	\$188,719	\$459,164	\$37,665	\$79,552
Depreciation														
- Collection Vehicles	\$4,016,792	\$113,022	\$244,835	\$378,001	\$156,970	\$241,740	\$193,880	\$418,966	\$119,157	\$731,793	\$354,851	\$836,229	\$73,054	\$154,294
- Containers	\$1,882,550	\$58,416	\$123,998	\$164,155	\$84,856	\$115,730	\$59,158	\$182,268	\$56,777	\$339,881	\$168,254	\$411,007	\$36,090	\$81,961
Total Depreciation	\$5,899,342	171,439	368,833	542,156	241,825	357,470	253,037	601,234	175,934	1,071,675	523,105	1,247,236	109,144	236,255
Allocated Indirect Costs														
General and Administrative	\$7,055,693	\$109,543	\$424,151	\$651,675	\$358,265	\$443,830	\$168,282	\$766,331	\$202,024	\$1,310,886	\$669,536	\$1,576,923	\$108,440	\$265,807
Operations	\$1,750,219	\$49,418	\$105,079	\$178,603	\$66,649	\$106,605	\$85,344	\$183,653	\$48,424	\$315,180	\$152,570	\$358,443	\$32,876	\$67,375
Vehicle Maintenance	\$3,005,558	\$84,862	\$180,447	\$306,706	\$114,452	\$183,068	\$146,556	\$315,377	\$83,155	\$541,242	\$262,001	\$615,535	\$56,457	\$115,700
Container Maintenance	\$1,039,517	\$24,496	\$65,768	\$98,350	\$48,414	\$66,242	\$26,055	\$116,165	\$28,456	\$189,410	\$92,124	\$230,061	\$16,168	\$37,806
Total Allocated Indirect Costs	\$12,850,988	\$268,320	\$775,445	\$1,235,334	\$587,780	\$799,745	\$426,237	\$1,381,525	\$362,060	\$2,356,718	\$1,176,231	\$2,780,962	\$213,941	\$486,689
Total Allocated Indirect Depreciation Costs	\$152,451	\$4,304	\$9,078	\$15,683	\$5,822	\$9,376	\$7,390	\$15,922	\$4,160	\$27,469	\$13,385	\$31,206	\$2,823	\$5,834
Annual Implementation Cost Amortization	\$187,175	\$5,639	\$11,084	\$17,649	\$7,966	\$10,926	\$9,895	\$18,175	\$5,635	\$34,408	\$16,040	\$38,607	\$3,470	\$7,682
<b>Total Annual Cost of Operations <sup>3</sup></b>	\$50,595,200	\$1,271,954	\$3,154,026	\$4,980,526	\$2,093,493	\$3,013,129	\$2,117,796	\$5,052,195	\$1,540,945	\$9,179,494	\$4,434,797	\$11,016,622	\$69,083	\$1,871,140
<b>Profit</b>	\$5,311,098	\$133,520	\$331,086	\$522,818	\$219,759	\$316,295	\$222,310	\$530,341	\$161,757	\$963,593	\$465,531	\$1,156,441	\$91,230	\$196,418
<b>Operating Ratio</b>	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
<b>Total Operating Cost</b>	\$55,906,299	\$1,405,474	\$3,485,111	\$5,503,344	\$2,313,252	\$3,329,425	\$2,340,107	\$5,582,536	\$1,702,702	\$10,143,087	\$4,900,328	\$12,173,063	\$960,313	\$2,067,558
<b>Contractor Pass-Through Costs</b>														
Interest Expense	\$1,935,353	\$51,487	\$120,815	\$185,587	\$78,547	\$117,820	\$75,036	\$201,758	\$58,377	\$352,149	\$172,459	\$415,661	\$33,559	\$72,097
Interest Expense on Implementation Cost	\$63,894	\$1,718	\$3,772	\$6,404	\$2,726	\$3,781	\$2,950	\$6,259	\$1,987	\$11,832	\$5,475	\$13,544	\$1,078	\$2,368
Contract Changes to Specific Agencies	(\$435,254)	\$0	\$0	\$0	\$0	\$0	(\$453,384)	\$24,201	\$0	\$0	(\$6,071)	\$0	\$0	\$0
<b>BASE COMPENSATION</b>	\$57,470,292	\$1,458,679	\$3,609,698	\$5,695,334	\$2,394,526	\$3,451,025	\$1,964,709	\$5,814,754	\$1,763,066	\$10,507,068	\$5,072,191	\$12,602,268	\$994,950	\$2,142,023
Incentives and Disincentives	\$253,210	\$2,395	\$11,280	\$33,983	\$16,423	\$15,327	\$2,878	\$23,827	\$7,592	\$54,105	\$18,063	\$60,521	\$1,576	\$5,239
<b>Total Contractor Adjustments</b>	\$253,210	\$2,395	\$11,280	\$33,983	\$16,423	\$15,327	\$2,878	\$23,827	\$7,592	\$54,105	\$18,063	\$60,521	\$1,576	\$5,239
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	\$57,723,502	\$1,461,074	\$3,620,978	\$5,729,318	\$2,410,949	\$3,466,353	\$1,967,587	\$5,838,582	\$1,770,658	\$10,561,173	\$5,090,254	\$12,662,789	\$996,526	\$2,147,262
<b>Prior Year's Surplus/Shortfall to/from Recology</b>														
Revenue Reconciliation 2013 (Surplus)/Shortfall	\$1,201,811	\$136,721	\$883,732	(\$41,259)	(\$134,974)	\$333,499	(\$356,908)	\$150,422	(\$17,634)	(\$144,629)	\$91,362	\$433,685	(\$14,775)	(\$117,433)
Interest on 2013 (Surplus)/Shortfall	\$79,525	\$8,716	\$56,338	\$0	\$0	\$0	\$0	\$9,589	\$0	\$0	\$5,824	\$0	(\$942)	\$0
<b>Sub-Total</b>	\$1,281,336	\$145,437	\$940,070	(\$41,259)	(\$134,974)	\$333,499	(\$356,908)	\$160,011	(\$17,634)	(\$144,629)	\$97,186	\$433,685	(\$15,717)	(\$117,433)
<b>TOTAL BALANCE TO CONTRACTOR 2015</b>	\$59,004,838	\$1,606,512	\$4,561,048	\$5,688,059	\$2,275,975	\$3,799,852	\$1,610,679	\$5,998,592	\$1,753,024	\$10,416,544	\$5,187,441	\$13,096,474	\$980,809	\$2,029,829
<b>TOTAL BALANCE TO CONTRACTOR - 2014</b>	\$55,614,705	\$970,624	\$4,306,482	\$4,660,449	\$2,275,396	\$3,383,394	\$1,774,784	\$5,853,875	\$1,661,806	\$9,236,794	\$4,998,608	\$13,322,193	\$788,856	\$2,381,445
<b>Change in Contractor's Compensation</b>	\$3,390,132	\$635,888	\$254,566	\$1,027,610	\$579	\$416,458	(\$164,105)	\$144,717	\$91,218	\$1,179,750	\$188,833	(\$225,719)	\$191,953	(\$351,616)
<b>Percentage Change in Compensation</b>	6.10%	65.51%	5.91%	22.05%	0.03%	12.31%	-9.25%	2.47%	5.49%	12.77%	3.78%	-1.69%	24.33%	-14.76%

<sup>3</sup> Costs do not reflect any Agency directed changes in service.

Base Compensation - 2015	\$57,905,546	\$1,458,679	\$3,609,698	\$5,695,334	\$2,394,526	\$3,451,025	\$2,418,093	\$5,790,553	\$1,763,066	\$10,507,068	\$5,078,262	\$12,602,268	\$994,950	\$2,142,023
% Allocation Contractor's Compensation	100.00%	2.52%	6.23%	9.84%	4.14%	5.96%	4.18%	10.00%	3.04%	18.15%	8.77%	21.76%	1.72%	3.70%
		2.53%	6.27%	9.93%	4.18%	6.01%	3.41%	10.11%	3.07%	18.30%	8.82%	21.94%	1.73%	3.72%

BWMA COLLECTION AGREEMENT  
Single Family Dwelling Cost Allocation

Appendix 2-4

SFD COLLECTION COSTS	TOTAL SBWMA						
	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	TOTAL 2015
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$3,225,470	\$2,629,456	\$2,261,662	\$13,280	\$13,280	\$746,079	\$8,889,227
Benefits for CBAs	\$1,276,255	\$1,085,821	\$911,886	\$5,484	\$5,484	\$343,687	\$3,628,616
Payroll Taxes	\$268,359	\$218,771	\$188,170	\$1,105	\$1,105	\$62,074	\$739,584
Workers Compensation Insurance	\$284,305	\$231,761	\$199,343	\$1,171	\$1,171	\$65,761	\$783,512
Total Direct Labor Related-Costs	\$5,054,389	\$4,165,809	\$3,561,062	\$21,039	\$21,039	\$1,217,601	\$14,040,939
Direct Fuel Costs	\$804,044	\$813,373	\$682,965	\$4,108	\$4,108	\$83,268	\$2,391,866
Other Direct Costs	\$400,529	\$405,176	\$344,448	\$2,046	\$2,046	\$50,373	\$1,204,619
Depreciation							
- Collection Vehicles	\$803,031	\$745,872	\$737,940	\$3,766	\$3,766	\$51,354	\$2,345,729
- Containers	\$428,963	\$437,542	\$530,343	\$2,210	\$2,210	\$0	\$1,401,267
Total Depreciation	\$1,231,994	\$1,183,414	\$1,268,283	\$5,976	\$5,976	\$51,354	\$3,746,996
Allocated Indirect Costs excluding Depreciation							
General and Administrative	\$1,323,444	\$1,361,466	\$1,341,458	\$6,876	\$6,876	\$54,459	\$4,094,579
Operations	\$328,291	\$337,722	\$332,759	\$1,706	\$1,706	\$13,509	\$1,015,692
Vehicle Maintenance	\$563,756	\$579,953	\$571,429	\$2,929	\$2,929	\$23,198	\$1,744,194
Container Maintenance	\$194,983	\$200,585	\$197,637	\$1,013	\$1,013	\$8,023	\$603,255
Total Allocated Indirect Costs excluding Depreciation	\$2,410,474	\$2,479,726	\$2,443,283	\$12,524	\$12,524	\$99,190	\$7,457,721
Total Allocated Indirect Depreciation Costs	\$28,295	\$29,179	\$29,475	\$147	\$147	\$1,180	\$88,423
Annual Implementation Cost Amortization	\$40,497	\$38,043	\$36,816	\$614	\$614	\$6,136	\$122,719
<b>Total Annual Cost of Operations</b>	<b>\$9,970,223</b>	<b>\$9,114,720</b>	<b>\$8,366,330</b>	<b>\$46,454</b>	<b>\$46,454</b>	<b>\$1,509,102</b>	<b>\$29,053,283</b>
<b>Profit</b>	<b>\$1,046,598</b>	<b>\$956,794</b>	<b>\$878,234</b>	<b>\$4,876</b>	<b>\$4,876</b>	<b>\$158,414</b>	<b>\$3,049,792</b>
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%	90.5%
<b>Total Operating Costs before Pass-Through Costs</b>	<b>\$11,016,821</b>	<b>\$10,071,514</b>	<b>\$9,244,564</b>	<b>\$51,330</b>	<b>\$51,330</b>	<b>\$1,667,516</b>	<b>\$32,103,075</b>
<b>Contractor Pass-Through Costs</b>							
Interest Expense	\$362,711	\$348,408	\$373,394	\$1,759	\$1,759	\$15,119	\$1,103,151
Interest Expense on Implementation Cost	\$12,018	\$11,290	\$10,926	\$182	\$182	\$1,821	\$36,419
Contract Changes to Specific Agencies							(\$435,254)
<b>Total Contractor Pass-Through Costs</b>	<b>\$374,729</b>	<b>\$359,698</b>	<b>\$384,320</b>	<b>\$1,941</b>	<b>\$1,941</b>	<b>\$16,940</b>	<b>\$704,317</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$11,391,551</b>	<b>\$10,431,212</b>	<b>\$9,628,884</b>	<b>\$53,272</b>	<b>\$53,272</b>	<b>\$1,684,456</b>	<b>\$32,807,392</b>
<b>TOTAL CONTRACTOR'S COMPENSATION RATE YEAR 2014</b>	<b>\$11,318,380</b>	<b>\$10,373,032</b>	<b>\$9,584,421</b>	<b>\$52,997</b>	<b>\$52,997</b>	<b>\$1,661,951</b>	<b>\$32,627,331</b>
Change in Revenue Requirement	\$73,170	\$58,180	\$44,463	\$275	\$275	\$22,505	\$180,061
Percentage Change in Revenue Requirement	0.6%	0.6%	0.5%	0.5%	0.5%	1.4%	0.6%

SBWMA COLLECTION AGREEMENT

Appendix 2-5

Commercial & Multi-Family Dwelling Cost Allocation

COMMERCIAL & MFD COLLECTION COSTS	TOTAL SBWMA							TOTAL 2015
	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$4,226,693	\$1,680,860	\$584,051	\$345,405	\$53,789	\$9,216	\$120,259	\$7,020,273
Benefits for CBAs	\$1,726,085	\$644,809	\$157,431	\$98,778	\$21,536	\$3,690	\$50,657	\$2,702,986
Payroll Taxes	\$351,661	\$139,848	\$48,593	\$28,738	\$4,475	\$767	\$10,006	\$584,087
Workers Compensation Insurance	\$372,547	\$148,154	\$51,483	\$30,442	\$4,741	\$812	\$10,600	\$618,779
Total Direct Labor Related-Costs	\$6,676,985	\$2,613,671	\$841,558	\$503,363	\$84,540	\$14,486	\$191,522	\$10,926,125
Direct Fuel Costs	\$952,514	\$401,425	\$185,523	\$73,986	\$16,131	\$2,764	\$30,887	\$1,663,229
Other Direct Costs	\$495,862	\$244,428	\$85,134	\$53,117	\$11,554	\$1,988	\$16,079	\$908,163
Depreciation								
- Collection Vehicles	\$785,410	\$403,201	\$221,524	\$49,616	\$24,808	\$24,808	\$19,679	\$1,529,046
- Containers	\$193,012	\$145,499	\$136,802	\$0	\$0	\$0	\$5,969	\$481,282
Total Depreciation	\$978,422	\$548,700	\$358,326	\$49,616	\$24,808	\$24,808	\$25,648	\$2,010,328
Allocated Indirect Costs excluding Depreciation								
General and Administrative	\$702,069	\$742,832	\$875,602	\$337,479	\$68,708	\$24,979	\$22,389	\$2,774,059
Operations	\$174,154	\$184,265	\$217,200	\$83,714	\$17,044	\$6,196	\$5,554	\$688,127
Vehicle Maintenance	\$299,065	\$316,429	\$372,986	\$143,758	\$29,268	\$10,640	\$9,537	\$1,181,683
Container Maintenance	\$103,436	\$109,442	\$129,003	\$49,721	\$10,123	\$3,680	\$3,299	\$408,703
Total Allocated Indirect Costs excluding Depreciation	\$1,278,723	\$1,352,968	\$1,594,791	\$614,673	\$125,143	\$45,496	\$40,779	\$5,052,572
Total Allocated Indirect Depreciation Costs	\$15,672	\$16,157	\$16,156	\$8,240	\$1,616	\$1,131	\$484	\$59,456
Annual Implementation Cost Amortization	\$47,794	\$1,181	\$615	\$6,560	\$66	\$48	\$1,499	\$57,762
<b>Total Annual Cost of Operations</b>	<b>\$10,445,973</b>	<b>\$5,178,529</b>	<b>\$3,082,102</b>	<b>\$1,309,554</b>	<b>\$263,858</b>	<b>\$90,720</b>	<b>\$306,899</b>	<b>\$20,677,636</b>
<b>Profit</b>	<b>\$1,096,538.58</b>	<b>\$543,602</b>	<b>\$323,536</b>	<b>\$137,467</b>	<b>\$27,698</b>	<b>\$9,523</b>	<b>\$32,216</b>	<b>\$2,170,581</b>
<b>Operating Ratio</b>	<b>90.5%</b>	<b>90.5%</b>	<b>90.5%</b>	<b>90.5%</b>	<b>90.5%</b>	<b>90.5%</b>	<b>90.5%</b>	<b>90.5%</b>
<b>Total Operating Costs before Pass-Through Costs</b>	<b>\$11,542,511</b>	<b>\$5,722,131</b>	<b>\$3,405,638</b>	<b>\$1,447,021</b>	<b>\$291,556</b>	<b>\$100,244</b>	<b>\$339,115</b>	<b>\$22,848,216</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$386,192	\$216,577	\$141,434	\$19,584	\$9,792	\$9,792	\$10,124	\$793,495
Interest Expense on Implementation Cost	\$21675,62315	\$536	\$279	\$2,975	\$30	\$22	\$680	\$26,197
<b>Total Contractor Pass-Through Costs</b>	<b>\$407,868</b>	<b>\$217,112</b>	<b>\$141,713</b>	<b>\$22,559</b>	<b>\$9,822</b>	<b>\$9,814</b>	<b>\$10,804</b>	<b>\$819,691</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$11,950,379</b>	<b>\$5,939,244</b>	<b>\$3,547,351</b>	<b>\$1,469,580</b>	<b>\$301,378</b>	<b>\$110,057</b>	<b>\$349,919</b>	<b>\$23,667,907</b>
<b>TOTAL CONTRACTOR'S COMPENSATION RATE YEAR 2014</b>	<b>\$11,872,511</b>	<b>\$5,902,051</b>	<b>\$3,526,625</b>	<b>\$1,452,929</b>	<b>\$299,160</b>	<b>\$110,456</b>	<b>\$347,558</b>	<b>\$23,511,291</b>
<b>Change in Revenue Requirement</b>	<b>\$77,868</b>	<b>\$37,192</b>	<b>\$20,726</b>	<b>\$16,651</b>	<b>\$2,217</b>	<b>(\$399)</b>	<b>\$2,361</b>	<b>\$156,617</b>
<b>Percentage Change in Revenue Requirement</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>1.1%</b>	<b>0.7%</b>	<b>-0.4%</b>	<b>0.7%</b>	<b>0.7%</b>

SBWMA COLLECTION AGREEMENT

Appendix 2-6

Member Agency Facilities Cost Allocation

MEMBER AGENCY COLLECTION COSTS	TOTAL SBWMA				
	Solid Waste	Organic Materials	Public Litter and Recycling Cans	Venues and Events	TOTAL 2015
	E	G	I	I	
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$104,435	\$22,097	\$40,180	\$10,844	\$177,556
Benefits for CBAs	\$41,814	\$8,847	\$16,087	\$4,342	\$71,090
Payroll Taxes	\$8,689	\$1,838	\$3,343	\$902	\$14,773
Workers Compensation Insurance	<u>\$9,204</u>	<u>\$1,948</u>	<u>\$3,541</u>	<u>\$956</u>	<u>\$15,649</u>
Total Direct Labor Related-Costs	\$164,142	\$34,729	\$63,151	\$17,044	\$279,067
Direct Fuel Costs	\$31,318	\$6,627	\$12,049	\$3,253	\$53,246
Other Direct Costs	\$22,346	\$4,728	\$8,597	\$2,320	\$37,991
Depreciation					
- Collection Vehicles	\$85,209	\$21,303	\$28,403	\$7,102	\$142,017
- Containers	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Depreciation	\$85,209	\$21,303	\$28,403	\$7,102	\$142,017
Allocated Indirect Costs excluding Depreciation					
General and Administrative	\$110,920	\$25,009	\$40,489	\$10,637	\$187,055
Operations	\$27,515	\$6,204	\$10,044	\$2,639	\$46,401
Vehicle Maintenance	\$47,249	\$10,653	\$17,247	\$4,531	\$79,681
Container Maintenance	<u>\$16,342</u>	<u>\$3,685</u>	<u>\$5,965</u>	<u>\$1,567</u>	<u>\$27,559</u>
Total Allocated Indirect Costs excluding Depreciation	\$202,025	\$45,551	\$73,746	\$19,373	\$340,695
Total Allocated Indirect Depreciation Costs	\$2,743	\$686	\$915	\$228	\$4,572
Annual Implementation Cost Amortization	<u>\$4,016</u>	<u>\$1,004</u>	<u>\$1,339</u>	<u>\$335</u>	<u>\$6,694</u>
<b>Total Annual Cost of Operations</b>	<b>\$511,800</b>	<b>\$114,628</b>	<b>\$188,199</b>	<b>\$49,655</b>	<b>\$864,282</b>
<b>Profit</b>	<b>\$53,725</b>	<b>\$12,033</b>	<b>\$19,756</b>	<b>\$5,212</b>	<b>\$90,726</b>
Operating Ratio	90.5%	90.5%	90.5%	90.5%	90.5%
<b>Total Operating Costs before Pass-Through Costs</b>	<b>\$565,525</b>	<b>\$126,661</b>	<b>\$207,955</b>	<b>\$54,867</b>	<b>\$955,007</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$23,224	\$5,806	\$7,741	\$1,936	\$38,707
Interest Expense on Implementation Cost	<u>\$767</u>	<u>\$192</u>	<u>\$256</u>	<u>\$64</u>	<u>\$1,278</u>
<b>Total Contractor Pass-Through Costs</b>	<b><u>\$23,991</u></b>	<b><u>\$5,998</u></b>	<b><u>\$7,997</u></b>	<b><u>\$2,000</u></b>	<b><u>\$39,985</u></b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b><u>\$589,516</u></b>	<b><u>\$132,659</u></b>	<b><u>\$215,951</u></b>	<b><u>\$56,867</u></b>	<b><u>\$994,993</u></b>
<b>CONTRACTOR'S COMPENSATION RATE YEAR 2014</b>	<b>\$586,692</b>	<b>\$132,148</b>	<b>\$214,753</b>	<b>\$56,529</b>	<b>\$990,123</b>
Change in Revenue Requirement	<u>\$2,824</u>	<u>\$511</u>	<u>\$1,198</u>	<u>\$338</u>	<u>\$4,870</u>
Percentage Change in Revenue Requirement	<u>0.5%</u>	<u>0.4%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.5%</u>

SBWMA COLLECTION AGREEMENT

Appendix 3-1

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. ATHERTON**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	417,546	414,595	(2,951)	-0.7%
Benefits for CBAs	168,525	167,403	(1,123)	-0.7%
Payroll Taxes	34,740	34,494	(246)	-0.7%
Workers Compensation Insurance	36,776	36,543	(233)	-0.6%
Total Direct Labor Related-Costs	657,587	653,035	(4,552)	-0.7%
Direct Fuel Costs	119,860	112,349	(7,511)	-6.3%
Other Direct Costs	58,383	56,869	(1,514)	-2.6%
Depreciation				
- Collection Vehicles	118,230	113,022	(5,207)	-4.4%
- Containers	58,792	58,416	(376)	-0.6%
Total Depreciation	177,022	171,439	(5,583)	-3.2%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	108,612	109,543	931	0.9%
Operations	50,865	49,418	(1,447)	-2.8%
Vehicle Maintenance	87,249	84,862	(2,387)	-2.7%
Container Maintenance	24,320	24,496	176	0.7%
Total Allocated Indirect Costs excluding Depreciation	271,046	268,320	(2,727)	-1.0%
Total Allocated Indirect Depreciation Costs	4,510	4,304	(206)	-4.6%
Annual Implementation Cost Amortization	5,919	5,639	(280)	-4.7%
<b>Total Annual Cost of Operations</b>	<b>1,294,327</b>	<b>1,271,954</b>	<b>(22,373)</b>	<b>-1.7%</b>
<b>Profit</b>	135,869	133,520	(2,349)	-1.7%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>1,430,196</b>	<b>1,405,474</b>	<b>(24,722)</b>	<b>-1.7%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	61,062	51,487	(9,575)	-15.7%
Interest Expense on Implementation Cost	2,072	1,718	(354)	-17.1%
<b>Total Contractor Pass-Through Costs</b>	<b>63,134</b>	<b>53,205</b>	<b>(9,929)</b>	<b>-15.7%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>1,493,330</b>	<b>1,458,679</b>	<b>(34,651)</b>	<b>-2.3%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	6,659	2,395	(4,264)	
<b>Total Other Adjustments</b>	<b>6,659</b>	<b>2,395</b>	<b>(4,264)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>1,499,989</b>	<b>1,461,074</b>	<b>(38,915)</b>	<b>-2.6%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**Atherton**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$373,290	\$369,979	(\$3,311)	-0.9%	\$41,409	\$42,309	\$900	2.2%	\$2,847	\$2,307	(\$540)	-19.0%	\$417,546	\$414,595	(\$2,951)	-0.7%
Benefits for CBAs	\$151,418	\$150,169	(\$1,249)	-0.8%	\$15,967	\$16,310	\$343	2.1%	\$1,140	\$924	(\$216)	-19.0%	\$168,525	\$167,403	(\$1,123)	-0.7%
Payroll Taxes	\$31,058	\$30,782	(\$275)	-0.9%	\$3,445	\$3,520	\$75	2.2%	\$237	\$192	(\$45)	-19.0%	\$34,740	\$34,494	(\$246)	-0.7%
Workers Compensation Insurance	\$32,878	\$32,610	(\$268)	-0.8%	\$3,647	\$3,729	\$82	2.2%	\$251	\$203	(\$47)	-18.9%	\$36,776	\$36,543	(\$233)	-0.6%
<b>Total Direct Labor Related-Costs</b>	<b>\$588,644</b>	<b>\$583,541</b>	<b>(\$5,103)</b>	<b>-0.9%</b>	<b>\$64,469</b>	<b>\$65,868</b>	<b>\$1,399</b>	<b>2.2%</b>	<b>\$4,474</b>	<b>\$3,626</b>	<b>(\$849)</b>	<b>-19.0%</b>	<b>\$657,587</b>	<b>\$653,035</b>	<b>(\$4,552)</b>	<b>-0.7%</b>
Direct Fuel Costs	\$108,262	\$101,111	(\$7,151)	-6.6%	\$10,688	\$10,502	(\$186)	-1.7%	\$910	\$735	(\$174)	-19.2%	\$119,860	\$112,349	(\$7,511)	-6.3%
Other Direct Costs	\$52,376	\$50,789	(\$1,587)	-3.0%	\$5,383	\$5,556	\$173	3.2%	\$625	\$525	(\$100)	-16.0%	\$58,383	\$56,869	(\$1,514)	-2.6%
Depreciation																
- Collection Vehicles	\$106,395	\$101,523	(\$4,872)	-4.6%	\$9,445	\$9,566	\$121	1.3%	\$2,389	\$1,933	(\$456)	-19.1%	\$118,230	\$113,022	(\$5,207)	-4.4%
- Containers	\$57,718	\$57,454	(\$264)	-0.5%	\$1,074	\$962	(\$111)	-10.4%	\$0	\$0	\$0		\$58,792	\$58,416	(\$376)	-0.6%
<b>Total Depreciation</b>	<b>\$164,113</b>	<b>\$158,977</b>	<b>(\$5,136)</b>	<b>-3.1%</b>	<b>\$10,519</b>	<b>\$10,528</b>	<b>\$9</b>	<b>0.1%</b>	<b>\$2,389</b>	<b>\$1,933</b>	<b>(\$456)</b>	<b>-19.1%</b>	<b>\$177,022</b>	<b>\$171,439</b>	<b>(\$5,583)</b>	<b>-3.2%</b>
Allocated Indirect Costs																
General and Administrative	\$101,146	\$102,533	\$1,388	1.4%	\$5,518	\$5,191	(\$327)	-5.9%	\$1,949	\$1,819	(\$130)	-6.7%	\$108,612	\$109,543	\$931	0.9%
Operations	\$46,015	\$44,622	(\$1,393)	-3.0%	\$4,088	\$4,158	\$70	1.7%	\$762	\$637	(\$125)	-16.4%	\$50,865	\$49,418	(\$1,447)	-2.8%
Vehicle Maintenance	\$78,930	\$76,628	(\$2,303)	-2.9%	\$7,011	\$7,140	\$129	1.8%	\$1,307	\$1,094	(\$213)	-16.3%	\$87,249	\$84,862	(\$2,387)	-2.7%
Container Maintenance	\$23,209	\$23,483	\$274	1.2%	\$825	\$746	(\$79)	-9.6%	\$287	\$268	(\$19)	-6.7%	\$24,320	\$24,496	\$176	0.7%
<b>Total Allocated Indirect Costs</b>	<b>\$249,300</b>	<b>\$247,266</b>	<b>(\$2,033)</b>	<b>-0.8%</b>	<b>\$17,441</b>	<b>\$17,235</b>	<b>(\$207)</b>	<b>-1.2%</b>	<b>\$4,305</b>	<b>\$3,819</b>	<b>(\$487)</b>	<b>-11.3%</b>	<b>\$271,046</b>	<b>\$268,320</b>	<b>(\$2,727)</b>	<b>-1.0%</b>
Total Allocated Indirect Depreciation Costs	\$4,094	\$3,900	(\$194)	-4.7%	\$339	\$341	\$3	0.8%	\$77	\$62	(\$15)	-19.1%	\$4,510	\$4,304	(\$206)	-4.6%
Annual Implementation Cost Amortization	\$5,446	\$5,201	(\$244)	-4.5%	\$360	\$346	(\$14)	-3.9%	\$113	\$91	(\$21)	-19.1%	\$5,919	\$5,639	(\$280)	-4.7%
<b>Total Annual Cost of Operations</b>	<b>\$1,172,236</b>	<b>\$1,150,786</b>	<b>(\$21,449)</b>	<b>-1.8%</b>	<b>\$109,199</b>	<b>\$110,377</b>	<b>\$1,178</b>	<b>1.1%</b>	<b>\$12,893</b>	<b>\$10,791</b>	<b>(\$2,102)</b>	<b>-16.3%</b>	<b>\$1,294,327</b>	<b>\$1,271,954</b>	<b>(\$22,373)</b>	<b>-1.7%</b>
<b>Profit</b>	\$123,052	\$120,801	(\$2,252)	-1.8%	\$11,463	\$11,587	\$124	1.1%	\$1,353	\$1,133	(\$221)	-16.3%	\$135,869	\$133,520	(\$2,349)	-1.7%
<b>Operating Ratio</b>	90.50%	90.5%			90.5%	90.5%			90.5%	90.5%			90.5%	90.5%		
<b>Total Operating Cost</b>	<b>\$1,295,288</b>	<b>\$1,271,587</b>	<b>(\$23,701)</b>	<b>-1.8%</b>	<b>\$120,662</b>	<b>\$121,963</b>	<b>\$1,302</b>	<b>1.1%</b>	<b>\$14,246</b>	<b>\$11,923</b>	<b>(\$2,322)</b>	<b>-16.3%</b>	<b>\$1,430,196</b>	<b>\$1,405,474</b>	<b>(\$24,722)</b>	<b>-1.7%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$55,541	\$46,804	(\$8,736)	-15.7%	\$4,773	\$4,156	(\$617)	-12.9%	\$749	\$527	(\$222)	-29.6%	\$61,062	\$51,487	(\$9,575)	-15.7%
Interest Expense on Implementation Cost	\$1,859	\$1,544	(\$315)	-17.0%	\$188	\$157	(\$31)	-16.5%	\$25	\$17	(\$7)	-29.7%	\$2,072	\$1,718	(\$354)	-17.1%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$57,400</b>	<b>\$48,348</b>	<b>(\$9,052)</b>	<b>-15.8%</b>	<b>\$4,961</b>	<b>\$4,313</b>	<b>(\$648)</b>	<b>-13.1%</b>	<b>\$773</b>	<b>\$544</b>	<b>(\$229)</b>	<b>-29.6%</b>	<b>\$63,134</b>	<b>\$53,205</b>	<b>(\$9,929)</b>	<b>-15.7%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$1,352,688</b>	<b>\$1,319,935</b>	<b>(\$32,753)</b>	<b>-2.4%</b>	<b>\$125,623</b>	<b>\$126,276</b>	<b>\$653</b>	<b>0.5%</b>	<b>\$15,019</b>	<b>\$12,468</b>	<b>(\$2,551)</b>	<b>-17.0%</b>	<b>\$1,493,330</b>	<b>\$1,458,679</b>	<b>(\$34,651)</b>	<b>-2.3%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>4.1%</b>	<b>4.0%</b>	<b>(\$40,894)</b>	<b>-0.1%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>\$ (183)</b>	<b>0.0%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>(\$2,625)</b>	<b>-0.3%</b>	<b>2.60%</b>	<b>2.52%</b>	<b>(\$43,703)</b>	<b>-0.08%</b>

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D. Town of Atherton Allocated Costs - SFD

	Statistics Used for Cost Allocation							Total
City # of accounts	2,340	2,336	2,317	2,336	2,336	402	2,340	
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999	
City # of accounts %	2.5%	2.5%	2.6%	2.5%	2.5%	1.7%	2.5%	
City Total Route Labor hours year	1,467.44	1,781.34	2,583.85	8.91	8.91	194.70	6,045	
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302	
City Total Route Labor hours year %	3.1%	4.0%	6.6%	4.0%	4.0%	1.7%	4.2%	
City # of route hours/year	1,331.87	1,531.58	2,233.86	7.66	7.66	194.70	5,307	
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515	
City Total Route Labor hours year %	3.1%	3.8%	6.4%	3.8%	3.8%	1.7%	4.1%	
City Total Containers in Service	2,539	2,542	6,443	2,542	2,542	402	17,010	
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867	
City Total Containers in Service %	2.6%	2.7%	6.5%	2.7%	2.7%	1.7%	3.4%	

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$101,143	\$105,418	\$149,870	\$532	\$532	\$12,483	\$369,979
Benefits for CBAs	\$40,020	\$43,532	\$60,427	\$220	\$220	\$5,751	\$150,169
Payroll Taxes	\$8,415	\$8,771	\$12,469	\$44	\$44	\$1,039	\$30,782
Workers Compensation Insurance	\$8,915	\$9,292	\$13,210	\$47	\$47	\$1,100	\$32,610
Total Direct Labor Related-Costs	\$158,493	\$167,012	\$235,976	\$843	\$843	\$20,373	\$583,541
Direct Fuel Costs	\$24,927	\$30,539	\$43,943	\$154	\$154	\$1,393	\$101,111
Other Direct Costs	\$12,417	\$15,213	\$22,162	\$77	\$77	\$843	\$50,789
Depreciation - Collection Vehicles	\$24,896	\$28,005	\$47,480	\$141	\$141	\$859	\$101,523
Depreciation - Containers	\$11,329	\$11,657	\$34,349	\$59	\$59	\$0	\$57,454
Depreciation for Collection Equipment	\$36,225	\$39,662	\$81,829	\$200	\$200	\$859	\$158,977
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$32,946	\$33,931	\$34,402	\$171	\$171	\$911	\$102,533
Operations	\$10,178	\$12,680	\$21,410	\$64	\$64	\$226	\$44,622
Vehicle Maintenance	\$17,478	\$21,775	\$36,767	\$110	\$110	\$388	\$76,628
Container Maintenance	\$5,150	\$5,344	\$12,801	\$27	\$27	\$134	\$23,483
Total Allocated Indirect Costs excluding Depreciation and Interest	\$65,751	\$73,731	\$105,380	\$372	\$372	\$1,660	\$247,266
Total Allocated Indirect Depreciation Costs (Form 9)	\$877	\$1,096	\$1,896	\$6	\$6	\$20	\$3,900
Annual Implementation Cost Amortization (Form A)	\$1,256	\$1,428	\$2,369	\$23	\$23	\$103	\$5,201
<b>Total Annual Cost of Operations</b>	<b>\$299,947</b>	<b>\$328,681</b>	<b>\$493,556</b>	<b>\$1,676</b>	<b>\$1,676</b>	<b>\$25,250</b>	<b>\$1,150,786</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$31,486</b>	<b>\$34,502</b>	<b>\$51,810</b>	<b>\$176</b>	<b>\$176</b>	<b>\$2,651</b>	<b>\$120,801</b>
	90.5%						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$331,433</b>	<b>\$363,184</b>	<b>\$545,366</b>	<b>\$1,852</b>	<b>\$1,852</b>	<b>\$27,901</b>	<b>\$1,271,587</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$10,665	\$11,677	\$24,091	\$59	\$59	\$253	\$46,804
Interest Expense on Implementation Cost	\$373	\$424	\$703	\$7	\$7	\$30	\$1,544
<b>Total Contractor Pass-Through Costs</b>	<b>\$11,038</b>	<b>\$12,101</b>	<b>\$24,794</b>	<b>\$66</b>	<b>\$66</b>	<b>\$283</b>	<b>\$48,348</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$342,471</b>	<b>\$375,285</b>	<b>\$570,160</b>	<b>\$1,917</b>	<b>\$1,917</b>	<b>\$28,185</b>	<b>\$1,319,935</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$350,910</b>	<b>\$353,583</b>	<b>\$614,795</b>	<b>\$1,807</b>	<b>\$1,807</b>	<b>\$29,786</b>	<b>\$1,352,688</b>
<b>Change \$</b>	<b>(\$8,439)</b>	<b>\$21,702</b>	<b>(\$44,635)</b>	<b>\$110</b>	<b>\$110</b>	<b>(\$1,601)</b>	<b>(\$32,753)</b>
<b>Change %</b>	<b>-2.4%</b>	<b>6.1%</b>	<b>-7.3%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>-5.4%</b>	<b>-2.4%</b>

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.



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D. Town of Atherton Allocated Costs - MFD & Commercial

Statistics Used For Cost Allocation								Total
City # of Accounts	11	12	5	0	0	0	402	28
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072
City # of Accounts %	0.1%	0.1%	0.4%	0.0%	0.0%	0.0%	1.7%	0.1%
City Total Route Labor hours year	299.94	141.95	56.68	0.00	0.00	0.00	194.70	499
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651
City Total Route Labor hours year %	0.6%	0.5%	1.0%	0.0%	0.0%	0.0%	1.7%	0.6%
City # of route hours/year	208.29	136.75	49.24	0.00	0.00	0.00	194.70	394
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918
City # of route hours/year %	0.6%	0.5%	0.9%	0.0%	0.0%	0.0%	1.7%	0.6%
City Total Containers in Service	14	42	5	0	0	0	402	61
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472
City Total Containers in Service %	0.1%	0.2%	0.3%	0.0%	0.0%	0.0%	1.7%	0.2%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial
	E	F	G	H	H	H	J	TOTAL
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$25,816	\$8,912	\$5,569	\$0	\$0	\$0	\$2,012	\$42,309
Benefits for CBAs	\$10,543	\$3,419	\$1,501	\$0	\$0	\$0	\$848	\$16,310
Payroll Taxes	\$2,148	\$741	\$463	\$0	\$0	\$0	\$167	\$3,520
Workers Compensation Insurance	\$2,275	\$786	\$491	\$0	\$0	\$0	\$177	\$3,729
Total Direct Labor Related-Costs	\$40,782	\$13,858	\$8,024	\$0	\$0	\$0	\$3,205	\$65,868
Direct Fuel Costs	\$6,162	\$2,161	\$1,662	\$0	\$0	\$0	\$517	\$10,502
Other Direct Costs	\$3,208	\$1,316	\$763	\$0	\$0	\$0	\$269	\$5,556
Depreciation - Collection Vehicles	\$5,081	\$2,171	\$1,985	\$0	\$0	\$0	\$329	\$9,566
Depreciation - Containers	\$153	\$318	\$392	\$0	\$0	\$0	\$100	\$962
Depreciation for Collection Equipment	\$5,234	\$2,489	\$2,377	\$0	\$0	\$0	\$429	\$10,528
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$758	\$895	\$3,163	\$0	\$0	\$0	\$375	\$5,191
Operations	\$1,127	\$992	\$1,946	\$0	\$0	\$0	\$93	\$4,158
Vehicle Maintenance	\$1,935	\$1,704	\$3,342	\$0	\$0	\$0	\$160	\$7,140
Container Maintenance	\$82	\$239	\$370	\$0	\$0	\$0	\$55	\$746
Total Allocated Indirect Costs excluding Depreciation and Interest	\$3,901	\$3,830	\$8,821	\$0	\$0	\$0	\$682	\$17,235
Total Allocated Indirect Depreciation Costs (Form 9)	\$101	\$87	\$145	\$0	\$0	\$0	\$8	\$341
Annual Implementation Cost Amortization (Form A)	\$309	\$6	\$6	\$0	\$0	\$0	\$25	\$346
<b>Total Annual Cost of Operations</b>	<b>\$59,696</b>	<b>\$23,747</b>	<b>\$21,798</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,135</b>	<b>\$110,377</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$6,266.48</b>	<b>\$2,493</b>	<b>\$2,288</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$539</b>	<b>\$11,587</b>
	<b>90.5%</b>							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$65,963</b>	<b>\$26,240</b>	<b>\$24,086</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,674</b>	<b>\$121,963</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$2,066	\$982	\$938	\$0	\$0	\$0	\$169	\$4,156
Interest Expense on Implementation Cost	\$140	\$3	\$2	\$0	\$0	\$0	\$11	\$157
<b>Total Contractor Pass-Through Costs</b>	<b>\$2,206</b>	<b>\$985</b>	<b>\$941</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$181</b>	<b>\$4,313</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$68,169</b>	<b>\$27,225</b>	<b>\$25,027</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,855</b>	<b>\$126,276</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$71,393</b>	<b>\$20,755</b>	<b>\$27,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,229</b>	<b>\$125,623</b>
Change \$	(\$3,225)	\$6,470	(\$2,218)	\$0	\$0	\$0	(\$374)	\$653
Change %	-4.5%	31.2%	-8.1%	0.0%	0.0%	0.0%	-6.0%	0.5%

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D. Town of Atherton Allocated Costs - Agency Facilities

Statistics Used For Cost Allocation					Totals
City # of Lifts per year	728	312	780	2,340	1,820.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	0.3%	2.2%	1.6%	2.5%	
City Total Route Labor hours year	49.79	2.49	19.57	71.85	71.85
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	1.1%	1.3%	1.9%	1.2%	
City # of route hours/year	31.17	2.21	18.91	71.85	52.29
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	1.2%	1.2%	1.9%	1.2%	
City # of Containers	11	6	15	2,539	32.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	1.4%	2.7%	2.9%	2.6%	

Agency Facilities	Agency Facilities				TOTAL
	Solid Waste E	Organic Materials G	Recyclable Materials I	Venues and Events I	
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$1,126	\$286	\$762	\$133	\$2,307
Benefits for CBAs	\$451	\$115	\$305	\$53	\$924
Payroll Taxes	\$94	\$24	\$63	\$11	\$192
Workers Compensation Insurance	\$99	\$25	\$67	\$12	\$203
<b>Total Direct Labor Related-Costs</b>	<b>\$1,769</b>	<b>\$450</b>	<b>\$1,197</b>	<b>\$210</b>	<b>\$3,626</b>
Direct Fuel Costs	\$382	\$80	\$233	\$40	\$735
Other Direct Costs	\$273	\$57	\$167	\$29	\$525
Depreciation - Collection Vehicles	\$1,039	\$257	\$550	\$87	\$1,933
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$1,039	\$257	\$550	\$87	\$1,933
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$372	\$553	\$629	\$265	\$1,819
Operations	\$336	\$75	\$195	\$32	\$637
Vehicle Maintenance	\$576	\$128	\$334	\$56	\$1,094
Container Maintenance (using lifts for Agency Costs)	\$55	\$82	\$93	\$39	\$268
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$1,339</b>	<b>\$838</b>	<b>\$1,250</b>	<b>\$392</b>	<b>\$3,819</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$33	\$8	\$18	\$3	\$62
Annual Implementation Cost Amortization (Form A)	\$49	\$12	\$26	\$4	\$91
<b>Total Annual Cost of Operations</b>	<b>\$4,884</b>	<b>\$1,701</b>	<b>\$3,441</b>	<b>\$764</b>	<b>\$10,791</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$513</b>	<b>\$179</b>	<b>\$361</b>	<b>\$80</b>	<b>\$1,133</b>
<b>90.5%</b>					
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$5,397</b>	<b>\$1,880</b>	<b>\$3,802</b>	<b>\$844</b>	<b>\$11,923</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$283	\$70	\$150	\$24	\$527
Interest Expense on Implementation Cost	\$9	\$2	\$5	\$1	\$17
<b>Total Contractor Pass-Through Costs</b>	<b>\$293</b>	<b>\$72</b>	<b>\$155</b>	<b>\$25</b>	<b>\$544</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$5,690</b>	<b>\$1,952</b>	<b>\$3,957</b>	<b>\$869</b>	<b>\$12,468</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$7,759</b>	<b>\$2,965</b>	<b>\$3,277</b>	<b>\$1,018</b>	<b>\$15,019</b>
<b>Change \$</b>	<b>(\$2,069)</b>	<b>(\$1,013)</b>	<b>\$680</b>	<b>(\$149)</b>	<b>(\$2,551)</b>
<b>Change %</b>	<b>-26.7%</b>	<b>-34.2%</b>	<b>20.8%</b>	<b>-14.7%</b>	<b>-17.0%</b>

<b>Member Agency Snapshot</b>		<b>Appendix 3-1</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>ATHERTON</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	2,360	2,341	2,340	-1	0.0%	
Commercial & Multi Family	29	28	28	0	0.0%	
<b>Total</b>	<b>2,389</b>	<b>2,369</b>	<b>2,368</b>	<b>-1</b>	<b>0.0%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	6,157	6,600	6,045	-555	-8.4%	
Commercial & Multi Family	459	492	499	6	1.3%	
Member Agency Facility	47	86	72	-15	-16.9%	
<b>Total</b>	<b>6,663</b>	<b>7,179</b>	<b>6,616</b>	<b>-563</b>	<b>-7.8%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	5,716	5,927	5,307	-619	-10.5%	
Commercial & Multi Family	334	378	394	16	4.3%	
Member Agency Facility	31	58	52	-5	-9.5%	
<b>Total</b>	<b>6,082</b>	<b>6,362</b>	<b>5,754</b>	<b>-609</b>	<b>-9.6%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	2,556	2,532	2,539	7	0.3%	
Commercial & Multi Family	16	14	14	0	0.0%	
Member Agency Facility	12	11	11	0	0.0%	
<b>Total</b>	<b>2,584</b>	<b>2,557</b>	<b>2,564</b>	<b>7</b>	<b>0.3%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
	<i>actual</i>	<i>estimate</i>	<i>estimate</i>			
Residential - solid waste	1,718	1,686	1,661	-25	0.0%	
Residential - organics	7,718	7,342	7,196	-147	0.0%	
Commercial & MFD - solid waste	448	441	441	0	0.0%	
Commercial & MFD - green waste	502	427	427	0	0.0%	
C&D	10			0	0.0%	
Member Agency Delivered to Shoreway		-	-	0	0.0%	
<b>Total</b>	<b>10,395</b>	<b>9,896</b>	<b>9,724</b>	<b>-172</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-2

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. BELMONT**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	1,032,134	1,020,799	(11,335)	-1.1%
Benefits for CBAs	413,272	408,493	(4,778)	-1.2%
Payroll Taxes	85,874	84,930	(943)	-1.1%
Workers Compensation Insurance	90,907	89,975	(932)	-1.0%
Total Direct Labor Related-Costs	1,622,187	1,604,198	(17,989)	-1.1%
Direct Fuel Costs	266,295	252,785	(13,510)	-5.1%
Other Direct Costs	134,282	132,603	(1,680)	-1.3%
Depreciation				
- Collection Vehicles	249,599	244,835	(4,764)	-1.9%
- Containers	119,888	123,998	4,110	3.4%
Total Depreciation	369,487	368,833	(654)	-0.2%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	411,148	424,151	13,003	3.2%
Operations	103,766	105,079	1,313	1.3%
Vehicle Maintenance	177,993	180,447	2,455	1.4%
Container Maintenance	60,126	65,768	5,642	9.4%
Total Allocated Indirect Costs excluding Depreciation	753,033	775,445	22,412	3.0%
Total Allocated Indirect Depreciation Costs	9,186	9,078	(108)	-1.2%
Annual Implementation Cost Amortization	11,644	11,084	(560)	-4.8%
<b>Total Annual Cost of Operations</b>	<b>3,166,114</b>	<b>3,154,026</b>	<b>(12,088)</b>	<b>-0.4%</b>
<b>Profit</b>	332,354	331,086	(1,269)	-0.4%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>3,498,468</b>	<b>3,485,111</b>	<b>(13,357)</b>	<b>-0.4%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	138,302	120,815	(17,486)	-12.6%
Interest Expense on Implementation Cost	4,576	3,772	(804)	-17.6%
<b>Total Contractor Pass-Through Costs</b>	<b>142,877</b>	<b>124,587</b>	<b>(18,290)</b>	<b>-12.8%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>3,641,345</b>	<b>3,609,698</b>	<b>(31,647)</b>	<b>-0.9%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	20,766	11,280	(9,486)	
<b>Total Other Adjustments</b>	<b>20,766</b>	<b>11,280</b>	<b>(9,486)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>3,662,111</b>	<b>3,620,978</b>	<b>(41,133)</b>	<b>-1.1%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**Belmont**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$560,821	\$539,880	(\$20,942)	-3.7%	\$464,798	\$472,122	\$7,324	1.6%	\$6,515	\$8,797	\$2,283	35.0%	\$1,032,134	\$1,020,799	(\$11,335)	-1.1%
Benefits for CBAs	\$228,945	\$221,458	(\$7,488)	-3.3%	\$181,718	\$183,513	\$1,795	1.0%	\$2,608	\$3,522	\$914	35.0%	\$413,272	\$408,493	(\$4,778)	-1.2%
Payroll Taxes	\$46,660	\$44,918	(\$1,742)	-3.7%	\$38,671	\$39,281	\$609	1.6%	\$542	\$732	\$190	35.0%	\$85,874	\$84,930	(\$943)	-1.1%
Workers Compensation Insurance	\$49,396	\$47,586	(\$1,810)	-3.7%	\$40,938	\$41,614	\$676	1.7%	\$574	\$775	\$202	35.1%	\$90,907	\$89,975	(\$932)	-1.0%
<b>Total Direct Labor Related-Costs</b>	<b>\$885,823</b>	<b>\$853,841</b>	<b>(\$31,981)</b>	<b>-3.6%</b>	<b>\$726,125</b>	<b>\$736,530</b>	<b>\$10,405</b>	<b>1.4%</b>	<b>\$10,239</b>	<b>\$13,827</b>	<b>\$3,588</b>	<b>35.0%</b>	<b>\$1,622,187</b>	<b>\$1,604,198</b>	<b>(\$17,989)</b>	<b>-1.1%</b>
Direct Fuel Costs	\$157,321	\$144,016	(\$13,305)	-8.5%	\$106,855	\$106,151	(\$704)	-0.7%	\$2,120	\$2,618	\$498	23.5%	\$266,295	\$252,785	(\$13,510)	-5.1%
Other Direct Costs	\$76,304	\$72,782	(\$3,522)	-4.6%	\$56,523	\$57,953	\$1,430	2.5%	\$1,456	\$1,868	\$412	28.3%	\$134,282	\$132,603	(\$1,680)	-1.3%
Depreciation																
- Collection Vehicles	\$150,777	\$141,076	(\$9,701)	-6.4%	\$93,376	\$96,882	\$3,506	3.8%	\$5,446	\$6,877	\$1,431	26.3%	\$249,599	\$244,835	(\$4,764)	-1.9%
- Containers	\$97,100	\$97,472	\$372	0.4%	\$22,788	\$26,526	\$3,738	16.4%	\$0	\$0	\$0		\$119,888	\$123,998	\$4,110	3.4%
<b>Total Depreciation</b>	<b>\$247,877</b>	<b>\$238,548</b>	<b>(\$9,329)</b>	<b>-3.8%</b>	<b>\$116,164</b>	<b>\$123,408</b>	<b>\$7,244</b>	<b>6.2%</b>	<b>\$5,446</b>	<b>\$6,877</b>	<b>\$1,431</b>	<b>26.3%</b>	<b>\$369,487</b>	<b>\$368,833</b>	<b>(\$654)</b>	<b>-0.2%</b>
Allocated Indirect Costs																
General and Administrative	\$289,450	\$294,644	\$5,194	1.8%	\$115,198	\$117,368	\$2,169	1.9%	\$6,500	\$12,139	\$5,640	86.8%	\$411,148	\$424,151	\$13,003	3.2%
Operations	\$64,257	\$60,937	(\$3,320)	-5.2%	\$37,749	\$41,875	\$4,126	10.9%	\$1,761	\$2,268	\$507	28.8%	\$103,766	\$105,079	\$1,313	1.3%
Vehicle Maintenance	\$110,221	\$104,644	(\$5,577)	-5.1%	\$64,752	\$71,909	\$7,157	11.1%	\$3,021	\$3,895	\$874	28.9%	\$177,993	\$180,447	\$2,455	1.4%
Container Maintenance	\$41,222	\$42,152	\$930	2.3%	\$17,946	\$21,828	\$3,882	21.6%	\$958	\$1,788	\$831	86.7%	\$60,126	\$65,768	\$5,642	9.4%
<b>Total Allocated Indirect Costs</b>	<b>\$505,149</b>	<b>\$502,376</b>	<b>(\$2,773)</b>	<b>-0.5%</b>	<b>\$235,644</b>	<b>\$252,979</b>	<b>\$17,335</b>	<b>7.4%</b>	<b>\$12,239</b>	<b>\$20,090</b>	<b>\$7,851</b>	<b>64.1%</b>	<b>\$753,033</b>	<b>\$775,445</b>	<b>\$22,412</b>	<b>3.0%</b>
Total Allocated Indirect Depreciation Costs	\$5,694	\$5,310	(\$384)	-6.7%	\$3,317	\$3,546	\$230	6.9%	\$175	\$221	\$46	26.3%	\$9,186	\$9,078	(\$108)	-1.2%
Annual Implementation Cost Amortization	\$7,884	\$7,463	(\$422)	-5.3%	\$3,503	\$3,297	(\$206)	-5.9%	\$257	\$324	\$67	26.3%	\$11,644	\$11,084	(\$560)	-4.8%
<b>Total Annual Cost of Operations</b>	<b>\$1,886,052</b>	<b>\$1,824,336</b>	<b>(\$61,715)</b>	<b>-3.3%</b>	<b>\$1,248,131</b>	<b>\$1,283,865</b>	<b>\$35,734</b>	<b>2.9%</b>	<b>\$31,931</b>	<b>\$45,824</b>	<b>\$13,893</b>	<b>43.5%</b>	<b>\$3,166,114</b>	<b>\$3,154,026</b>	<b>(\$12,088)</b>	<b>-0.4%</b>
<b>Profit</b>	\$197,983	\$191,505	(\$6,478)	-3.3%	\$131,019	\$134,770	\$3,751	2.9%	\$3,352	\$4,810	\$1,458	43.5%	\$332,354	\$331,086	(\$1,269)	-0.4%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$2,084,035</b>	<b>\$2,015,841</b>	<b>(\$68,194)</b>	<b>-3.3%</b>	<b>\$1,379,151</b>	<b>\$1,418,636</b>	<b>\$39,485</b>	<b>2.9%</b>	<b>\$35,283</b>	<b>\$50,635</b>	<b>\$15,352</b>	<b>43.5%</b>	<b>\$3,498,468</b>	<b>\$3,485,111</b>	<b>(\$13,357)</b>	<b>-0.4%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$83,889	\$70,231	(\$13,658)	-16.3%	\$52,707	\$48,710	(\$3,996)	-7.6%	\$1,706	\$1,874	\$168	9.9%	\$138,302	\$120,815	(\$17,486)	-12.6%
Interest Expense on Implementation Cost	\$2,691	\$2,215	(\$477)	-17.7%	\$1,828	\$1,495	(\$332)	-18.2%	\$56	\$62	\$6	9.8%	\$4,576	\$3,772	(\$804)	-17.6%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$86,580</b>	<b>\$72,445</b>	<b>(\$14,135)</b>	<b>-16.3%</b>	<b>\$54,534</b>	<b>\$50,206</b>	<b>(\$4,328)</b>	<b>-7.9%</b>	<b>\$1,763</b>	<b>\$1,936</b>	<b>\$174</b>	<b>9.9%</b>	<b>\$142,877</b>	<b>\$124,587</b>	<b>(\$18,290)</b>	<b>-12.8%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,170,615</b>	<b>\$2,088,286</b>	<b>(\$82,329)</b>	<b>-3.8%</b>	<b>\$1,433,685</b>	<b>\$1,468,841</b>	<b>\$35,156</b>	<b>2.5%</b>	<b>\$37,045</b>	<b>\$52,571</b>	<b>\$15,525</b>	<b>41.9%</b>	<b>\$3,641,345</b>	<b>\$3,609,698</b>	<b>(\$31,647)</b>	<b>-0.9%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>6.6%</b>	<b>6.3%</b>	<b>(\$95,392)</b>	<b>-0.3%</b>	<b>6.1%</b>	<b>6.2%</b>	<b>\$ 25,606</b>	<b>0.1%</b>	<b>3.7%</b>	<b>5.3%</b>	<b>\$15,343</b>	<b>1.5%</b>	<b>6.33%</b>	<b>6.23%</b>	<b>(\$54,443)</b>	<b>-0.09%</b>

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**D. City of Belmont Allocated Costs - SFD**

	Statistics Used for Cost Allocation							Total
City # of accounts	6,759	6,660	6,540	6,660	6,660	2,056	6,759	
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999	
City # of accounts %	7.2%	7.1%	7.2%	7.1%	7.1%	8.6%	7.2%	
City Total Route Labor hours year	2,559.42	2,467.60	2,622.68	12.34	12.34	995.76	8,670	
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302	
City Total Route Labor hours year %	5.5%	5.6%	6.7%	5.6%	5.6%	8.6%	6.1%	
City # of route hours/year	2,452.72	2,270.20	2,300.87	11.35	11.35	995.76	8,042	
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515	
City Total Route Labor hours year %	5.7%	5.6%	6.6%	5.6%	5.6%	8.6%	6.2%	
City Total Containers in Service	6,793	6,693	6,782	6,693	6,693	2,056	35,710	
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867	
City Total Containers in Service %	7.1%	7.0%	6.8%	7.0%	7.0%	8.6%	7.1%	

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$176,407	\$146,030	\$152,123	\$738	\$738	\$63,845	\$539,880
Benefits for CBAs	\$69,801	\$60,302	\$61,335	\$305	\$305	\$29,411	\$221,458
Payroll Taxes	\$14,677	\$12,150	\$12,657	\$61	\$61	\$5,312	\$44,918
Workers Compensation Insurance	\$15,549	\$12,871	\$13,408	\$65	\$65	\$5,627	\$47,586
Total Direct Labor Related-Costs	\$276,434	\$231,353	\$239,522	\$1,168	\$1,168	\$104,194	\$853,841
Direct Fuel Costs	\$45,905	\$45,267	\$45,261	\$229	\$229	\$7,126	\$144,016
Other Direct Costs	\$22,867	\$22,550	\$22,827	\$114	\$114	\$4,311	\$72,782
Depreciation - Collection Vehicles	\$45,847	\$41,510	\$48,904	\$210	\$210	\$4,395	\$141,076
Depreciation - Containers	\$30,312	\$30,694	\$36,157	\$155	\$155	\$0	\$97,472
Depreciation for Collection Equipment	\$76,159	\$72,204	\$85,061	\$365	\$365	\$4,395	\$238,548
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$95,162	\$96,739	\$97,105	\$489	\$489	\$4,660	\$294,644
Operations	\$18,743	\$18,795	\$22,052	\$95	\$95	\$1,156	\$60,937
Vehicle Maintenance	\$32,186	\$32,276	\$37,870	\$163	\$163	\$1,985	\$104,644
Container Maintenance	\$13,778	\$14,071	\$13,474	\$71	\$71	\$687	\$42,152
Total Allocated Indirect Costs excluding Depreciation and Interest	\$159,870	\$161,882	\$170,501	\$818	\$818	\$8,488	\$502,376
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,615	\$1,624	\$1,953	\$8	\$8	\$101	\$5,310
Annual Implementation Cost Amortization (Form A)	\$2,312	\$2,117	\$2,440	\$34	\$34	\$525	\$7,463
<b>Total Annual Cost of Operations</b>	<b>\$585,163</b>	<b>\$536,997</b>	<b>\$567,566</b>	<b>\$2,735</b>	<b>\$2,735</b>	<b>\$129,139</b>	<b>\$1,824,336</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$61,426</b>	<b>\$56,370</b>	<b>\$59,579</b>	<b>\$287</b>	<b>\$287</b>	<b>\$13,556</b>	<b>\$191,505</b>
	<b>90.5%</b>						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$646,589</b>	<b>\$593,367</b>	<b>\$627,144</b>	<b>\$3,023</b>	<b>\$3,023</b>	<b>\$142,695</b>	<b>\$2,015,841</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$22,422	\$21,258	\$25,043	\$107	\$107	\$1,294	\$70,231
Interest Expense on Implementation Cost	\$686	\$628	\$724	\$10	\$10	\$156	\$2,215
Total Contractor Pass-Through Costs	\$23,108	\$21,886	\$25,767	\$117	\$117	\$1,450	\$72,445
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$669,697</b>	<b>\$615,253</b>	<b>\$652,911</b>	<b>\$3,140</b>	<b>\$3,140</b>	<b>\$144,145</b>	<b>\$2,088,286</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$719,669</b>	<b>\$658,377</b>	<b>\$677,878</b>	<b>\$3,362</b>	<b>\$3,362</b>	<b>\$107,966</b>	<b>\$2,170,615</b>
Change \$	(\$49,972)	(\$43,124)	(\$24,967)	(\$222)	(\$222)	\$36,179	(\$82,329)
Change %	-6.9%	-6.6%	-3.7%	-6.6%	-6.6%	33.5%	-3.8%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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**D. City of Belmont Allocated Costs - MFD & Commercial**

	Statistics Used For Cost Allocation							Total			
	City # of Accounts	SBWMA # Accounts	City # of Accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year		SBWMA # of route hours/year	City # of route hours/year %	City Total Containers in Service
City # of Accounts	390	432	55	9	9	9	2,056	904			
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072			
City # of Accounts %	3.8%	4.3%	4.0%	5.0%	5.0%	5.0%	8.6%	4.1%			
City Total Route Labor hours year	3,228.89	2,226.05	345.08	117.46	0.00	0.00	995.76	5,917			
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651			
City Total Route Labor hours year %	6.6%	8.3%	5.8%	3.0%	0.0%	0.0%	8.6%	6.8%			
City # of route hours/year	1,912.13	2,116.91	334.27	117.46	0.00	0.00	995.76	4,481			
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918			
City # of route hours/year %	5.9%	6.5%	6.1%	3.0%	0.0%	0.0%	8.6%	6.5%			
City Total Containers in Service	859	1,247	92	11	11	11	2,056	2,231			
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472			
City Total Containers in Service %	4.9%	6.5%	5.3%	4.1%	4.1%	4.1%	8.6%	5.7%			

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$277,910	\$139,758	\$33,904	\$10,259	\$0	\$0	\$10,291	\$472,122
Benefits for CBAs	\$113,492	\$53,614	\$9,139	\$2,934	\$0	\$0	\$4,335	\$183,513
Payroll Taxes	\$23,122	\$11,628	\$2,821	\$854	\$0	\$0	\$856	\$39,281
Workers Compensation Insurance	\$24,495	\$12,318	\$2,089	\$904	\$0	\$0	\$907	\$41,614
Total Direct Labor Related-Costs	\$439,020	\$217,317	\$48,852	\$14,951	\$0	\$0	\$16,389	\$736,530
Direct Fuel Costs	\$56,568	\$33,458	\$11,285	\$2,198	\$0	\$0	\$2,643	\$106,151
Other Direct Costs	\$29,448	\$20,372	\$5,179	\$1,578	\$0	\$0	\$1,376	\$57,953
Depreciation - Collection Vehicles	\$46,644	\$33,606	\$13,475	\$1,474	\$0	\$0	\$1,684	\$96,882
Depreciation - Containers	\$9,367	\$9,436	\$7,212	\$0	\$0	\$0	\$511	\$26,526
Depreciation for Collection Equipment	\$56,010	\$43,042	\$20,688	\$1,474	\$0	\$0	\$2,195	\$123,408
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$26,865	\$32,232	\$34,796	\$16,874	\$3,435	\$1,249	\$1,916	\$117,368
Operations	\$10,343	\$15,358	\$13,212	\$2,486	\$0	\$0	\$475	\$41,875
Vehicle Maintenance	\$17,761	\$26,374	\$22,689	\$4,270	\$0	\$0	\$816	\$71,909
Container Maintenance	\$5,020	\$7,098	\$6,801	\$2,056	\$419	\$152	\$282	\$21,828
Total Allocated Indirect Costs excluding Depreciation and Interest	\$59,988	\$81,061	\$77,499	\$25,687	\$3,854	\$1,401	\$3,490	\$252,979
Total Allocated Indirect Depreciation Costs (Form 9)	\$931	\$1,347	\$983	\$245	\$0	\$0	\$41	\$3,546
Annual Implementation Cost Amortization (Form A)	\$2,838	\$98	\$37	\$195	\$0	\$0	\$128	\$3,297
<b>Total Annual Cost of Operations</b>	<b>\$644,803</b>	<b>\$396,696</b>	<b>\$164,523</b>	<b>\$46,326</b>	<b>\$3,854</b>	<b>\$1,401</b>	<b>\$26,262</b>	<b>\$1,283,865</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$67,686.47</b>	<b>\$41,642</b>	<b>\$17,270</b>	<b>\$4,863</b>	<b>\$405</b>	<b>\$147</b>	<b>\$2,757</b>	<b>\$134,770</b>
<b>90.5%</b>								
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$712,489</b>	<b>\$438,338</b>	<b>\$181,793</b>	<b>\$51,189</b>	<b>\$4,259</b>	<b>\$1,548</b>	<b>\$29,019</b>	<b>\$1,418,636</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$22,108	\$16,989	\$8,166	\$582	\$0	\$0	\$866	\$48,710
Interest Expense on Implementation Cost	\$1,287	\$45	\$17	\$88	\$0	\$0	\$58	\$1,495
<b>Total Contractor Pass-Through Costs</b>	<b>\$23,395</b>	<b>\$17,034</b>	<b>\$8,183</b>	<b>\$670</b>	<b>\$0</b>	<b>\$0</b>	<b>\$925</b>	<b>\$50,206</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$735,884</b>	<b>\$455,372</b>	<b>\$189,976</b>	<b>\$51,859</b>	<b>\$4,259</b>	<b>\$1,548</b>	<b>\$29,944</b>	<b>\$1,468,841</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$770,458</b>	<b>\$429,225</b>	<b>\$138,935</b>	<b>\$67,073</b>	<b>\$3,971</b>	<b>\$1,444</b>	<b>\$22,579</b>	<b>\$1,433,685</b>
Change \$	(\$34,574)	\$26,147	\$51,040	(\$15,215)	\$288	\$105	\$7,365	\$35,156
Change %	-4.5%	6.1%	36.7%	-22.7%	7.2%	7.2%	32.6%	2.5%

SBWMA COLLECTION AGREEMENT

2015

Appendix 3-2

**D. City of Belmont Allocated Costs - Agency Facilities**

Statistics Used For Cost Allocation					Totals
City # of Lifts per year	4,784	3,380	3,640	6,759	11,804.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	2.2%	24.0%	7.2%	7.2%	
City Total Route Labor hours year	176.79	10.09	80.78	267.66	267.66
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	3.8%	5.2%	7.8%	4.6%	
City # of route hours/year	95.30	9.94	76.31	267.66	181.55
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	3.7%	5.4%	7.8%	4.6%	
City # of Containers	55	51	66	6,793	172.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	7.0%	23.3%	12.9%	7.1%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$3,997	\$1,159	\$3,144	\$497	\$8,797
Benefits for CBAs	\$1,600	\$464	\$1,259	\$199	\$3,522
Payroll Taxes	\$333	\$96	\$262	\$41	\$732
Workers Compensation Insurance	\$352	\$102	\$277	\$44	\$775
<b>Total Direct Labor Related-Costs</b>	<b>\$6,282</b>	<b>\$1,822</b>	<b>\$4,942</b>	<b>\$781</b>	<b>\$13,827</b>
Direct Fuel Costs	\$1,168	\$359	\$942	\$149	\$2,618
Other Direct Costs	\$833	\$256	\$672	\$106	\$1,868
Depreciation - Collection Vehicles	\$3,177	\$1,154	\$2,220	\$325	\$6,877
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$3,177	\$1,154	\$2,220	\$325	\$6,877
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$2,447	\$5,993	\$2,934	\$765	\$12,139
Operations	\$1,026	\$336	\$785	\$121	\$2,268
Vehicle Maintenance	\$1,762	\$577	\$1,348	\$208	\$3,895
Container Maintenance (using lifts for Agency Costs)	\$361	\$883	\$432	\$113	\$1,788
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$5,596</b>	<b>\$7,789</b>	<b>\$5,499</b>	<b>\$1,206</b>	<b>\$20,090</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$102	\$37	\$72	\$10	\$221
Annual Implementation Cost Amortization (Form A)	\$150	\$54	\$105	\$15	\$324
<b>Total Annual Cost of Operations</b>	<b>\$17,308</b>	<b>\$11,472</b>	<b>\$14,451</b>	<b>\$2,593</b>	<b>\$45,824</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$1,817</b>	<b>\$1,204</b>	<b>\$1,517</b>	<b>\$272</b>	<b>\$4,810</b>
	90.5%				
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$19,125</b>	<b>\$12,676</b>	<b>\$15,968</b>	<b>\$2,865</b>	<b>\$50,635</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$866	\$315	\$605	\$89	\$1,874
Interest Expense on Implementation Cost	\$29	\$10	\$20	\$3	\$62
<b>Total Contractor Pass-Through Costs</b>	<b>\$895</b>	<b>\$325</b>	<b>\$625</b>	<b>\$92</b>	<b>\$1,936</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$20,020</b>	<b>\$13,001</b>	<b>\$16,593</b>	<b>\$2,957</b>	<b>\$52,571</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$11,848</b>	<b>\$8,795</b>	<b>\$14,098</b>	<b>\$2,304</b>	<b>\$37,045</b>
Change \$	\$8,172	\$4,206	\$2,495	\$652	\$15,525
Change %	69.0%	47.8%	17.7%	28.3%	41.9%



<b>Member Agency Snapshot</b>		<b>Appendix 3-2</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>BELMONT</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	6,686	6,743	6,759	16	0.2%	
Commercial & Multi Family	925	908	904	-4	-0.4%	
<b>Total</b>	<b>7,611</b>	<b>7,651</b>	<b>7,663</b>	<b>12</b>	<b>0.2%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	10,073	9,672	8,670	-1,002	-10.4%	
Commercial & Multi Family	6,596	6,056	5,917	-138	-2.3%	
Member Agency Facility	205	170	268	98	57.6%	
<b>Total</b>	<b>16,874</b>	<b>15,898</b>	<b>14,855</b>	<b>-1,043</b>	<b>-6.6%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	9,500	8,837	8,042	-794	-9.0%	
Commercial & Multi Family	4,848	4,508	4,481	-27	-0.6%	
Member Agency Facility	126	132	182	50	38.0%	
<b>Total</b>	<b>14,474</b>	<b>13,476</b>	<b>12,705</b>	<b>-771</b>	<b>-5.7%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	6,722	6,778	6,793	15	0.2%	
Commercial & Multi Family	818	796	859	63	7.9%	
Member Agency Facility	8	24	55	31	129.2%	
<b>Total</b>	<b>7,548</b>	<b>7,598</b>	<b>7,707</b>	<b>109</b>	<b>1.4%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste		3,319	3,270	3,237	-33	0.0%
Residential - organics		4,157	4,104	4,063	-41	0.0%
Commercial & MFD - solid waste		5,071	6,031	6,031	0	0.0%
Commercial & MFD - green waste		583	693	721	28	0.0%
C&D		3	-	-	0	0.0%
Member Agency Delivered to Shoreway		1,217	1,570	1,570	0	0.0%
<b>Total</b>		<b>14,351</b>	<b>15,669</b>	<b>15,623</b>	<b>-46</b>	<b>0.0%</b>

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-3

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. BURLINGAME**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	1,615,500	1,646,504	31,004	1.9%
Benefits for CBAs	629,307	642,608	13,301	2.1%
Payroll Taxes	134,410	136,989	2,580	1.9%
Workers Compensation Insurance	142,288	145,125	2,837	2.0%
Total Direct Labor Related-Costs	2,521,504	2,571,226	49,721	2.0%
Direct Fuel Costs	400,434	388,665	(11,769)	-2.9%
Other Direct Costs	206,919	209,814	2,895	1.4%
Depreciation				
- Collection Vehicles	382,723	378,001	(4,722)	-1.2%
- Containers	157,322	164,155	6,832	4.3%
Total Depreciation	540,045	542,156	2,111	0.4%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	628,202	651,675	23,473	3.7%
Operations	178,784	178,603	(181)	-0.1%
Vehicle Maintenance	306,672	306,706	34	0.0%
Container Maintenance	92,796	98,350	5,554	6.0%
Total Allocated Indirect Costs excluding Depreciation	1,206,454	1,235,334	28,880	2.4%
Total Allocated Indirect Depreciation Costs	15,824	15,683	(141)	-0.9%
Annual Implementation Cost Amortization	17,146	17,649	502	2.9%
<b>Total Annual Cost of Operations</b>	<b>4,908,327</b>	<b>4,980,526</b>	<b>72,199</b>	<b>1.5%</b>
<b>Profit</b>	515,239	522,818	7,579	1.5%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>5,423,566</b>	<b>5,503,344</b>	<b>79,778</b>	<b>1.5%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	212,179	185,587	(26,592)	-12.5%
Interest Expense on Implementation Cost	7,095	6,404	(692)	-9.7%
<b>Total Contractor Pass-Through Costs</b>	<b>219,275</b>	<b>191,991</b>	<b>(27,284)</b>	<b>-12.4%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>5,642,840</b>	<b>5,695,334</b>	<b>52,494</b>	<b>0.9%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	59,435	33,983	(25,452)	
<b>Total Other Adjustments</b>	<b>59,435</b>	<b>33,983</b>	<b>(25,452)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>5,702,275</b>	<b>5,729,318</b>	<b>27,042</b>	<b>0.5%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**Burlingame**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$601,466	614,801.34	\$13,336	2.2%	\$978,393	994,022.55	\$15,630	1.6%	\$35,641	37,679.96	\$2,039	5.7%	\$1,615,500	\$1,646,504	\$31,004	1.9%
Benefits for CBAs	\$245,413	251,455.56	\$6,042	2.5%	\$369,623	376,065.57	\$6,443	1.7%	\$14,270	15,086.42	\$816	5.7%	\$629,307	\$642,608	\$13,301	2.1%
Payroll Taxes	\$50,042	51,151.47	\$1,110	2.2%	\$81,402	82,702.68	\$1,300	1.6%	\$2,965	3,134.97	\$170	5.7%	\$134,410	\$136,989	\$2,580	1.9%
Workers Compensation Insurance	\$52,975	54,189.64	\$1,214	2.3%	\$86,174	87,614.47	\$1,440	1.7%	\$3,139	3,320.96	\$182	5.8%	\$142,288	\$145,125	\$2,837	2.0%
Total Direct Labor Related-Costs	\$949,897	\$971,598	\$21,701	2.3%	\$1,515,592	\$1,540,405	\$24,813	1.6%	\$56,016	\$59,222	\$3,206	5.7%	\$2,521,504	\$2,571,226	\$49,722	2.0%
Direct Fuel Costs	\$166,458	159,427.71	(\$7,030)	-4.2%	\$224,650	219,948.50	(\$4,701)	-2.1%	\$9,327	9,288.77	(\$38)	-0.4%	\$400,434	\$388,665	(\$11,769)	-2.9%
Other Direct Costs	\$80,744	80,477.82	(\$266)	-0.3%	\$119,770	122,708.52	\$2,939	2.5%	\$6,406	6,627.49	\$222	3.5%	\$206,919	\$209,814	\$2,895	1.4%
Depreciation																
- Collection Vehicles	\$159,385	156,640.82	(\$2,744)	-1.7%	\$199,083	196,472.04	(\$2,611)	-1.3%	\$24,255	24,888.33	\$633	2.6%	\$382,723	\$378,001	(\$4,722)	-1.2%
- Containers	\$96,022	96,265.68	\$244	0.3%	\$61,300	67,888.86	\$6,589	10.7%	\$0	-	\$0		\$157,322	\$164,155	\$6,833	4.3%
Total Depreciation	\$255,407	\$252,906	(\$2,500)	-1.0%	\$260,384	\$264,361	\$3,977	1.5%	\$24,255	\$24,888	\$633	2.6%	\$540,045	\$542,156	\$2,111	0.4%
Allocated Indirect Costs																
General and Administrative	\$285,364	290,911.26	\$5,548	1.9%	\$319,381	339,725.10	\$20,344	6.4%	\$23,457	21,038.49	(\$2,418)	-10.3%	\$628,202	\$651,675	\$23,473	3.7%
Operations	\$67,679	67,681.70	\$2	0.0%	\$103,316	102,811.08	(\$505)	-0.5%	\$7,789	8,110.53	\$322	4.1%	\$178,784	\$178,603	(\$181)	-0.1%
Vehicle Maintenance	\$116,092	116,226.20	\$134	0.1%	\$177,220	176,552.03	(\$668)	-0.4%	\$13,360	13,927.64	\$568	4.2%	\$306,672	\$306,706	\$34	0.0%
Container Maintenance	\$40,790	41,630.91	\$841	2.1%	\$48,549	53,619.49	\$5,070	10.4%	\$3,457	3,099.65	(\$357)	-10.3%	\$92,796	\$98,350	\$5,554	6.0%
Total Allocated Indirect Costs	\$509,925	\$516,450	\$6,525	1.3%	\$648,467	\$672,708	\$24,241	3.7%	\$48,063	\$46,176	(\$1,886)	-3.9%	\$1,206,454	\$1,235,334	\$28,880	2.4%
Total Allocated Indirect Depreciation Costs	\$5,994	5,897.54	(\$96)	-1.6%	\$9,049	8,984.34	(\$65)	-0.7%	\$781	801.09	\$20	2.6%	\$15,824	\$15,683	(\$141)	-0.9%
Annual Implementation Cost Amortization	\$8,343	8,244.83	(\$98)	-1.2%	\$7,660	8,230.98	\$571	7.5%	\$1,143	1,173.07	\$30	2.6%	\$17,146	\$17,649	\$503	2.9%
<b>Total Annual Cost of Operations</b>	<b>\$1,976,767</b>	<b>\$1,995,002</b>	<b>\$18,236</b>	<b>0.9%</b>	<b>\$2,785,571</b>	<b>\$2,837,346</b>	<b>\$51,775</b>	<b>1.9%</b>	<b>\$145,990</b>	<b>\$148,177</b>	<b>\$2,188</b>	<b>1.5%</b>	<b>\$4,908,327</b>	<b>\$4,980,526</b>	<b>\$72,199</b>	<b>1.5%</b>
<b>Profit</b>	\$207,506	209,420.15	\$1,914	0.9%	\$292,408	297,842.97	\$5,435	1.9%	\$15,325	15,554.53	\$230	1.5%	\$515,239	\$522,818	\$7,579	1.5%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$2,184,273</b>	<b>\$2,204,423</b>	<b>\$20,150</b>	<b>0.9%</b>	<b>\$3,077,979</b>	<b>\$3,135,189</b>	<b>\$57,210</b>	<b>1.9%</b>	<b>\$161,314</b>	<b>\$163,732</b>	<b>\$2,418</b>	<b>1.5%</b>	<b>\$5,423,566</b>	<b>\$5,503,344</b>	<b>\$79,778</b>	<b>1.5%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$86,437	\$74,458	(\$11,979)	-13.9%	\$118,143	\$104,346	(\$13,797)	-11.7%	\$7,599	\$6,783	(\$816)	-10.7%	\$212,179	\$185,587	(\$26,592)	-12.5%
Interest Expense on Implementation Cost	\$2,848	\$2,447	(\$401)	-14.1%	\$3,996	\$3,733	(\$263)	-6.6%	\$251	\$224	(\$27)	-10.8%	\$7,095	\$6,404	(\$692)	-9.7%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$89,285</b>	<b>\$76,905</b>	<b>(\$12,380)</b>	<b>-13.9%</b>	<b>\$122,139</b>	<b>\$108,079</b>	<b>(\$14,060)</b>	<b>-11.5%</b>	<b>\$7,850</b>	<b>\$7,007</b>	<b>(\$843)</b>	<b>-10.7%</b>	<b>\$219,275</b>	<b>\$191,991</b>	<b>(\$27,284)</b>	<b>-12.4%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,273,558</b>	<b>\$2,281,327</b>	<b>\$7,770</b>	<b>0.3%</b>	<b>\$3,200,118</b>	<b>\$3,243,268</b>	<b>\$43,150</b>	<b>1.3%</b>	<b>\$169,165</b>	<b>\$170,739</b>	<b>\$1,575</b>	<b>0.9%</b>	<b>\$5,642,840</b>	<b>\$5,695,334</b>	<b>\$52,494</b>	<b>0.9%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>6.9%</b>	<b>6.9%</b>	<b>(\$5,914)</b>	<b>0.0%</b>	<b>13.6%</b>	<b>13.7%</b>	<b>\$ 21,833</b>	<b>0.1%</b>	<b>17.1%</b>	<b>17.2%</b>	<b>\$743</b>	<b>0.1%</b>	<b>9.81%</b>	<b>9.84%</b>	<b>\$16,662</b>	<b>0.03%</b>

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D. City of Burlingame Allocated Costs - SFD

	Statistics Used for Cost Allocation							Total
City # of accounts	6,604	6,581	6,519	6,581	6,581	2,021	6,604.00	
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999.00	
City # of accounts %	7.0%	7.0%	7.2%	7.0%	7.0%	8.4%	7.0%	
City Total Route Labor hours year	3,166.54	2,753.90	2,916.61	13.77	13.77	978.81	9,843.40	
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302.21	
City Total Route Labor hours year %	6.8%	6.2%	7.5%	6.2%	6.2%	8.4%	6.9%	
City # of route hours/year	2,825.95	2,444.01	2,557.42	12.22	12.22	978.81	8,830.63	
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,514.86	
City Total Route Labor hours year %	6.6%	6.0%	7.4%	6.0%	6.0%	8.4%	6.8%	
City Total Containers in Service	6,674	6,652	6,691	6,652	6,652	2,021	35,342.00	
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867.00	
City Total Containers in Service %	6.9%	7.0%	6.7%	7.0%	7.0%	8.4%	7.0%	

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$218,253	\$162,973	\$169,171	\$823	\$823	\$62,758	\$614,801
Benefits for CBAs	\$86,358	\$67,299	\$68,209	\$340	\$340	\$28,910	\$251,456
Payroll Taxes	\$18,159	\$13,559	\$14,075	\$68	\$68	\$5,221	\$51,151
Workers Compensation Insurance	\$19,238	\$14,365	\$14,911	\$73	\$73	\$5,532	\$54,190
Total Direct Labor Related-Costs	\$342,007	\$258,196	\$266,366	\$1,304	\$1,304	\$102,421	\$971,598
Direct Fuel Costs	\$52,890	\$48,733	\$50,308	\$246	\$246	\$7,004	\$159,428
Other Direct Costs	\$26,347	\$24,276	\$25,372	\$123	\$123	\$4,237	\$80,478
Depreciation - Collection Vehicles	\$52,824	\$44,689	\$54,357	\$226	\$226	\$4,320	\$156,641
Depreciation - Containers	\$29,781	\$30,506	\$35,671	\$154	\$154	\$0	\$96,266
Depreciation for Collection Equipment	\$82,604	\$75,194	\$90,029	\$380	\$380	\$4,320	\$252,906
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$92,980	\$95,592	\$96,793	\$483	\$483	\$4,581	\$290,911
Operations	\$21,595	\$20,234	\$24,511	\$102	\$102	\$1,136	\$67,682
Vehicle Maintenance	\$37,084	\$34,748	\$42,092	\$175	\$175	\$1,951	\$116,226
Container Maintenance	\$13,537	\$13,985	\$13,293	\$71	\$71	\$675	\$41,631
Total Allocated Indirect Costs excluding Depreciation and Interest	\$165,196	\$164,559	\$176,690	\$831	\$831	\$8,344	\$516,450
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,861	\$1,748	\$2,171	\$9	\$9	\$99	\$5,898
Annual Implementation Cost Amortization (Form A)	\$2,664	\$2,279	\$2,712	\$37	\$37	\$516	\$8,245
<b>Total Annual Cost of Operations</b>	<b>\$673,570</b>	<b>\$574,985</b>	<b>\$613,648</b>	<b>\$2,929</b>	<b>\$2,929</b>	<b>\$126,941</b>	<b>\$1,995,002</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$70,706</b>	<b>\$60,358</b>	<b>\$64,416</b>	<b>\$307</b>	<b>\$307</b>	<b>\$13,325</b>	<b>\$209,420</b>
0.91							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$744,277</b>	<b>\$635,342</b>	<b>\$678,064</b>	<b>\$3,237</b>	<b>\$3,237</b>	<b>\$140,266</b>	<b>\$2,204,423</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$24,320	\$22,138	\$26,505	\$112	\$112	\$1,272	\$74,458
Interest Expense on Implementation Cost	\$791	\$676	\$805	\$11	\$11	\$153	\$2,447
<b>Total Contractor Pass-Through Costs</b>	<b>\$25,110</b>	<b>\$22,814</b>	<b>\$27,310</b>	<b>\$123</b>	<b>\$123</b>	<b>\$1,425</b>	<b>\$76,905</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$769,387</b>	<b>\$658,157</b>	<b>\$705,374</b>	<b>\$3,359</b>	<b>\$3,359</b>	<b>\$141,691</b>	<b>\$2,281,327</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$809,629</b>	<b>\$665,484</b>	<b>\$672,436</b>	<b>\$3,399</b>	<b>\$3,399</b>	<b>\$119,212</b>	<b>\$2,273,558</b>
Change \$	<b>(\$40,242)</b>	<b>(\$7,327)</b>	<b>\$32,938</b>	<b>(\$39)</b>	<b>(\$39)</b>	<b>\$22,479</b>	<b>\$7,770</b>
Change %	<b>-5.0%</b>	<b>-1.1%</b>	<b>4.9%</b>	<b>-1.2%</b>	<b>-1.2%</b>	<b>18.9%</b>	<b>0.3%</b>

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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D. City of Burlingame Allocated Costs - MFD & Commercial

	Statistics Used for Cost Allocation								Total		
	City # of Accounts	SBWMA # Accounts	City # of Accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year	SBWMA # of route hours/year		City # of route hours/year %	City Total Containers in Service
City # of Accounts	1,358	1,353	166	16	16	16	2,021			2,925.00	
SBWMA # Accounts	10,192.00	9,956.00	1,384.00	180.00	180.00	180.00	180.00	24,026.00		22,072.00	
City # of Accounts %	13.3%	13.6%	12.0%	8.9%	8.9%	8.9%	8.4%			13.3%	
City Total Route Labor hours year	6,596.43	3,566.60	779.47	1,291.01	82.41	-	978.81			12,315.92	
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30			87,651.35	
City Total Route Labor hours year %	13.4%	13.3%	13.1%	32.6%	5.4%	0.0%	8.4%			14.1%	
City # of route hours/year	3,853.66	3,417.70	720.04	1,291.01	82.41	-	978.81			9,364.82	
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30			68,917.71	
City # of route hours/year %	12.0%	13.5%	13.1%	32.6%	5.4%	0.0%	8.4%			13.6%	
City Total Containers in Service	2,536	2,578	258	20	20	20	2,021			5,432.00	
SBWMA Total Containers in Service	17,701.00	19,228.00	1,745.00	266.00	266.00	266.00	24,026.00			39,472.00	
City Total Containers in Service %	14.3%	13.4%	14.8%	7.5%	7.5%	7.5%	8.4%			13.8%	

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial
	E	F	G	H	H	H	J	TOTAL
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$567,754	\$223,921	\$76,583	\$112,760	\$2,889	\$0	\$10,116	\$994,023
Benefits for CBAs	\$231,858	\$85,900	\$20,643	\$32,247	\$1,157	\$0	\$4,261	\$376,066
Payroll Taxes	\$47,237	\$18,630	\$6,372	\$9,382	\$240	\$0	\$842	\$82,703
Workers Compensation Insurance	\$50,043	\$19,737	\$6,751	\$9,938	\$255	\$0	\$892	\$87,614
Total Direct Labor Related-Costs	\$896,892	\$348,188	\$110,348	\$164,326	\$4,540	\$0	\$16,110	\$1,540,405
Direct Fuel Costs	\$114,005	\$54,017	\$24,309	\$24,153	\$866	\$0	\$2,598	\$219,949
Other Direct Costs	\$59,349	\$32,891	\$11,155	\$17,340	\$621	\$0	\$1,353	\$122,709
Depreciation - Collection Vehicles	\$94,004	\$54,256	\$29,027	\$16,197	\$1,332	\$0	\$1,655	\$196,472
Depreciation - Containers	\$27,653	\$19,508	\$20,226	\$0	\$0	\$0	\$502	\$67,889
Depreciation for Collection Equipment	\$121,657	\$73,764	\$49,253	\$16,197	\$1,332	\$0	\$2,157	\$264,361
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$93,545	\$100,949	\$105,022	\$29,998	\$6,107	\$2,220	\$1,883	\$339,725
Operations	\$20,844	\$24,795	\$28,460	\$27,329	\$915	\$0	\$467	\$102,811
Vehicle Maintenance	\$35,795	\$42,579	\$48,873	\$46,931	\$1,572	\$0	\$802	\$176,552
Container Maintenance	\$14,819	\$14,673	\$19,073	\$3,738	\$761	\$277	\$277	\$53,619
Total Allocated Indirect Costs excluding Depreciation and Interest	\$165,003	\$182,997	\$201,428	\$107,997	\$9,356	\$2,497	\$3,430	\$672,708
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,876	\$2,174	\$2,117	\$2,690	\$87	\$0	\$41	\$8,984
Annual Implementation Cost Amortization (Form A)	\$5,720	\$159	\$81	\$2,142	\$4	\$0	\$126	\$8,231
<b>Total Annual Cost of Operations</b>	<b>\$1,364,501</b>	<b>\$694,190</b>	<b>\$398,691</b>	<b>\$334,845</b>	<b>\$16,806</b>	<b>\$2,497</b>	<b>\$25,815</b>	<b>\$2,837,346</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$143,234.95</b>	<b>\$72,871</b>	<b>\$41,852</b>	<b>\$35,150</b>	<b>\$1,764</b>	<b>\$262</b>	<b>\$2,710</b>	<b>\$297,843</b>
	0.91							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$1,507,736</b>	<b>\$767,061</b>	<b>\$440,543</b>	<b>\$369,995</b>	<b>\$18,570</b>	<b>\$2,759</b>	<b>\$28,525</b>	<b>\$3,135,189</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$48,019	\$29,115	\$19,441	\$6,393	\$526	\$0	\$852	\$104,346
Interest Expense on Implementation Cost	\$2,594	\$72	\$37	\$971	\$2	\$0	\$57	\$3,733
<b>Total Contractor Pass-Through Costs</b>	<b>\$50,613</b>	<b>\$29,187</b>	<b>\$19,477</b>	<b>\$7,365</b>	<b>\$528</b>	<b>\$0</b>	<b>\$909</b>	<b>\$108,079</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$1,558,350</b>	<b>\$796,248</b>	<b>\$460,020</b>	<b>\$377,359</b>	<b>\$19,098</b>	<b>\$2,759</b>	<b>\$29,434</b>	<b>\$3,243,268</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$1,510,472</b>	<b>\$810,100</b>	<b>\$506,996</b>	<b>\$315,252</b>	<b>\$29,576</b>	<b>\$2,791</b>	<b>\$24,930</b>	<b>\$3,200,118</b>
Change \$	\$47,878	(\$13,852)	(\$46,976)	\$62,107	(\$10,479)	(\$32)	\$4,504	\$43,150
Change %	3.2%	-1.7%	-9.3%	19.7%	-35.4%	-1.1%	18.1%	1.3%

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D. City of Burlingame Allocated Costs - Agency Facilities

	Statistics Used for Cost Allocation				Totals
City # of Lifts per year	33,488	884	1,976	6,604	36,348.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	15.4%	6.3%	3.9%	7.0%	
City Total Route Labor hours year	1,380.29	15.75	50.88	1,446.92	1,446.92
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year	29.9%	8.2%	4.9%	24.8%	
City # of route hours/year	597.42	15.21	49.68	1,446.92	662.31
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	23.4%	8.3%	5.1%	24.8%	
City # of Containers	16	11	27	6,674	54.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	2.0%	5.0%	5.3%	6.9%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$31,205	\$1,810	\$1,981	\$2,685	\$37,680
Benefits for CBAs	\$12,494	\$725	\$793	\$1,075	\$15,086
Payroll Taxes	\$2,596	\$151	\$165	\$223	\$3,135
Workers Compensation Insurance	\$2,750	\$160	\$175	\$237	\$3,321
Total Direct Labor Related-Costs	\$49,045	\$2,845	\$3,113	\$4,220	\$59,222
Direct Fuel Costs	\$7,321	\$549	\$613	\$805	\$9,289
Other Direct Costs	\$5,224	\$392	\$437	\$574	\$6,627
Depreciation - Collection Vehicles	\$19,919	\$1,766	\$1,445	\$1,758	\$24,888
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$19,919	\$1,766	\$1,445	\$1,758	\$24,888
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$17,131	\$1,567	\$1,593	\$747	\$21,038
Operations	\$6,432	\$514	\$511	\$653	\$8,111
Vehicle Maintenance	\$11,045	\$883	\$878	\$1,122	\$13,928
Container Maintenance (using lifts for Agency Costs)	\$2,524	\$231	\$235	\$110	\$3,100
Total Allocated Indirect Costs excluding Depreciation and Interest	\$37,132	\$3,196	\$3,216	\$2,632	\$46,176
Total Allocated Indirect Depreciation Costs (Form 9)	\$641	\$57	\$47	\$56	\$801
Annual Implementation Cost Amortization (Form A)	\$939	\$83	\$68	\$83	\$1,173
<b>Total Annual Cost of Operations</b>	<b>\$120,221</b>	<b>\$8,887</b>	<b>\$8,939</b>	<b>\$10,130</b>	<b>\$148,177</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$12,620</b>	<b>\$933</b>	<b>\$938</b>	<b>\$1,063</b>	<b>\$15,555</b>
<b>0.91</b>					
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$132,841</b>	<b>\$9,820</b>	<b>\$9,878</b>	<b>\$11,193</b>	<b>\$163,732</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$5,429	\$481	\$394	\$479	\$6,783
Interest Expense on Implementation Cost	\$179	\$16	\$13	\$16	\$224
<b>Total Contractor Pass-Through Costs</b>	<b>\$5,608</b>	<b>\$497</b>	<b>\$407</b>	<b>\$495</b>	<b>\$7,007</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$138,449</b>	<b>\$10,318</b>	<b>\$10,285</b>	<b>\$11,688</b>	<b>\$170,739</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$137,987</b>	<b>\$8,436</b>	<b>\$11,453</b>	<b>\$11,288</b>	<b>\$169,165</b>
Change \$	\$462	\$1,882	(\$1,169)	\$400	\$1,575
Change %	0.3%	22.3%	-10.2%	3.5%	0.9%

<b>Member Agency Snapshot</b>		<b>Appendix 3-3</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>BURLINGAME</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	6,548	6,591	6,604	13	0.2%	
Commercial & Multi Family	2,794	2,835	2,925	90	3.2%	
<b>Total</b>	<b>9,342</b>	<b>9,426</b>	<b>9,529</b>	<b>103</b>	<b>1.1%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	10,546	10,301	9,843	-458	-4.4%	
Commercial & Multi Family	13,320	12,625	12,316	-309	-2.4%	
Member Agency Facility	1,123	1,302	1,447	145	11.1%	
<b>Total</b>	<b>24,990</b>	<b>24,228</b>	<b>23,606</b>	<b>-622</b>	<b>-2.6%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	9,890	9,373	8,831	-543	-5.8%	
Commercial & Multi Family	10,338	9,466	9,365	-102	-1.1%	
Member Agency Facility	675	617	662	46	7.4%	
<b>Total</b>	<b>20,903</b>	<b>19,456</b>	<b>18,858</b>	<b>-599</b>	<b>-3.1%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	6,615	6,666	6,674	8	0.1%	
Commercial & Multi Family	2,568	2,158	2,536	378	17.5%	
Member Agency Facility	15	35	16	-19	-54.3%	
<b>Total</b>	<b>9,198</b>	<b>8,859</b>	<b>9,226</b>	<b>367</b>	<b>4.1%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste		3,722	3,677	3,640	-37	0.0%
Residential - organics		5,173	5,142	5,142	0	0.0%
Commercial & MFD - solid waste		18,454	18,800	19,082	282	0.0%
Commercial & MFD - green waste		3,042	2,880	2,880	0	0.0%
C&D		779	1,229	1,229	0	0.0%
Member Agency Delivered to Shoreway		-	-	-	0	0.0%
<b>Total</b>		<b>31,171</b>	<b>31,728</b>	<b>31,973</b>	<b>245</b>	<b>0.0%</b>

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-4

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. EAST PALO ALTO**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	609,071	636,448	27,377	4.5%
Benefits for CBAs	243,517	254,504	10,987	4.5%
Payroll Taxes	50,675	52,952	2,278	4.5%
Workers Compensation Insurance	53,645	56,098	2,452	4.6%
Total Direct Labor Related-Costs	956,907	1,000,002	43,095	4.5%
Direct Fuel Costs	167,553	164,734	(2,819)	-1.7%
Other Direct Costs	83,666	85,363	1,698	2.0%
Depreciation				
- Collection Vehicles	155,763	156,970	1,206	0.8%
- Containers	84,895	84,856	(39)	0.0%
Total Depreciation	240,658	241,825	1,167	0.5%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	356,668	358,265	1,597	0.4%
Operations	65,474	66,649	1,175	1.8%
Vehicle Maintenance	112,308	114,452	2,144	1.9%
Container Maintenance	48,001	48,414	413	0.9%
Total Allocated Indirect Costs excluding Depreciation	582,452	587,780	5,329	0.9%
Total Allocated Indirect Depreciation Costs	5,804	5,822	17	0.3%
Annual Implementation Cost Amortization	7,814	7,966	152	1.9%
<b>Total Annual Cost of Operations</b>	<b>2,044,855</b>	<b>2,093,493</b>	<b>48,638</b>	<b>2.4%</b>
<b>Profit</b>	214,653	219,759	5,106	2.4%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>2,259,508</b>	<b>2,313,252</b>	<b>53,744</b>	<b>2.4%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	89,983	78,547	(11,435)	-12.7%
Interest Expense on Implementation Cost	3,071	2,726	(344)	-11.2%
<b>Total Contractor Pass-Through Costs</b>	<b>93,054</b>	<b>81,274</b>	<b>(11,780)</b>	<b>-12.7%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>2,352,562</b>	<b>2,394,526</b>	<b>41,964</b>	<b>1.8%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	29,203	16,423	(12,780)	
<b>Total Other Adjustments</b>	<b>29,203</b>	<b>16,423</b>	<b>(12,780)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>2,381,765</b>	<b>2,410,949</b>	<b>29,184</b>	<b>1.2%</b>



**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**EAST PALO ALTO**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$394,568	\$419,159	\$24,591	6.2%	\$211,943	\$215,730	\$3,786	1.8%	\$2,559	\$1,559	(\$1,001)	-39.1%	\$609,071	\$636,448	\$27,377	4.5%
Benefits for CBAs	\$160,761	\$170,536	\$9,774	6.1%	\$81,731	\$83,344	\$1,614	2.0%	\$1,025	\$624	(\$401)	-39.1%	\$243,517	\$254,504	\$10,987	4.5%
Payroll Taxes	\$32,828	\$34,874	\$2,046	6.2%	\$17,634	\$17,949	\$315	1.8%	\$213	\$130	(\$83)	-39.1%	\$50,675	\$52,952	\$2,278	4.5%
Workers Compensation Insurance	\$34,753	\$36,945	\$2,193	6.3%	\$18,667	\$19,015	\$347	1.9%	\$225	\$137	(\$88)	-39.0%	\$53,645	\$56,098	\$2,452	4.6%
<b>Total Direct Labor Related-Costs</b>	<b>\$622,910</b>	<b>\$661,514</b>	<b>\$38,604</b>	<b>6.2%</b>	<b>\$329,975</b>	<b>\$336,038</b>	<b>\$6,062</b>	<b>1.8%</b>	<b>\$4,022</b>	<b>\$2,450</b>	<b>(\$1,572)</b>	<b>-39.1%</b>	<b>\$956,907</b>	<b>\$1,000,002</b>	<b>\$43,095</b>	<b>4.5%</b>
Direct Fuel Costs	\$108,013	\$106,971	(\$1,042)	-1.0%	\$58,703	\$57,043	(\$1,660)	-2.8%	\$838	\$720	(\$117)	-14.0%	\$167,553	\$164,734	(\$2,819)	-1.7%
Other Direct Costs	\$52,378	\$53,864	\$1,486	2.8%	\$30,712	\$30,986	\$273	0.9%	\$575	\$514	(\$61)	-10.7%	\$83,666	\$85,363	\$1,698	2.0%
Depreciation																
- Collection Vehicles	\$103,466	\$105,585	\$2,119	2.0%	\$50,182	\$49,471	(\$711)	-1.4%	\$2,116	\$1,914	(\$202)	-9.5%	\$155,763	\$156,970	\$1,206	0.8%
- Containers	\$60,571	\$60,612	\$40	0.1%	\$24,323	\$24,244	(\$80)	-0.3%	\$0	\$0	\$0		\$84,895	\$84,856	(\$39)	0.0%
<b>Total Depreciation</b>	<b>\$164,038</b>	<b>\$166,197</b>	<b>\$2,159</b>	<b>1.3%</b>	<b>\$74,505</b>	<b>\$73,715</b>	<b>(\$790)</b>	<b>-1.1%</b>	<b>\$2,116</b>	<b>\$1,914</b>	<b>(\$202)</b>	<b>-9.5%</b>	<b>\$240,658</b>	<b>\$241,825</b>	<b>\$1,167</b>	<b>0.5%</b>
Allocated Indirect Costs																
General and Administrative	\$180,705	\$183,355	\$2,650	1.5%	\$173,594	\$172,663	(\$931)	-0.5%	\$2,370	\$2,247	(\$123)	-5.2%	\$356,668	\$358,265	\$1,597	0.4%
Operations	\$43,835	\$45,583	\$1,748	4.0%	\$20,946	\$20,438	(\$508)	-2.4%	\$692	\$627	(\$65)	-9.4%	\$65,474	\$66,649	\$1,175	1.8%
Vehicle Maintenance	\$75,192	\$78,277	\$3,086	4.1%	\$35,930	\$35,098	(\$832)	-2.3%	\$1,187	\$1,077	(\$110)	-9.3%	\$112,308	\$114,452	\$2,144	1.9%
Container Maintenance	\$25,720	\$26,118	\$398	1.5%	\$21,932	\$21,965	\$33	0.2%	\$349	\$331	(\$18)	-5.2%	\$48,001	\$48,414	\$413	0.9%
<b>Total Allocated Indirect Costs</b>	<b>\$325,452</b>	<b>\$333,333</b>	<b>\$7,882</b>	<b>2.4%</b>	<b>\$252,402</b>	<b>\$250,165</b>	<b>(\$2,237)</b>	<b>-0.9%</b>	<b>\$4,598</b>	<b>\$4,282</b>	<b>(\$316)</b>	<b>-6.9%</b>	<b>\$582,452</b>	<b>\$587,780</b>	<b>\$5,329</b>	<b>0.9%</b>
Total Allocated Indirect Depreciation Costs	\$3,881	\$3,970	\$89	2.3%	\$1,856	\$1,790	(\$65)	-3.5%	\$68	\$62	(\$6)	-9.5%	\$5,804	\$5,822	\$17	0.3%
Annual Implementation Cost Amortization	\$5,411	\$5,504	\$93	1.7%	\$2,303	\$2,372	\$68	3.0%	\$100	\$90	(\$10)	-9.5%	\$7,814	\$7,966	\$152	1.9%
<b>Total Annual Cost of Operations</b>	<b>\$1,282,082</b>	<b>\$1,331,353</b>	<b>\$49,271</b>	<b>3.8%</b>	<b>\$750,456</b>	<b>\$752,108</b>	<b>\$1,652</b>	<b>0.2%</b>	<b>\$12,317</b>	<b>\$10,032</b>	<b>(\$2,284)</b>	<b>-18.5%</b>	<b>\$2,044,855</b>	<b>\$2,093,493</b>	<b>\$48,638</b>	<b>2.4%</b>
<b>Profit</b>	\$134,583	\$139,755	\$5,172	3.8%	\$78,777	\$78,951	\$173	0.2%	\$1,293	\$1,053	(\$240)	-18.5%	\$214,653	\$219,759	\$5,106	2.4%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$1,416,665</b>	<b>\$1,471,108</b>	<b>\$54,443</b>	<b>3.8%</b>	<b>\$829,233</b>	<b>\$831,059</b>	<b>\$1,825</b>	<b>0.2%</b>	<b>\$13,609</b>	<b>\$11,085</b>	<b>(\$2,524)</b>	<b>-18.5%</b>	<b>\$2,259,508</b>	<b>\$2,313,252</b>	<b>\$53,744</b>	<b>2.4%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$55,515	\$48,930	(\$6,585)	-11.9%	\$33,805	\$29,096	(\$4,709)	-13.9%	\$663	\$522	(\$141)	-21.3%	\$89,983	\$78,547	(\$11,435)	-12.7%
Interest Expense on Implementation Cost	\$1,847	\$1,634	(\$214)	-11.6%	\$1,202	\$1,076	(\$126)	-10.5%	\$22	\$17	(\$5)	-21.4%	\$3,071	\$2,726	(\$344)	-11.2%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$57,362</b>	<b>\$50,563</b>	<b>(\$6,799)</b>	<b>-11.9%</b>	<b>\$35,006</b>	<b>\$30,171</b>	<b>(\$4,835)</b>	<b>-13.8%</b>	<b>\$685</b>	<b>\$539</b>	<b>(\$146)</b>	<b>-21.3%</b>	<b>\$93,054</b>	<b>\$81,274</b>	<b>(\$11,780)</b>	<b>-12.7%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$1,474,028</b>	<b>\$1,521,671</b>	<b>\$47,644</b>	<b>3.2%</b>	<b>\$864,240</b>	<b>\$861,230</b>	<b>(\$3,010)</b>	<b>-0.3%</b>	<b>\$14,294</b>	<b>\$11,624</b>	<b>(\$2,670)</b>	<b>-18.7%</b>	<b>\$2,352,562</b>	<b>\$2,394,526</b>	<b>\$41,964</b>	<b>1.8%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>4.5%</b>	<b>4.6%</b>	<b>\$38,772</b>	<b>0.1%</b>	<b>3.7%</b>	<b>3.6%</b>	<b>\$ (8,767)</b>	<b>0.0%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>(\$2,740)</b>	<b>-0.3%</b>	<b>4.09%</b>	<b>4.14%</b>	<b>\$27,265</b>	<b>0.05%</b>

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**D. City of East Palo Alto Allocated Costs - SFD**

	Statistics Used for Cost Allocation							Total
City # of accounts	4,155	4,151	4,152	4,151	4,151	1,016	4,155	
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999	
City # of accounts %	4.4%	4.4%	4.6%	4.4%	4.4%	4.2%	4.4%	
City Total Route Labor hours year	2,546.49	1,783.11	1,818.96	8.92	8.92	492.07	6,658	
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302	
City Total Route Labor hours year %	5.4%	4.0%	4.7%	4.0%	4.0%	4.2%	4.7%	
City # of route hours/year	2,125.92	1,552.07	1,647.09	7.76	7.76	492.07	5,833	
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515	
City Total Route Labor hours year %	4.9%	3.8%	4.7%	3.8%	3.8%	4.2%	4.5%	
City Total Containers in Service	4,191	4,177	4,232	4,177	4,177	1,016	21,970	
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867	
City Total Containers in Service %	4.4%	4.4%	4.3%	4.4%	4.4%	4.2%	4.3%	

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$175,516	\$105,523	\$105,505	\$533	\$533	\$31,550	\$419,159
Benefits for CBAs	\$69,448	\$43,575	\$42,539	\$220	\$220	\$14,534	\$170,536
Payroll Taxes	\$14,603	\$8,779	\$8,778	\$44	\$44	\$2,625	\$34,874
Workers Compensation Insurance	\$15,471	\$9,301	\$9,299	\$47	\$47	\$2,781	\$36,945
Total Direct Labor Related-Costs	\$275,038	\$167,178	\$166,121	\$844	\$844	\$51,489	\$661,514
Direct Fuel Costs	\$39,789	\$30,948	\$32,400	\$156	\$156	\$3,521	\$106,971
Other Direct Costs	\$19,820	\$15,416	\$16,341	\$78	\$78	\$2,130	\$53,864
Depreciation - Collection Vehicles	\$39,739	\$28,380	\$35,009	\$143	\$143	\$2,172	\$105,585
Depreciation - Containers	\$18,701	\$19,155	\$22,562	\$97	\$97	\$0	\$60,612
Depreciation for Collection Equipment	\$58,440	\$47,535	\$57,570	\$240	\$240	\$2,172	\$166,197
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$58,500	\$60,295	\$61,648	\$305	\$305	\$2,303	\$183,355
Operations	\$16,246	\$12,850	\$15,786	\$65	\$65	\$571	\$45,583
Vehicle Maintenance	\$27,898	\$22,066	\$27,109	\$111	\$111	\$981	\$78,277
Container Maintenance	\$8,500	\$8,782	\$8,408	\$44	\$44	\$339	\$26,118
Total Allocated Indirect Costs excluding Depreciation and Interest	\$111,144	\$103,993	\$112,952	\$525	\$525	\$4,194	\$333,333
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,400	\$1,110	\$1,398	\$6	\$6	\$50	\$3,970
Annual Implementation Cost Amortization (Form A)	\$2,004	\$1,447	\$1,747	\$23	\$23	\$259	\$5,504
<b>Total Annual Cost of Operations</b>	<b>\$507,635</b>	<b>\$367,628</b>	<b>\$388,529</b>	<b>\$1,873</b>	<b>\$1,873</b>	<b>\$63,816</b>	<b>\$1,331,353</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$53,288</b>	<b>\$38,591</b>	<b>\$40,785</b>	<b>\$197</b>	<b>\$197</b>	<b>\$6,699</b>	<b>\$139,755</b>
	<b>90.5%</b>						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$560,922</b>	<b>\$406,219</b>	<b>\$429,314</b>	<b>\$2,069</b>	<b>\$2,069</b>	<b>\$70,515</b>	<b>\$1,471,108</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$17,205	\$13,995	\$16,949	\$71	\$71	\$639	\$48,930
Interest Expense on Implementation Cost	\$595	\$430	\$518	\$7	\$7	\$77	\$1,634
Total Contractor Pass-Through Costs	\$17,800	\$14,424	\$17,468	\$78	\$78	\$716	\$50,563
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$578,722</b>	<b>\$420,643</b>	<b>\$446,781</b>	<b>\$2,147</b>	<b>\$2,147</b>	<b>\$71,231</b>	<b>\$1,521,671</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$561,117</b>	<b>\$413,953</b>	<b>\$419,002</b>	<b>\$2,114</b>	<b>\$2,114</b>	<b>\$75,727</b>	<b>\$1,474,028</b>
Change \$	\$17,605	\$6,689	\$27,779	\$33	\$33	(\$4,495)	\$47,644
Change %	3.1%	1.6%	6.6%	1.6%	1.6%	-5.9%	3.2%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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**D. City of East Palo Alto Allocated Costs - MFD & Commercial**

	Statistics Used for Cost Allocation								Total		
	City # of Accounts	SBWMA # Accounts	City # of Accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year	SBWMA # of route hours/year		City # of route hours/year %	City Total Containers in Service
City # of Accounts	339	338	153	11	11	11	1,016		863		
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026		22,072		
City # of Accounts %	3.3%	3.4%	11.1%	6.1%	6.1%	6.1%	4.2%		3.9%		
City Total Route Labor hours year	1,648.74	612.41	133.58	191.04	13.65	0.00	492.07		2,599		
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30		87,651		
City Total Route Labor hours year %	3.4%	2.3%	2.2%	4.8%	0.9%	0.0%	4.2%		3.0%		
City # of route hours/year	1,314.06	576.87	119.29	191.04	13.65	0.00	492.07		2,215		
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30		68,918		
City # of route hours/year %	4.1%	2.3%	2.2%	4.8%	0.9%	0.0%	4.2%		3.2%		
City Total Containers in Service	564	638	166	11	11	11	1,016		1,401		
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026		39,472		
City Total Containers in Service %	3.2%	3.3%	9.5%	4.1%	4.1%	4.1%	4.2%		3.5%		

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$141,907	\$38,449	\$13,124	\$16,686	\$478	\$0	\$5,085	\$215,730
Benefits for CBAs	\$57,952	\$14,750	\$3,538	\$4,772	\$192	\$0	\$2,142	\$83,344
Payroll Taxes	\$11,807	\$3,199	\$1,092	\$1,388	\$40	\$0	\$423	\$17,949
Workers Compensation Insurance	\$12,508	\$3,389	\$1,157	\$1,471	\$42	\$0	\$448	\$19,015
Total Direct Labor Related-Costs	\$224,173	\$59,786	\$18,911	\$24,317	\$752	\$0	\$8,099	\$336,038
Direct Fuel Costs	\$38,875	\$9,117	\$4,027	\$3,574	\$143	\$0	\$1,306	\$57,043
Other Direct Costs	\$20,237	\$5,552	\$1,848	\$2,566	\$103	\$0	\$680	\$30,986
Depreciation - Collection Vehicles	\$32,055	\$9,158	\$4,809	\$2,397	\$221	\$0	\$832	\$49,471
Depreciation - Containers	\$6,150	\$4,828	\$13,014	\$0	\$0	\$0	\$252	\$24,244
Depreciation for Collection Equipment	\$38,204	\$13,986	\$17,823	\$2,397	\$221	\$0	\$1,085	\$73,715
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$23,352	\$25,219	\$96,797	\$20,624	\$4,199	\$1,526	\$947	\$172,663
Operations	\$7,108	\$4,185	\$4,715	\$4,044	\$152	\$0	\$235	\$20,438
Vehicle Maintenance	\$12,206	\$7,187	\$8,097	\$6,945	\$260	\$0	\$403	\$35,098
Container Maintenance	\$3,296	\$3,631	\$12,272	\$2,056	\$419	\$152	\$139	\$21,965
Total Allocated Indirect Costs excluding Depreciation and Interest	\$45,961	\$40,222	\$121,881	\$33,669	\$5,029	\$1,679	\$1,724	\$250,165
Total Allocated Indirect Depreciation Costs (Form 9)	\$640	\$367	\$351	\$398	\$14	\$0	\$20	\$1,790
Annual Implementation Cost Amortization (Form A)	\$1,951	\$27	\$13	\$317	\$1	\$0	\$63	\$2,372
<b>Total Annual Cost of Operations</b>	<b>\$370,040</b>	<b>\$129,057</b>	<b>\$164,854</b>	<b>\$67,237</b>	<b>\$6,263</b>	<b>\$1,679</b>	<b>\$12,978</b>	<b>\$752,108</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$38,844.01</b>	<b>\$13,547</b>	<b>\$17,305</b>	<b>\$7,058</b>	<b>\$657</b>	<b>\$176</b>	<b>\$1,362</b>	<b>\$78,951</b>
	<b>90.5%</b>							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$408,884</b>	<b>\$142,604</b>	<b>\$182,159</b>	<b>\$74,295</b>	<b>\$6,921</b>	<b>\$1,855</b>	<b>\$14,340</b>	<b>\$831,059</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$15,080	\$5,520	\$7,035	\$946	\$87	\$0	\$428	\$29,096
Interest Expense on Implementation Cost	\$885	\$12	\$6	\$144	\$0	\$0	\$29	\$1,076
<b>Total Contractor Pass-Through Costs</b>	<b>\$15,964</b>	<b>\$5,532</b>	<b>\$7,041</b>	<b>\$1,090</b>	<b>\$87</b>	<b>\$0</b>	<b>\$457</b>	<b>\$30,171</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$424,849</b>	<b>\$148,137</b>	<b>\$189,200</b>	<b>\$75,385</b>	<b>\$7,008</b>	<b>\$1,855</b>	<b>\$14,797</b>	<b>\$861,230</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$409,187</b>	<b>\$150,891</b>	<b>\$206,829</b>	<b>\$68,331</b>	<b>\$11,542</b>	<b>\$1,624</b>	<b>\$15,836</b>	<b>\$864,240</b>
Change \$	\$15,662	(\$2,754)	(\$17,629)	\$7,054	(\$4,534)	\$231	(\$1,039)	(\$3,010)
Change %	3.8%	-1.8%	-8.5%	10.3%	-39.3%	14.2%	-6.6%	-0.3%

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D. City of East Palo Alto Allocated Costs - Agency Facilities

	Statistics Used for Cost Allocation				Totals
City # of Lifts per year	2,392	52	572	4,155	3,016.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	1.1%	0.4%	1.1%	4.4%	
City Total Route Labor hours year	52.65	0.00	6.64	59.29	59.29
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	1.1%	0.0%	0.6%	1.0%	
City # of route hours/year	49.79	0.00	6.25	59.29	56.04
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	1.9%	0.0%	0.6%	1.0%	
City # of Containers	5	1	11	4,191	17.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	0.6%	0.5%	2.1%	4.4%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$1,190	\$0	\$258	\$110	\$1,559
Benefits for CBAs	\$477	\$0	\$103	\$44	\$624
Payroll Taxes	\$99	\$0	\$22	\$9	\$130
Workers Compensation Insurance	\$105	\$0	\$23	\$10	\$137
Total Direct Labor Related-Costs	\$1,871	\$0	\$406	\$173	\$2,450
Direct Fuel Costs	\$610	\$0	\$77	\$33	\$720
Other Direct Costs	\$435	\$0	\$55	\$24	\$514
Depreciation - Collection Vehicles	\$1,660	\$0	\$182	\$72	\$1,914
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$1,660	\$0	\$182	\$72	\$1,914
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$1,224	\$92	\$461	\$470	\$2,247
Operations	\$536	\$0	\$64	\$27	\$627
Vehicle Maintenance	\$921	\$0	\$110	\$46	\$1,077
Container Maintenance (using lifts for Agency Costs)	\$180	\$14	\$68	\$69	\$331
Total Allocated Indirect Costs excluding Depreciation and Interest	\$2,860	\$106	\$704	\$612	\$4,282
Total Allocated Indirect Depreciation Costs (Form 9)	\$53	\$0	\$6	\$2	\$62
Annual Implementation Cost Amortization (Form A)	\$78	\$0	\$9	\$3	\$90
<b>Total Annual Cost of Operations</b>	<b>\$7,569</b>	<b>\$106</b>	<b>\$1,438</b>	<b>\$919</b>	<b>\$10,032</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$794</b>	<b>\$11</b>	<b>\$151</b>	<b>\$97</b>	<b>\$1,053</b>
	90.5%				
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$8,363</b>	<b>\$117</b>	<b>\$1,589</b>	<b>\$1,016</b>	<b>\$11,085</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$452	\$0	\$50	\$20	\$522
Interest Expense on Implementation Cost	\$15	\$0	\$2	\$1	\$17
<b>Total Contractor Pass-Through Costs</b>	<b>\$467</b>	<b>\$0</b>	<b>\$51</b>	<b>\$20</b>	<b>\$539</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$8,830</b>	<b>\$117</b>	<b>\$1,641</b>	<b>\$1,036</b>	<b>\$11,624</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$9,433</b>	<b>\$0</b>	<b>\$3,589</b>	<b>\$1,273</b>	<b>\$14,294</b>
Change \$	(\$602)	\$117	(\$1,948)	(\$237)	(\$2,670)
Change %	-6.4%	0.0%	-54.3%	-18.6%	-18.7%

<b>Member Agency Snapshot</b>		<b>Appendix 3-4</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>EAST PALO ALTO</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	4,158	4,153	4,155	2	0.0%	
Commercial & Multi Family	816	837	863	26	3.1%	
<b>Total</b>	<b>4,974</b>	<b>4,990</b>	<b>5,018</b>	<b>28</b>	<b>0.6%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	6,773	6,712	6,658	-54	-0.8%	
Commercial & Multi Family	2,943	2,654	2,599	-55	-2.1%	
Member Agency Facility	159	86	59	-27	-31.2%	
<b>Total</b>	<b>9,874</b>	<b>9,453</b>	<b>9,317</b>	<b>-136</b>	<b>-1.4%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	6,409	6,076	5,833	-244	-4.0%	
Commercial & Multi Family	2,151	2,274	2,215	-60	-2.6%	
Member Agency Facility	139	57	56	-1	-1.5%	
<b>Total</b>	<b>8,699</b>	<b>8,408</b>	<b>8,104</b>	<b>-304</b>	<b>-3.6%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	4,186	4,182	4,191	9	0.2%	
Commercial & Multi Family	557	446	564	118	26.5%	
Member Agency Facility	9	9	5	-4	-44.4%	
<b>Total</b>	<b>4,752</b>	<b>4,637</b>	<b>4,760</b>	<b>123</b>	<b>2.7%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste		6,341	6,582	6,648	66	0.0%
Residential - organics		3,597	3,741	3,816	75	0.0%
Commercial & MFD - solid waste		5,308	5,296	5,296	0	0.0%
Commercial & MFD - green waste		497	575	586	11	0.0%
C&D		122	184	184	0	0.0%
Member Agency Delivered to Shoreway		-	-	-	0	0.0%
<b>Total</b>		<b>15,865</b>	<b>16,378</b>	<b>16,530</b>	<b>152</b>	<b>0.0%</b>

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-5

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. FOSTER CITY**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	958,319	932,795	(25,525)	-2.7%
Benefits for CBAs	376,139	369,708	(6,431)	-1.7%
Payroll Taxes	79,732	77,609	(2,124)	-2.7%
Workers Compensation Insurance	84,406	82,218	(2,188)	-2.6%
Total Direct Labor Related-Costs	1,498,596	1,462,329	(36,267)	-2.4%
Direct Fuel Costs	268,495	245,162	(23,333)	-8.7%
Other Direct Costs	136,167	128,121	(8,046)	-5.9%
Depreciation				
- Collection Vehicles	259,555	241,740	(17,815)	-6.9%
- Containers	118,202	115,730	(2,472)	-2.1%
Total Depreciation	377,757	357,470	(20,287)	-5.4%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	440,840	443,830	2,990	0.7%
Operations	118,693	106,605	(12,088)	-10.2%
Vehicle Maintenance	203,597	183,068	(20,529)	-10.1%
Container Maintenance	66,570	66,242	(329)	-0.5%
Total Allocated Indirect Costs excluding Depreciation	829,701	799,745	(29,956)	-3.6%
Total Allocated Indirect Depreciation Costs	10,621	9,376	(1,245)	-11.7%
Annual Implementation Cost Amortization	11,491	10,926	(564)	-4.9%
<b>Total Annual Cost of Operations</b>	<b>3,132,828</b>	<b>3,013,129</b>	<b>(119,699)</b>	<b>-3.8%</b>
<b>Profit</b>	328,860	316,295	(12,565)	-3.8%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>3,461,689</b>	<b>3,329,425</b>	<b>(132,264)</b>	<b>-3.8%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	143,952	117,820	(26,132)	-18.2%
Interest Expense on Implementation Cost	4,581	3,781	(801)	-17.5%
<b>Total Contractor Pass-Through Costs</b>	<b>148,533</b>	<b>121,600</b>	<b>(26,933)</b>	<b>-18.1%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>3,610,222</b>	<b>3,451,025</b>	<b>(159,196)</b>	<b>-4.4%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	31,441	15,327	(16,114)	
<b>Total Other Adjustments</b>	<b>31,441</b>	<b>15,327</b>	<b>(16,114)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>3,641,663</b>	<b>3,466,353</b>	<b>(175,310)</b>	<b>-4.8%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**Foster City**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$539,214	\$542,662	\$3,449	0.6%	\$413,430	\$386,426	(\$27,004)	-6.5%	\$5,675	\$3,706	(\$1,969)	-34.7%	\$958,319	\$932,795	(\$25,525)	-2.7%
Benefits for CBAs	\$220,746	\$221,877	\$1,131	0.5%	\$153,121	\$146,347	(\$6,773)	-4.4%	\$2,272	\$1,484	(\$788)	-34.7%	\$376,139	\$369,708	(\$6,431)	-1.7%
Payroll Taxes	\$44,863	\$45,150	\$287	0.6%	\$34,397	\$32,151	(\$2,247)	-6.5%	\$472	\$308	(\$164)	-34.7%	\$79,732	\$77,609	(\$2,124)	-2.7%
Workers Compensation Insurance	\$47,492	\$47,831	\$339	0.7%	\$36,414	\$34,060	(\$2,353)	-6.5%	\$500	\$327	(\$173)	-34.6%	\$84,406	\$82,218	(\$2,188)	-2.6%
<b>Total Direct Labor Related-Costs</b>	<b>\$852,315</b>	<b>\$857,520</b>	<b>\$5,206</b>	<b>0.6%</b>	<b>\$637,362</b>	<b>\$598,984</b>	<b>(\$38,378)</b>	<b>-6.0%</b>	<b>\$8,919</b>	<b>\$5,825</b>	<b>(\$3,094)</b>	<b>-34.7%</b>	<b>\$1,498,596</b>	<b>\$1,462,329</b>	<b>(\$36,267)</b>	<b>-2.4%</b>
Direct Fuel Costs	\$147,894	\$139,430	(\$8,465)	-5.7%	\$118,445	\$104,242	(\$14,203)	-12.0%	\$2,156	\$1,491	(\$665)	-30.9%	\$268,495	\$245,162	(\$23,333)	-8.7%
Other Direct Costs	\$71,811	\$70,311	(\$1,500)	-2.1%	\$62,876	\$56,746	(\$6,130)	-9.7%	\$1,481	\$1,064	(\$417)	-28.2%	\$136,167	\$128,121	(\$8,046)	-5.9%
Depreciation																
- Collection Vehicles	\$140,280	\$135,939	(\$4,341)	-3.1%	\$113,741	\$101,607	(\$12,134)	-10.7%	\$5,534	\$4,194	(\$1,341)	-24.2%	\$259,555	\$241,740	(\$17,815)	-6.9%
- Containers	\$91,028	\$91,024	(\$4)	0.0%	\$27,174	\$24,706	(\$2,468)	-9.1%	\$0	\$0	\$0		\$118,202	\$115,730	(\$2,472)	-2.1%
<b>Total Depreciation</b>	<b>\$231,308</b>	<b>\$226,963</b>	<b>(\$4,344)</b>	<b>-1.9%</b>	<b>\$140,915</b>	<b>\$126,313</b>	<b>(\$14,602)</b>	<b>-10.4%</b>	<b>\$5,534</b>	<b>\$4,194</b>	<b>(\$1,341)</b>	<b>-24.2%</b>	<b>\$377,757</b>	<b>\$357,470</b>	<b>(\$20,287)</b>	<b>-5.4%</b>
Allocated Indirect Costs																
General and Administrative	\$276,103	\$279,759	\$3,656	1.3%	\$161,267	\$160,924	(\$342)	-0.2%	\$3,471	\$3,146	(\$324)	-9.3%	\$440,840	\$443,830	\$2,990	0.7%
Operations	\$59,450	\$58,614	(\$836)	-1.4%	\$57,453	\$46,666	(\$10,786)	-18.8%	\$1,791	\$1,325	(\$466)	-26.0%	\$118,693	\$106,605	(\$12,088)	-10.2%
Vehicle Maintenance	\$101,976	\$100,655	(\$1,321)	-1.3%	\$98,550	\$80,137	(\$18,412)	-18.7%	\$3,072	\$2,276	(\$796)	-25.9%	\$203,597	\$183,068	(\$20,529)	-10.1%
Container Maintenance	\$39,097	\$39,646	\$549	1.4%	\$26,961	\$26,132	(\$829)	-3.1%	\$511	\$464	(\$48)	-9.4%	\$66,570	\$66,242	(\$329)	-0.5%
<b>Total Allocated Indirect Costs</b>	<b>\$476,626</b>	<b>\$478,674</b>	<b>\$2,047</b>	<b>0.4%</b>	<b>\$344,230</b>	<b>\$313,860</b>	<b>(\$30,370)</b>	<b>-8.8%</b>	<b>\$8,844</b>	<b>\$7,211</b>	<b>(\$1,634)</b>	<b>-18.5%</b>	<b>\$829,701</b>	<b>\$799,745</b>	<b>(\$29,956)</b>	<b>-3.6%</b>
Total Allocated Indirect Depreciation Costs	\$5,259	\$5,099	(\$161)	-3.1%	\$5,184	\$4,142	(\$1,041)	-20.1%	\$178	\$135	(\$43)	-24.2%	\$10,621	\$9,376	(\$1,245)	-11.7%
Annual Implementation Cost Amortization	\$7,402	\$7,163	(\$239)	-3.2%	\$3,828	\$3,566	(\$262)	-6.9%	\$261	\$198	(\$63)	-24.2%	\$11,491	\$10,926	(\$564)	-4.9%
<b>Total Annual Cost of Operations</b>	<b>\$1,792,615</b>	<b>\$1,785,160</b>	<b>(\$7,455)</b>	<b>-0.4%</b>	<b>\$1,312,840</b>	<b>\$1,207,854</b>	<b>(\$104,986)</b>	<b>-8.0%</b>	<b>\$27,373</b>	<b>\$20,116</b>	<b>(\$7,258)</b>	<b>-26.5%</b>	<b>\$3,132,828</b>	<b>\$3,013,129</b>	<b>(\$119,699)</b>	<b>-3.8%</b>
<b>Profit</b>	\$188,175	\$187,392	(\$783)	-0.4%	\$137,812	\$126,791	(\$11,021)	-8.0%	\$2,873	\$2,112	(\$762)	-26.5%	\$328,860	\$316,295	(\$12,565)	-3.8%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$1,980,790</b>	<b>\$1,972,552</b>	<b>(\$8,238)</b>	<b>-0.4%</b>	<b>\$1,450,652</b>	<b>\$1,334,646</b>	<b>(\$116,007)</b>	<b>-8.0%</b>	<b>\$30,247</b>	<b>\$22,227</b>	<b>(\$8,019)</b>	<b>-26.5%</b>	<b>\$3,461,689</b>	<b>\$3,329,425</b>	<b>(\$132,264)</b>	<b>-3.8%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$78,281	\$66,820	(\$11,461)	-14.6%	\$63,937	\$49,857	(\$14,080)	-22.0%	\$1,734	\$1,143	(\$591)	-34.1%	\$143,952	\$117,820	(\$26,132)	-18.2%
Interest Expense on Implementation Cost	\$2,527	\$2,126	(\$401)	-15.9%	\$1,997	\$1,617	(\$380)	-19.0%	\$57	\$38	(\$20)	-34.1%	\$4,581	\$3,781	(\$801)	-17.5%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$80,808</b>	<b>\$68,946</b>	<b>(\$11,862)</b>	<b>-14.7%</b>	<b>\$65,934</b>	<b>\$51,474</b>	<b>(\$14,460)</b>	<b>-21.9%</b>	<b>\$1,791</b>	<b>\$1,181</b>	<b>(\$611)</b>	<b>-34.1%</b>	<b>\$148,533</b>	<b>\$121,600</b>	<b>(\$26,933)</b>	<b>-18.1%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,061,598</b>	<b>\$2,041,498</b>	<b>(\$20,100)</b>	<b>-1.0%</b>	<b>\$1,516,586</b>	<b>\$1,386,120</b>	<b>(\$130,466)</b>	<b>-8.6%</b>	<b>\$32,038</b>	<b>\$23,408</b>	<b>(\$8,630)</b>	<b>-26.9%</b>	<b>\$3,610,222</b>	<b>\$3,451,025</b>	<b>(\$159,196)</b>	<b>-4.4%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>6.2%</b>	<b>6.1%</b>	<b>\$ (32,507)</b>	<b>-0.1%</b>	<b>6.5%</b>	<b>5.9%</b>	<b>\$ (140,569)</b>	<b>-0.6%</b>	<b>3.2%</b>	<b>2.4%</b>	<b>\$ (8,788)</b>	<b>-0.9%</b>	<b>6.27%</b>	<b>5.96%</b>	<b>\$ (181,864)</b>	<b>-0.31%</b>

SBWMA COLLECTION AGREEMENT

2015

Appendix 3-5

D. City of Foster City Allocated Costs - SFD

	Statistics Used for Cost Allocation							Total			
	City # of accounts	SBWMA # of accounts	City # of accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year		SBWMA # of route hours/year	City Total Route Labor hours year %	City Total Containers in Service
City # of accounts	6,747	6,737	5,525	6,737	6,737	1,714	6,747.00				
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999.00				
City # of accounts %	7.2%	7.2%	6.1%	7.2%	7.2%	7.1%	7.2%				
City Total Route Labor hours year	3,063.06	2,756.57	1,957.46	13.78	13.78	830.13	8,634.79				
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302.21				
City Total Route Labor hours year %	6.5%	6.2%	5.0%	6.2%	6.2%	7.1%	6.1%				
City # of route hours/year	2,641.11	2,404.56	1,811.15	12.02	12.02	830.13	7,711.00				
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,514.86				
City Total Route Labor hours year %	6.1%	5.9%	5.2%	5.9%	5.9%	7.1%	5.9%				
City Total Containers in Service	6,765	6,746	5,550	6,746	6,746	1,714	34,267.00				
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867.00				
City Total Containers in Service %	7.0%	7.1%	5.6%	7.1%	7.1%	7.1%	6.8%				

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$211,120	\$163,131	\$113,538	\$824	\$824	\$53,225	\$542,662
Benefits for CBAs	\$83,536	\$67,364	\$45,778	\$340	\$340	\$24,519	\$221,877
Payroll Taxes	\$17,565	\$13,573	\$9,446	\$69	\$69	\$4,428	\$45,150
Workers Compensation Insurance	\$18,609	\$14,378	\$10,007	\$73	\$73	\$4,691	\$47,831
Total Direct Labor Related-Costs	\$330,831	\$258,446	\$178,769	\$1,305	\$1,305	\$86,863	\$857,520
Direct Fuel Costs	\$49,431	\$47,946	\$35,628	\$242	\$242	\$5,940	\$139,430
Other Direct Costs	\$24,624	\$23,884	\$17,969	\$121	\$121	\$3,594	\$70,311
Depreciation - Collection Vehicles	\$49,369	\$43,967	\$38,496	\$222	\$222	\$3,664	\$135,939
Depreciation - Containers	\$30,187	\$30,937	\$29,588	\$156	\$156	\$0	\$91,024
Depreciation for Collection Equipment	\$79,555	\$74,904	\$68,084	\$378	\$378	\$3,664	\$226,963
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$94,993	\$97,858	\$82,034	\$494	\$494	\$3,885	\$279,759
Operations	\$20,183	\$19,908	\$17,359	\$101	\$101	\$964	\$58,614
Vehicle Maintenance	\$34,659	\$34,187	\$29,809	\$173	\$173	\$1,655	\$100,655
Container Maintenance	\$13,721	\$14,182	\$11,026	\$72	\$72	\$572	\$39,646
Total Allocated Indirect Costs excluding Depreciation and Interest	\$163,556	\$166,135	\$140,229	\$839	\$839	\$7,076	\$478,674
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,740	\$1,720	\$1,538	\$9	\$9	\$84	\$5,099
Annual Implementation Cost Amortization (Form A)	\$2,490	\$2,243	\$1,921	\$36	\$36	\$438	\$7,163
<b>Total Annual Cost of Operations</b>	<b>\$652,226</b>	<b>\$575,278</b>	<b>\$444,137</b>	<b>\$2,930</b>	<b>\$2,930</b>	<b>\$107,659</b>	<b>\$1,785,160</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$68,466</b>	<b>\$60,388</b>	<b>\$46,622</b>	<b>\$308</b>	<b>\$308</b>	<b>\$11,301</b>	<b>\$187,392</b>
90.5%							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$720,692</b>	<b>\$635,666</b>	<b>\$490,759</b>	<b>\$3,238</b>	<b>\$3,238</b>	<b>\$118,960</b>	<b>\$1,972,552</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$23,422	\$22,052	\$20,045	\$111	\$111	\$1,079	\$66,820
Interest Expense on Implementation Cost	\$739	\$666	\$570	\$11	\$11	\$130	\$2,126
Total Contractor Pass-Through Costs	\$24,161	\$22,718	\$20,615	\$122	\$122	\$1,208	\$68,946
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$744,852</b>	<b>\$658,384</b>	<b>\$511,373</b>	<b>\$3,360</b>	<b>\$3,360</b>	<b>\$120,169</b>	<b>\$2,041,498</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$736,629</b>	<b>\$676,915</b>	<b>\$514,637</b>	<b>\$3,456</b>	<b>\$3,456</b>	<b>\$126,506</b>	<b>\$2,061,598</b>
Change \$	\$8,224	(\$18,531)	(\$3,263)	(\$96)	(\$96)	(\$6,337)	(\$20,100)
Change %	1.1%	-2.7%	-0.6%	-2.8%	-2.8%	-5.0%	-1.0%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.



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D. City of Foster City Allocated Costs - MFD & Commercial

	Statistics Used for Cost Allocation								Total				
	City # of Accounts	SBWMA # Accounts	City # of Accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year	SBWMA # of route hours/year		City # of route hours/year %	City Total Containers in Service	SBWMA Total Containers in Service	City Total Containers in Service %
City # of Accounts	521	529	57	20	20	20	1,714						1,167.00
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026						22,072.00
City # of Accounts %	5.1%	5.3%	4.1%	11.1%	11.1%	11.1%	7.1%						5.3%
City Total Route Labor hours year	2,378.55	1,631.67	444.56	275.68	-	107.21	830.13						4,837.67
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30						87,651.35
City Total Route Labor hours year %	4.8%	6.1%	7.5%	7.0%	0.0%	31.8%	7.1%						5.5%
City # of route hours/year	1,931.30	1,554.42	423.58	275.68	-	107.21	830.13						4,292.19
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30						68,917.71
City # of route hours/year %	6.0%	6.1%	7.7%	7.0%	0.0%	31.8%	7.1%						6.2%
City Total Containers in Service	764	1,196	88	34	34	34	1,714						2,150.00
SBWMA Total Containers in Service	17,701.00	19,228.00	1,745.00	266.00	266.00	266.00	24,026.00						39,472.00
City Total Containers in Service %	4.3%	6.2%	5.0%	12.8%	12.8%	12.8%	7.1%						5.4%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$204,722	\$102,441	\$43,678	\$24,079	\$0	\$2,928	\$8,579	\$386,426
Benefits for CBAs	\$83,604	\$39,298	\$11,773	\$6,886	\$0	\$1,172	\$3,614	\$146,347
Payroll Taxes	\$17,033	\$8,523	\$3,634	\$2,003	\$0	\$244	\$714	\$32,151
Workers Compensation Insurance	\$18,044	\$9,029	\$3,850	\$2,122	\$0	\$258	\$756	\$34,060
<b>Total Direct Labor Related-Costs</b>	<b>\$323,403</b>	<b>\$159,291</b>	<b>\$62,936</b>	<b>\$35,090</b>	<b>\$0</b>	<b>\$4,602</b>	<b>\$13,663</b>	<b>\$598,984</b>
Direct Fuel Costs	\$57,135	\$24,568	\$14,301	\$5,158	\$0	\$878	\$2,203	\$104,242
Other Direct Costs	\$29,743	\$14,959	\$6,562	\$3,703	\$0	\$632	\$1,147	\$56,746
Depreciation - Collection Vehicles	\$47,111	\$24,676	\$17,076	\$3,459	\$0	\$7,881	\$1,404	\$101,607
Depreciation - Containers	\$8,331	\$9,050	\$6,899	\$0	\$0	\$0	\$426	\$24,706
Depreciation for Collection Equipment	\$55,442	\$33,727	\$23,974	\$3,459	\$0	\$7,881	\$1,830	\$126,313
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$35,889	\$39,469	\$36,062	\$37,498	\$7,634	\$2,775	\$1,597	\$160,924
Operations	\$10,446	\$11,277	\$16,742	\$5,836	\$0	\$1,968	\$396	\$46,666
Vehicle Maintenance	\$17,939	\$19,366	\$28,751	\$10,022	\$0	\$3,380	\$680	\$80,137
Container Maintenance	\$4,464	\$6,807	\$6,506	\$6,355	\$1,294	\$470	\$235	\$26,132
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$68,738</b>	<b>\$76,920</b>	<b>\$88,060</b>	<b>\$59,710</b>	<b>\$8,928</b>	<b>\$8,595</b>	<b>\$2,909</b>	<b>\$313,860</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$940	\$989	\$1,245	\$574	\$0	\$359	\$35	\$4,142
Annual Implementation Cost Amortization (Form A)	\$2,867	\$72	\$47	\$457	\$0	\$15	\$107	\$3,566
<b>Total Annual Cost of Operations</b>	<b>\$538,267</b>	<b>\$310,526</b>	<b>\$197,126</b>	<b>\$108,151</b>	<b>\$8,928</b>	<b>\$22,962</b>	<b>\$21,894</b>	<b>\$1,207,854</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$56,503.21</b>	<b>\$32,597</b>	<b>\$20,693</b>	<b>\$11,353</b>	<b>\$937</b>	<b>\$2,410</b>	<b>\$2,298</b>	<b>\$126,791</b>
	90.5%							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$594,771</b>	<b>\$343,122</b>	<b>\$217,819</b>	<b>\$119,504</b>	<b>\$9,865</b>	<b>\$25,372</b>	<b>\$24,192</b>	<b>\$1,334,646</b>
Contractor Pass-Through Costs								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$21,883	\$13,312	\$9,463	\$1,365	\$0	\$3,111	\$722	\$49,857
Interest Expense on Implementation Cost	\$1,300	\$33	\$21	\$207	\$0	\$7	\$49	\$1,617
<b>Total Contractor Pass-Through Costs</b>	<b>\$23,184</b>	<b>\$13,345</b>	<b>\$9,484</b>	<b>\$1,573</b>	<b>\$0</b>	<b>\$3,118</b>	<b>\$771</b>	<b>\$51,474</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$617,954</b>	<b>\$356,467</b>	<b>\$227,303</b>	<b>\$121,077</b>	<b>\$9,865</b>	<b>\$28,490</b>	<b>\$24,963</b>	<b>\$1,386,120</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$574,929</b>	<b>\$414,070</b>	<b>\$282,484</b>	<b>\$170,188</b>	<b>\$17,200</b>	<b>\$31,259</b>	<b>\$26,456</b>	<b>\$1,516,586</b>
Change \$	\$43,025	(\$57,603)	(\$55,181)	(\$49,111)	(\$7,335)	(\$2,769)	(\$1,493)	(\$130,466)
Change %	7.5%	-13.9%	-19.5%	-28.9%	-42.6%	-8.9%	-5.6%	-8.6%

SBWMA COLLECTION AGREEMENT

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D. City of Foster City Allocated Costs - Agency Facilities

	Statistics Used for Cost Allocation				Totals
City # of Lifts per year	1,807	403	923	6,747	3,133.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	5,844.04	
City # of Lifts per year %	0.8%	2.9%	1.8%	7.2%	
City Total Route Labor hours year	78.07	11.97	9.77	99.81	99.81
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	1.7%	6.2%	0.9%	1.7%	
City # of route hours/year	73.10	11.75	9.31	99.81	94.16
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	2.9%	6.4%	1.0%	1.7%	
City # of Containers	10	4	13	6,765	27.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	1.3%	1.8%	2.5%	7.0%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$1,765	\$1,376	\$380	\$185	\$3,706
Benefits for CBAs	\$707	\$551	\$152	\$74	\$1,484
Payroll Taxes	\$147	\$114	\$32	\$15	\$308
Workers Compensation Insurance	\$156	\$121	\$34	\$16	\$327
<b>Total Direct Labor Related-Costs</b>	<b>\$2,774</b>	<b>\$2,162</b>	<b>\$598</b>	<b>\$291</b>	<b>\$5,825</b>
Direct Fuel Costs	\$896	\$424	\$115	\$56	\$1,491
Other Direct Costs	\$639	\$303	\$82	\$40	\$1,064
Depreciation - Collection Vehicles	\$2,437	\$1,364	\$271	\$121	\$4,194
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$2,437	\$1,364	\$271	\$121	\$4,194
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$924	\$715	\$744	\$763	\$3,146
Operations	\$787	\$397	\$96	\$45	\$1,325
Vehicle Maintenance	\$1,351	\$682	\$164	\$77	\$2,276
Container Maintenance (using lifts for Agency Costs)	\$136	\$105	\$110	\$112	\$464
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$3,199</b>	<b>\$1,899</b>	<b>\$1,114</b>	<b>\$998</b>	<b>\$7,211</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$78	\$44	\$9	\$4	\$135
Annual Implementation Cost Amortization (Form A)	\$115	\$64	\$13	\$6	\$198
<b>Total Annual Cost of Operations</b>	<b>\$10,139</b>	<b>\$6,261</b>	<b>\$2,201</b>	<b>\$1,516</b>	<b>\$20,116</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$1,064</b>	<b>\$657</b>	<b>\$231</b>	<b>\$159</b>	<b>\$2,112</b>
	90.5%				
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$11,203</b>	<b>\$6,918</b>	<b>\$2,432</b>	<b>\$1,675</b>	<b>\$22,227</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$664	\$372	\$74	\$33	\$1,143
Interest Expense on Implementation Cost	\$22	\$12	\$2	\$1	\$38
<b>Total Contractor Pass-Through Costs</b>	<b>\$686</b>	<b>\$384</b>	<b>\$76</b>	<b>\$34</b>	<b>\$1,181</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$11,889</b>	<b>\$7,302</b>	<b>\$2,508</b>	<b>\$1,709</b>	<b>\$23,408</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$10,899</b>	<b>\$6,361</b>	<b>\$12,692</b>	<b>\$2,086</b>	<b>\$32,038</b>
Change \$	\$991	\$941	(\$10,184)	(\$377)	(\$8,630)
Change %	9.1%	14.8%	-80.2%	-18.1%	-26.9%

<b>Member Agency Snapshot</b>		<b>Appendix 3-5</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>FOSTER CITY</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	6,749	6,789	6,747	-42	-0.6%	
Commercial & Multi Family	1,178	1,186	1,167	-19	-1.6%	
<b>Total</b>	<b>7,927</b>	<b>7,975</b>	<b>7,914</b>	<b>-61</b>	<b>-0.8%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	9,320	9,194	8,635	-560	-6.1%	
Commercial & Multi Family	5,005	5,426	4,838	-588	-10.8%	
Member Agency Facility	223	142	100	-42	-29.5%	
<b>Total</b>	<b>14,548</b>	<b>14,762</b>	<b>13,572</b>	<b>-1,189</b>	<b>-8.1%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	8,807	8,394	7,711	-683	-8.1%	
Commercial & Multi Family	4,690	4,993	4,292	-700	-14.0%	
Member Agency Facility	211	137	94	-42	-31.1%	
<b>Total</b>	<b>13,708</b>	<b>13,523</b>	<b>12,097</b>	<b>-1,426</b>	<b>-10.5%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	6,771	6,794	6,765	-29	-0.4%	
Commercial & Multi Family	1,086	789	764	-25	-3.2%	
Member Agency Facility	8	10	10	0	0.0%	
<b>Total</b>	<b>7,865</b>	<b>7,593</b>	<b>7,539</b>	<b>-54</b>	<b>-0.7%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste		3,291	3,134	3,071	-63	0.0%
Residential - organics		2,756	2,745	2,745	0	0.0%
Commercial & MFD - solid waste		7,477	7,151	7,008	-143	0.0%
Commercial & MFD - green waste		2,444	2,602	2,680	78	0.0%
C&D		-	-	-	0	0.0%
Member Agency Delivered to Shoreway		280	191	191	0	0.0%
<b>Total</b>		<b>16,248</b>	<b>15,823</b>	<b>15,695</b>	<b>-128</b>	<b>0.0%</b>

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-6

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. HILLSBOROUGH**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	698,353	712,942	14,589	2.1%
Benefits for CBAs	282,782	288,632	5,850	2.1%
Payroll Taxes	58,103	59,317	1,214	2.1%
Workers Compensation Insurance	61,509	62,840	1,331	2.2%
Total Direct Labor Related-Costs	1,100,748	1,123,731	22,983	2.1%
Direct Fuel Costs	203,429	198,179	(5,250)	-2.6%
Other Direct Costs	98,314	99,327	1,013	1.0%
Depreciation				
- Collection Vehicles	194,703	193,880	(823)	-0.4%
- Containers	59,031	59,158	126	0.2%
Total Depreciation	253,734	253,037	(697)	-0.3%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	166,435	168,282	1,847	1.1%
Operations	83,925	85,344	1,419	1.7%
Vehicle Maintenance	143,958	146,556	2,598	1.8%
Container Maintenance	25,680	26,055	375	1.5%
Total Allocated Indirect Costs excluding Depreciation	419,998	426,237	6,239	1.5%
Total Allocated Indirect Depreciation Costs	7,403	7,390	(13)	-0.2%
Annual Implementation Cost Amortization	9,937	9,895	(42)	-0.4%
<b>Total Annual Cost of Operations</b>	<b>2,093,563</b>	<b>2,117,796</b>	<b>24,233</b>	<b>1.2%</b>
<b>Profit</b>	219,766	222,310	2,544	1.2%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>2,313,330</b>	<b>2,340,107</b>	<b>26,777</b>	<b>1.2%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	86,534	75,036	(11,499)	-13.3%
Interest Expense on Implementation Cost	3,409	2,950	(459)	-13.5%
Contract Changes to Specific Agencies	(448,948)	(453,384)	(4,436)	
<b>Total Contractor Pass-Through Costs</b>	<b>(359,004)</b>	<b>(375,398)</b>	<b>(16,394)</b>	<b>4.6%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>1,954,326</b>	<b>1,964,709</b>	<b>10,383</b>	<b>0.5%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	8,426	2,878	(5,548)	
<b>Total Other Adjustments</b>	<b>8,426</b>	<b>2,878</b>	<b>(5,548)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>1,962,752</b>	<b>1,967,587</b>	<b>4,835</b>	<b>0.2%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**Hillsborough**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$679,841	\$698,131	\$18,290	2.7%	\$17,309	\$14,177	(\$3,132)	-18.1%	\$1,203	\$634	(\$569)	-47.3%	\$698,353	\$712,942	\$14,589	2.1%
Benefits for CBAs	\$275,964	\$283,396	\$7,432	2.7%	\$6,337	\$4,982	(\$1,355)	-21.4%	\$482	\$254	(\$228)	-47.3%	\$282,782	\$288,632	\$5,850	2.1%
Payroll Taxes	\$56,563	\$58,085	\$1,522	2.7%	\$1,440	\$1,180	(\$261)	-18.1%	\$100	\$53	(\$47)	-47.3%	\$58,103	\$59,317	\$1,214	2.1%
Workers Compensation Insurance	\$59,879	\$61,534	\$1,656	2.8%	\$1,525	\$1,250	(\$275)	-18.0%	\$106	\$56	(\$50)	-47.3%	\$61,509	\$62,840	\$1,331	2.2%
<b>Total Direct Labor Related-Costs</b>	<b>\$1,072,246</b>	<b>\$1,101,146</b>	<b>\$28,900</b>	<b>2.7%</b>	<b>\$26,611</b>	<b>\$21,589</b>	<b>(\$5,022)</b>	<b>-18.9%</b>	<b>\$1,891</b>	<b>\$996</b>	<b>(\$895)</b>	<b>-47.3%</b>	<b>\$1,100,748</b>	<b>\$1,123,731</b>	<b>\$22,983</b>	<b>2.1%</b>
Direct Fuel Costs	\$198,156	\$193,762	(\$4,394)	-2.2%	\$4,908	\$4,229	(\$679)	-13.8%	\$365	\$188	(\$178)	-48.6%	\$203,429	\$198,179	(\$5,250)	-2.6%
Other Direct Costs	\$95,638	\$97,082	\$1,444	1.5%	\$2,425	\$2,111	(\$314)	-12.9%	\$251	\$134	(\$117)	-46.6%	\$98,314	\$99,327	\$1,013	1.0%
Depreciation																
- Collection Vehicles	\$189,270	\$189,301	\$31	0.0%	\$4,469	\$4,066	(\$403)	-9.0%	\$964	\$513	(\$451)	-46.8%	\$194,703	\$193,880	(\$823)	-0.4%
- Containers	\$57,536	\$57,736	\$200	0.3%	\$1,495	\$1,421	(\$74)	-5.0%	\$0	\$0	\$0		\$59,031	\$59,158	\$126	0.2%
<b>Total Depreciation</b>	<b>\$246,805</b>	<b>\$247,037</b>	<b>\$232</b>	<b>0.1%</b>	<b>\$5,964</b>	<b>\$5,487</b>	<b>(\$477)</b>	<b>-8.0%</b>	<b>\$964</b>	<b>\$513</b>	<b>(\$451)</b>	<b>-46.8%</b>	<b>\$253,734</b>	<b>\$253,037</b>	<b>(\$697)</b>	<b>-0.3%</b>
Allocated Indirect Costs																
General and Administrative	\$157,591	\$160,091.36	\$2,500	1.6%	\$6,913	\$6,394.98	(\$518)	-7.5%	\$1,931	\$1,796	(\$135)	-7.0%	\$166,435	\$168,282	\$1,847	1.1%
Operations	\$80,967	\$82,417.12	\$1,450	1.8%	\$2,652	\$2,761.59	\$110	4.1%	\$306	\$165	(\$141)	-46.2%	\$83,925	\$85,344	\$1,419	1.7%
Vehicle Maintenance	\$138,884	\$141,530.57	\$2,646	1.9%	\$4,549	\$4,742.33	\$194	4.3%	\$526	\$283	(\$242)	-46.1%	\$143,958	\$146,556	\$2,598	1.8%
Container Maintenance	\$24,188	\$24,622.03	\$434	1.8%	\$1,207	\$1,168.35	(\$38)	-3.2%	\$285	\$265	(\$20)	-7.0%	\$25,680	\$26,055	\$375	1.5%
<b>Total Allocated Indirect Costs</b>	<b>\$401,630</b>	<b>\$408,661</b>	<b>\$7,031</b>	<b>1.8%</b>	<b>\$15,320</b>	<b>\$15,067</b>	<b>(\$253)</b>	<b>-1.7%</b>	<b>\$3,047</b>	<b>\$2,509</b>	<b>(\$539)</b>	<b>-17.7%</b>	<b>\$419,998</b>	<b>\$426,237</b>	<b>\$6,239</b>	<b>1.5%</b>
Total Allocated Indirect Depreciation Costs	\$7,161	\$7,161.38	\$1	0.0%	\$211	\$212.46	\$1	0.5%	\$31	\$17	(\$15)	-46.8%	\$7,403	\$7,390	(\$13)	-0.2%
Annual Implementation Cost Amortization	\$9,766	\$9,765.53	(\$0)	0.0%	\$126	\$105.11	(\$21)	-16.4%	\$45	\$24	(\$21)	-46.8%	\$9,937	\$9,895	(\$42)	-0.4%
<b>Total Annual Cost of Operations</b>	<b>\$2,031,403</b>	<b>\$2,064,615</b>	<b>\$33,212</b>	<b>1.6%</b>	<b>\$55,565</b>	<b>\$48,801</b>	<b>(\$6,764)</b>	<b>-12.2%</b>	<b>\$6,595</b>	<b>\$4,380</b>	<b>(\$2,215)</b>	<b>-33.6%</b>	<b>\$2,093,563</b>	<b>\$2,117,796</b>	<b>\$24,233</b>	<b>1.2%</b>
<b>Profit</b>	\$213,241	\$216,727.59	\$3,486	1.6%	\$5,833	\$5,122.73	(\$710)	-12.2%	\$692	\$460	(\$233)	-33.6%	\$219,766	\$222,310	\$2,544	1.2%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$2,244,644</b>	<b>\$2,281,343</b>	<b>\$36,699</b>	<b>1.6%</b>	<b>\$61,398</b>	<b>\$53,924</b>	<b>(\$7,474)</b>	<b>-12.2%</b>	<b>\$7,288</b>	<b>\$4,840</b>	<b>(\$2,448)</b>	<b>-33.6%</b>	<b>\$2,313,330</b>	<b>\$2,340,107</b>	<b>\$26,777</b>	<b>1.2%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$83,526	\$72,730	(\$10,796)	-12.9%	\$2,706	\$2,166	(\$540)	-20.0%	\$302	\$140	(\$162)	-53.7%	\$86,534	\$75,036	(\$11,499)	-13.3%
Interest Expense on Implementation Cost	\$3,334	\$2,898	(\$436)	-13.1%	\$66	\$48	(\$18)	-27.3%	\$10	\$5	(\$5)	-53.7%	\$3,409	\$2,950	(\$459)	-13.5%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$86,860</b>	<b>\$75,628</b>	<b>(\$11,232)</b>	<b>-12.9%</b>	<b>\$2,772</b>	<b>\$2,213</b>	<b>(\$558)</b>	<b>-20.1%</b>	<b>\$312</b>	<b>\$144</b>	<b>(\$168)</b>	<b>-53.7%</b>	<b>\$89,944</b>	<b>\$77,986</b>	<b>(\$11,958)</b>	<b>-13.3%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,331,504</b>	<b>\$2,356,971</b>	<b>\$25,467</b>	<b>1.1%</b>	<b>\$64,170</b>	<b>\$56,137</b>	<b>(\$8,033)</b>	<b>-12.5%</b>	<b>\$7,600</b>	<b>\$4,985</b>	<b>(\$2,615)</b>	<b>-34.4%</b>	<b>\$2,403,274</b>	<b>\$2,418,093</b>	<b>\$14,819</b>	<b>0.6%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>7.1%</b>	<b>7.1%</b>	<b>\$11,435</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>\$ (8,460)</b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>(\$2,653)</b>	<b>-0.3%</b>	<b>4.18%</b>	<b>4.18%</b>	<b>\$322</b>	<b>0.00%</b>

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**D. Town of Hillsborough Allocated Costs - SFD**

	Statistics Used for Cost Allocation							Total
City # of accounts	3,646	3,639	3,608	3,639	3,639	792	3,646.00	
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999.00	
City # of accounts %	3.9%	3.9%	4.0%	3.9%	3.9%	3.3%	3.9%	
City Total Route Labor hours year	3,832.29	4,264.18	2,663.65	21.32	21.32	383.58	11,186.34	
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302.21	
City Total Route Labor hours year %	8.2%	9.6%	6.8%	9.6%	9.6%	3.3%	7.9%	
City # of route hours/year	3,513.63	4,072.11	2,198.07	20.36	20.36	383.58	10,208.11	
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,514.86	
City Total Route Labor hours year %	8.2%	10.0%	6.3%	10.0%	10.0%	3.3%	7.8%	
City Total Containers in Service	3,712	3,738	4,475	3,738	3,738	792	20,193.00	
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867.00	
City Total Containers in Service %	3.9%	3.9%	4.5%	3.9%	3.9%	3.3%	4.0%	

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$264,139	\$252,350	\$154,499	\$1,274	\$1,274	\$24,594	\$698,131
Benefits for CBAs	\$104,515	\$104,207	\$62,293	\$526	\$526	\$11,329	\$283,396
Payroll Taxes	\$21,976	\$20,996	\$12,854	\$106	\$106	\$2,046	\$58,085
Workers Compensation Insurance	\$23,282	\$22,242	\$13,618	\$112	\$112	\$2,168	\$61,534
Total Direct Labor Related-Costs	\$413,913	\$399,794	\$243,264	\$2,019	\$2,019	\$40,137	\$1,101,146
Direct Fuel Costs	\$65,761	\$81,197	\$43,239	\$410	\$410	\$2,745	\$193,762
Other Direct Costs	\$32,758	\$40,448	\$21,807	\$204	\$204	\$1,661	\$97,082
Depreciation - Collection Vehicles	\$65,678	\$74,458	\$46,719	\$376	\$376	\$1,693	\$189,301
Depreciation - Containers	\$16,564	\$17,142	\$23,857	\$87	\$87	\$0	\$57,736
Depreciation for Collection Equipment	\$82,242	\$91,600	\$70,577	\$463	\$463	\$1,693	\$247,037
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$51,333	\$52,858	\$53,571	\$267	\$267	\$1,795	\$160,091
Operations	\$26,850	\$33,714	\$21,067	\$170	\$170	\$445	\$82,417
Vehicle Maintenance	\$46,108	\$57,895	\$36,178	\$292	\$292	\$765	\$141,531
Container Maintenance	\$7,529	\$7,859	\$8,891	\$40	\$40	\$264	\$24,622
Total Allocated Indirect Costs excluding Depreciation and Interest	\$131,821	\$152,325	\$119,706	\$769	\$769	\$3,270	\$408,661
Total Allocated Indirect Depreciation Costs (Form 9)	\$2,314	\$2,913	\$1,866	\$15	\$15	\$39	\$7,161
Annual Implementation Cost Amortization (Form A)	\$3,312	\$3,798	\$2,331	\$61	\$61	\$202	\$9,766
<b>Total Annual Cost of Operations</b>	<b>\$732,121</b>	<b>\$772,075</b>	<b>\$502,790</b>	<b>\$3,941</b>	<b>\$3,941</b>	<b>\$49,746</b>	<b>\$2,064,615</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$76,853</b>	<b>\$81,047</b>	<b>\$52,779</b>	<b>\$414</b>	<b>\$414</b>	<b>\$5,222</b>	<b>\$216,728</b>
	<b>0.91</b>						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$808,974</b>	<b>\$853,122</b>	<b>\$555,569</b>	<b>\$4,355</b>	<b>\$4,355</b>	<b>\$54,968</b>	<b>\$2,281,343</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$24,213	\$26,968	\$20,778	\$136	\$136	\$498	\$72,730
Interest Expense on Implementation Cost	\$983	\$1,127	\$692	\$18	\$18	\$60	\$2,898
Total Contractor Pass-Through Costs	\$25,196	\$28,095	\$21,470	\$154	\$154	\$558	\$75,628
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$834,170</b>	<b>\$881,217</b>	<b>\$577,040</b>	<b>\$4,509</b>	<b>\$4,509</b>	<b>\$55,527</b>	<b>\$2,356,971</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$829,869</b>	<b>\$818,968</b>	<b>\$613,074</b>	<b>\$4,193</b>	<b>\$4,193</b>	<b>\$61,208</b>	<b>\$2,331,504</b>
Change \$	\$4,300	\$62,249	(\$36,034)	\$317	\$317	(\$5,681)	\$25,467
Change %	0.5%	7.6%	-5.9%	7.6%	7.6%	-9.3%	1.1%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.  
includes adjustment to Hillsborough Backyard service (\$54,334)

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D. Town of Hillsborough Allocated Costs - MFD & Commercial

	Statistics Used for Cost Allocation								Total
	7	10	7	0	0	0	792		
City # of Accounts	7	10	7	0	0	0	792		24.00
SBWMA # Accounts	10,192.00	9,956.00	1,384.00	180.00	180.00	180.00	24,026.00		22,072.00
City # of Accounts %	0.1%	0.1%	0.5%	0.0%	0.0%	0.0%	3.3%		0.1%
City Total Route Labor hours year	33.86	21.61	60.48	-	-	-	383.58		115.95
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30		87,651.35
City Total Route Labor hours year %	0.1%	0.1%	1.0%	0.0%	0.0%	0.0%	3.3%		0.1%
City # of route hours/year	32.58	20.31	57.05	-	-	-	383.58		109.94
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30		68,917.71
City # of route hours/year %	0.1%	0.1%	1.0%	0.0%	0.0%	0.0%	3.3%		0.2%
City Total Containers in Service	11	32	11	0	0	0	792		54.00
SBWMA Total Containers in Service	17,701.00	19,228.00	1,745.00	266.00	266.00	266.00	24,026.00		39,472.00
City Total Containers in Service %	0.1%	0.2%	0.6%	0.0%	0.0%	0.0%	3.3%		0.1%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$2,914	\$1,357	\$5,942	\$0	\$0	\$0	\$3,964	\$14,177
Benefits for CBAs	\$1,190	\$520	\$1,602	\$0	\$0	\$0	\$1,670	\$4,982
Payroll Taxes	\$242	\$113	\$494	\$0	\$0	\$0	\$330	\$1,180
Workers Compensation Insurance	\$257	\$120	\$524	\$0	\$0	\$0	\$349	\$1,250
Total Direct Labor Related-Costs	\$4,604	\$2,110	\$8,562	\$0	\$0	\$0	\$6,313	\$21,589
Direct Fuel Costs	\$964	\$321	\$1,926	\$0	\$0	\$0	\$1,018	\$4,229
Other Direct Costs	\$502	\$195	\$884	\$0	\$0	\$0	\$530	\$2,111
Depreciation - Collection Vehicles	\$795	\$322	\$2,300	\$0	\$0	\$0	\$649	\$4,066
Depreciation - Containers	\$120	\$242	\$862	\$0	\$0	\$0	\$197	\$1,421
Depreciation for Collection Equipment	\$915	\$565	\$3,162	\$0	\$0	\$0	\$845	\$5,487
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$482	\$746	\$4,429	\$0	\$0	\$0	\$738	\$6,395
Operations	\$176	\$147	\$2,255	\$0	\$0	\$0	\$183	\$2,762
Vehicle Maintenance	\$303	\$253	\$3,872	\$0	\$0	\$0	\$314	\$4,742
Container Maintenance	\$64	\$182	\$813	\$0	\$0	\$0	\$109	\$1,168
Total Allocated Indirect Costs excluding Depreciation and Interest	\$1,025	\$1,329	\$11,369	\$0	\$0	\$0	\$1,344	\$15,067
Total Allocated Indirect Depreciation Costs (Form 9)	\$16	\$13	\$168	\$0	\$0	\$0	\$16	\$212
Annual Implementation Cost Amortization (Form A)	\$48	\$1	\$6	\$0	\$0	\$0	\$49	\$105
<b>Total Annual Cost of Operations</b>	<b>\$8,074</b>	<b>\$4,533</b>	<b>\$26,077</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,117</b>	<b>\$48,801</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$847.51</b>	<b>\$476</b>	<b>\$2,737</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,062</b>	<b>\$5,123</b>
	0.91							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$8,921</b>	<b>\$5,009</b>	<b>\$28,815</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,179</b>	<b>\$53,924</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$361	\$223	\$1,248	\$0	\$0	\$0	\$334	\$2,166
Interest Expense on Implementation Cost	\$22	\$0	\$3	\$0	\$0	\$0	\$22	\$48
Total Contractor Pass-Through Costs	\$383	\$223	\$1,251	\$0	\$0	\$0	\$356	\$2,213
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$9,304</b>	<b>\$5,232</b>	<b>\$30,066</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,535</b>	<b>\$56,137</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$13,630</b>	<b>\$10,292</b>	<b>\$27,448</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,800</b>	<b>\$64,170</b>
Change \$	(\$4,326)	(\$5,060)	\$2,618	\$0	\$0	\$0	(\$1,265)	(\$8,033)
Change %	-31.7%	-49.2%	9.5%	0.0%	0.0%	0.0%	-9.9%	-12.5%

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**D. Town of Hillsborough Allocated Costs - Agency Facilities**

	Statistics Used for Cost Allocation				Totals
City # of Lifts per year	312	312	832	3,646	1,456.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	0.1%	2.2%	1.7%	3.9%	
City Total Route Labor hours year	2.64	2.24	7.54	12.42	12.42
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	0.1%	1.2%	0.7%	0.2%	
City # of route hours/year	1.16	2.15	7.21	12.42	10.52
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	0.0%	1.2%	0.7%	0.2%	
City # of Containers	4	6	16	3,712	26.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	0.5%	2.7%	3.1%	3.9%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$60	\$257	\$293	\$23	\$634
Benefits for CBAs	\$24	\$103	\$118	\$9	\$254
Payroll Taxes	\$5	\$21	\$24	\$2	\$53
Workers Compensation Insurance	\$5	\$23	\$26	\$2	\$56
<b>Total Direct Labor Related-Costs</b>	<b>\$94</b>	<b>\$405</b>	<b>\$461</b>	<b>\$36</b>	<b>\$996</b>
Direct Fuel Costs	\$14	\$78	\$89	\$7	\$188
Other Direct Costs	\$10	\$55	\$63	\$5	\$134
Depreciation - Collection Vehicles	\$39	\$250	\$210	\$15	\$513
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$39	\$250	\$210	\$15	\$513
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$160	\$553	\$671	\$413	\$1,796
Operations	\$12	\$73	\$74	\$6	\$165
Vehicle Maintenance	\$21	\$125	\$127	\$10	\$283
Container Maintenance (using lifts for Agency Costs)	\$24	\$82	\$99	\$61	\$265
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$217</b>	<b>\$832</b>	<b>\$971</b>	<b>\$489</b>	<b>\$2,509</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$1	\$8	\$7	\$0	\$17
Annual Implementation Cost Amortization (Form A)	\$2	\$12	\$10	\$1	\$24
<b>Total Annual Cost of Operations</b>	<b>\$377</b>	<b>\$1,639</b>	<b>\$1,811</b>	<b>\$553</b>	<b>\$4,380</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$40</b>	<b>\$172</b>	<b>\$190</b>	<b>\$58</b>	<b>\$460</b>
	0.91				
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$417</b>	<b>\$1,811</b>	<b>\$2,001</b>	<b>\$611</b>	<b>\$4,840</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$11	\$68	\$57	\$4	\$140
Interest Expense on Implementation Cost	\$0	\$2	\$2	\$0	\$5
<b>Total Contractor Pass-Through Costs</b>	<b>\$11</b>	<b>\$70</b>	<b>\$59</b>	<b>\$4</b>	<b>\$144</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$427</b>	<b>\$1,882</b>	<b>\$2,060</b>	<b>\$615</b>	<b>\$4,985</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$617</b>	<b>\$2,880</b>	<b>\$3,396</b>	<b>\$706</b>	<b>\$7,600</b>
Change \$	(\$190)	(\$999)	(\$1,336)	(\$91)	(\$2,615)
Change %	-30.8%	-34.7%	-39.3%	-12.9%	-34.4%



<b>Member Agency Snapshot</b>		<b>Appendix 3-6</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>HILLSBOROUGH</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	3,631	3,637	3,646	9	0.2%	
Commercial & Multi Family	23	24	24	0	0.0%	
<b>Total</b>	<b>3,654</b>	<b>3,661</b>	<b>3,670</b>	<b>9</b>	<b>0.2%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	11,566	11,658	11,186	-471	-4.0%	
Commercial & Multi Family	265	161	116	-45	-27.8%	
Member Agency Facility	55	24	12	-12	-48.5%	
<b>Total</b>	<b>11,886</b>	<b>11,842</b>	<b>11,315</b>	<b>-528</b>	<b>-4.5%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	10,870	10,728	10,208	-519	-4.8%	
Commercial & Multi Family	205	139	110	-29	-20.9%	
Member Agency Facility	36	20	11	-10	-48.4%	
<b>Total</b>	<b>11,112</b>	<b>10,887</b>	<b>10,329</b>	<b>-558</b>	<b>-5.1%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	3,693	3,712	3,712	0	0.0%	
Commercial & Multi Family	12	11	11	0	0.0%	
Member Agency Facility	5	4	4	0	0.0%	
<b>Total</b>	<b>3,710</b>	<b>3,727</b>	<b>3,727</b>	<b>0</b>	<b>0.0%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste		2,280	2,218	2,196	-22	0.0%
Residential - organics		4,368	4,405	4,449	44	0.0%
Commercial & MFD - solid waste		385	255	255	0	0.0%
Commercial & MFD - green waste		354	331	331	0	0.0%
C&D		434	313	313	0	0.0%
Member Agency Delivered to Shoreway		-	-	-	0	0.0%
<b>Total</b>		<b>7,822</b>	<b>7,522</b>	<b>7,544</b>	<b>22</b>	<b>0.0%</b>

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-7

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. MENLO PARK**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	1,510,915	1,536,427	25,511	1.7%
Benefits for CBAs	598,327	605,643	7,316	1.2%
Payroll Taxes	125,708	127,831	2,123	1.7%
Workers Compensation Insurance	133,077	135,423	2,346	1.8%
Total Direct Labor Related-Costs	2,368,028	2,405,324	37,296	1.6%
Direct Fuel Costs	420,212	412,827	(7,385)	-1.8%
Other Direct Costs	212,458	217,189	4,731	2.2%
Depreciation				
- Collection Vehicles	413,093	418,966	5,873	1.4%
- Containers	188,173	182,268	(5,905)	-3.1%
Total Depreciation	601,266	601,234	(32)	0.0%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	766,299	766,331	32	0.0%
Operations	174,648	183,653	9,004	5.2%
Vehicle Maintenance	299,577	315,377	15,799	5.3%
Container Maintenance	117,174	116,165	(1,009)	-0.9%
Total Allocated Indirect Costs excluding Depreciation	1,357,699	1,381,525	23,826	1.8%
Total Allocated Indirect Depreciation Costs	15,418	15,922	504	3.3%
Annual Implementation Cost Amortization	18,168	18,175	6	0.0%
<b>Total Annual Cost of Operations</b>	<b>4,993,249</b>	<b>5,052,195</b>	<b>58,946</b>	<b>1.2%</b>
<b>Profit</b>	524,153	530,341	6,188	1.2%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>5,517,402</b>	<b>5,582,536</b>	<b>65,133</b>	<b>1.2%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	232,399	201,758	(30,640)	-13.2%
Interest Expense on Implementation Cost	7,224	6,259	(965)	-13.4%
Contract Changes to Specific Agencies	23,919	24,201	282	1.2%
<b>Total Contractor Pass-Through Costs</b>	<b>263,542</b>	<b>232,219</b>	<b>(31,323)</b>	<b>-11.9%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>5,780,944</b>	<b>5,814,754</b>	<b>33,810</b>	<b>0.6%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	46,375	23,827	(22,548)	
<b>Total Other Adjustments</b>	<b>46,375</b>	<b>23,827</b>	<b>(22,548)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>5,827,319</b>	<b>5,838,582</b>	<b>11,263</b>	<b>0.2%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**MENLO PARK**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$727,992	\$732,578	\$4,586	0.6%	\$751,696	\$770,964	\$19,269	2.6%	\$31,228	\$32,884	\$1,657	5.3%	\$1,510,915	\$1,536,427	\$25,511	1.7%
Benefits for CBAs	\$297,556	\$298,359	\$803	0.3%	\$288,268	\$294,117	\$5,849	2.0%	\$12,503	\$13,166	\$663	5.3%	\$598,327	\$605,643	\$7,316	1.2%
Payroll Taxes	\$60,569	\$60,951	\$382	0.6%	\$62,541	\$64,144	\$1,603	2.6%	\$2,598	\$2,736	\$138	5.3%	\$125,708	\$127,831	\$2,123	1.7%
Workers Compensation Insurance	\$64,119	\$64,571	\$451	0.7%	\$66,208	\$67,954	\$1,747	2.6%	\$2,750	\$2,898	\$148	5.4%	\$133,077	\$135,423	\$2,346	1.8%
<b>Total Direct Labor Related-Costs</b>	<b>\$1,150,236</b>	<b>\$1,156,459</b>	<b>\$6,222</b>	<b>0.5%</b>	<b>\$1,168,712</b>	<b>\$1,197,180</b>	<b>\$28,468</b>	<b>2.4%</b>	<b>\$49,079</b>	<b>\$51,685</b>	<b>\$2,606</b>	<b>5.3%</b>	<b>\$2,368,028</b>	<b>\$2,405,324</b>	<b>\$37,296</b>	<b>1.6%</b>
Direct Fuel Costs	\$205,230	\$202,085	(\$3,145)	-1.5%	\$203,871	\$199,459	(\$4,412)	-2.2%	\$11,111	\$11,283	\$172	1.5%	\$420,212	\$412,827	(\$7,385)	-1.8%
Other Direct Costs	\$99,552	\$101,623	\$2,071	2.1%	\$105,275	\$107,516	\$2,241	2.1%	\$7,631	\$8,050	\$419	5.5%	\$212,458	\$217,189	\$4,731	2.2%
Depreciation																
- Collection Vehicles	\$195,635	\$199,117	\$3,482	1.8%	\$189,092	\$190,589	\$1,498	0.8%	\$28,366	\$29,259	\$893	3.1%	\$413,093	\$418,966	\$5,873	1.4%
- Containers	\$120,315	\$119,724	(\$591)	-0.5%	\$67,858	\$62,543	(\$5,314)	-7.8%	\$0	\$0	\$0		\$188,173	\$182,268	(\$5,905)	-3.1%
<b>Total Depreciation</b>	<b>\$315,950</b>	<b>\$318,841</b>	<b>\$2,891</b>	<b>0.9%</b>	<b>\$256,949</b>	<b>\$253,133</b>	<b>(\$3,817)</b>	<b>-1.5%</b>	<b>\$28,366</b>	<b>\$29,259</b>	<b>\$893</b>	<b>3.1%</b>	<b>\$601,266</b>	<b>\$601,234</b>	<b>(\$32)</b>	<b>0.0%</b>
Allocated Indirect Costs																
General and Administrative	\$335,690	\$339,684	\$3,994	1.2%	\$387,187	\$380,740	(\$6,446)	-1.7%	\$43,423	\$45,907	\$2,484	5.7%	\$766,299	\$766,331	\$32	0.0%
Operations	\$83,284	\$86,546	\$3,261	3.9%	\$82,150	\$87,375	\$5,225	6.4%	\$9,214	\$9,732	\$518	5.6%	\$174,648	\$183,653	\$9,004	5.2%
Vehicle Maintenance	\$142,859	\$148,620	\$5,761	4.0%	\$140,914	\$150,044	\$9,131	6.5%	\$15,804	\$16,712	\$908	5.7%	\$299,577	\$315,377	\$15,799	5.3%
Container Maintenance	\$50,953	\$51,264	\$311	0.6%	\$59,822	\$58,138	(\$1,684)	-2.8%	\$6,399	\$6,764	\$364	5.7%	\$117,174	\$116,165	(\$1,009)	-0.9%
<b>Total Allocated Indirect Costs</b>	<b>\$612,787</b>	<b>\$626,114</b>	<b>\$13,327</b>	<b>2.2%</b>	<b>\$670,072</b>	<b>\$676,297</b>	<b>\$6,225</b>	<b>0.9%</b>	<b>\$74,840</b>	<b>\$79,114</b>	<b>\$4,274</b>	<b>5.7%</b>	<b>\$1,357,699</b>	<b>\$1,381,525</b>	<b>\$23,826</b>	<b>1.8%</b>
Total Allocated Indirect Depreciation Costs	\$7,374	\$7,538	\$164	2.2%	\$7,131	\$7,442	\$311	4.4%	\$913	\$942	\$29	3.2%	\$15,418	\$15,922	\$504	3.3%
Annual Implementation Cost Amortization	\$10,262	\$10,342	\$80	0.8%	\$6,569	\$6,453	(\$116)	-1.8%	\$1,337	\$1,379	\$42	3.1%	\$18,168	\$18,175	\$6	0.0%
<b>Total Annual Cost of Operations</b>	<b>\$2,401,391</b>	<b>\$2,423,002</b>	<b>\$21,611</b>	<b>0.9%</b>	<b>\$2,418,580</b>	<b>\$2,447,481</b>	<b>\$28,900</b>	<b>1.2%</b>	<b>\$173,278</b>	<b>\$181,712</b>	<b>\$8,434</b>	<b>4.9%</b>	<b>\$4,993,249</b>	<b>\$5,052,195</b>	<b>\$58,946</b>	<b>1.2%</b>
<b>Profit</b>	\$252,080	\$254,348	\$2,269	0.9%	\$253,884	\$256,918	\$3,034	1.2%	\$18,189	\$19,075	\$885	4.9%	\$524,153	\$530,341	\$6,188	1.2%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$2,653,471</b>	<b>\$2,677,350</b>	<b>\$23,880</b>	<b>0.9%</b>	<b>\$2,672,464</b>	<b>\$2,704,398</b>	<b>\$31,934</b>	<b>1.2%</b>	<b>\$191,467</b>	<b>\$200,787</b>	<b>\$9,320</b>	<b>4.9%</b>	<b>\$5,517,402</b>	<b>\$5,582,536</b>	<b>\$65,133</b>	<b>1.2%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$106,927	\$93,870	(\$13,057)	-12.2%	\$116,585	\$99,914	(\$16,671)	-14.3%	\$8,887	\$7,975	(\$913)	-10.3%	\$232,399	\$201,758	(\$30,640)	-13.2%
Interest Expense on Implementation Cost	\$3,503	\$3,069	(\$434)	-12.4%	\$3,427	\$2,927	(\$501)	-14.6%	\$294	\$263	(\$30)	-10.3%	\$7,224	\$6,259	(\$965)	-13.4%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$110,430</b>	<b>\$96,939</b>	<b>(\$13,491)</b>	<b>-12.2%</b>	<b>\$120,012</b>	<b>\$102,840</b>	<b>(\$17,171)</b>	<b>-14.3%</b>	<b>\$9,181</b>	<b>\$8,238</b>	<b>(\$943)</b>	<b>-10.3%</b>	<b>\$239,623</b>	<b>\$208,018</b>	<b>(\$31,605)</b>	<b>-13.2%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,763,901</b>	<b>\$2,774,290</b>	<b>\$10,389</b>	<b>0.4%</b>	<b>\$2,792,476</b>	<b>\$2,807,239</b>	<b>\$14,763</b>	<b>0.5%</b>	<b>\$200,648</b>	<b>\$209,025</b>	<b>\$8,377</b>	<b>4.2%</b>	<b>\$5,757,025</b>	<b>\$5,790,553</b>	<b>\$33,528</b>	<b>0.6%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>8.4%</b>	<b>8.3%</b>	<b>(\$6,245)</b>	<b>0.0%</b>	<b>11.9%</b>	<b>11.9%</b>	<b>\$ (3,838)</b>	<b>0.0%</b>	<b>20.3%</b>	<b>21.0%</b>	<b>\$7,390</b>	<b>0.7%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>(\$2,694)</b>	<b>0.00%</b>

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City of Menlo Park Allocated Costs - SFD

	Statistics Used for Cost Allocation						Total
City # of accounts	7,829	7,811	7,499	7,811	7,811	1,548	7,829
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999
City # of accounts %	8.3%	8.3%	8.3%	8.3%	8.3%	6.4%	8.3%
City Total Route Labor hours year	3,767.44	3,735.05	3,475.17	18.68	18.68	749.73	11,765
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302
City Total Route Labor hours year %	8.1%	8.4%	8.9%	8.4%	8.4%	6.4%	8.3%
City # of route hours/year	3,480.06	3,468.51	3,137.92	17.34	17.34	749.73	10,871
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515
City Total Route Labor hours year %	8.1%	8.5%	9.0%	8.5%	8.5%	6.4%	8.3%
City Total Containers in Service	8,057	8,020	8,745	8,020	8,020	1,548	42,410
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867
City Total Containers in Service %	8.4%	8.4%	8.8%	8.4%	8.4%	6.4%	8.4%

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$259,670	\$221,037	\$201,569	\$1,116	\$1,116	\$48,070	\$732,578
Benefits for CBAs	\$102,746	\$91,276	\$81,271	\$461	\$461	\$22,144	\$298,359
Payroll Taxes	\$21,605	\$18,390	\$16,771	\$93	\$93	\$3,999	\$60,951
Workers Compensation Insurance	\$22,888	\$19,482	\$17,766	\$98	\$98	\$4,237	\$64,571
<b>Total Direct Labor Related-Costs</b>	<b>\$406,909</b>	<b>\$350,185</b>	<b>\$317,378</b>	<b>\$1,769</b>	<b>\$1,769</b>	<b>\$78,450</b>	<b>\$1,156,459</b>
Direct Fuel Costs	\$65,133	\$69,161	\$61,727	\$349	\$349	\$5,365	\$202,085
Other Direct Costs	\$32,445	\$34,452	\$31,132	\$174	\$174	\$3,246	\$101,623
Depreciation - Collection Vehicles	\$65,051	\$63,421	\$66,696	\$320	\$320	\$3,309	\$199,117
Depreciation - Containers	\$35,952	\$36,779	\$46,622	\$186	\$186	\$0	\$119,724
Depreciation for Collection Equipment	\$101,003	\$100,201	\$113,318	\$506	\$506	\$3,309	\$318,841
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$110,227	\$113,458	\$111,344	\$573	\$573	\$3,509	\$339,684
Operations	\$26,594	\$28,717	\$30,075	\$145	\$145	\$870	\$86,546
Vehicle Maintenance	\$45,668	\$49,313	\$51,646	\$249	\$249	\$1,495	\$148,620
Container Maintenance	\$16,342	\$16,861	\$17,374	\$85	\$85	\$517	\$51,264
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$198,830</b>	<b>\$208,349</b>	<b>\$210,439</b>	<b>\$1,052</b>	<b>\$1,052</b>	<b>\$6,391</b>	<b>\$626,114</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$2,292	\$2,481	\$2,664	\$12	\$12	\$76	\$7,538
Annual Implementation Cost Amortization (Form A)	\$3,281	\$3,235	\$3,327	\$52	\$52	\$395	\$10,342
<b>Total Annual Cost of Operations</b>	<b>\$809,892</b>	<b>\$768,063</b>	<b>\$739,985</b>	<b>\$3,915</b>	<b>\$3,915</b>	<b>\$97,232</b>	<b>\$2,423,002</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$85,016</b>	<b>\$80,625</b>	<b>\$77,678</b>	<b>\$411</b>	<b>\$411</b>	<b>\$10,207</b>	<b>\$254,348</b>
	90.5%						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$894,909</b>	<b>\$848,689</b>	<b>\$817,663</b>	<b>\$4,326</b>	<b>\$4,326</b>	<b>\$107,439</b>	<b>\$2,677,350</b>
<b>Contractor Pass-Through Costs</b>							
Interest Expense	\$29,736	\$29,500	\$33,362	\$149	\$149	\$974	\$93,870
Interest Expense on Implementation Cost	\$974	\$960	\$987	\$15	\$15	\$117	\$3,069
<b>Total Contractor Pass-Through Costs</b>	<b>\$30,710</b>	<b>\$30,460</b>	<b>\$34,349</b>	<b>\$164</b>	<b>\$164</b>	<b>\$1,091</b>	<b>\$96,939</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$925,618</b>	<b>\$879,149</b>	<b>\$852,012</b>	<b>\$4,490</b>	<b>\$4,490</b>	<b>\$108,530</b>	<b>\$2,774,290</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$922,745</b>	<b>\$878,967</b>	<b>\$803,322</b>	<b>\$4,491</b>	<b>\$4,491</b>	<b>\$149,885</b>	<b>\$2,763,901</b>
Change \$	\$2,873	\$182	\$48,691	(\$1)	(\$1)	(\$41,355)	\$10,389
Change %	0.3%	0.0%	6.1%	0.0%	0.0%	-27.6%	0.4%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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City of Menlo Park Allocated Costs - MFD & Commercial

	Statistics Used For Cost Allocation							Total
City # of Accounts	1,132	1,107	270	20	20	20	1,548	2,569
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072
City # of Accounts %	11.1%	11.1%	19.5%	11.1%	11.1%	11.1%	6.4%	11.6%
City Total Route Labor hours year	5,180.59	2,904.16	1,022.25	209.39	406.47	73.90	749.73	9,797
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651
City Total Route Labor hours year %	10.5%	10.8%	17.2%	5.3%	26.5%	21.9%	6.4%	11.2%
City # of route hours/year	3,874.91	2,749.51	905.90	209.39	406.47	73.90	749.73	8,220
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918
City # of route hours/year %	12.0%	10.8%	16.5%	5.3%	26.5%	21.9%	6.4%	11.9%
City Total Containers in Service	2,046	2,127	303	48	48	48	1,548	4,620
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472
City Total Containers in Service %	11.6%	11.1%	17.4%	18.0%	18.0%	18.0%	6.4%	11.7%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$445,893	\$182,331	\$100,436	\$18,289	\$14,249	\$2,018	\$7,748	\$770,964
Benefits for CBAs	\$182,092	\$69,946	\$27,072	\$5,230	\$5,705	\$808	\$3,264	\$294,117
Payroll Taxes	\$37,098	\$15,170	\$8,356	\$1,522	\$1,185	\$168	\$645	\$64,144
Workers Compensation Insurance	\$39,302	\$16,071	\$8,853	\$1,612	\$1,256	\$178	\$683	\$67,954
<b>Total Direct Labor Related-Costs</b>	<b>\$704,385</b>	<b>\$283,518</b>	<b>\$144,718</b>	<b>\$26,652</b>	<b>\$22,395</b>	<b>\$3,172</b>	<b>\$12,340</b>	<b>\$1,197,180</b>
Direct Fuel Costs	\$114,633	\$43,456	\$30,584	\$3,917	\$4,273	\$605	\$1,990	\$199,459
Other Direct Costs	\$59,676	\$26,460	\$14,035	\$2,812	\$3,061	\$435	\$1,036	\$107,516
Depreciation - Collection Vehicles	\$94,523	\$43,648	\$36,519	\$2,627	\$6,572	\$5,433	\$1,268	\$190,589
Depreciation - Containers	\$22,310	\$16,095	\$23,754	\$0	\$0	\$0	\$385	\$62,543
Depreciation for Collection Equipment	\$116,832	\$59,743	\$60,273	\$2,627	\$6,572	\$5,433	\$1,653	\$253,133
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$77,977	\$82,595	\$170,818	\$37,498	\$7,634	\$2,775	\$1,443	\$380,740
Operations	\$20,959	\$19,948	\$35,806	\$4,433	\$4,515	\$1,357	\$358	\$87,375
Vehicle Maintenance	\$35,992	\$34,255	\$61,488	\$7,612	\$7,753	\$2,330	\$614	\$150,044
Container Maintenance	\$11,956	\$12,106	\$22,400	\$8,972	\$1,827	\$664	\$213	\$58,138
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$146,884</b>	<b>\$148,904</b>	<b>\$290,513</b>	<b>\$58,514</b>	<b>\$21,729</b>	<b>\$7,126</b>	<b>\$2,627</b>	<b>\$676,297</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,886	\$1,749	\$2,663	\$436	\$428	\$248	\$31	\$7,442
Annual Implementation Cost Amortization (Form A)	\$5,752	\$128	\$101	\$347	\$17	\$10	\$97	\$6,453
<b>Total Annual Cost of Operations</b>	<b>\$1,150,049</b>	<b>\$563,958</b>	<b>\$542,888</b>	<b>\$95,307</b>	<b>\$58,475</b>	<b>\$17,030</b>	<b>\$19,774</b>	<b>\$2,447,481</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$120,723.41</b>	<b>\$59,200</b>	<b>\$56,988</b>	<b>\$10,005</b>	<b>\$6,138</b>	<b>\$1,788</b>	<b>\$2,076</b>	<b>\$256,918</b>
	90.5%							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$1,270,773</b>	<b>\$623,158</b>	<b>\$599,876</b>	<b>\$105,312</b>	<b>\$64,613</b>	<b>\$18,818</b>	<b>\$21,849</b>	<b>\$2,704,398</b>
<b>Contractor Pass-Through Costs</b>								
Interest Expense	\$46,115	\$23,581	\$23,790	\$1,037	\$2,594	\$2,144	\$652	\$99,914
Interest Expense on Implementation Cost	\$2,609	\$58	\$46	\$158	\$8	\$5	\$44	\$2,927
<b>Total Contractor Pass-Through Costs</b>	<b>\$48,723</b>	<b>\$23,639</b>	<b>\$23,836</b>	<b>\$1,194</b>	<b>\$2,602</b>	<b>\$2,149</b>	<b>\$696</b>	<b>\$102,840</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$1,319,496</b>	<b>\$646,797</b>	<b>\$623,713</b>	<b>\$106,506</b>	<b>\$67,215</b>	<b>\$20,967</b>	<b>\$22,545</b>	<b>\$2,807,239</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$1,351,593</b>	<b>\$625,084</b>	<b>\$626,969</b>	<b>\$86,571</b>	<b>\$46,505</b>	<b>\$24,409</b>	<b>\$31,345</b>	<b>\$2,792,476</b>
Change \$	(\$32,097)	\$21,713	(\$3,256)	\$19,935	\$20,710	(\$3,442)	(\$8,800)	\$14,763
Change %	-2.4%	3.5%	-0.5%	23.0%	44.5%	-14.1%	-28.1%	0.5%

SBWMA COLLECTION AGREEMENT

2015

Appendix 3-7

City of Menlo Park Allocated Costs - Agency Facilities

Statistics Used For Cost Allocation					Totals
City # of Lifts per year	58,487	1,443	15,561	7,829	75,491.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	27.0%	10.2%	31.0%	8.3%	
City Total Route Labor hours year	692.46	18.46	338.13	1,049.05	1,049.05
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year	15.0%	9.6%	32.8%	18.0%	
City # of route hours/year	501.45	17.14	318.84	1,049.05	837.43
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	19.6%	9.3%	32.7%	18.0%	
City # of Containers	283	25	137	8,057	445.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers (Lifts for example) %	36.1%	11.4%	26.7%	8.4%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$15,655	\$2,121	\$13,162	\$1,947	\$32,884
Benefits for CBAs	\$6,268	\$849	\$5,270	\$779	\$13,166
Payroll Taxes	\$1,302	\$176	\$1,095	\$162	\$2,736
Workers Compensation Insurance	\$1,380	\$187	\$1,160	\$172	\$2,898
<b>Total Direct Labor Related-Costs</b>	<b>\$24,605</b>	<b>\$3,334</b>	<b>\$20,686</b>	<b>\$3,060</b>	<b>\$51,685</b>
Direct Fuel Costs	\$6,145	\$619	\$3,935	\$584	\$11,283
Other Direct Costs	\$4,384	\$442	\$2,808	\$417	\$8,050
Depreciation - Collection Vehicles	\$16,719	\$1,990	\$9,275	\$1,275	\$29,259
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$16,719	\$1,990	\$9,275	\$1,275	\$29,259
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$29,919	\$2,559	\$12,543	\$886	\$45,907
Operations	\$5,399	\$580	\$3,280	\$474	\$9,732
Vehicle Maintenance	\$9,271	\$995	\$5,632	\$813	\$16,712
Container Maintenance (using lifts for Agency Costs)	\$4,408	\$377	\$1,848	\$131	\$6,764
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$48,997</b>	<b>\$4,510</b>	<b>\$23,303</b>	<b>\$2,303</b>	<b>\$79,114</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$538	\$64	\$299	\$41	\$942
Annual Implementation Cost Amortization (Form A)	\$788	\$94	\$437	\$60	\$1,379
<b>Total Annual Cost of Operations</b>	<b>\$102,177</b>	<b>\$11,053</b>	<b>\$60,744</b>	<b>\$7,739</b>	<b>\$181,712</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$10,726</b>	<b>\$1,160</b>	<b>\$6,376</b>	<b>\$812</b>	<b>\$19,075</b>
	90.5%				
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$112,902</b>	<b>\$12,213</b>	<b>\$67,120</b>	<b>\$8,552</b>	<b>\$200,787</b>
<b>Contractor Pass-Through Costs</b>					
Interest Expense	\$4,557	\$542	\$2,528	\$347	\$7,975
Interest Expense on Implementation Cost	\$150	\$18	\$83	\$11	\$263
<b>Total Contractor Pass-Through Costs</b>	<b>\$4,707</b>	<b>\$560</b>	<b>\$2,612</b>	<b>\$359</b>	<b>\$8,238</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$117,610</b>	<b>\$12,773</b>	<b>\$69,731</b>	<b>\$8,911</b>	<b>\$209,025</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$120,051</b>	<b>\$15,163</b>	<b>\$56,762</b>	<b>\$8,672</b>	<b>\$200,648</b>
Change \$	(\$2,441)	(\$2,390)	\$12,969	\$239	\$8,377
Change %	-2.0%	-15.8%	22.8%	2.8%	4.2%

<b>Member Agency Snapshot</b>		<b>Appendix 3-7</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>MENLO PARK</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	7,816	7,816	7,829	13	0.2%	
Commercial & Multi Family	2,513	2,549	2,569	20	0.8%	
<b>Total</b>	<b>10,329</b>	<b>10,365</b>	<b>10,398</b>	<b>33</b>	<b>0.3%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	12,165	12,517	11,765	-752	-6.0%	
Commercial & Multi Family	11,722	9,626	9,797	171	1.8%	
Member Agency Facility	1,428	951	1,049	98	10.3%	
<b>Total</b>	<b>25,315</b>	<b>23,094</b>	<b>22,611</b>	<b>-483</b>	<b>-2.1%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	11,280	11,543	10,871	-672	-5.8%	
Commercial & Multi Family	9,084	8,024	8,220	196	2.4%	
Member Agency Facility	962	736	837	101	13.8%	
<b>Total</b>	<b>21,326</b>	<b>20,303</b>	<b>19,928</b>	<b>-374</b>	<b>-1.8%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	8,029	8,243	8,057	-186	-2.3%	
Commercial & Multi Family	2,152	2,100	2,046	-54	-2.6%	
Member Agency Facility	304	268	283	15	5.6%	
<b>Total</b>	<b>10,485</b>	<b>10,611</b>	<b>10,386</b>	<b>-225</b>	<b>-2.1%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
	<i>actual</i>	<i>estimate</i>	<i>estimate</i>			
Residential - solid waste	4,432	4,386	4,342	-44	0.0%	
Residential - organics	8,114	7,829	7,750	-78	0.0%	
Commercial & MFD - solid waste	11,815	11,878	11,878	0	0.0%	
Commercial & MFD - green waste	4,740	4,488	4,398	-90	0.0%	
C&D	308	294	294	0	0.0%	
Member Agency Delivered to Shoreway	-	-	-	0	0.0%	
<b>Total</b>	<b>29,408</b>	<b>28,874</b>	<b>28,662</b>	<b>-212</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-8

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. REDWOOD CITY**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	2,750,793	2,899,466	148,673	5.4%
Benefits for CBAs	1,097,152	1,154,351	57,199	5.2%
Payroll Taxes	228,866	241,236	12,370	5.4%
Workers Compensation Insurance	242,282	255,564	13,282	5.5%
Total Direct Labor Related-Costs	4,319,093	4,550,617	231,523	5.4%
Direct Fuel Costs	741,376	747,309	5,934	0.8%
Other Direct Costs	373,786	391,297	17,511	4.7%
Depreciation				
- Collection Vehicles	704,750	731,793	27,043	3.8%
- Containers	343,476	339,881	(3,594)	-1.0%
Total Depreciation	1,048,226	1,071,675	23,449	2.2%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	1,293,721	1,310,886	17,164	1.3%
Operations	295,563	315,180	19,618	6.6%
Vehicle Maintenance	506,984	541,242	34,258	6.8%
Container Maintenance	188,571	189,410	839	0.4%
Total Allocated Indirect Costs excluding Depreciation	2,284,839	2,356,718	71,880	3.1%
Total Allocated Indirect Depreciation Costs	26,236	27,469	1,233	4.7%
Annual Implementation Cost Amortization	33,463	34,408	946	2.8%
<b>Total Annual Cost of Operations</b>	<b>8,827,019</b>	<b>9,179,494</b>	<b>352,475</b>	<b>4.0%</b>
<b>Profit</b>	926,593	963,593	37,000	4.0%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>9,753,612</b>	<b>10,143,087</b>	<b>389,475</b>	<b>4.0%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	396,454	352,149	(44,305)	-11.2%
Interest Expense on Implementation Cost	13,287	11,832	(1,455)	-11.0%
<b>Total Contractor Pass-Through Costs</b>	<b>409,741</b>	<b>363,981</b>	<b>(45,760)</b>	<b>-11.2%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>10,163,353</b>	<b>10,507,068</b>	<b>343,715</b>	<b>3.4%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	96,552	54,105	(42,447)	
<b>Total Other Adjustments</b>	<b>96,552</b>	<b>54,105</b>	<b>(42,447)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>10,259,905</b>	<b>10,561,173</b>	<b>301,268</b>	<b>2.9%</b>



**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**Redwood City**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$1,460,667	\$1,545,964	\$85,296	5.8%	\$1,251,233	\$1,314,003	\$62,770	5.0%	\$38,892	\$39,499	\$607	1.6%	\$2,750,793	\$2,899,466	\$148,673	5.4%
Benefits for CBAs	\$597,462	\$631,079	\$33,617	5.6%	\$484,119	\$507,457	\$23,338	4.8%	\$15,572	\$15,815	\$243	1.6%	\$1,097,152	\$1,154,351	\$57,199	5.2%
Payroll Taxes	\$121,528	\$128,624	\$7,097	5.8%	\$104,103	\$109,325	\$5,222	5.0%	\$3,236	\$3,286	\$50	1.6%	\$228,866	\$241,236	\$12,370	5.4%
Workers Compensation Insurance	\$128,651	\$136,264	\$7,612	5.9%	\$110,205	\$115,819	\$5,613	5.1%	\$3,425	\$3,481	\$56	1.6%	\$242,282	\$255,564	\$13,282	5.5%
<b>Total Direct Labor Related-Costs</b>	<b>\$2,308,308</b>	<b>\$2,441,931</b>	<b>\$133,623</b>	<b>5.8%</b>	<b>\$1,949,660</b>	<b>\$2,046,604</b>	<b>\$96,944</b>	<b>5.0%</b>	<b>\$61,125</b>	<b>\$62,082</b>	<b>\$956</b>	<b>1.6%</b>	<b>\$4,319,093</b>	<b>\$4,550,617</b>	<b>\$231,523</b>	<b>5.4%</b>
Direct Fuel Costs	\$412,204	\$420,013	\$7,809	1.9%	\$316,865	\$315,201	(\$1,664)	-0.5%	\$12,307	\$12,095	(\$212)	-1.7%	\$741,376	\$747,309	\$5,934	0.8%
Other Direct Costs	\$199,958	\$211,442	\$11,484	5.7%	\$165,376	\$171,226	\$5,851	3.5%	\$8,453	\$8,630	\$177	2.1%	\$373,786	\$391,297	\$17,511	4.7%
Depreciation																
- Collection Vehicles	\$392,148	\$411,147	\$18,999	4.8%	\$280,465	\$288,095	\$7,630	2.7%	\$32,137	\$32,552	\$414	1.3%	\$704,750	\$731,793	\$27,043	3.8%
- Containers	\$255,226	\$255,597	\$371	0.1%	\$88,250	\$84,284	(\$3,965)	-4.5%	\$0	\$0	\$0		\$343,476	\$339,881	(\$3,594)	-1.0%
<b>Total Depreciation</b>	<b>\$647,374</b>	<b>\$666,744</b>	<b>\$19,370</b>	<b>3.0%</b>	<b>\$368,714</b>	<b>\$372,379</b>	<b>\$3,665</b>	<b>1.0%</b>	<b>\$32,137</b>	<b>\$32,552</b>	<b>\$414</b>	<b>1.3%</b>	<b>\$1,048,226</b>	<b>\$1,071,675</b>	<b>\$23,449</b>	<b>2.2%</b>
Allocated Indirect Costs																
General and Administrative	\$738,518	\$751,100	\$12,582	1.7%	\$512,669	\$517,202	\$4,533	0.9%	\$42,534	\$42,583	\$49	0.1%	\$1,293,721	\$1,310,886	\$17,164	1.3%
Operations	\$167,018	\$178,037	\$11,019	6.6%	\$118,251	\$126,566	\$8,314	7.0%	\$10,293	\$10,578	\$285	2.8%	\$295,563	\$315,180	\$19,618	6.6%
Vehicle Maintenance	\$286,490	\$305,733	\$19,243	6.7%	\$202,839	\$217,345	\$14,506	7.2%	\$17,656	\$18,164	\$509	2.9%	\$506,984	\$541,242	\$34,258	6.8%
Container Maintenance	\$108,480	\$110,282	\$1,801	1.7%	\$73,822	\$72,855	(\$967)	-1.3%	\$6,269	\$6,274	\$5	0.1%	\$188,571	\$189,410	\$839	0.4%
<b>Total Allocated Indirect Costs</b>	<b>\$1,300,506</b>	<b>\$1,345,151</b>	<b>\$44,645</b>	<b>3.4%</b>	<b>\$907,581</b>	<b>\$933,967</b>	<b>\$26,386</b>	<b>2.9%</b>	<b>\$76,751</b>	<b>\$77,600</b>	<b>\$848</b>	<b>1.1%</b>	<b>\$2,284,839</b>	<b>\$2,356,718</b>	<b>\$71,880</b>	<b>3.1%</b>
Total Allocated Indirect Depreciation Costs	\$14,785	\$15,493	\$708	4.8%	\$10,416	\$10,928	\$512	4.9%	\$1,034	\$1,048	\$13	1.3%	\$26,236	\$27,469	\$1,233	4.7%
Annual Implementation Cost Amortization	\$20,593	\$21,502	\$910	4.4%	\$11,355	\$11,372	\$17	0.1%	\$1,515	\$1,534	\$20	1.3%	\$33,463	\$34,408	\$946	2.8%
<b>Total Annual Cost of Operations</b>	<b>\$4,903,728</b>	<b>\$5,122,276</b>	<b>\$218,548</b>	<b>4.5%</b>	<b>\$3,729,967</b>	<b>\$3,861,678</b>	<b>\$131,711</b>	<b>3.5%</b>	<b>\$193,323</b>	<b>\$195,540</b>	<b>\$2,216</b>	<b>1.1%</b>	<b>\$8,827,019</b>	<b>\$9,179,494</b>	<b>\$352,475</b>	<b>4.0%</b>
<b>Profit</b>	\$514,756	\$537,698	\$22,942	4.5%	\$391,543	\$405,369	\$13,826	3.5%	\$20,294	\$20,526	\$233	1.1%	\$926,593	\$963,593	\$37,000	4.0%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$5,418,484</b>	<b>\$5,659,974</b>	<b>\$241,490</b>	<b>4.5%</b>	<b>\$4,121,510</b>	<b>\$4,267,047</b>	<b>\$145,537</b>	<b>3.5%</b>	<b>\$213,617</b>	<b>\$216,066</b>	<b>\$2,449</b>	<b>1.1%</b>	<b>\$9,753,612</b>	<b>\$10,143,087</b>	<b>\$389,475</b>	<b>4.0%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$219,090	\$196,296	(\$22,795)	-10.4%	\$167,295	\$146,981	(\$20,314)	-12.1%	\$10,069	\$8,872	(\$1,197)	-11.9%	\$396,454	\$352,149	(\$44,305)	-11.2%
Interest Expense on Implementation Cost	\$7,030	\$6,381	(\$649)	-9.2%	\$5,924	\$5,157	(\$767)	-12.9%	\$333	\$293	(\$40)	-11.9%	\$13,287	\$11,832	(\$1,455)	-11.0%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$226,120</b>	<b>\$202,677</b>	<b>(\$23,443)</b>	<b>-10.4%</b>	<b>\$173,219</b>	<b>\$152,139</b>	<b>(\$21,080)</b>	<b>-12.2%</b>	<b>\$10,401</b>	<b>\$9,165</b>	<b>(\$1,237)</b>	<b>-11.9%</b>	<b>\$409,741</b>	<b>\$363,981</b>	<b>(\$45,760)</b>	<b>-11.2%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$5,644,605</b>	<b>\$5,862,651</b>	<b>\$218,046</b>	<b>3.9%</b>	<b>\$4,294,729</b>	<b>\$4,419,186</b>	<b>\$124,457</b>	<b>2.9%</b>	<b>\$224,019</b>	<b>\$225,231</b>	<b>\$1,212</b>	<b>0.5%</b>	<b>\$10,163,353</b>	<b>\$10,507,068</b>	<b>\$343,715</b>	<b>3.4%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>17.1%</b>	<b>17.6%</b>	<b>\$184,075</b>	<b>0.6%</b>	<b>18.3%</b>	<b>18.7%</b>	<b>\$ 95,849</b>	<b>0.4%</b>	<b>22.6%</b>	<b>22.6%</b>	<b>\$110</b>	<b>0.0%</b>	<b>17.66%</b>	<b>18.15%</b>	<b>\$280,034</b>	<b>0.48%</b>

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D. City of Redwood City Allocated Costs - SFD

	Statistics Used for Cost Allocation						Total
City # of accounts	17,316	17,294	16,455	17,294	17,294	4,077	17,316
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999
City # of accounts %	18.4%	18.5%	18.2%	18.5%	18.5%	17.0%	18.4%
City Total Route Labor hours year	8,190.99	8,103.55	6,385.82	40.52	40.52	1,974.58	24,736
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302
City Total Route Labor hours year %	17.5%	18.2%	16.4%	18.2%	18.2%	17.0%	17.4%
City # of route hours/year	7,596.12	7,440.29	5,788.04	37.20	37.20	1,974.58	22,873
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515
City Total Route Labor hours year %	17.7%	18.2%	16.7%	18.2%	18.2%	17.0%	17.5%
City Total Containers in Service	18,052	17,802	17,366	17,802	17,802	4,077	92,901
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867
City Total Containers in Service %	18.8%	18.7%	17.5%	18.7%	18.7%	17.0%	18.4%

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$564,561	\$479,560	\$370,395	\$2,422	\$2,422	\$126,603	\$1,545,964
Benefits for CBAs	\$223,386	\$198,032	\$149,341	\$1,000	\$1,000	\$58,321	\$631,079
Payroll Taxes	\$46,972	\$39,899	\$30,817	\$202	\$202	\$10,533	\$128,624
Workers Compensation Insurance	\$49,763	\$42,269	\$32,647	\$213	\$213	\$11,159	\$136,264
Total Direct Labor Related-Costs	\$884,681	\$759,760	\$583,199	\$3,837	\$3,837	\$206,616	\$2,441,931
Direct Fuel Costs	\$142,169	\$148,357	\$113,858	\$749	\$749	\$14,130	\$420,013
Other Direct Costs	\$70,821	\$73,903	\$57,424	\$373	\$373	\$8,548	\$211,442
Depreciation - Collection Vehicles	\$141,990	\$136,045	\$123,024	\$687	\$687	\$8,714	\$411,147
Depreciation - Containers	\$80,551	\$81,638	\$92,583	\$412	\$412	\$0	\$255,597
Depreciation for Collection Equipment	\$222,541	\$217,684	\$215,606	\$1,099	\$1,099	\$8,714	\$666,744
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$243,798	\$251,202	\$244,321	\$1,269	\$1,269	\$9,241	\$751,100
Operations	\$58,047	\$61,600	\$55,475	\$311	\$311	\$2,292	\$178,037
Vehicle Maintenance	\$99,682	\$105,782	\$95,264	\$534	\$534	\$3,937	\$305,733
Container Maintenance	\$36,614	\$34,426	\$34,502	\$189	\$189	\$1,362	\$110,282
Total Allocated Indirect Costs excluding Depreciation and Interest	\$438,141	\$456,010	\$429,562	\$2,303	\$2,303	\$16,832	\$1,345,151
Total Allocated Indirect Depreciation Costs (Form 9)	\$5,003	\$5,322	\$4,914	\$27	\$27	\$200	\$15,493
Annual Implementation Cost Amortization (Form A)	\$7,161	\$6,939	\$6,138	\$112	\$112	\$1,041	\$21,502
<b>Total Annual Cost of Operations</b>	<b>\$1,770,517</b>	<b>\$1,667,975</b>	<b>\$1,410,701</b>	<b>\$8,501</b>	<b>\$8,501</b>	<b>\$256,082</b>	<b>\$5,122,276</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$185,855</b>	<b>\$175,091</b>	<b>\$148,085</b>	<b>\$892</b>	<b>\$892</b>	<b>\$26,881</b>	<b>\$537,698</b>
	90.5%						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$1,956,372</b>	<b>\$1,843,067</b>	<b>\$1,558,786</b>	<b>\$9,393</b>	<b>\$9,393</b>	<b>\$282,963</b>	<b>\$5,659,974</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$65,518	\$64,088	\$63,476	\$324	\$324	\$2,566	\$196,296
Interest Expense on Implementation Cost	\$2,125	\$2,059	\$1,821	\$33	\$33	\$309	\$6,381
Total Contractor Pass-Through Costs	\$67,643	\$66,147	\$65,298	\$357	\$357	\$2,875	\$202,677
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,024,016</b>	<b>\$1,909,214</b>	<b>\$1,624,084</b>	<b>\$9,750</b>	<b>\$9,750</b>	<b>\$285,838</b>	<b>\$5,862,651</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$1,861,497</b>	<b>\$1,868,947</b>	<b>\$1,589,026</b>	<b>\$9,548</b>	<b>\$9,548</b>	<b>\$306,039</b>	<b>\$5,644,605</b>
Change \$	\$162,518	\$40,267	\$35,058	\$202	\$202	(\$20,201)	\$218,046
Change %	8.7%	2.2%	2.2%	2.1%	2.1%	-6.6%	3.9%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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D. City of Redwood City Allocated Costs - MFD & Commercial

	Statistics Used for Cost Allocation							Total
City # of Accounts	1,998	1,871	237	36	36	36	4,077	4,214
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	180	22,072
City # of Accounts %	19.6%	18.8%	17.1%	20.0%	20.0%	20.0%	17.0%	19.1%
City Total Route Labor hours year	9,702.71	4,379.47	1,104.39	694.85	364.51	56.96	1,974.58	16,303
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651
City Total Route Labor hours year %	19.8%	16.4%	18.6%	17.6%	23.8%	16.9%	17.0%	18.6%
City # of route hours/year	6,488.94	4,193.21	1,019.59	694.85	364.51	56.96	1,974.58	12,818
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918
City # of route hours/year %	20.2%	16.5%	18.6%	17.6%	23.8%	16.9%	17.0%	18.6%
City Total Containers in Service	3,313	3,226	290	55	55	55	4,077	6,994
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472
City Total Containers in Service %	18.7%	16.8%	16.6%	20.7%	20.7%	20.7%	17.0%	17.7%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$835,111	\$274,955	\$108,506	\$60,690	\$12,778	\$1,556	\$20,407	\$1,314,003
Benefits for CBAs	\$341,040	\$105,478	\$29,248	\$17,356	\$5,116	\$623	\$8,596	\$507,457
Payroll Taxes	\$69,481	\$22,876	\$9,028	\$5,049	\$1,063	\$129	\$1,698	\$109,325
Workers Compensation Insurance	\$73,608	\$24,235	\$9,565	\$5,349	\$1,126	\$137	\$1,799	\$115,819
<b>Total Direct Labor Related-Costs</b>	<b>\$1,319,241</b>	<b>\$427,544</b>	<b>\$156,347</b>	<b>\$88,444</b>	<b>\$20,083</b>	<b>\$2,445</b>	<b>\$32,500</b>	<b>\$2,046,604</b>
Direct Fuel Costs	\$191,966	\$66,274	\$34,422	\$13,000	\$3,832	\$467	\$5,241	\$315,201
Other Direct Costs	\$99,934	\$40,354	\$15,796	\$9,333	\$2,745	\$336	\$2,729	\$171,226
Depreciation - Collection Vehicles	\$158,288	\$66,567	\$41,102	\$8,718	\$5,893	\$4,187	\$3,339	\$288,095
Depreciation - Containers	\$36,125	\$24,411	\$22,735	\$0	\$0	\$0	\$1,013	\$84,284
Depreciation for Collection Equipment	\$194,413	\$90,978	\$63,837	\$8,718	\$5,893	\$4,187	\$4,352	\$372,379
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$137,631	\$139,598	\$149,941	\$67,496	\$13,742	\$4,996	\$3,799	\$517,202
Operations	\$35,098	\$30,421	\$40,300	\$14,709	\$4,049	\$1,046	\$942	\$126,566
Vehicle Maintenance	\$60,272	\$52,241	\$69,205	\$25,259	\$6,953	\$1,796	\$1,618	\$217,345
Container Maintenance	\$19,360	\$18,362	\$21,439	\$10,281	\$2,093	\$761	\$560	\$72,855
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$252,361</b>	<b>\$240,622</b>	<b>\$280,884</b>	<b>\$117,745</b>	<b>\$26,836</b>	<b>\$8,598</b>	<b>\$6,920</b>	<b>\$933,967</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$3,158	\$2,667	\$2,998	\$1,448	\$384	\$191	\$82	\$10,928
Annual Implementation Cost Amortization (Form A)	\$9,632	\$195	\$114	\$1,153	\$16	\$8	\$254	\$11,372
<b>Total Annual Cost of Operations</b>	<b>\$2,070,705</b>	<b>\$868,635</b>	<b>\$554,399</b>	<b>\$239,840</b>	<b>\$59,789</b>	<b>\$16,232</b>	<b>\$52,078</b>	<b>\$3,861,678</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$217,366.86</b>	<b>\$91,183</b>	<b>\$58,197</b>	<b>\$25,177</b>	<b>\$6,276</b>	<b>\$1,704</b>	<b>\$5,467</b>	<b>\$405,369</b>
	90.5%							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$2,288,072</b>	<b>\$959,818</b>	<b>\$612,595</b>	<b>\$265,017</b>	<b>\$66,065</b>	<b>\$17,936</b>	<b>\$57,545</b>	<b>\$4,267,047</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$76,737	\$35,910	\$25,197	\$3,441	\$2,326	\$1,653	\$1,718	\$146,981
Interest Expense on Implementation Cost	\$4,368	\$88	\$52	\$523	\$7	\$4	\$115	\$5,157
<b>Total Contractor Pass-Through Costs</b>	<b>\$81,105</b>	<b>\$35,998</b>	<b>\$25,249</b>	<b>\$3,964</b>	<b>\$2,333</b>	<b>\$1,656</b>	<b>\$1,833</b>	<b>\$152,139</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,369,177</b>	<b>\$995,816</b>	<b>\$637,844</b>	<b>\$268,980</b>	<b>\$68,398</b>	<b>\$19,592</b>	<b>\$59,378</b>	<b>\$4,419,186</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$2,337,564</b>	<b>\$962,898</b>	<b>\$608,279</b>	<b>\$259,062</b>	<b>\$41,228</b>	<b>\$21,698</b>	<b>\$64,001</b>	<b>\$4,294,729</b>
Change \$	\$31,614	\$32,919	\$29,565	\$9,918	\$27,171	(\$2,106)	(\$4,623)	\$124,457
Change %	1.4%	3.4%	4.9%	3.8%	65.9%	-9.7%	-7.2%	2.9%

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D. City of Redwood City Allocated Costs - Agency Facilities

0	Statistics Used for Cost Allocation				Totals
City # of Lifts per year	69,888	1,170	3,471	17,316	74,529.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	32.2%	8.3%	6.9%	18.4%	
City Total Route Labor hours year	1,304.72	29.69	100.91	1,435.32	1,435.32
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	28.2%	15.4%	9.8%	24.6%	
City # of route hours/year	741.93	28.24	95.96	1,435.32	866.13
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	29.0%	15.4%	9.8%	24.6%	
City # of Containers	277	19	40	18,052	336.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	35.3%	8.7%	7.8%	18.8%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$29,496	\$3,412	\$3,928	\$2,663	\$39,499
Benefits for CBAs	\$11,810	\$1,366	\$1,573	\$1,066	\$15,815
Payroll Taxes	\$2,454	\$284	\$327	\$222	\$3,286
Workers Compensation Insurance	\$2,600	\$301	\$346	\$235	\$3,481
<b>Total Direct Labor Related-Costs</b>	<b>\$46,360</b>	<b>\$5,362</b>	<b>\$6,174</b>	<b>\$4,186</b>	<b>\$62,082</b>
Direct Fuel Costs	\$9,092	\$1,020	\$1,184	\$799	\$12,095
Other Direct Costs	\$6,487	\$728	\$845	\$570	\$8,630
Depreciation - Collection Vehicles	\$24,737	\$3,279	\$2,792	\$1,744	\$32,552
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$24,737	\$3,279	\$2,792	\$1,744	\$32,552
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$35,752	\$2,075	\$2,798	\$1,959	\$42,583
Operations	\$7,988	\$955	\$987	\$648	\$10,578
Vehicle Maintenance	\$13,717	\$1,640	\$1,695	\$1,113	\$18,164
Container Maintenance (using lifts for Agency Costs)	\$5,267	\$306	\$412	\$289	\$6,274
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$62,724</b>	<b>\$4,975</b>	<b>\$5,892</b>	<b>\$4,009</b>	<b>\$77,600</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$796	\$106	\$90	\$56	\$1,048
Annual Implementation Cost Amortization (Form A)	\$1,166	\$155	\$132	\$82	\$1,534
<b>Total Annual Cost of Operations</b>	<b>\$151,362</b>	<b>\$15,623</b>	<b>\$17,108</b>	<b>\$11,446</b>	<b>\$195,540</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$15,889</b>	<b>\$1,640</b>	<b>\$1,796</b>	<b>\$1,202</b>	<b>\$20,526</b>
	90.5%				
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$167,251</b>	<b>\$17,263</b>	<b>\$18,904</b>	<b>\$12,648</b>	<b>\$216,066</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$6,742	\$894	\$761	\$475	\$8,872
Interest Expense on Implementation Cost	\$223	\$30	\$25	\$16	\$293
<b>Total Contractor Pass-Through Costs</b>	<b>\$6,965</b>	<b>\$923</b>	<b>\$786</b>	<b>\$491</b>	<b>\$9,165</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$174,216</b>	<b>\$18,186</b>	<b>\$19,690</b>	<b>\$13,139</b>	<b>\$225,231</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$178,447</b>	<b>\$13,988</b>	<b>\$18,258</b>	<b>\$13,325</b>	<b>\$224,019</b>
<b>Change \$</b>	<b>(\$4,231)</b>	<b>\$4,198</b>	<b>\$1,432</b>	<b>(\$186)</b>	<b>\$1,212</b>
<b>Change %</b>	<b>-2.4%</b>	<b>30.0%</b>	<b>7.8%</b>	<b>-1.4%</b>	<b>0.5%</b>

<b>Member Agency Snapshot</b>		<b>Appendix 3-8</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>REDWOOD CITY</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	17,315	17,248	17,316	68	0.4%	
Commercial & Multi Family	4,200	4,191	4,214	23	0.5%	
<b>Total</b>	<b>21,515</b>	<b>21,439</b>	<b>21,530</b>	<b>91</b>	<b>0.4%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	26,155	25,108	24,736	-372	-1.5%	
Commercial & Multi Family	17,535	15,899	16,303	404	2.5%	
Member Agency Facility	2,675	1,369	1,435	66	4.9%	
<b>Total</b>	<b>46,365</b>	<b>42,375</b>	<b>42,474</b>	<b>99</b>	<b>0.2%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	24,607	23,184	22,873	-311	-1.3%	
Commercial & Multi Family	13,254	12,584	12,818	234	1.9%	
Member Agency Facility	1,549	819	866	47	5.8%	
<b>Total</b>	<b>39,410</b>	<b>36,587</b>	<b>36,558</b>	<b>-29</b>	<b>-0.1%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	17,948	17,953	18,052	99	0.6%	
Commercial & Multi Family	3,524	3,409	3,313	-96	-2.8%	
Member Agency Facility	269	277	277	0	0.0%	
<b>Total</b>	<b>21,741</b>	<b>21,639</b>	<b>21,642</b>	<b>3</b>	<b>0.0%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
	<i>actual</i>	<i>estimate</i>	<i>estimate</i>			
Residential - solid waste	10,276	10,011	9,911	-100	0.0%	
Residential - organics	12,713	12,364	12,364	0	0.0%	
Commercial & MFD - solid waste	26,799	26,946	26,946	0	0.0%	
Commercial & MFD - green waste	4,218	4,463	4,553	89	0.0%	
C&D	17	21	21			
Member Agency Delivered to Shoreway	209	180	180	0	0.0%	
<b>Total</b>	<b>54,232</b>	<b>53,986</b>	<b>53,975</b>	<b>-11</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-9

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. SAN CARLOS**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	1,386,908	1,374,805	(12,103)	-0.9%
Benefits for CBAs	554,657	548,074	(6,583)	-1.2%
Payroll Taxes	115,391	114,384	(1,007)	-0.9%
Workers Compensation Insurance	122,155	121,178	(977)	-0.8%
Total Direct Labor Related-Costs	2,179,111	2,158,441	(20,671)	-0.9%
Direct Fuel Costs	383,273	358,875	(24,397)	-6.4%
Other Direct Costs	193,698	188,719	(4,979)	-2.6%
Depreciation				
- Collection Vehicles	369,051	354,851	(14,200)	-3.8%
- Containers	167,451	168,254	803	0.5%
Total Depreciation	536,502	523,105	(13,397)	-2.5%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	663,806	669,536	5,729	0.9%
Operations	153,912	152,570	(1,342)	-0.9%
Vehicle Maintenance	264,008	262,001	(2,007)	-0.8%
Container Maintenance	91,325	92,124	799	0.9%
Total Allocated Indirect Costs excluding Depreciation	1,173,052	1,176,231	3,179	0.3%
Total Allocated Indirect Depreciation Costs	13,730	13,385	(345)	-2.5%
Annual Implementation Cost Amortization	16,783	16,040	(743)	-4.4%
<b>Total Annual Cost of Operations</b>	<b>4,496,149</b>	<b>4,434,797</b>	<b>(61,353)</b>	<b>-1.4%</b>
<b>Profit</b>	471,971	465,531	(6,440)	-1.4%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>4,968,121</b>	<b>4,900,328</b>	<b>(67,793)</b>	<b>-1.4%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	202,122	172,459	(29,663)	-14.7%
Interest Expense on Implementation Cost	6,510	5,475	(1,034)	-15.9%
Contract Changes to Specific Agencies	(6,303)	(6,071)	232	-3.7%
<b>Total Contractor Pass-Through Costs</b>	<b>202,329</b>	<b>171,863</b>	<b>(30,465)</b>	<b>-15.1%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>5,170,449</b>	<b>5,072,191</b>	<b>(98,258)</b>	<b>-1.9%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	35,238	18,063	(17,175)	
<b>Total Other Adjustments</b>	<b>35,238</b>	<b>18,063</b>	<b>(17,175)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>5,205,687</b>	<b>5,090,254</b>	<b>(115,433)</b>	<b>-2.2%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**San Carlos**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$797,550	\$740,293	(\$57,257)	-7.2%	\$571,738	\$617,016	\$45,278	7.9%	\$17,620	\$17,496	(\$124)	-0.7%	\$1,386,908	\$1,374,805	(\$12,103)	-0.9%
Benefits for CBAs	\$325,836	\$303,036	(\$22,800)	-7.0%	\$221,766	\$238,034	\$16,267	7.3%	\$7,055	\$7,005	(\$50)	-0.7%	\$554,657	\$548,074	(\$6,583)	-1.2%
Payroll Taxes	\$66,356	\$61,592	(\$4,764)	-7.2%	\$47,569	\$51,336	\$3,767	7.9%	\$1,466	\$1,456	(\$10)	-0.7%	\$115,391	\$114,384	(\$1,007)	-0.9%
Workers Compensation Insurance	\$70,246	\$65,251	(\$4,995)	-7.1%	\$50,357	\$54,385	\$4,028	8.0%	\$1,552	\$1,542	(\$10)	-0.6%	\$122,155	\$121,178	(\$977)	-0.8%
<b>Total Direct Labor Related-Costs</b>	<b>\$1,259,989</b>	<b>\$1,170,172</b>	<b>(\$89,817)</b>	<b>-7.1%</b>	<b>\$891,430</b>	<b>\$960,770</b>	<b>\$69,340</b>	<b>7.8%</b>	<b>\$27,693</b>	<b>\$27,498</b>	<b>(\$194)</b>	<b>-0.7%</b>	<b>\$2,179,111</b>	<b>\$2,158,441</b>	<b>(\$20,671)</b>	<b>-0.9%</b>
Direct Fuel Costs	\$226,232	\$202,441	(\$23,791)	-10.5%	\$151,484	\$151,272	(\$212)	-0.1%	\$5,557	\$5,162	(\$395)	-7.1%	\$383,273	\$358,875	(\$24,397)	-6.4%
Other Direct Costs	\$109,693	\$102,096	(\$7,597)	-6.9%	\$80,189	\$82,940	\$2,751	3.4%	\$3,816	\$3,683	(\$133)	-3.5%	\$193,698	\$188,719	(\$4,979)	-2.6%
Depreciation																
- Collection Vehicles	\$215,320	\$197,734	(\$17,586)	-8.2%	\$138,960	\$143,592	\$4,633	3.3%	\$14,771	\$13,525	(\$1,246)	-8.4%	\$369,051	\$354,851	(\$14,200)	-3.8%
- Containers	\$124,921	\$124,928	\$8	0.0%	\$42,530	\$43,326	\$795	1.9%	\$0	\$0	\$0		\$167,451	\$168,254	\$803	0.5%
<b>Total Depreciation</b>	<b>\$340,241</b>	<b>\$322,662</b>	<b>(\$17,578)</b>	<b>-5.2%</b>	<b>\$181,490</b>	<b>\$186,918</b>	<b>\$5,428</b>	<b>3.0%</b>	<b>\$14,771</b>	<b>\$13,525</b>	<b>(\$1,246)</b>	<b>-8.4%</b>	<b>\$536,502</b>	<b>\$523,105</b>	<b>(\$13,397)</b>	<b>-2.5%</b>
Allocated Indirect Costs																
General and Administrative	\$372,265	\$378,681	\$6,417	1.7%	\$271,606	\$272,323	\$717	0.3%	\$19,936	\$18,531	(\$1,404)	-7.0%	\$663,806	\$669,536	\$5,729	0.9%
Operations	\$91,617	\$85,467	(\$6,149)	-6.7%	\$57,621	\$62,636	\$5,015	8.7%	\$4,675	\$4,467	(\$207)	-4.4%	\$153,912	\$152,570	(\$1,342)	-0.9%
Vehicle Maintenance	\$157,152	\$146,769	(\$10,383)	-6.6%	\$98,838	\$107,561	\$8,723	8.8%	\$8,018	\$7,671	(\$347)	-4.3%	\$264,008	\$262,001	(\$2,007)	-0.8%
Container Maintenance	\$53,076	\$53,961	\$885	1.7%	\$35,311	\$35,432	\$122	0.3%	\$2,938	\$2,730	(\$208)	-7.1%	\$91,325	\$92,124	\$799	0.9%
<b>Total Allocated Indirect Costs</b>	<b>\$674,109</b>	<b>\$664,879</b>	<b>(\$9,230)</b>	<b>-1.4%</b>	<b>\$463,376</b>	<b>\$477,952</b>	<b>\$14,576</b>	<b>3.1%</b>	<b>\$35,567</b>	<b>\$33,400</b>	<b>(\$2,167)</b>	<b>-6.1%</b>	<b>\$1,173,052</b>	<b>\$1,176,231</b>	<b>\$3,179</b>	<b>0.3%</b>
Total Allocated Indirect Depreciation Costs	\$8,108	\$7,439	(\$669)	-8.3%	\$5,146	\$5,510	\$364	7.1%	\$476	\$435	(\$40)	-8.4%	\$13,730	\$13,385	(\$345)	-2.5%
Annual Implementation Cost Amortization	\$11,290	\$10,410	(\$880)	-7.8%	\$4,797	\$4,992	\$195	4.1%	\$696	\$637	(\$59)	-8.4%	\$16,783	\$16,040	(\$743)	-4.4%
<b>Total Annual Cost of Operations</b>	<b>\$2,629,662</b>	<b>\$2,480,100</b>	<b>(\$149,562)</b>	<b>-5.7%</b>	<b>\$1,777,912</b>	<b>\$1,870,355</b>	<b>\$92,444</b>	<b>5.2%</b>	<b>\$88,575</b>	<b>\$84,341</b>	<b>(\$4,235)</b>	<b>-4.8%</b>	<b>\$4,496,149</b>	<b>\$4,434,797</b>	<b>(\$61,353)</b>	<b>-1.4%</b>
<b>Profit</b>	\$276,042	\$260,342	(\$15,700)	-5.7%	\$186,632	\$196,336	\$9,704	5.2%	\$9,298	\$8,853	(\$445)	-4.8%	\$471,971	\$465,531	(\$6,440)	-1.4%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$2,905,704</b>	<b>\$2,740,442</b>	<b>(\$165,261)</b>	<b>-5.7%</b>	<b>\$1,964,543</b>	<b>\$2,066,691</b>	<b>\$102,148</b>	<b>5.2%</b>	<b>\$97,873</b>	<b>\$93,194</b>	<b>(\$4,679)</b>	<b>-4.8%</b>	<b>\$4,968,121</b>	<b>\$4,900,328</b>	<b>(\$67,793)</b>	<b>-1.4%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$115,147	\$94,995	(\$20,153)	-17.5%	\$82,347	\$73,778	(\$8,568)	-10.4%	\$4,628	\$3,686	(\$942)	-20.3%	\$202,122	\$172,459	(\$29,663)	-14.7%
Interest Expense on Implementation Cost	\$3,854	\$3,089	(\$765)	-19.8%	\$2,503	\$2,264	(\$239)	-9.5%	\$153	\$122	(\$31)	-20.4%	\$6,510	\$5,475	(\$1,034)	-15.9%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$119,002</b>	<b>\$98,084</b>	<b>(\$20,917)</b>	<b>-17.6%</b>	<b>\$84,849</b>	<b>\$76,042</b>	<b>(\$8,807)</b>	<b>-10.4%</b>	<b>\$4,781</b>	<b>\$3,808</b>	<b>(\$973)</b>	<b>-20.3%</b>	<b>\$208,632</b>	<b>\$177,934</b>	<b>(\$30,697)</b>	<b>-14.7%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$3,024,705</b>	<b>\$2,838,527</b>	<b>(\$186,179)</b>	<b>-6.2%</b>	<b>\$2,049,393</b>	<b>\$2,142,733</b>	<b>\$93,341</b>	<b>4.6%</b>	<b>\$102,654</b>	<b>\$97,002</b>	<b>(\$5,652)</b>	<b>-5.5%</b>	<b>\$5,176,752</b>	<b>\$5,078,262</b>	<b>(\$98,490)</b>	<b>-1.9%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>9.2%</b>	<b>8.5%</b>	<b>(\$204,383)</b>	<b>-0.6%</b>	<b>8.7%</b>	<b>9.1%</b>	<b>\$ 79,689</b>	<b>0.3%</b>	<b>10.4%</b>	<b>9.7%</b>	<b>(\$6,157)</b>	<b>-0.6%</b>	<b>9.00%</b>	<b>8.77%</b>	<b>(\$130,850)</b>	<b>-0.23%</b>

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D. City of San Carlos Allocated Costs - SFD

	Statistics Used for Cost Allocation							Total
City # of accounts	8,608	8,596	8,474	8,596	8,596	2,446	8,608	
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999	
City # of accounts %	9.2%	9.2%	9.4%	9.2%	9.2%	10.2%	9.2%	
City Total Route Labor hours year	3,793.29	3,695.48	3,137.48	18.48	18.48	1,184.65	11,848	
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302	
City Total Route Labor hours year %	8.1%	8.3%	8.0%	8.3%	8.3%	10.2%	8.3%	
City # of route hours/year	3,601.20	3,511.03	2,839.05	17.56	17.56	1,184.65	11,171	
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515	
City Total Route Labor hours year %	8.4%	8.6%	8.2%	8.6%	8.6%	10.2%	8.6%	
City Total Containers in Service	8,637	8,640	8,697	8,640	8,640	2,446	45,700	
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867	
City Total Containers in Service %	9.0%	9.1%	8.7%	9.1%	9.1%	10.2%	9.0%	

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$261,451	\$218,695	\$181,982	\$1,105	\$1,105	\$75,956	\$740,293
Benefits for CBAs	\$103,451	\$90,309	\$73,374	\$456	\$456	\$34,990	\$303,036
Payroll Taxes	\$21,753	\$18,195	\$15,141	\$92	\$92	\$6,320	\$61,592
Workers Compensation Insurance	\$23,045	\$19,276	\$16,040	\$97	\$97	\$6,695	\$65,251
Total Direct Labor Related-Costs	\$409,701	\$346,475	\$286,537	\$1,750	\$1,750	\$123,960	\$1,170,172
Direct Fuel Costs	\$67,400	\$70,009	\$55,848	\$354	\$354	\$8,477	\$202,441
Other Direct Costs	\$33,575	\$34,874	\$28,166	\$176	\$176	\$5,128	\$102,096
Depreciation - Collection Vehicles	\$67,315	\$64,199	\$60,343	\$324	\$324	\$5,228	\$197,734
Depreciation - Containers	\$38,540	\$39,622	\$46,366	\$200	\$200	\$0	\$124,928
Depreciation for Collection Equipment	\$105,855	\$103,821	\$106,709	\$524	\$524	\$5,228	\$322,662
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$121,195	\$124,860	\$125,821	\$631	\$631	\$5,544	\$378,681
Operations	\$27,519	\$29,069	\$27,211	\$147	\$147	\$1,375	\$85,467
Vehicle Maintenance	\$47,258	\$49,918	\$46,727	\$252	\$252	\$2,362	\$146,769
Container Maintenance	\$17,518	\$18,164	\$17,279	\$92	\$92	\$817	\$53,961
Total Allocated Indirect Costs excluding Depreciation and Interest	\$213,490	\$222,011	\$217,037	\$1,121	\$1,121	\$10,098	\$664,879
Total Allocated Indirect Depreciation Costs (Form 9)	\$2,372	\$2,512	\$2,410	\$13	\$13	\$120	\$7,439
Annual Implementation Cost Amortization (Form A)	\$3,395	\$3,274	\$3,011	\$53	\$53	\$625	\$10,410
<b>Total Annual Cost of Operations</b>	<b>\$835,787</b>	<b>\$782,977</b>	<b>\$699,719</b>	<b>\$3,991</b>	<b>\$3,991</b>	<b>\$153,636</b>	<b>\$2,480,100</b>
Profit (insert Operating Ratio below)	\$87,735	\$82,191	\$73,451	\$419	\$419	\$16,128	\$260,342
90.5%							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$923,522</b>	<b>\$865,168</b>	<b>\$773,170</b>	<b>\$4,409</b>	<b>\$4,409</b>	<b>\$169,764</b>	<b>\$2,740,442</b>
Contractor Pass-Through Costs							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$31,165	\$30,566	\$31,416	\$154	\$154	\$1,539	\$94,995
Interest Expense on Implementation Cost	\$1,007	\$972	\$893	\$16	\$16	\$185	\$3,089
Total Contractor Pass-Through Costs	\$32,172	\$31,538	\$32,310	\$170	\$170	\$1,725	\$98,084
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$955,694</b>	<b>\$896,706</b>	<b>\$805,480</b>	<b>\$4,579</b>	<b>\$4,579</b>	<b>\$171,488</b>	<b>\$2,838,527</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$1,041,047</b>	<b>\$981,104</b>	<b>\$832,214</b>	<b>\$5,014</b>	<b>\$5,014</b>	<b>\$160,312</b>	<b>\$3,024,705</b>
Change \$	(\$85,353)	(\$84,399)	(\$26,734)	(\$434)	(\$434)	\$11,176	(\$186,179)
Change %	-8.2%	-8.6%	-3.2%	-8.7%	-8.7%	7.0%	-6.2%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.



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D. City of San Carlos Allocated Costs - MFD & Commercial

	Statistics Used For Cost Allocation							Total
City # of Accounts	1,164	1,174	120	11	11	11	2,446	2,491
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072
City # of Accounts %	11.4%	11.8%	8.7%	6.1%	6.1%	6.1%	10.2%	11.3%
City Total Route Labor hours year	4,043.27	2,815.99	484.24	286.01	143.00	88.00	1,184.65	7,861
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651
City Total Route Labor hours year %	8.2%	10.5%	8.1%	7.2%	9.3%	26.1%	10.2%	9.0%
City # of route hours/year	2,810.61	2,631.16	468.57	286.01	143.00	88.00	1,184.65	6,427
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918
City # of route hours/year %	8.7%	10.4%	8.5%	7.2%	9.3%	26.1%	10.2%	9.3%
City Total Containers in Service	1,637	1,867	137	20	20	20	2,446	3,701
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472
City Total Containers in Service %	9.2%	9.7%	7.9%	7.5%	7.5%	7.5%	10.2%	9.4%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$348,004	\$176,796	\$47,577	\$24,981	\$5,013	\$2,403	\$12,243	\$617,016
Benefits for CBAs	\$142,117	\$67,822	\$12,824	\$7,144	\$2,007	\$962	\$5,157	\$238,034
Payroll Taxes	\$28,954	\$14,709	\$3,958	\$2,078	\$417	\$200	\$1,019	\$51,336
Workers Compensation Insurance	\$30,674	\$15,583	\$4,194	\$2,202	\$442	\$212	\$1,079	\$54,385
Total Direct Labor Related-Costs	\$549,748	\$274,910	\$68,553	\$36,405	\$7,879	\$3,777	\$19,498	\$960,770
Direct Fuel Costs	\$83,148	\$41,585	\$15,819	\$5,351	\$1,503	\$721	\$3,144	\$151,272
Other Direct Costs	\$43,285	\$25,321	\$7,259	\$3,842	\$1,077	\$518	\$1,637	\$82,940
Depreciation - Collection Vehicles	\$68,561	\$41,769	\$18,889	\$3,588	\$2,312	\$6,469	\$2,003	\$143,592
Depreciation - Containers	\$17,850	\$14,128	\$10,740	\$0	\$0	\$0	\$608	\$43,326
Depreciation for Collection Equipment	\$86,411	\$55,897	\$29,630	\$3,588	\$2,312	\$6,469	\$2,611	\$186,918
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$80,181	\$87,594	\$75,919	\$20,624	\$4,199	\$1,526	\$2,279	\$272,323
Operations	\$15,202	\$19,089	\$18,521	\$6,054	\$1,588	\$1,616	\$565	\$62,636
Vehicle Maintenance	\$26,106	\$32,780	\$31,804	\$10,397	\$2,728	\$2,775	\$971	\$107,561
Container Maintenance	\$9,566	\$10,627	\$10,128	\$3,738	\$761	\$277	\$336	\$35,432
Total Allocated Indirect Costs excluding Depreciation and Interest	\$131,056	\$150,090	\$136,372	\$40,814	\$9,276	\$6,194	\$4,152	\$477,952
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,368	\$1,674	\$1,378	\$596	\$151	\$295	\$49	\$5,510
Annual Implementation Cost Amortization (Form A)	\$4,172	\$122	\$52	\$474	\$6	\$12	\$153	\$4,992
<b>Total Annual Cost of Operations</b>	<b>\$899,188</b>	<b>\$549,600</b>	<b>\$259,064</b>	<b>\$91,070</b>	<b>\$22,203</b>	<b>\$17,987</b>	<b>\$31,244</b>	<b>\$1,870,355</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$94,389.87</b>	<b>\$57,693</b>	<b>\$27,195</b>	<b>\$9,560</b>	<b>\$2,331</b>	<b>\$1,888</b>	<b>\$3,280</b>	<b>\$196,336</b>
90.5%								
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$993,578</b>	<b>\$607,293</b>	<b>\$286,258</b>	<b>\$100,630</b>	<b>\$24,534</b>	<b>\$19,875</b>	<b>\$34,524</b>	<b>\$2,066,691</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$34,107	\$22,063	\$11,695	\$1,416	\$913	\$2,553	\$1,031	\$73,778
Interest Expense on Implementation Cost	\$1,892	\$55	\$24	\$215	\$3	\$6	\$69	\$2,264
<b>Total Contractor Pass-Through Costs</b>	<b>\$35,999</b>	<b>\$22,119</b>	<b>\$11,719</b>	<b>\$1,632</b>	<b>\$916</b>	<b>\$2,559</b>	<b>\$1,100</b>	<b>\$76,042</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$1,029,577</b>	<b>\$629,411</b>	<b>\$297,977</b>	<b>\$102,261</b>	<b>\$25,450</b>	<b>\$22,434</b>	<b>\$35,624</b>	<b>\$2,142,733</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$981,094</b>	<b>\$626,357</b>	<b>\$261,887</b>	<b>\$88,128</b>	<b>\$41,298</b>	<b>\$17,104</b>	<b>\$33,526</b>	<b>\$2,049,393</b>
Change \$	\$48,483	\$3,054	\$36,090	\$14,133	(\$15,848)	\$5,330	\$2,098	\$93,341
Change %	4.9%	0.5%	13.8%	16.0%	-38.4%	31.2%	6.3%	4.6%

SBWMA COLLECTION AGREEMENT

2015

Appendix 3-9

D. City of San Carlos Allocated Costs - Agency Facilities

0	Statistics Used For Cost Allocation				Totals
City # of Lifts per year	11,700	1,586	10,868	8,608	24,154.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	5.4%	11.2%	21.6%	9.2%	
City Total Route Labor hours year	246.23	28.29	200.31	474.83	474.83
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	5.3%	14.7%	19.4%	8.1%	
City # of route hours/year	125.32	27.26	192.65	474.83	345.23
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	4.9%	14.9%	19.7%	8.1%	
City # of Containers	13	20	69	8,637	102.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	1.7%	9.1%	13.5%	9.0%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$5,567	\$3,251	\$7,797	\$881	\$17,496
Benefits for CBAs	\$2,229	\$1,302	\$3,122	\$353	\$7,005
Payroll Taxes	\$463	\$270	\$649	\$73	\$1,456
Workers Compensation Insurance	\$491	\$287	\$687	\$78	\$1,542
Total Direct Labor Related-Costs	\$8,749	\$5,109	\$12,255	\$1,385	\$27,498
Direct Fuel Costs	\$1,536	\$984	\$2,377	\$264	\$5,162
Other Direct Costs	\$1,096	\$702	\$1,696	\$189	\$3,683
Depreciation - Collection Vehicles	\$4,178	\$3,165	\$5,604	\$577	\$13,525
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$4,178	\$3,165	\$5,604	\$577	\$13,525
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$5,985	\$2,812	\$8,760	\$974	\$18,531
Operations	\$1,349	\$922	\$1,982	\$214	\$4,467
Vehicle Maintenance	\$2,317	\$1,583	\$3,403	\$368	\$7,671
Container Maintenance (using lifts for Agency Costs)	\$882	\$414	\$1,291	\$144	\$2,730
Total Allocated Indirect Costs excluding Depreciation and Interest	\$10,533	\$5,731	\$15,436	\$1,700	\$33,400
Total Allocated Indirect Depreciation Costs (Form 9)	\$135	\$102	\$181	\$19	\$435
Annual Implementation Cost Amortization (Form A)	\$197	\$149	\$264	\$27	\$637
<b>Total Annual Cost of Operations</b>	<b>\$26,424</b>	<b>\$15,943</b>	<b>\$37,814</b>	<b>\$4,160</b>	<b>\$84,341</b>
Profit (insert Operating Ratio below)	\$2,774	\$1,674	\$3,969	\$437	\$8,853
90.5%					
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$29,197</b>	<b>\$17,617</b>	<b>\$41,783</b>	<b>\$4,597</b>	<b>\$93,194</b>
Contractor Pass-Through Costs					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$1,139	\$863	\$1,528	\$157	\$3,686
Interest Expense on Implementation Cost	\$38	\$28	\$50	\$5	\$122
<b>Total Contractor Pass-Through Costs</b>	<b>\$1,176</b>	<b>\$891</b>	<b>\$1,578</b>	<b>\$162</b>	<b>\$3,808</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$30,374</b>	<b>\$18,508</b>	<b>\$43,361</b>	<b>\$4,760</b>	<b>\$97,002</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$33,603</b>	<b>\$30,794</b>	<b>\$33,494</b>	<b>\$4,763</b>	<b>\$102,654</b>
Change \$	(\$3,229)	(\$12,286)	\$9,867	(\$3)	(\$5,652)
Change %	-9.6%	-39.9%	29.5%	-0.1%	-5.5%

<b>Member Agency Snapshot</b>		<b>Appendix 3-9</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>SAN CARLOS</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	8,597	8,595	8,608	13	0.2%	
Commercial & Multi Family	2,466	2,445	2,491	46	1.9%	
<b>Total</b>	<b>11,063</b>	<b>11,040</b>	<b>11,099</b>	<b>59</b>	<b>0.5%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	14,255	13,656	11,848	-1,808	-13.2%	
Commercial & Multi Family	8,169	7,519	7,861	341	4.5%	
Member Agency Facility	885	446	475	29	6.4%	
<b>Total</b>	<b>23,308</b>	<b>21,621</b>	<b>20,183</b>	<b>-1,438</b>	<b>-6.7%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	13,453	12,689	11,171	-1,518	-12.0%	
Commercial & Multi Family	6,838	6,361	6,427	67	1.1%	
Member Agency Facility	545	326	345	19	5.8%	
<b>Total</b>	<b>20,837</b>	<b>19,376</b>	<b>17,944</b>	<b>-1,433</b>	<b>-7.4%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	8,632	8,632	8,637	5	0.1%	
Commercial & Multi Family	1,675	1,481	1,637	156	10.5%	
Member Agency Facility	20	32	13	-19	-59.4%	
<b>Total</b>	<b>10,327</b>	<b>10,145</b>	<b>10,287</b>	<b>142</b>	<b>1.4%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste	4,459	4,382	4,338	-44	0.0%	
Residential - organics	6,171	6,061	6,061	0	0.0%	
Commercial & MFD - solid waste	8,569	8,211	8,046	-164	0.0%	
Commercial & MFD - green waste	951	1,116	1,150	33	0.0%	
C&D	48	0	0	0	0.0%	
Member Agency Delivered to Shoreway	449	49	49	0	0.0%	
<b>Total</b>	<b>20,647</b>	<b>19,819</b>	<b>19,645</b>	<b>-175</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-10

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. SAN MATEO**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	3,477,854	3,559,930	82,077	2.4%
Benefits for CBAs	1,382,954	1,419,205	36,252	2.6%
Payroll Taxes	289,357	296,186	6,829	2.4%
Workers Compensation Insurance	306,320	313,778	7,459	2.4%
Total Direct Labor Related-Costs	5,456,484	5,589,100	132,616	2.4%
Direct Fuel Costs	887,078	870,347	(16,731)	-1.9%
Other Direct Costs	450,840	459,164	8,323	1.8%
Depreciation				
- Collection Vehicles	828,699	836,229	7,530	0.9%
- Containers	409,104	411,007	1,904	0.5%
Total Depreciation	1,237,802	1,247,236	9,434	0.8%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	1,541,554	1,576,923	35,369	2.3%
Operations	353,704	358,443	4,739	1.3%
Vehicle Maintenance	606,716	615,535	8,819	1.5%
Container Maintenance	226,826	230,061	3,235	1.4%
Total Allocated Indirect Costs excluding Depreciation	2,728,800	2,780,962	52,162	1.9%
Total Allocated Indirect Depreciation Costs	31,266	31,206	(60)	-0.2%
Annual Implementation Cost Amortization	38,066	38,607	541	1.4%
<b>Total Annual Cost of Operations</b>	<b>10,830,337</b>	<b>11,016,622</b>	<b>186,285</b>	<b>1.7%</b>
<b>Profit</b>	1,136,886	1,156,441	19,555	1.7%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>11,967,223</b>	<b>12,173,063</b>	<b>205,840</b>	<b>1.7%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	475,291	415,661	(59,630)	-12.5%
Interest Expense on Implementation Cost	15,455	13,544	(1,911)	-12.4%
<b>Total Contractor Pass-Through Costs</b>	<b>490,746</b>	<b>429,205</b>	<b>(61,541)</b>	<b>-12.5%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>12,457,969</b>	<b>12,602,268</b>	<b>144,299</b>	<b>1.2%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	109,459	60,521	(48,938)	
<b>Total Other Adjustments</b>	<b>109,459</b>	<b>60,521</b>	<b>(48,938)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>12,567,428</b>	<b>12,662,789</b>	<b>95,361</b>	<b>0.8%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**San Mateo**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$1,612,559	\$1,712,761	\$100,202	6.2%	\$1,838,145	\$1,818,067	(\$20,078)	-1.1%	\$27,150	\$29,102	\$1,952	7.2%	\$3,477,854	\$3,559,930	\$82,077	2.4%
Benefits for CBAs	\$659,297	\$700,831	\$41,535	6.3%	\$712,787	\$706,723	(\$6,064)	-0.9%	\$10,870	\$11,652	\$782	7.2%	\$1,382,954	\$1,419,205	\$36,252	2.6%
Payroll Taxes	\$134,165	\$142,502	\$8,337	6.2%	\$152,934	\$151,263	(\$1,670)	-1.1%	\$2,259	\$2,421	\$162	7.2%	\$289,357	\$296,186	\$6,829	2.4%
Workers Compensation Insurance	\$142,030	\$150,966	\$8,936	6.3%	\$161,899	\$160,247	(\$1,651)	-1.0%	\$2,391	\$2,565	\$174	7.3%	\$306,320	\$313,778	\$7,459	2.4%
<b>Total Direct Labor Related-Costs</b>	<b>\$2,548,050</b>	<b>\$2,707,060</b>	<b>\$159,010</b>	<b>6.2%</b>	<b>\$2,865,764</b>	<b>\$2,836,301</b>	<b>(\$29,464)</b>	<b>-1.0%</b>	<b>\$42,670</b>	<b>\$45,740</b>	<b>\$3,070</b>	<b>7.2%</b>	<b>\$5,456,484</b>	<b>\$5,589,100</b>	<b>\$132,616</b>	<b>2.4%</b>
Direct Fuel Costs	\$453,335	\$455,348	\$2,013	0.4%	\$425,421	\$406,499	(\$18,923)	-4.4%	\$8,322	\$8,500	\$179	2.1%	\$887,078	\$870,347	(\$16,731)	-1.9%
Other Direct Costs	\$220,075	\$229,783	\$9,708	4.4%	\$225,049	\$223,316	(\$1,734)	-0.8%	\$5,716	\$6,065	\$349	6.1%	\$450,840	\$459,164	\$8,323	1.8%
Depreciation																
- Collection Vehicles	\$431,686	\$444,971	\$13,285	3.1%	\$375,431	\$368,186	(\$7,244)	-1.9%	\$21,583	\$23,072	\$1,489	6.9%	\$828,699	\$836,229	\$7,530	0.9%
- Containers	\$290,813	\$290,986	\$173	0.1%	\$118,290	\$120,022	\$1,731	1.5%	\$0	\$0	\$0		\$409,104	\$411,007	\$1,904	0.5%
<b>Total Depreciation</b>	<b>\$722,499</b>	<b>\$735,957</b>	<b>\$13,458</b>	<b>1.9%</b>	<b>\$493,721</b>	<b>\$488,208</b>	<b>(\$5,513)</b>	<b>-1.1%</b>	<b>\$21,583</b>	<b>\$23,072</b>	<b>\$1,489</b>	<b>6.9%</b>	<b>\$1,237,802</b>	<b>\$1,247,236</b>	<b>\$9,434</b>	<b>0.8%</b>
Allocated Indirect Costs																
General and Administrative	\$864,604	\$879,659	\$15,055	1.7%	\$642,146	\$663,148	\$21,002	3.3%	\$34,804	\$34,116	(\$688)	-2.0%	\$1,541,554	\$1,576,923	\$35,369	2.3%
Operations	\$182,845	\$191,530	\$8,685	4.8%	\$163,922	\$159,460	(\$4,462)	-2.7%	\$6,938	\$7,453	\$516	7.4%	\$353,704	\$358,443	\$4,739	1.3%
Vehicle Maintenance	\$313,637	\$328,904	\$15,267	4.9%	\$281,178	\$273,832	(\$7,347)	-2.6%	\$11,900	\$12,799	\$899	7.6%	\$606,716	\$615,535	\$8,819	1.5%
Container Maintenance	\$123,705	\$125,934	\$2,229	1.8%	\$97,992	\$99,101	\$1,109	1.1%	\$5,129	\$5,026	(\$103)	-2.0%	\$226,826	\$230,061	\$3,235	1.4%
<b>Total Allocated Indirect Costs</b>	<b>\$1,484,791</b>	<b>\$1,526,027</b>	<b>\$41,236</b>	<b>2.8%</b>	<b>\$1,185,238</b>	<b>\$1,195,540</b>	<b>\$10,302</b>	<b>0.9%</b>	<b>\$58,771</b>	<b>\$59,395</b>	<b>\$624</b>	<b>1.1%</b>	<b>\$2,728,800</b>	<b>\$2,780,962</b>	<b>\$52,162</b>	<b>1.9%</b>
Total Allocated Indirect Depreciation Costs	\$16,182	\$16,667	\$485	3.0%	\$14,389	\$13,797	(\$593)	-4.1%	\$695	\$743	\$48	6.9%	\$31,266	\$31,206	(\$60)	-0.2%
Annual Implementation Cost Amortization	\$22,720	\$23,471	\$752	3.3%	\$14,329	\$14,048	(\$282)	-2.0%	\$1,017	\$1,087	\$70	6.9%	\$38,066	\$38,607	\$541	1.4%
<b>Total Annual Cost of Operations</b>	<b>\$5,467,651</b>	<b>\$5,694,312</b>	<b>\$226,661</b>	<b>4.1%</b>	<b>\$5,223,913</b>	<b>\$5,177,707</b>	<b>(\$46,206)</b>	<b>-0.9%</b>	<b>\$138,774</b>	<b>\$144,603</b>	<b>\$5,829</b>	<b>4.2%</b>	<b>\$10,830,337</b>	<b>\$11,016,622</b>	<b>\$186,285</b>	<b>1.7%</b>
<b>Profit</b>	\$573,952	\$597,745	\$23,793	4.1%	\$548,367	\$543,516	(\$4,850)	-0.9%	\$14,567	\$15,179	\$612	4.2%	\$1,136,886	\$1,156,441	\$19,555	1.7%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$6,041,603</b>	<b>\$6,292,058</b>	<b>\$250,455</b>	<b>4.1%</b>	<b>\$5,772,279</b>	<b>\$5,721,223</b>	<b>(\$51,056)</b>	<b>-0.9%</b>	<b>\$153,341</b>	<b>\$159,782</b>	<b>\$6,441</b>	<b>4.2%</b>	<b>\$11,967,223</b>	<b>\$12,173,063</b>	<b>\$205,840</b>	<b>1.7%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$244,515	\$216,673	(\$27,842)	-11.4%	\$224,014	\$192,700	(\$31,314)	-14.0%	\$6,762	\$6,288	(\$474)	-7.0%	\$475,291	\$415,661	(\$59,630)	-12.5%
Interest Expense on Implementation Cost	\$7,756	\$6,966	(\$790)	-10.2%	\$7,475	\$6,371	(\$1,104)	-14.8%	\$223	\$208	(\$16)	-7.1%	\$15,455	\$13,544	(\$1,911)	-12.4%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$252,271</b>	<b>\$223,638</b>	<b>(\$28,633)</b>	<b>-11.3%</b>	<b>\$231,489</b>	<b>\$199,071</b>	<b>(\$32,418)</b>	<b>-14.0%</b>	<b>\$6,985</b>	<b>\$6,496</b>	<b>(\$489)</b>	<b>-7.0%</b>	<b>\$490,746</b>	<b>\$429,205</b>	<b>(\$61,541)</b>	<b>-12.5%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$6,293,874</b>	<b>\$6,515,696</b>	<b>\$221,822</b>	<b>3.5%</b>	<b>\$6,003,769</b>	<b>\$5,920,294</b>	<b>(\$83,475)</b>	<b>-1.4%</b>	<b>\$160,326</b>	<b>\$166,278</b>	<b>\$5,952</b>	<b>3.7%</b>	<b>\$12,457,969</b>	<b>\$12,602,268</b>	<b>\$144,299</b>	<b>1.2%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>19.0%</b>	<b>19.6%</b>	<b>\$183,943</b>	<b>0.6%</b>	<b>25.5%</b>	<b>25.0%</b>	<b>\$ (123,467)</b>	<b>-0.5%</b>	<b>16.2%</b>	<b>16.7%</b>	<b>\$5,163</b>	<b>0.5%</b>	<b>21.65%</b>	<b>21.76%</b>	<b>\$65,639</b>	<b>0.11%</b>

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Appendix 3-10

**D. City of San Mateo Allocated Costs - SFD**

	Statistics Used for Cost Allocation						Total
City # of accounts	20,120	20,064	19,434	20,064	20,064	5,933	20,120
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999
City # of accounts %	21.4%	21.4%	21.5%	21.4%	21.4%	24.7%	21.4%
City Total Route Labor hours year	9,444.71	7,825.05	7,065.07	39.13	39.13	2,873.48	27,287
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302
City Total Route Labor hours year %	20.2%	17.6%	18.1%	17.6%	17.6%	24.7%	19.2%
City # of route hours/year	8,876.05	7,261.99	6,222.07	36.31	36.31	2,873.48	25,306
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515
City Total Route Labor hours year %	20.7%	17.8%	17.9%	17.8%	17.8%	24.7%	19.4%
City Total Containers in Service	20,418	20,268	19,881	20,268	20,268	5,933	107,036
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867
City Total Containers in Service %	21.2%	21.2%	20.0%	21.2%	21.2%	24.7%	21.2%

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$650,974	\$463,079	\$409,793	\$2,339	\$2,339	\$184,238	\$1,712,761
Benefits for CBAs	\$257,577	\$191,226	\$165,226	\$966	\$966	\$84,870	\$700,831
Payroll Taxes	\$54,161	\$38,528	\$34,095	\$195	\$195	\$15,329	\$142,502
Workers Compensation Insurance	\$57,379	\$40,816	\$36,119	\$206	\$206	\$16,239	\$150,966
Total Direct Labor Related-Costs	\$1,020,091	\$733,649	\$645,233	\$3,705	\$3,705	\$300,676	\$2,707,060
Direct Fuel Costs	\$166,124	\$144,802	\$122,396	\$731	\$731	\$20,562	\$455,348
Other Direct Costs	\$82,754	\$72,132	\$61,730	\$364	\$364	\$12,439	\$229,783
Depreciation - Collection Vehicles	\$165,915	\$132,785	\$132,249	\$670	\$670	\$12,681	\$444,971
Depreciation - Containers	\$91,109	\$92,947	\$105,991	\$469	\$469	\$0	\$290,986
Depreciation for Collection Equipment	\$257,024	\$225,732	\$238,239	\$1,140	\$1,140	\$12,681	\$735,957
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$283,276	\$291,438	\$288,553	\$1,472	\$1,472	\$13,448	\$879,659
Operations	\$67,828	\$60,124	\$59,635	\$304	\$304	\$3,336	\$191,530
Vehicle Maintenance	\$116,478	\$103,247	\$102,408	\$521	\$521	\$5,729	\$328,904
Container Maintenance	\$41,413	\$42,610	\$39,498	\$215	\$215	\$1,981	\$125,934
Total Allocated Indirect Costs excluding Depreciation and Interest	\$508,996	\$497,419	\$490,094	\$2,512	\$2,512	\$24,494	\$1,526,027
Total Allocated Indirect Depreciation Costs (Form 9)	\$5,846	\$5,195	\$5,282	\$26	\$26	\$291	\$16,667
Annual Implementation Cost Amortization (Form A)	\$8,367	\$6,773	\$6,598	\$109	\$109	\$1,515	\$23,471
<b>Total Annual Cost of Operations</b>	<b>\$2,049,202</b>	<b>\$1,685,701</b>	<b>\$1,569,573</b>	<b>\$8,588</b>	<b>\$8,588</b>	<b>\$372,659</b>	<b>\$5,694,312</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$215,110</b>	<b>\$176,952</b>	<b>\$164,762</b>	<b>\$902</b>	<b>\$902</b>	<b>\$39,119</b>	<b>\$597,745</b>
<b>90.5%</b>							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$2,264,311</b>	<b>\$1,862,653</b>	<b>\$1,734,335</b>	<b>\$9,490</b>	<b>\$9,490</b>	<b>\$411,778</b>	<b>\$6,292,058</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$75,670	\$66,458	\$70,140	\$336	\$336	\$3,734	\$216,673
Interest Expense on Implementation Cost	\$2,483	\$2,010	\$1,958	\$32	\$32	\$450	\$6,966
<b>Total Contractor Pass-Through Costs</b>	<b>\$78,153</b>	<b>\$68,468</b>	<b>\$72,098</b>	<b>\$368</b>	<b>\$368</b>	<b>\$4,183</b>	<b>\$223,638</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$2,342,465</b>	<b>\$1,931,121</b>	<b>\$1,806,433</b>	<b>\$9,858</b>	<b>\$9,858</b>	<b>\$415,961</b>	<b>\$6,515,696</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$2,274,546</b>	<b>\$1,892,687</b>	<b>\$1,735,155</b>	<b>\$9,666</b>	<b>\$9,666</b>	<b>\$372,155</b>	<b>\$6,293,874</b>
<b>Change \$</b>	<b>\$67,919</b>	<b>\$38,434</b>	<b>\$71,278</b>	<b>\$192</b>	<b>\$192</b>	<b>\$43,806</b>	<b>\$221,822</b>
<b>Change %</b>	<b>3.0%</b>	<b>2.0%</b>	<b>4.1%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>11.8%</b>	<b>3.5%</b>

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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Appendix 3-10

**D. City of San Mateo Allocated Costs - MFD & Commercial**

	Statistics Used For Cost Allocation							Total
	City # of Accounts	City # of Accounts %	City Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year	City # of route hours/year %	City Total Containers in Service	
City # of Accounts	2,598	2,474	249	57	57	57	5,933	5,492
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072
City # of Accounts %	25.5%	24.8%	18.0%	31.7%	31.7%	31.7%	24.7%	24.9%
City Total Route Labor hours year	13,130.22	7,197.59	1,119.73	889.17	524.38	11.40	2,873.48	22,872
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651
City Total Route Labor hours year %	26.7%	26.9%	18.8%	22.5%	34.2%	3.4%	24.7%	26.1%
City # of route hours/year	7,912.93	6,795.86	1,040.53	889.17	524.38	11.40	2,873.48	17,174
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918
City # of route hours/year %	24.6%	26.8%	18.9%	22.5%	34.2%	3.4%	24.7%	24.9%
City Total Containers in Service	4,942	5,240	319	67	67	67	5,933	10,702
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472
City Total Containers in Service %	27.9%	27.3%	18.3%	25.2%	25.2%	25.2%	24.7%	27.1%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$1,130,117	\$451,885	\$110,014	\$77,662	\$18,382	\$311	\$29,697	\$1,818,067
Benefits for CBAs	\$461,514	\$173,351	\$29,654	\$22,210	\$7,360	\$125	\$12,509	\$706,723
Payroll Taxes	\$94,026	\$37,597	\$9,153	\$6,461	\$1,529	\$26	\$2,471	\$151,263
Workers Compensation Insurance	\$99,610	\$39,830	\$9,698	\$6,845	\$1,620	\$27	\$2,618	\$160,247
Total Direct Labor Related-Costs	\$1,785,267	\$702,662	\$158,518	\$113,178	\$28,891	\$489	\$47,295	\$2,836,301
Direct Fuel Costs	\$234,092	\$107,409	\$35,129	\$16,635	\$5,513	\$93	\$7,627	\$406,499
Other Direct Costs	\$121,864	\$65,401	\$16,120	\$11,943	\$3,949	\$67	\$3,971	\$223,316
Depreciation - Collection Vehicles	\$193,024	\$107,884	\$41,946	\$11,156	\$8,478	\$838	\$4,860	\$368,186
Depreciation - Containers	\$53,888	\$39,651	\$25,008	\$0	\$0	\$0	\$1,474	\$120,022
Depreciation for Collection Equipment	\$246,912	\$147,535	\$66,955	\$11,156	\$8,478	\$838	\$6,334	\$488,208
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$178,961	\$184,589	\$157,532	\$106,868	\$21,758	\$7,910	\$5,529	\$663,148
Operations	\$42,800	\$49,304	\$41,128	\$18,823	\$5,825	\$209	\$1,371	\$159,460
Vehicle Maintenance	\$73,499	\$84,666	\$70,626	\$32,323	\$10,002	\$359	\$2,355	\$273,832
Container Maintenance	\$28,879	\$29,825	\$23,583	\$12,524	\$2,550	\$927	\$815	\$99,101
Total Allocated Indirect Costs excluding Depreciation and Interest	\$324,139	\$348,384	\$292,869	\$170,538	\$40,134	\$9,406	\$10,070	\$1,195,540
Total Allocated Indirect Depreciation Costs (Form 9)	\$3,852	\$4,323	\$3,059	\$1,853	\$552	\$38	\$120	\$13,797
Annual Implementation Cost Amortization (Form A)	\$11,746	\$316	\$116	\$1,475	\$23	\$2	\$370	\$14,048
<b>Total Annual Cost of Operations</b>	<b>\$2,727,872</b>	<b>\$1,376,030</b>	<b>\$572,768</b>	<b>\$326,778</b>	<b>\$87,539</b>	<b>\$10,933</b>	<b>\$75,786</b>	<b>\$5,177,707</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$286,351.24</b>	<b>\$144,445</b>	<b>\$60,125</b>	<b>\$34,303</b>	<b>\$9,189</b>	<b>\$1,148</b>	<b>\$7,955</b>	<b>\$543,516</b>
	<b>90.5%</b>							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$3,014,224</b>	<b>\$1,520,475</b>	<b>\$632,893</b>	<b>\$361,080</b>	<b>\$96,729</b>	<b>\$12,081</b>	<b>\$83,741</b>	<b>\$5,721,223</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$97,458	\$58,233	\$26,428	\$4,403	\$3,346	\$331	\$2,500	\$192,700
Interest Expense on Implementation Cost	\$5,327	\$143	\$53	\$669	\$10	\$1	\$168	\$6,371
<b>Total Contractor Pass-Through Costs</b>	<b>\$102,785</b>	<b>\$58,377</b>	<b>\$26,480</b>	<b>\$5,072</b>	<b>\$3,357</b>	<b>\$332</b>	<b>\$2,668</b>	<b>\$199,071</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$3,117,009</b>	<b>\$1,578,852</b>	<b>\$659,373</b>	<b>\$366,153</b>	<b>\$100,085</b>	<b>\$12,413</b>	<b>\$86,409</b>	<b>\$5,920,294</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$3,165,354</b>	<b>\$1,569,118</b>	<b>\$675,177</b>	<b>\$398,328</b>	<b>\$107,838</b>	<b>\$10,127</b>	<b>\$77,827</b>	<b>\$6,003,769</b>
Change \$	<b>(\$48,345)</b>	<b>\$9,734</b>	<b>(\$15,804)</b>	<b>(\$32,175)</b>	<b>(\$7,753)</b>	<b>\$2,286</b>	<b>\$8,582</b>	<b>(\$83,475)</b>
Change %	<b>-1.5%</b>	<b>0.6%</b>	<b>-2.3%</b>	<b>-8.1%</b>	<b>-7.2%</b>	<b>22.6%</b>	<b>11.0%</b>	<b>-1.4%</b>

SBWMA COLLECTION AGREEMENT

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Appendix 3-10

**D. City of San Mateo Allocated Costs - Agency Facilities**

	Statistics Used For Cost Allocation				Totals
City # of Lifts per year	30,849	4,134	10,829	20,120	45,812.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	14.2%	29.3%	21.6%	21.4%	
City Total Route Labor hours year	542.82	62.31	209.59	814.72	814.72
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year	11.8%	32.4%	20.3%	13.9%	
City # of route hours/year	287.27	59.19	193.59	814.72	540.05
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	11.2%	32.3%	19.8%	13.9%	
City # of Containers	103	69	106	20,418	278.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	13.1%	31.5%	20.7%	21.2%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$12,272	\$7,160	\$8,158	\$1,512	\$29,102
Benefits for CBAs	\$4,913	\$2,867	\$3,266	\$605	\$11,652
Payroll Taxes	\$1,021	\$596	\$679	\$126	\$2,421
Workers Compensation Insurance	\$1,082	\$631	\$719	\$133	\$2,565
<b>Total Direct Labor Related-Costs</b>	<b>\$19,288</b>	<b>\$11,254</b>	<b>\$12,822</b>	<b>\$2,376</b>	<b>\$45,740</b>
Direct Fuel Costs	\$3,520	\$2,138	\$2,389	\$453	\$8,500
Other Direct Costs	\$2,512	\$1,525	\$1,705	\$323	\$6,065
Depreciation - Collection Vehicles	\$9,578	\$6,872	\$5,632	\$990	\$23,072
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$9,578	\$6,872	\$5,632	\$990	\$23,072
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$15,781	\$7,330	\$8,729	\$2,277	\$34,116
Operations	\$3,093	\$2,001	\$1,992	\$368	\$7,453
Vehicle Maintenance	\$5,311	\$3,437	\$3,420	\$632	\$12,799
Container Maintenance (using lifts for Agency Costs)	\$2,325	\$1,080	\$1,286	\$335	\$5,026
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$26,510</b>	<b>\$13,848</b>	<b>\$15,426</b>	<b>\$3,612</b>	<b>\$59,395</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$308	\$221	\$181	\$32	\$743
Annual Implementation Cost Amortization (Form A)	\$451	\$324	\$265	\$47	\$1,087
<b>Total Annual Cost of Operations</b>	<b>\$62,168</b>	<b>\$36,181</b>	<b>\$38,421</b>	<b>\$7,833</b>	<b>\$144,603</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$6,526</b>	<b>\$3,798</b>	<b>\$4,033</b>	<b>\$822</b>	<b>\$15,179</b>
<b>90.5%</b>					
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$68,693</b>	<b>\$39,979</b>	<b>\$42,454</b>	<b>\$8,656</b>	<b>\$159,782</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$2,611	\$1,873	\$1,535	\$270	\$6,288
Interest Expense on Implementation Cost	\$86	\$62	\$51	\$9	\$208
<b>Total Contractor Pass-Through Costs</b>	<b>\$2,697</b>	<b>\$1,935</b>	<b>\$1,586</b>	<b>\$279</b>	<b>\$6,496</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$71,390</b>	<b>\$41,914</b>	<b>\$44,040</b>	<b>\$8,934</b>	<b>\$166,278</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$62,627</b>	<b>\$35,730</b>	<b>\$53,376</b>	<b>\$8,594</b>	<b>\$160,326</b>
<b>Change \$</b>	<b>\$8,763</b>	<b>\$6,184</b>	<b>(\$9,336)</b>	<b>\$341</b>	<b>\$5,952</b>
<b>Change %</b>	<b>14.0%</b>	<b>17.3%</b>	<b>-17.5%</b>	<b>4.0%</b>	<b>3.7%</b>



<b>Member Agency Snapshot</b>		<b>Appendix 3-10</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>SAN MATEO</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	19,995	20,082	20,120	38	0.2%	
Commercial & Multi Family	5,335	5,451	5,492	41	0.8%	
<b>Total</b>	<b>25,330</b>	<b>25,533</b>	<b>25,612</b>	<b>79</b>	<b>0.3%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	28,436	27,502	27,287	-215	-0.8%	
Commercial & Multi Family	25,322	23,688	22,872	-816	-3.4%	
Member Agency Facility	1,265	724	815	91	12.6%	
<b>Total</b>	<b>55,023</b>	<b>51,913</b>	<b>50,974</b>	<b>-940</b>	<b>-1.8%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	26,653	25,702	25,306	-396	-1.5%	
Commercial & Multi Family	18,467	17,605	17,174	-431	-2.4%	
Member Agency Facility	979	509	540	31	6.1%	
<b>Total</b>	<b>46,099</b>	<b>43,816</b>	<b>43,021</b>	<b>-795</b>	<b>-1.8%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	20,269	20,382	20,418	36	0.2%	
Commercial & Multi Family	4,977	4,671	4,942	271	5.8%	
Member Agency Facility	75	94	103	9	9.6%	
<b>Total</b>	<b>25,321</b>	<b>25,147</b>	<b>25,463</b>	<b>316</b>	<b>1.3%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste	12,560	12,494	12,494	0	0.0%	
Residential - organics	13,992	14,261	14,404	143	0.0%	
Commercial & MFD - solid waste	29,153	28,610	28,610	0	0.0%	
Commercial & MFD - green waste	3,376	3,539	3,610	71	0.0%	
C&D	620	649	649	0	0.0%	
Member Agency Delivered to Shoreway	136	124	124	0	0.0%	
<b>Total</b>	<b>59,837</b>	<b>59,678</b>	<b>59,891</b>	<b>213</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-11

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. NORTH FAIR OAKS**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	479,888	510,138	30,250	6.3%
Benefits for CBAs	192,842	204,565	11,723	6.1%
Payroll Taxes	39,927	42,443	2,517	6.3%
Workers Compensation Insurance	42,267	44,965	2,697	6.4%
Total Direct Labor Related-Costs	754,924	802,111	47,187	6.3%
Direct Fuel Costs	120,761	125,956	5,195	4.3%
Other Direct Costs	60,283	65,088	4,806	8.0%
Depreciation				
- Collection Vehicles	112,336	119,157	6,821	6.1%
- Containers	57,465	56,777	(687)	-1.2%
Total Depreciation	169,800	175,934	6,134	3.6%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	199,054	202,024	2,970	1.5%
Operations	44,597	48,424	3,827	8.6%
Vehicle Maintenance	76,498	83,155	6,658	8.7%
Container Maintenance	28,595	28,456	(138)	-0.5%
Total Allocated Indirect Costs excluding Depreciation	348,744	362,060	13,316	3.8%
Total Allocated Indirect Depreciation Costs	3,911	4,160	249	6.4%
Annual Implementation Cost Amortization	5,328	5,635	308	5.8%
<b>Total Annual Cost of Operations</b>	<b>1,463,751</b>	<b>1,540,945</b>	<b>77,194</b>	<b>5.3%</b>
<b>Profit</b>	153,653	161,757	8,103	5.3%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>1,617,404</b>	<b>1,702,702</b>	<b>85,298</b>	<b>5.3%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	64,596	58,377	(6,220)	-9.6%
Interest Expense on Implementation Cost	2,143	1,987	(155)	-7.3%
<b>Total Contractor Pass-Through Costs</b>	<b>66,739</b>	<b>60,364</b>	<b>(6,375)</b>	<b>-9.6%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>1,684,143</b>	<b>1,763,066</b>	<b>78,922</b>	<b>4.7%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	13,020	7,592	(5,428)	
<b>Total Other Adjustments</b>	<b>13,020</b>	<b>7,592</b>	<b>(5,428)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>1,697,163</b>	<b>1,770,658</b>	<b>73,495</b>	<b>4.3%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**North Fair Oaks**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$245,746	\$254,362	\$8,616	3.5%	\$231,057	\$253,395	\$22,338	9.7%	\$3,085	\$2,381	(\$704)	-22.8%	\$479,888	\$510,138	\$30,250	6.3%
Benefits for CBAs	\$100,349	\$103,756	\$3,407	3.4%	\$91,258	\$99,856	\$8,598	9.4%	\$1,235	\$953	(\$282)	-22.8%	\$192,842	\$204,565	\$11,723	6.1%
Payroll Taxes	\$20,446	\$21,163	\$717	3.5%	\$19,224	\$21,082	\$1,859	9.7%	\$257	\$198	(\$59)	-22.8%	\$39,927	\$42,443	\$2,517	6.3%
Workers Compensation Insurance	\$21,645	\$22,420	\$775	3.6%	\$20,351	\$22,335	\$1,984	9.7%	\$272	\$210	(\$62)	-22.8%	\$42,267	\$44,965	\$2,697	6.4%
<b>Total Direct Labor Related-Costs</b>	<b>\$388,186</b>	<b>\$401,701</b>	<b>\$13,515</b>	<b>3.5%</b>	<b>\$361,890</b>	<b>\$396,669</b>	<b>\$34,779</b>	<b>9.6%</b>	<b>\$4,848</b>	<b>\$3,742</b>	<b>(\$1,106)</b>	<b>-22.8%</b>	<b>\$754,924</b>	<b>\$802,111</b>	<b>\$47,187</b>	<b>6.3%</b>
Direct Fuel Costs	\$66,195	68,542.25	\$2,347	3.5%	\$53,473	56,723.01	\$3,250	6.1%	\$1,093	690.73	(\$402)	-36.8%	\$120,761	\$125,956	\$5,195	4.3%
Other Direct Costs	\$32,097	34,449.07	\$2,352	7.3%	\$27,435	30,146.54	\$2,712	9.9%	\$751	492.83	(\$258)	-34.3%	\$60,283	\$65,088	\$4,806	8.0%
Depreciation																
- Collection Vehicles	\$63,016	66,616.94	\$3,601	5.7%	\$46,443	50,661.46	\$4,218	9.1%	\$2,877	1,878.55	(\$998)	-34.7%	\$112,336	\$119,157	\$6,821	6.1%
- Containers	\$41,431	41,425.08	(\$6)	0.0%	\$16,033	15,352.16	(\$681)	-4.2%	\$0	-	\$0		\$57,465	\$56,777	(\$687)	-1.2%
<b>Total Depreciation</b>	<b>\$104,447</b>	<b>\$108,042</b>	<b>\$3,595</b>	<b>3.4%</b>	<b>\$62,477</b>	<b>\$66,014</b>	<b>\$3,537</b>	<b>5.7%</b>	<b>\$2,877</b>	<b>\$1,879</b>	<b>(\$998)</b>	<b>-34.7%</b>	<b>\$169,800</b>	<b>\$175,934</b>	<b>\$6,134</b>	<b>3.6%</b>
Allocated Indirect Costs																
General and Administrative	\$114,309	115,510.43	\$1,201	1.1%	\$82,580	84,544.47	\$1,965	2.4%	\$2,165	1,969.08	(\$196)	-9.1%	\$199,054	\$202,024	\$2,970	1.5%
Operations	\$26,833	28,914.17	\$2,081	7.8%	\$16,847	18,903.02	\$2,056	12.2%	\$917	606.51	(\$310)	-33.8%	\$44,597	\$48,424	\$3,827	8.6%
Vehicle Maintenance	\$46,027	49,652.77	\$3,625	7.9%	\$28,898	32,461.16	\$3,563	12.3%	\$1,573	1,041.52	(\$531)	-33.8%	\$76,498	\$83,155	\$6,658	8.7%
Container Maintenance	\$17,592	17,838.60	\$246	1.4%	\$10,683	10,327.76	(\$356)	-3.3%	\$319	290.11	(\$29)	-9.1%	\$28,595	\$28,456	(\$138)	-0.5%
<b>Total Allocated Indirect Costs</b>	<b>\$204,762</b>	<b>\$211,916</b>	<b>\$7,154</b>	<b>3.5%</b>	<b>\$139,008</b>	<b>\$146,236</b>	<b>\$7,229</b>	<b>5.2%</b>	<b>\$4,974</b>	<b>\$3,907</b>	<b>(\$1,067)</b>	<b>-21.4%</b>	<b>\$348,744</b>	<b>\$362,060</b>	<b>\$13,316</b>	<b>3.8%</b>
Total Allocated Indirect Depreciation Costs	\$2,375	2,512.83	\$138	5.8%	\$1,444	1,587.00	\$143	9.9%	\$93	60.47	(\$32)	-34.7%	\$3,911	\$4,160	\$249	6.4%
Annual Implementation Cost Amortization	\$3,304	3,478.79	\$175	5.3%	\$1,888	2,068.14	\$180	9.5%	\$136	88.54	(\$47)	-34.7%	\$5,328	\$5,635	\$308	5.8%
<b>Total Annual Cost of Operations</b>	<b>\$801,366</b>	<b>\$830,642</b>	<b>\$29,276</b>	<b>3.7%</b>	<b>\$647,614</b>	<b>\$699,443</b>	<b>\$51,829</b>	<b>8.0%</b>	<b>\$14,770</b>	<b>\$10,860</b>	<b>(\$3,910)</b>	<b>-26.5%</b>	<b>\$1,463,751</b>	<b>\$1,540,945</b>	<b>\$77,194</b>	<b>5.3%</b>
<b>Profit</b>	\$84,121	87,194.45	\$3,073	3.7%	\$67,982	73,422.23	\$5,441	8.0%	\$1,550	1,139.99	(\$410)	-26.5%	\$153,653	\$161,757	\$8,103	5.3%
<b>Operating Ratio</b>	<b>90.50%</b>	<b>90.5%</b>			<b>90.50%</b>	<b>90.5%</b>			<b>90.50%</b>	<b>90.5%</b>						
<b>Total Operating Cost</b>	<b>\$885,488</b>	<b>\$917,836</b>	<b>\$32,349</b>	<b>3.7%</b>	<b>\$715,596</b>	<b>\$772,866</b>	<b>\$57,270</b>	<b>8.0%</b>	<b>\$16,321</b>	<b>\$12,000</b>	<b>(\$4,321)</b>	<b>-26.5%</b>	<b>\$1,617,404</b>	<b>\$1,702,702</b>	<b>\$85,298</b>	<b>5.3%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$35,348	\$31,809	(\$3,539)	-10.0%	\$28,347	\$26,056	(\$2,291)	-8.1%	\$901	\$512	(\$389)	-43.2%	\$64,596	\$58,377	(\$6,220)	-9.6%
Interest Expense on Implementation Cost	\$1,128	\$1,032	(\$95)	-8.5%	\$985	\$938	(\$47)	-4.8%	\$30	\$17	(\$13)	-43.2%	\$2,143	\$1,987	(\$155)	-7.3%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$36,476</b>	<b>\$32,841</b>	<b>(\$3,635)</b>	<b>-10.0%</b>	<b>\$29,332</b>	<b>\$26,994</b>	<b>(\$2,338)</b>	<b>-8.0%</b>	<b>\$931</b>	<b>\$529</b>	<b>(\$402)</b>	<b>-43.2%</b>	<b>\$66,739</b>	<b>\$60,364</b>	<b>(\$6,375)</b>	<b>-9.6%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$921,963</b>	<b>\$950,677</b>	<b>\$28,714</b>	<b>3.1%</b>	<b>\$744,928</b>	<b>\$799,860</b>	<b>\$54,931</b>	<b>7.4%</b>	<b>\$17,252</b>	<b>\$12,529</b>	<b>(\$4,723)</b>	<b>-27.4%</b>	<b>\$1,684,143</b>	<b>\$1,763,066</b>	<b>\$78,922</b>	<b>4.7%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>2.8%</b>	<b>2.9%</b>	<b>\$23,165</b>	<b>0.1%</b>	<b>3.2%</b>	<b>3.4%</b>	<b>\$ 49,969</b>	<b>0.2%</b>	<b>1.7%</b>	<b>1.3%</b>	<b>(\$4,808)</b>	<b>-0.5%</b>	<b>2.93%</b>	<b>3.04%</b>	<b>\$68,327</b>	<b>0.12%</b>

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D. County of San Mateo, North Fair Oaks Allocated Costs - SFD

	Statistics Used for Cost Allocation						Total
City # of accounts	2,626	2,622	2,612	2,622	2,622	567	2,626.00
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999.00
City # of accounts %	2.8%	2.8%	2.9%	2.8%	2.8%	2.4%	2.8%
City Total Route Labor hours year	1,379.01	1,546.23	849.59	7.73	7.73	274.61	4,064.90
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302.21
City Total Route Labor hours year %	2.9%	3.5%	2.2%	3.5%	3.5%	2.4%	2.9%
City # of route hours/year	1,202.49	1,424.72	781.64	7.12	7.12	274.61	3,697.71
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,514.86
City Total Route Labor hours year %	2.8%	3.5%	2.3%	3.5%	3.5%	2.4%	2.8%
City Total Containers in Service	2,990	2,817	2,820	2,817	2,817	567	14,828.00
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867.00
City Total Containers in Service %	3.1%	3.0%	2.8%	3.0%	3.0%	2.4%	2.9%

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$95,048	\$91,504	\$49,279	\$462	\$462	\$17,607	\$254,362
Benefits for CBAs	\$37,609	\$37,786	\$19,869	\$191	\$191	\$8,111	\$103,756
Payroll Taxes	\$7,908	\$7,613	\$4,100	\$38	\$38	\$1,465	\$21,163
Workers Compensation Insurance	\$8,378	\$8,065	\$4,343	\$41	\$41	\$1,552	\$22,420
Total Direct Labor Related-Costs	\$148,942	\$144,969	\$77,591	\$732	\$732	\$28,735	\$401,701
Direct Fuel Costs	\$22,506	\$28,409	\$15,376	\$143	\$143	\$1,965	\$68,542
Other Direct Costs	\$11,211	\$14,152	\$7,755	\$71	\$71	\$1,189	\$34,449
Depreciation - Collection Vehicles	\$22,477	\$26,051	\$16,614	\$132	\$132	\$1,212	\$66,617
Depreciation - Containers	\$13,342	\$12,919	\$15,034	\$65	\$65	\$0	\$41,425
Depreciation for Collection Equipment	\$35,819	\$38,969	\$31,648	\$197	\$197	\$1,212	\$108,042
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$36,972	\$38,086	\$38,783	\$192	\$192	\$1,285	\$115,510
Operations	\$9,189	\$11,796	\$7,492	\$60	\$60	\$319	\$28,914
Vehicle Maintenance	\$15,780	\$20,256	\$12,865	\$102	\$102	\$547	\$49,653
Container Maintenance	\$6,065	\$5,922	\$5,603	\$30	\$30	\$189	\$17,839
Total Allocated Indirect Costs excluding Depreciation and Interest	\$68,006	\$76,059	\$64,742	\$384	\$384	\$2,341	\$211,916
Total Allocated Indirect Depreciation Costs (Form 9)	\$792	\$1,019	\$664	\$5	\$5	\$28	\$2,513
Annual Implementation Cost Amortization (Form A)	\$1,134	\$1,329	\$829	\$21	\$21	\$145	\$3,479
<b>Total Annual Cost of Operations</b>	<b>\$288,410</b>	<b>\$304,906</b>	<b>\$198,603</b>	<b>\$1,555</b>	<b>\$1,555</b>	<b>\$35,614</b>	<b>\$830,642</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$30,275</b>	<b>\$32,007</b>	<b>\$20,848</b>	<b>\$163</b>	<b>\$163</b>	<b>\$3,738</b>	<b>\$87,194</b>
	<b>0.91</b>						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$318,685</b>	<b>\$336,912</b>	<b>\$219,451</b>	<b>\$1,718</b>	<b>\$1,718</b>	<b>\$39,352</b>	<b>\$917,836</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$10,546	\$11,473	\$9,317	\$58	\$58	\$357	\$31,809
Interest Expense on Implementation Cost	\$336	\$394	\$246	\$6	\$6	\$43	\$1,032
Total Contractor Pass-Through Costs	\$10,882	\$11,867	\$9,563	\$64	\$64	\$400	\$32,841
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$329,567</b>	<b>\$348,780</b>	<b>\$229,014</b>	<b>\$1,782</b>	<b>\$1,782</b>	<b>\$39,752</b>	<b>\$950,677</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$317,510</b>	<b>\$302,951</b>	<b>\$251,650</b>	<b>\$1,547</b>	<b>\$1,547</b>	<b>\$46,758</b>	<b>\$921,963</b>
Change \$	\$12,057	\$45,829	(\$22,636)	\$235	\$235	(\$7,006)	\$28,714
Change %	3.8%	15.1%	-9.0%	15.2%	15.2%	-15.0%	3.1%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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D. County of San Mateo, North Fair Oaks Allocated Costs - MFD & Commercial

	Statistics Used For Cost Allocation							Total			
	City # of Accounts	SBWMA # Accounts	City # of Accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year		SBWMA # of route hours/year	City # of route hours/year %	City Total Containers in Service
City # of Accounts	453	428	33	0	0	0	567	914.00			
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072.00			
City # of Accounts %	4.4%	4.3%	2.4%	0.0%	0.0%	0.0%	2.4%	4.1%			
City Total Route Labor hours year	2,165.54	732.73	184.90	-	-	-	274.61	3,083.17			
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651.35			
City Total Route Labor hours year %	4.4%	2.7%	3.1%	0.0%	0.0%	0.0%	2.4%	3.5%			
City # of route hours/year	1,335.34	689.54	165.63	-	-	-	274.61	2,190.51			
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,917.71			
City # of route hours/year %	4.1%	2.7%	3.0%	0.0%	0.0%	0.0%	2.4%	3.2%			
City Total Containers in Service	721	619	34	0	0	0	567	1,374.00			
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472.00			
City Total Containers in Service %	4.1%	3.2%	1.9%	0.0%	0.0%	0.0%	2.4%	3.5%			

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$186,388	\$46,003	\$18,166	\$0	\$0	\$0	\$2,838	\$253,395
Benefits for CBAs	\$76,117	\$17,648	\$4,897	\$0	\$0	\$0	\$1,195	\$99,856
Payroll Taxes	\$15,507	\$3,827	\$1,511	\$0	\$0	\$0	\$236	\$21,082
Workers Compensation Insurance	\$16,429	\$4,055	\$1,601	\$0	\$0	\$0	\$250	\$22,335
Total Direct Labor Related-Costs	\$294,440	\$71,533	\$26,176	\$0	\$0	\$0	\$4,520	\$396,669
Direct Fuel Costs	\$39,504	\$10,898	\$5,592	\$0	\$0	\$0	\$729	\$56,723
Other Direct Costs	\$20,565	\$6,636	\$2,566	\$0	\$0	\$0	\$379	\$30,147
Depreciation - Collection Vehicles	\$32,574	\$10,946	\$6,677	\$0	\$0	\$0	\$464	\$50,661
Depreciation - Containers	\$7,862	\$4,684	\$2,665	\$0	\$0	\$0	\$141	\$15,352
Depreciation for Collection Equipment	\$40,435	\$15,630	\$9,342	\$0	\$0	\$0	\$605	\$66,014
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$31,205	\$31,934	\$20,878	\$0	\$0	\$0	\$528	\$84,544
Operations	\$7,223	\$5,003	\$6,547	\$0	\$0	\$0	\$131	\$18,903
Vehicle Maintenance	\$12,403	\$8,591	\$11,242	\$0	\$0	\$0	\$225	\$32,461
Container Maintenance	\$4,213	\$3,523	\$2,514	\$0	\$0	\$0	\$78	\$10,328
Total Allocated Indirect Costs excluding Depreciation and Interest	\$55,044	\$49,050	\$41,180	\$0	\$0	\$0	\$962	\$146,236
Total Allocated Indirect Depreciation Costs (Form 9)	\$650	\$439	\$487	\$0	\$0	\$0	\$11	\$1,587
Annual Implementation Cost Amortization (Form A)	\$1,982	\$32	\$19	\$0	\$0	\$0	\$35	\$2,068
<b>Total Annual Cost of Operations</b>	<b>\$452,621</b>	<b>\$154,218</b>	<b>\$85,362</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,243</b>	<b>\$699,443</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$47,512.69</b>	<b>\$16,189</b>	<b>\$8,961</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$760</b>	<b>\$73,422</b>
	0.91							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$500,134</b>	<b>\$170,407</b>	<b>\$94,323</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,003</b>	<b>\$772,866</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$15,960	\$6,169	\$3,688	\$0	\$0	\$0	\$239	\$26,056
Interest Expense on Implementation Cost	\$899	\$15	\$8	\$0	\$0	\$0	\$16	\$938
<b>Total Contractor Pass-Through Costs</b>	<b>\$16,859</b>	<b>\$6,184</b>	<b>\$3,696</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$255</b>	<b>\$26,994</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$516,993</b>	<b>\$176,591</b>	<b>\$98,019</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,258</b>	<b>\$799,860</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$476,890</b>	<b>\$170,773</b>	<b>\$87,487</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,778</b>	<b>\$744,928</b>
Change \$	\$40,102	\$5,818	\$10,532	\$0	\$0	\$0	(\$1,520)	\$54,931
Change %	8.4%	3.4%	12.0%	0.0%	0.0%	0.0%	-15.5%	7.4%

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**D. County of San Mateo, North Fair Oaks Allocated Costs - Agency Facilities**

Statistics Used For Cost Allocation					Totals
City # of Lifts per year	2,236	156	312	2,626	2,704.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	1.0%	1.1%	0.6%	2.8%	
City Total Route Labor hours year	88.28	1.77	0.35	90.40	90.40
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	1.9%	0.9%	0.0%	1.5%	
City # of route hours/year	47.38	1.55	0.31	90.40	49.24
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	1.9%	0.8%	0.0%	1.5%	
City # of Containers (Lifts for example)	6	2	5	2,990	13.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	0.8%	0.9%	1.0%	3.1%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$1,996	\$203	\$14	\$168	\$2,381
Benefits for CBAs	\$799	\$81	\$5	\$67	\$953
Payroll Taxes	\$166	\$17	\$1	\$14	\$198
Workers Compensation Insurance	\$176	\$18	\$1	\$15	\$210
<b>Total Direct Labor Related-Costs</b>	<b>\$3,137</b>	<b>\$320</b>	<b>\$21</b>	<b>\$264</b>	<b>\$3,742</b>
Direct Fuel Costs	\$581	\$56	\$4	\$50	\$691
Other Direct Costs	\$414	\$40	\$3	\$36	\$493
Depreciation - Collection Vehicles	\$1,580	\$180	\$9	\$110	\$1,879
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$1,580	\$180	\$9	\$110	\$1,879
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$1,144	\$277	\$251	\$297	\$1,969
Operations	\$510	\$52	\$3	\$41	\$607
Vehicle Maintenance	\$876	\$90	\$5	\$70	\$1,042
Container Maintenance (using lifts for Agency Costs)	\$169	\$41	\$37	\$44	\$290
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$2,698</b>	<b>\$460</b>	<b>\$297</b>	<b>\$452</b>	<b>\$3,907</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$51	\$6	\$0	\$4	\$60
Annual Implementation Cost Amortization (Form A)	\$74	\$8	\$0	\$5	\$89
<b>Total Annual Cost of Operations</b>	<b>\$8,535</b>	<b>\$1,070</b>	<b>\$335</b>	<b>\$920</b>	<b>\$10,860</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$896</b>	<b>\$112</b>	<b>\$35</b>	<b>\$97</b>	<b>\$1,140</b>
<b>0.91</b>					
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$9,431</b>	<b>\$1,182</b>	<b>\$370</b>	<b>\$1,017</b>	<b>\$12,000</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$431	\$49	\$2	\$30	\$512
Interest Expense on Implementation Cost	\$14	\$2	\$0	\$1	\$17
<b>Total Contractor Pass-Through Costs</b>	<b>\$445</b>	<b>\$51</b>	<b>\$2</b>	<b>\$31</b>	<b>\$529</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$9,876</b>	<b>\$1,233</b>	<b>\$372</b>	<b>\$1,048</b>	<b>\$12,529</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$13,010</b>	<b>\$1,610</b>	<b>\$1,406</b>	<b>\$1,226</b>	<b>\$17,252</b>
Change \$	<b>(\$3,134)</b>	<b>(\$377)</b>	<b>(\$1,033)</b>	<b>(\$178)</b>	<b>(\$4,723)</b>
Change %	<b>-24.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-14.5%</b>	<b>-27.4%</b>

<b>Member Agency Snapshot</b>		<b>Appendix 3-11</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>NORTH FAIR OAKS</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	2,629	2,632	2,626	-6	-0.2%	
Commercial & Multi Family	904	902	914	12	1.3%	
<b>Total</b>	<b>3,533</b>	<b>3,534</b>	<b>3,540</b>	<b>6</b>	<b>0.2%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	4,104	4,204	4,065	-139	-3.3%	
Commercial & Multi Family	3,260	2,908	3,083	175	6.0%	
Member Agency Facility	78	107	90	-17	-15.8%	
<b>Total</b>	<b>7,442</b>	<b>7,220</b>	<b>7,238</b>	<b>19</b>	<b>0.3%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	3,790	3,712	3,698	-15	-0.4%	
Commercial & Multi Family	2,414	2,060	2,191	130	6.3%	
Member Agency Facility	49	73	49	-24	-32.5%	
<b>Total</b>	<b>6,253</b>	<b>5,845</b>	<b>5,937</b>	<b>92</b>	<b>1.6%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	2,936	2,972	2,990	18	0.6%	
Commercial & Multi Family	730	712	721	9	1.3%	
Member Agency Facility	12	17	6	-11	-64.7%	
<b>Total</b>	<b>3,678</b>	<b>3,701</b>	<b>3,717</b>	<b>16</b>	<b>0.4%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste	2,832	2,842	2,842	0	0.0%	
Residential - organics	2,088	2,058	2,058	0	0.0%	
Commercial & MFD - solid waste	2,750	2,990	3,035	45	0.0%	
Commercial & MFD - green waste	389	448	457	9	0.0%	
Member Agency Delivered to Shoreway	165	-	-	0	0.0%	
<b>Total</b>	<b>8,225</b>	<b>8,338</b>	<b>8,392</b>	<b>54</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-12

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. WEST BAY SANITARY DISTRICT**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	271,202	272,181	978	0.4%
Benefits for CBAs	109,514	109,047	(467)	-0.4%
Payroll Taxes	22,564	22,645	81	0.4%
Workers Compensation Insurance	23,887	23,991	104	0.4%
Total Direct Labor Related-Costs	427,168	427,863	696	0.2%
Direct Fuel Costs	74,297	74,177	(121)	-0.2%
Other Direct Costs	36,416	37,665	1,249	3.4%
Depreciation				
- Collection Vehicles	70,547	73,054	2,507	3.6%
- Containers	36,219	36,090	(129)	-0.4%
Total Depreciation	106,766	109,144	2,378	2.2%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	106,928	108,440	1,512	1.4%
Operations	30,176	32,876	2,700	8.9%
Vehicle Maintenance	51,762	56,457	4,695	9.1%
Container Maintenance	16,011	16,168	157	1.0%
Total Allocated Indirect Costs excluding Depreciation	204,877	213,941	9,064	4.4%
Total Allocated Indirect Depreciation Costs	2,651	2,823	172	6.5%
Annual Implementation Cost Amortization	3,458	3,470	12	0.3%
<b>Total Annual Cost of Operations</b>	<b>855,633</b>	<b>869,083</b>	<b>13,450</b>	<b>1.6%</b>
<b>Profit</b>	89,818	91,230	1,412	1.6%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>945,451</b>	<b>960,313</b>	<b>14,862</b>	<b>1.6%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	37,685	33,559	(4,126)	-10.9%
Interest Expense on Implementation Cost	1,246	1,078	(169)	-13.5%
<b>Total Contractor Pass-Through Costs</b>	<b>38,931</b>	<b>34,637</b>	<b>(4,294)</b>	<b>-11.0%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>984,382</b>	<b>994,950</b>	<b>10,568</b>	<b>1.1%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	4,004	1,576	(2,428)	
<b>Total Other Adjustments</b>	<b>4,004</b>	<b>1,576</b>	<b>(2,428)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>988,386</b>	<b>996,526</b>	<b>8,140</b>	<b>0.8%</b>



**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**West Bay Sanitary District**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$223,464	\$222,413	(\$1,051)	-0.5%	\$47,351	\$49,319	\$1,968	4.2%	\$387	\$449	\$61	15.8%	\$271,202	\$272,181	\$978	0.4%
Benefits for CBAs	\$91,151	\$90,522	(\$629)	-0.7%	\$18,208	\$18,345	\$137	0.8%	\$155	\$180	\$25	15.8%	\$109,514	\$109,047	(\$467)	-0.4%
Payroll Taxes	\$18,592	\$18,505	(\$87)	-0.5%	\$3,940	\$4,103	\$164	4.2%	\$32	\$37	\$5	15.8%	\$22,564	\$22,645	\$81	0.4%
Workers Compensation Insurance	\$19,682	\$19,604	(\$78)	-0.4%	\$4,171	\$4,347	\$177	4.2%	\$34	\$40	\$5	15.9%	\$23,887	\$23,991	\$104	0.4%
<b>Total Direct Labor Related-Costs</b>	<b>\$352,889</b>	<b>\$351,043</b>	<b>(\$1,846)</b>	<b>-0.5%</b>	<b>\$73,670</b>	<b>\$76,115</b>	<b>\$2,446</b>	<b>3.3%</b>	<b>\$609</b>	<b>\$705</b>	<b>\$96</b>	<b>15.8%</b>	<b>\$427,168</b>	<b>\$427,863</b>	<b>\$696</b>	<b>0.2%</b>
Direct Fuel Costs	\$61,412	\$61,281	(\$131)	-0.2%	\$12,754	\$12,741	(\$13)	-0.1%	\$131	\$154	\$23	17.7%	\$74,297	\$74,177	(\$121)	-0.2%
Other Direct Costs	\$29,755	\$30,796	\$1,040	3.5%	\$6,570	\$6,759	\$189	2.9%	\$90	\$110	\$20	22.2%	\$36,416	\$37,665	\$1,249	3.4%
Depreciation																
- Collection Vehicles	\$58,783	\$60,383	\$1,600	2.7%	\$11,409	\$12,223	\$814	7.1%	\$354	\$448	\$93	26.3%	\$70,547	\$73,054	\$2,507	3.6%
- Containers	\$34,086	\$33,994	(\$92)	-0.3%	\$2,133	\$2,096	(\$37)	-1.7%	\$0	\$0	\$0		\$36,219	\$36,090	(\$129)	-0.4%
<b>Total Depreciation</b>	<b>\$92,869</b>	<b>\$94,377</b>	<b>\$1,508</b>	<b>1.6%</b>	<b>\$13,542</b>	<b>\$14,319</b>	<b>\$777</b>	<b>5.7%</b>	<b>\$354</b>	<b>\$448</b>	<b>\$93</b>	<b>26.3%</b>	<b>\$106,766</b>	<b>\$109,144</b>	<b>\$2,378</b>	<b>2.2%</b>
Allocated Indirect Costs																
General and Administrative	\$96,172	\$96,983	\$812	0.8%	\$10,206	\$10,970	\$764	7.5%	\$550	\$487	(\$63)	-11.5%	\$106,928	\$108,440	\$1,512	1.4%
Operations	\$25,104	\$26,295	\$1,192	4.7%	\$4,961	\$6,442	\$1,481	29.9%	\$111	\$139	\$28	25.0%	\$30,176	\$32,876	\$2,700	8.9%
Vehicle Maintenance	\$43,061	\$45,156	\$2,095	4.9%	\$8,510	\$11,062	\$2,553	30.0%	\$190	\$238	\$48	25.2%	\$51,762	\$56,457	\$4,695	9.1%
Container Maintenance	\$14,375	\$14,518	\$143	1.0%	\$1,555	\$1,578	\$23	1.5%	\$81	\$72	(\$9)	-11.5%	\$16,011	\$16,168	\$157	1.0%
<b>Total Allocated Indirect Costs</b>	<b>\$178,712</b>	<b>\$182,952</b>	<b>\$4,240</b>	<b>2.4%</b>	<b>\$25,232</b>	<b>\$30,053</b>	<b>\$4,821</b>	<b>19.1%</b>	<b>\$933</b>	<b>\$936</b>	<b>\$3</b>	<b>0.3%</b>	<b>\$204,877</b>	<b>\$213,941</b>	<b>\$9,064</b>	<b>4.4%</b>
Total Allocated Indirect Depreciation Costs	\$2,224	\$2,290	\$66	3.0%	\$416	\$518	\$102	24.5%	\$11	\$14	\$3	26.3%	\$2,651	\$2,823	\$172	6.5%
Annual Implementation Cost Amortization	\$3,066	\$3,130	\$64	2.1%	\$376	\$319	(\$57)	-15.0%	\$17	\$21	\$4	26.3%	\$3,458	\$3,470	\$12	0.3%
<b>Total Annual Cost of Operations</b>	<b>\$720,928</b>	<b>\$725,869</b>	<b>\$4,942</b>	<b>0.7%</b>	<b>\$132,560</b>	<b>\$140,825</b>	<b>\$8,265</b>	<b>6.2%</b>	<b>\$2,146</b>	<b>\$2,389</b>	<b>\$243</b>	<b>11.3%</b>	<b>\$855,633</b>	<b>\$869,083</b>	<b>\$13,450</b>	<b>1.6%</b>
<b>Profit</b>	\$75,677	\$76,196	\$519	0.7%	\$13,915	\$14,783	\$868	6.2%	\$225	\$251	\$26	11.3%	\$89,818	\$91,230	\$1,412	1.6%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%						
<b>Total Operating Cost</b>	<b>\$796,605</b>	<b>\$802,066</b>	<b>\$5,461</b>	<b>0.7%</b>	<b>\$146,475</b>	<b>\$155,608</b>	<b>\$9,133</b>	<b>6.2%</b>	<b>\$2,371</b>	<b>\$2,640</b>	<b>\$269</b>	<b>11.3%</b>	<b>\$945,451</b>	<b>\$960,313</b>	<b>\$14,862</b>	<b>1.6%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$31,430	\$27,785	(\$3,644)	-11.6%	\$6,144	\$5,652	(\$493)	-8.0%	\$111	\$122	\$11	9.9%	\$37,685	\$33,559	(\$4,126)	-10.9%
Interest Expense on Implementation Cost	\$1,047	\$929	(\$118)	-11.3%	\$196	\$145	(\$51)	-26.1%	\$4	\$4	\$0	9.8%	\$1,246	\$1,078	(\$169)	-13.5%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$32,476</b>	<b>\$28,714</b>	<b>(\$3,762)</b>	<b>-11.6%</b>	<b>\$6,340</b>	<b>\$5,797</b>	<b>(\$544)</b>	<b>-8.6%</b>	<b>\$115</b>	<b>\$126</b>	<b>\$11</b>	<b>9.9%</b>	<b>\$38,931</b>	<b>\$34,637</b>	<b>(\$4,294)</b>	<b>-11.0%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$829,081</b>	<b>\$830,780</b>	<b>\$1,699</b>	<b>0.2%</b>	<b>\$152,815</b>	<b>\$161,404</b>	<b>\$8,589</b>	<b>5.6%</b>	<b>\$2,486</b>	<b>\$2,766</b>	<b>\$280</b>	<b>11.3%</b>	<b>\$984,382</b>	<b>\$994,950</b>	<b>\$10,568</b>	<b>1.1%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>2.5%</b>	<b>2.5%</b>	<b>(\$3,291)</b>	<b>0.0%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>\$ 7,571</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>\$268</b>	<b>0.0%</b>	<b>1.71%</b>	<b>1.72%</b>	<b>\$4,548</b>	<b>0.01%</b>

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**D. West Bay Sanitary District Allocated Costs - SFD**

	Statistics Used for Cost Allocation						Total
City # of accounts	2,208	2,207	2,194	2,207	2,207	414	2,208
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999
City # of accounts %	2.3%	2.4%	2.4%	2.4%	2.4%	1.7%	2.3%
City Total Route Labor hours year	1,111.92	1,173.09	1,082.61	5.87	5.87	200.51	3,580
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302
City Total Route Labor hours year %	2.4%	2.6%	2.8%	2.6%	2.6%	1.7%	2.5%
City # of route hours/year	1,021.68	1,093.99	950.13	5.47	5.47	200.51	3,277
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515
City Total Route Labor hours year %	2.4%	2.7%	2.7%	2.7%	2.7%	1.7%	2.5%
City Total Containers in Service	2,235	2,252	2,549	2,252	2,252	414	11,954
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867
City Total Containers in Service %	2.3%	2.4%	2.6%	2.4%	2.4%	1.7%	2.4%

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$76,639	\$69,422	\$62,794	\$351	\$351	\$12,856	\$222,413
Benefits for CBAs	\$30,324	\$28,668	\$25,318	\$145	\$145	\$5,922	\$90,522
Payroll Taxes	\$6,376	\$5,776	\$5,224	\$29	\$29	\$1,070	\$18,505
Workers Compensation Insurance	\$6,755	\$6,119	\$5,535	\$31	\$31	\$1,133	\$19,604
Total Direct Labor Related-Costs	\$120,095	\$109,985	\$98,872	\$555	\$555	\$20,981	\$351,043
Direct Fuel Costs	\$19,122	\$21,814	\$18,690	\$110	\$110	\$1,435	\$61,281
Other Direct Costs	\$9,525	\$10,866	\$9,426	\$55	\$55	\$868	\$30,796
Depreciation - Collection Vehicles	\$19,098	\$20,004	\$20,195	\$101	\$101	\$885	\$60,383
Depreciation - Containers	\$9,973	\$10,327	\$13,589	\$52	\$52	\$0	\$33,994
Depreciation for Collection Equipment	\$29,071	\$30,331	\$33,784	\$153	\$153	\$885	\$94,377
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$31,087	\$32,058	\$32,576	\$162	\$162	\$938	\$96,983
Operations	\$7,807	\$9,057	\$9,106	\$46	\$46	\$233	\$26,295
Vehicle Maintenance	\$13,407	\$15,554	\$15,638	\$79	\$79	\$400	\$45,156
Container Maintenance	\$4,533	\$4,734	\$5,064	\$24	\$24	\$138	\$14,518
Total Allocated Indirect Costs excluding Depreciation and Interest	\$56,835	\$61,403	\$62,385	\$310	\$310	\$1,709	\$182,952
Total Allocated Indirect Depreciation Costs (Form 9)	\$673	\$783	\$807	\$4	\$4	\$20	\$2,290
Annual Implementation Cost Amortization (Form A)	\$963	\$1,020	\$1,008	\$16	\$16	\$106	\$3,130
<b>Total Annual Cost of Operations</b>	<b>\$236,284</b>	<b>\$236,202</b>	<b>\$224,972</b>	<b>\$1,204</b>	<b>\$1,204</b>	<b>\$26,004</b>	<b>\$725,869</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$24,803</b>	<b>\$24,795</b>	<b>\$23,616</b>	<b>\$126</b>	<b>\$126</b>	<b>\$2,730</b>	<b>\$76,196</b>
90.5%							
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$261,087</b>	<b>\$260,997</b>	<b>\$248,587</b>	<b>\$1,331</b>	<b>\$1,331</b>	<b>\$28,734</b>	<b>\$802,066</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$8,559	\$8,930	\$9,946	\$45	\$45	\$261	\$27,785
Interest Expense on Implementation Cost	\$286	\$303	\$299	\$5	\$5	\$31	\$929
<b>Total Contractor Pass-Through Costs</b>	<b>\$8,844</b>	<b>\$9,233</b>	<b>\$10,245</b>	<b>\$50</b>	<b>\$50</b>	<b>\$292</b>	<b>\$28,714</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$269,931</b>	<b>\$270,229</b>	<b>\$258,833</b>	<b>\$1,381</b>	<b>\$1,381</b>	<b>\$29,026</b>	<b>\$830,780</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$270,962</b>	<b>\$268,871</b>	<b>\$249,422</b>	<b>\$1,373</b>	<b>\$1,373</b>	<b>\$37,079</b>	<b>\$829,081</b>
Change \$	(\$1,031)	\$1,359	\$9,410	\$7	\$7	(\$8,054)	\$1,699
Change %	-0.4%	0.5%	3.8%	0.5%	0.5%	-21.7%	0.2%

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.

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D. West Bay Sanitary District Allocated Costs - MFD & Commercial

	Statistics Used For Cost Allocation							Total			
	City # of Accounts	SBWMA # Accounts	City # of Accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year		SBWMA # of route hours/year	City # of route hours/year %	City Total Containers in Service (Lifts for example)
City # of Accounts	32	36	9	0	0	0	414	77			
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072			
City # of Accounts %	0.3%	0.4%	0.7%	0.0%	0.0%	0.0%	1.7%	0.3%			
City Total Route Labor hours year	252.11	240.81	106.15	0.00	0.00	0.00	200.51	599			
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651			
City Total Route Labor hours year %	0.5%	0.9%	1.8%	0.0%	0.0%	0.0%	1.7%	0.7%			
City # of route hours/year	183.47	229.82	93.27	0.00	0.00	0.00	200.51	507			
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918			
City # of route hours/year %	0.6%	0.9%	1.7%	0.0%	0.0%	0.0%	1.7%	0.7%			
City Total Containers in Service (Lifts for example)	54	82	10	0	0	0	414	146			
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472			
City Total Containers in Service %	0.3%	0.4%	0.6%	0.0%	0.0%	0.0%	1.7%	0.4%			

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$21,699	\$15,119	\$10,429	\$0	\$0	\$0	\$2,072	\$49,319
Benefits for CBAs	\$8,861	\$5,800	\$2,811	\$0	\$0	\$0	\$873	\$18,345
Payroll Taxes	\$1,805	\$1,258	\$868	\$0	\$0	\$0	\$172	\$4,103
Workers Compensation Insurance	\$1,913	\$1,333	\$919	\$0	\$0	\$0	\$183	\$4,347
<b>Total Direct Labor Related-Costs</b>	<b>\$34,278</b>	<b>\$23,509</b>	<b>\$15,027</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,300</b>	<b>\$76,115</b>
Direct Fuel Costs	\$5,428	\$3,632	\$3,149	\$0	\$0	\$0	\$532	\$12,741
Other Direct Costs	\$2,826	\$2,212	\$1,445	\$0	\$0	\$0	\$277	\$6,759
Depreciation - Collection Vehicles	\$4,475	\$3,648	\$3,760	\$0	\$0	\$0	\$339	\$12,223
Depreciation - Containers	\$589	\$620	\$784	\$0	\$0	\$0	\$103	\$2,096
Depreciation for Collection Equipment	\$5,064	\$4,269	\$4,544	\$0	\$0	\$0	\$442	\$14,319
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$2,204	\$2,686	\$5,694	\$0	\$0	\$0	\$386	\$10,970
Operations	\$992	\$1,667	\$3,687	\$0	\$0	\$0	\$96	\$6,442
Vehicle Maintenance	\$1,704	\$2,863	\$6,331	\$0	\$0	\$0	\$164	\$11,062
Container Maintenance	\$316	\$467	\$739	\$0	\$0	\$0	\$57	\$1,578
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$5,216</b>	<b>\$7,683</b>	<b>\$16,451</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$703</b>	<b>\$30,053</b>
Total Allocated Indirect Depreciation Costs (Form 9)	\$89	\$146	\$274	\$0	\$0	\$0	\$8	\$518
Annual Implementation Cost Amortization (Form A)	\$272	\$11	\$10	\$0	\$0	\$0	\$26	\$319
<b>Total Annual Cost of Operations</b>	<b>\$53,174</b>	<b>\$41,462</b>	<b>\$40,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,288</b>	<b>\$140,825</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$5,581.80</b>	<b>\$4,352</b>	<b>\$4,293</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$555</b>	<b>\$14,783</b>
<b>90.5%</b>								
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$58,756</b>	<b>\$45,814</b>	<b>\$45,194</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,843</b>	<b>\$155,608</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$1,999	\$1,685	\$1,794	\$0	\$0	\$0	\$174	\$5,652
Interest Expense on Implementation Cost	\$124	\$5	\$5	\$0	\$0	\$0	\$12	\$145
<b>Total Contractor Pass-Through Costs</b>	<b>\$2,122</b>	<b>\$1,690</b>	<b>\$1,798</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$186</b>	<b>\$5,797</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$60,878</b>	<b>\$47,504</b>	<b>\$46,992</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,030</b>	<b>\$161,404</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$70,896</b>	<b>\$44,290</b>	<b>\$29,875</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,754</b>	<b>\$152,815</b>
Change \$	(\$10,018)	\$3,214	\$17,117	\$0	\$0	\$0	(\$1,725)	\$8,589
Change %	-14.1%	7.3%	57.3%	0.0%	0.0%	0.0%	-22.2%	5.6%

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D. West Bay Sanitary District Allocated Costs - Agency Facilities

Statistics Used For Cost Allocation					Totals
City # of Lifts per year	156	65	52	2,208	273.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	0.1%	0.5%	0.1%	2.3%	
City Total Route Labor hours year	4.78	2.25	1.69	8.72	8.72
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year %	0.1%	1.2%	0.2%	0.1%	
City # of route hours/year	4.36	2.10	1.65	8.72	8.11
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	0.2%	1.1%	0.2%	0.1%	
City # of Containers	1	1	1	2,235	3.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	0.1%	0.5%	0.2%	2.3%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$108	\$259	\$66	\$16	\$449
Benefits for CBAs	\$43	\$104	\$26	\$6	\$180
Payroll Taxes	\$9	\$22	\$5	\$1	\$37
Workers Compensation Insurance	\$10	\$23	\$6	\$1	\$40
<b>Total Direct Labor Related-Costs</b>	<b>\$170</b>	<b>\$406</b>	<b>\$103</b>	<b>\$25</b>	<b>\$705</b>
Direct Fuel Costs	\$53	\$76	\$20	\$5	\$154
Other Direct Costs	\$38	\$54	\$15	\$3	\$110
Depreciation - Collection Vehicles	\$145	\$244	\$48	\$11	\$448
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$145	\$244	\$48	\$11	\$448
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$80	\$115	\$42	\$250	\$487
Operations	\$47	\$71	\$17	\$4	\$139
Vehicle Maintenance	\$81	\$122	\$29	\$7	\$238
Container Maintenance (using lifts for Agency Costs)	\$12	\$17	\$6	\$37	\$72
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	<b>\$219</b>	<b>\$325</b>	<b>\$94</b>	<b>\$297</b>	<b>\$936</b>
<b>Total Allocated Indirect Depreciation Costs (Form 9)</b>	<b>\$5</b>	<b>\$8</b>	<b>\$2</b>	<b>\$0</b>	<b>\$14</b>
<b>Annual Implementation Cost Amortization (Form A)</b>	<b>\$7</b>	<b>\$11</b>	<b>\$2</b>	<b>\$0</b>	<b>\$21</b>
<b>Total Annual Cost of Operations</b>	<b>\$637</b>	<b>\$1,125</b>	<b>\$284</b>	<b>\$343</b>	<b>\$2,389</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$67</b>	<b>\$118</b>	<b>\$30</b>	<b>\$36</b>	<b>\$251</b>
90.5%					
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$704</b>	<b>\$1,243</b>	<b>\$314</b>	<b>\$378</b>	<b>\$2,640</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$40	\$66	\$13	\$3	\$122
Interest Expense on Implementation Cost	\$1	\$2	\$0	\$0	\$4
<b>Total Contractor Pass-Through Costs</b>	<b>\$41</b>	<b>\$69</b>	<b>\$14</b>	<b>\$3</b>	<b>\$126</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$745</b>	<b>\$1,311</b>	<b>\$328</b>	<b>\$381</b>	<b>\$2,766</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$411</b>	<b>\$981</b>	<b>\$719</b>	<b>\$374</b>	<b>\$2,486</b>
Change \$	\$334	\$330	(\$391)	\$7	\$280
Change %	81.1%	33.6%	-54.4%	2.0%	11.3%

<b>Member Agency Snapshot</b>		<b>Appendix 3-12</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>WEST BAY</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	2,211	2,217	2,208	-9	-0.4%	
Commercial & Multi Family	71	75	77	2	2.7%	
<b>Total</b>	<b>2,282</b>	<b>2,292</b>	<b>2,285</b>	<b>-7</b>	<b>-0.3%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	4,488	3,851	3,580	-271	-7.0%	
Commercial & Multi Family	545	589	599	10	1.7%	
Member Agency Facility	53	8	9	1	14.3%	
<b>Total</b>	<b>5,087</b>	<b>4,448</b>	<b>4,188</b>	<b>-260</b>	<b>-5.9%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	4,198	3,421	3,277	-144	-4.2%	
Commercial & Multi Family	419	495	507	12	2.4%	
Member Agency Facility	52	7	8	1	11.1%	
<b>Total</b>	<b>4,669</b>	<b>3,923</b>	<b>3,792</b>	<b>-131</b>	<b>-3.3%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	2,136	2,238	2,235	-3	-0.1%	
Commercial & Multi Family	25	50	54	4	8.0%	
Member Agency Facility	0	3	1	-2	-66.7%	
<b>Total</b>	<b>2,161</b>	<b>2,291</b>	<b>2,290</b>	<b>-1</b>	<b>0.0%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>
		<i>actual</i>	<i>estimate</i>	<i>estimate</i>		
Residential - solid waste	1,172	1,131	1,120	-11	0.0%	
Residential - organics	2,482	2,325	2,301	-23	0.0%	
Commercial & MFD - solid waste	423	423	423	0	0.0%	
Commercial & MFD - green waste	140	147	150	3	0.0%	
C&D	-	-	-	0	0.0%	
Member Agency Delivered to Shoreway	-	-	-	0	0.0%	
<b>Total</b>	<b>4,217</b>	<b>4,025</b>	<b>3,994</b>	<b>-32</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA

SBWMA COLLECTION AGREEMENT

Appendix 3-13

Contractor's Compensation: Next Rate Year vs. Current Year

**CONTRACTOR'S COMPENSATION - DETAIL**

**A. UNINCORPORATED COUNTY**

	Costs - 2014	Costs - 2015	Change	% Change
<b>Annual Cost of Operations</b>				
Direct Labor-Related Costs				
Wages for CBAs	579,732	570,027	(9,705)	-1.7%
Benefits for CBAs	234,763	230,457	(4,306)	-1.8%
Payroll Taxes	48,234	47,426	(807)	-1.7%
Workers Compensation Insurance	51,061	50,243	(818)	-1.6%
Total Direct Labor Related-Costs	913,790	898,153	(15,637)	-1.7%
Direct Fuel Costs	164,988	156,976	(8,012)	-4.9%
Other Direct Costs	80,476	79,552	(924)	-1.1%
Depreciation				
- Collection Vehicles	157,744	154,294	(3,449)	-2.2%
- Containers	82,534	81,961	(573)	-0.7%
Total Depreciation	240,277	236,255	(4,022)	-1.7%
Allocated Indirect Costs excluding Depreciation				
General and Administrative	260,556	265,807	5,251	2.0%
Operations	66,686	67,375	689	1.0%
Vehicle Maintenance	114,388	115,700	1,312	1.1%
Container Maintenance	37,342	37,806	464	1.2%
Total Allocated Indirect Costs excluding Depreciation	478,973	486,689	7,716	1.6%
Total Allocated Indirect Depreciation Costs	5,891	5,834	(57)	-1.0%
Annual Implementation Cost Amortization	7,958	7,682	(277)	-3.5%
<b>Total Annual Cost of Operations</b>	<b>1,892,353</b>	<b>1,871,140</b>	<b>(21,213)</b>	<b>-1.1%</b>
<b>Profit</b>	198,645	196,418	(2,227)	-1.1%
<b>Operating Ratio</b>	90.5%	90.5%		
<b>Total Operating Costs</b>	<b>2,090,998</b>	<b>2,067,558</b>	<b>(23,440)</b>	<b>-1.1%</b>
<b>Contractor Pass-Through Costs</b>				
Interest Expense	84,167	72,097	(12,070)	-14.3%
Interest Expense on Implementation Cost	2,830	2,368	(462)	-16.3%
<b>Total Contractor Pass-Through Costs</b>	<b>86,997</b>	<b>74,465</b>	<b>(12,532)</b>	<b>-14.4%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>2,177,995</b>	<b>2,142,023</b>	<b>(35,971)</b>	<b>-1.7%</b>
<b>Other Adjustments</b>				
Incentive / Disincentives	10,287	5,239	(5,048)	
<b>Total Other Adjustments</b>	<b>10,287</b>	<b>5,239</b>	<b>(5,048)</b>	
<b>TOTAL CONTRACTOR'S COMPENSATION</b>	<b>2,188,282</b>	<b>2,147,262</b>	<b>(41,020)</b>	<b>-1.9%</b>

**CONTRACTOR'S BASE COMPENSATION BY SERVICE SECTOR**

**Unincorporated County**

BASE COLLECTION COSTS	Single-Family Costs				Multi-Family and Commercial Costs				Member Agency Facility Costs				TOTAL			
	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change	2014	2015	Change	% Change
<b>Annual Cost of Operations</b>																
Direct Labor-Related Costs																
Wages for CBAs	\$506,918	\$496,243	(\$10,675)	-2.1%	\$71,359	\$72,721	\$1,362	1.9%	\$1,455	\$1,063	(\$392)	-27.0%	\$579,732	\$570,027	(\$9,705)	-1.7%
Benefits for CBAs	\$206,310	\$202,141	(\$4,169)	-2.0%	\$27,871	\$27,891	\$20	0.1%	\$582	\$425	(\$157)	-27.0%	\$234,763	\$230,457	(\$4,306)	-1.8%
Payroll Taxes	\$42,176	\$41,287	(\$888)	-2.1%	\$5,937	\$6,050	\$113	1.9%	\$121	\$88	(\$33)	-27.0%	\$48,234	\$47,426	(\$807)	-1.7%
Workers Compensation Insurance	\$44,648	\$43,740	(\$908)	-2.0%	\$6,285	\$6,410	\$125	2.0%	\$128	\$94	(\$34)	-26.9%	\$51,061	\$50,243	(\$818)	-1.6%
<b>Total Direct Labor Related-Costs</b>	<b>\$800,051</b>	<b>\$783,411</b>	<b>(\$16,640)</b>	<b>-2.1%</b>	<b>\$111,453</b>	<b>\$113,072</b>	<b>\$1,619</b>	<b>1.5%</b>	<b>\$2,286</b>	<b>\$1,670</b>	<b>(\$616)</b>	<b>-27.0%</b>	<b>\$913,790</b>	<b>\$898,153</b>	<b>(\$15,637)</b>	<b>-1.7%</b>
Direct Fuel Costs	\$145,026	\$137,438	(\$7,588)	-5.2%	\$19,528	\$19,217	(\$311)	-1.6%	\$433	\$321	(\$113)	-26.0%	\$164,988	\$156,976	(\$8,012)	-4.9%
Other Direct Costs	\$70,189	\$69,124	(\$1,066)	-1.5%	\$9,990	\$10,199	\$210	2.1%	\$298	\$229	(\$69)	-23.1%	\$80,476	\$79,552	(\$924)	-1.1%
Depreciation																
- Collection Vehicles	\$139,570	\$135,696	(\$3,874)	-2.8%	\$16,950	\$17,634	\$684	4.0%	\$1,224	\$964	(\$260)	-21.2%	\$157,744	\$154,294	(\$3,449)	-2.2%
- Containers	\$74,500	\$74,049	(\$450)	-0.6%	\$8,034	\$7,911	(\$123)	-1.5%	\$0	\$0	\$0		\$82,534	\$81,961	(\$573)	-0.7%
<b>Total Depreciation</b>	<b>\$214,069</b>	<b>\$209,745</b>	<b>(\$4,324)</b>	<b>-2.0%</b>	<b>\$24,984</b>	<b>\$25,546</b>	<b>\$562</b>	<b>2.2%</b>	<b>\$1,224</b>	<b>\$964</b>	<b>(\$260)</b>	<b>-21.2%</b>	<b>\$240,277</b>	<b>\$236,255</b>	<b>(\$4,022)</b>	<b>-1.7%</b>
Allocated Indirect Costs																
General and Administrative	\$217,744	\$221,668	\$3,924	1.8%	\$41,812	\$42,865	\$1,053	2.5%	\$1,000	\$1,275	\$274	27.4%	\$260,556	\$265,807	\$5,251	2.0%
Operations	\$59,712	\$59,047	(\$664)	-1.1%	\$6,602	\$8,036	\$1,434	21.7%	\$373	\$292	(\$81)	-21.6%	\$66,686	\$67,375	\$689	1.0%
Vehicle Maintenance	\$102,424	\$101,399	(\$1,026)	-1.0%	\$11,324	\$13,799	\$2,475	21.9%	\$640	\$502	(\$138)	-21.5%	\$114,388	\$115,700	\$1,312	1.1%
Container Maintenance	\$31,458	\$31,807	\$349	1.1%	\$5,737	\$5,812	\$75	1.3%	\$147	\$188	\$40	27.4%	\$37,342	\$37,806	\$464	1.2%
<b>Total Allocated Indirect Costs</b>	<b>\$411,337</b>	<b>\$413,921</b>	<b>\$2,583</b>	<b>0.6%</b>	<b>\$65,475</b>	<b>\$70,511</b>	<b>\$5,036</b>	<b>7.7%</b>	<b>\$2,160</b>	<b>\$2,257</b>	<b>\$96</b>	<b>4.5%</b>	<b>\$478,973</b>	<b>\$486,689</b>	<b>\$7,716</b>	<b>1.6%</b>
Total Allocated Indirect Depreciation Costs	\$5,292	\$5,145	(\$147)	-2.8%	\$59	\$657	\$98	17.5%	\$39	\$31	(\$8)	-21.2%	\$5,891	\$5,834	(\$57)	-1.0%
Annual Implementation Cost Amortization	\$7,234	\$7,043	(\$191)	-2.6%	\$667	\$593	(\$74)	-11.1%	\$58	\$45	(\$12)	-21.2%	\$7,958	\$7,682	(\$277)	-3.5%
<b>Total Annual Cost of Operations</b>	<b>\$1,653,199</b>	<b>\$1,625,828</b>	<b>(\$27,371)</b>	<b>-1.7%</b>	<b>\$232,655</b>	<b>\$239,795</b>	<b>\$7,140</b>	<b>3.1%</b>	<b>\$6,499</b>	<b>\$5,517</b>	<b>(\$982)</b>	<b>-15.1%</b>	<b>\$1,892,353</b>	<b>\$1,871,140</b>	<b>(\$21,213)</b>	<b>-1.1%</b>
<b>Profit</b>	\$173,540	\$170,667	(\$2,873)	-1.7%	\$24,422	\$25,172	\$749	3.1%	\$682	\$579	(\$103)	-15.1%	\$198,645	\$196,418	(\$2,227)	-1.1%
<b>Operating Ratio</b>	90.50%	90.5%			90.50%	90.5%			90.50%	90.5%			90.50%	90.5%		
<b>Total Operating Cost</b>	<b>\$1,826,739</b>	<b>\$1,796,495</b>	<b>(\$30,244)</b>	<b>-1.7%</b>	<b>\$257,078</b>	<b>\$264,967</b>	<b>\$7,889</b>	<b>3.1%</b>	<b>\$7,181</b>	<b>\$6,096</b>	<b>(\$1,085)</b>	<b>-15.1%</b>	<b>\$2,090,998</b>	<b>\$2,067,558</b>	<b>(\$23,440)</b>	<b>-1.1%</b>
<b>Contractor Pass-Through Costs</b>																
Interest Expense	\$72,447	\$61,751	(\$10,696)	-14.8%	\$11,336	\$10,083	(\$1,253)	-11.1%	\$383	\$263	(\$121)	-31.5%	\$84,167	\$72,097	(\$12,070)	-14.3%
Interest Expense on Implementation Cost	\$2,469	\$2,090	(\$379)	-15.4%	\$348	\$269	(\$79)	-22.7%	\$13	\$9	(\$4)	-31.5%	\$2,830	\$2,368	(\$462)	-16.3%
Contract Changes to Specific Agencies	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
<b>Total Contractor Pass-Through Costs</b>	<b>\$74,917</b>	<b>\$63,841</b>	<b>(\$11,076)</b>	<b>-14.8%</b>	<b>\$11,684</b>	<b>\$10,352</b>	<b>(\$1,332)</b>	<b>-11.4%</b>	<b>\$396</b>	<b>\$271</b>	<b>(\$125)</b>	<b>-31.5%</b>	<b>\$86,997</b>	<b>\$74,465</b>	<b>(\$12,532)</b>	<b>-14.4%</b>
<b>BASE CONTRACTOR'S COMPENSATION</b>	<b>\$1,901,656</b>	<b>\$1,860,336</b>	<b>(\$41,320)</b>	<b>-2.2%</b>	<b>\$268,762</b>	<b>\$275,319</b>	<b>\$6,558</b>	<b>2.4%</b>	<b>\$7,577</b>	<b>\$6,368</b>	<b>(\$1,209)</b>	<b>-16.0%</b>	<b>\$2,177,995</b>	<b>\$2,142,023</b>	<b>(\$35,971)</b>	<b>-1.7%</b>
<b>Cost Allocation % of SBWMA Total</b>	<b>5.8%</b>	<b>5.6%</b>	<b>\$ (52,765)</b>	<b>-0.2%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>\$ 4,767</b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>(\$1,247)</b>	<b>-0.1%</b>	<b>3.78%</b>	<b>3.70%</b>	<b>(\$49,244)</b>	<b>-0.09%</b>

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D. Unincorporated County - SFD

	Statistics Used for Cost Allocation						Total
City # of accounts	5,041	5,032	5,018	5,032	5,032	1,040	5,041
SBWMA # of accounts	93,999	93,730	90,347	93,730	93,730	24,026	93,999
City # of accounts %	5.4%	5.4%	5.6%	5.4%	5.4%	4.3%	5.4%
City Total Route Labor hours year	2,474.42	2,547.10	2,433.37	12.74	12.74	503.69	7,984
SBWMA Total Route Labor hours year	46,797.02	44,432.25	38,992.32	222.16	222.16	11,636.30	142,302
City Total Route Labor hours year %	5.3%	5.7%	6.2%	5.7%	5.7%	4.3%	5.6%
City # of route hours/year	2,291.48	2,316.52	2,251.47	11.58	11.58	503.69	7,386
SBWMA # of route hours/year	42,960.28	40,791.58	34,718.78	203.96	203.96	11,636.30	130,515
City Total Route Labor hours year %	5.3%	5.7%	6.5%	5.7%	5.7%	4.3%	5.7%
City Total Containers in Service	5,070	5,063	5,247	5,063	5,063	1,040	26,546
SBWMA Total Containers in Service	96,133	95,410	99,478	95,410	95,410	24,026	505,867
City Total Containers in Service %	5.3%	5.3%	5.3%	5.3%	5.3%	4.3%	5.2%

SFD	Solid Waste	Recyclable Materials	Organic Materials (including Holiday Trees)	Weekly Battery and Cell Phone	Weekly Used Motor Oil and Oil Filters	Two On-Call Collection Events	SFD TOTAL
	A	B	C	D	D	J	
<b>Annual Cost of Operations</b>							
Direct Labor-Related Costs							
Wages for CBAs	\$170,549	\$150,735	\$141,142	\$761	\$761	\$32,295	\$496,243
Benefits for CBAs	\$67,483	\$62,245	\$56,908	\$314	\$314	\$14,877	\$202,141
Payroll Taxes	\$14,190	\$12,541	\$11,743	\$63	\$63	\$2,687	\$41,287
Workers Compensation Insurance	<u>\$15,033</u>	<u>\$13,286</u>	<u>\$12,440</u>	<u>\$67</u>	<u>\$67</u>	<u>\$2,847</u>	<u>\$43,740</u>
Total Direct Labor Related-Costs	\$267,254	\$238,807	\$222,233	\$1,206	\$1,206	\$52,705	\$783,411
Direct Fuel Costs	\$42,887	\$46,191	\$44,289	\$233	\$233	\$3,604	\$137,438
Other Direct Costs	\$21,364	\$23,010	\$22,337	\$116	\$116	\$2,180	\$69,124
Depreciation - Collection Vehicles	\$42,833	\$42,357	\$47,854	\$214	\$214	\$2,223	\$135,696
Depreciation - Containers	\$22,623	\$23,218	\$27,973	\$117	\$117	\$0	\$74,049
Depreciation for Collection Equipment	\$65,457	\$65,576	\$75,828	\$331	\$331	\$2,223	\$209,745
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)							
General and Administrative	\$70,974	\$73,092	\$74,506	\$369	\$369	\$2,357	\$221,668
Operations	\$17,511	\$19,179	\$21,579	\$97	\$97	\$585	\$59,047
Vehicle Maintenance	\$30,070	\$32,935	\$37,056	\$166	\$166	\$1,004	\$101,399
Container Maintenance	\$10,283	\$10,644	\$10,424	\$54	\$54	\$347	<u>\$31,807</u>
Total Allocated Indirect Costs excluding Depreciation and Interest	\$128,839	\$135,850	\$143,566	\$686	\$686	\$4,294	\$413,921
Total Allocated Indirect Depreciation Costs (Form 9)	\$1,509	\$1,657	\$1,911	\$8	\$8	\$51	\$5,145
Annual Implementation Cost Amortization (Form A)	\$2,160	\$2,160	\$2,387	\$35	\$35	\$266	\$7,043
<b>Total Annual Cost of Operations</b>	<b>\$529,470</b>	<b>\$513,251</b>	<b>\$512,552</b>	<b>\$2,616</b>	<b>\$2,616</b>	<b>\$65,323</b>	<b>\$1,625,828</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$55,580</b>	<b>\$53,877</b>	<b>\$53,804</b>	<b>\$275</b>	<b>\$275</b>	<b>\$6,857</b>	<b>\$170,667</b>
	90.5%						
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$585,049</b>	<b>\$567,128</b>	<b>\$566,356</b>	<b>\$2,891</b>	<b>\$2,891</b>	<b>\$72,180</b>	<b>\$1,796,495</b>
<b>Contractor Pass-Through Costs</b>							
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$19,271	\$19,306	\$22,324	\$97	\$97	\$654	\$61,751
Interest Expense on Implementation Cost	\$641	\$641	\$709	\$10	\$10	\$79	\$2,090
<b>Total Contractor Pass-Through Costs</b>	<b>\$19,912</b>	<b>\$19,947</b>	<b>\$23,033</b>	<b>\$108</b>	<b>\$108</b>	<b>\$733</b>	<b>\$63,841</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$604,961</b>	<b>\$587,075</b>	<b>\$589,389</b>	<b>\$2,998</b>	<b>\$2,998</b>	<b>\$72,914</b>	<b>\$1,860,336</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$622,249</b>	<b>\$592,226</b>	<b>\$611,810</b>	<b>\$3,026</b>	<b>\$3,026</b>	<b>\$69,319</b>	<b>\$1,901,656</b>
Change \$	<b>(\$17,287)</b>	<b>(\$5,150)</b>	<b>(\$22,421)</b>	<b>(\$28)</b>	<b>(\$28)</b>	<b>\$3,595</b>	<b>(\$41,320)</b>
Change %	<b>-2.8%</b>	<b>-0.9%</b>	<b>-3.7%</b>	<b>-0.9%</b>	<b>-0.9%</b>	<b>5.2%</b>	<b>-2.2%</b>

see example of how column A (SFD Solid Waste Collection Cost) is arrived at - the cost allocation process.



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**D. Unincorporated County - MFD & Commercial**

	Statistics Used For Cost Allocation							Total
	City # of Accounts	SBWMA # Accounts	City # of Accounts %	City Total Route Labor hours year	SBWMA Total Route Labor hours year	City Total Route Labor hours year %	City # of route hours/year	
City # of Accounts	189	192	23	0	0	0	1,040	404
SBWMA # Accounts	10,192	9,956	1,384	180	180	180	24,026	22,072
City # of Accounts %	1.9%	1.9%	1.7%	0.0%	0.0%	0.0%	4.3%	1.8%
City Total Route Labor hours year	446.82	301.60	103.03	0.00	0.00	0.00	503.69	851
SBWMA Total Route Labor hours year	49,107.67	26,772.64	5,944.54	3,954.61	1,534.42	337.47	11,636.30	87,651
City Total Route Labor hours year %	0.9%	1.1%	1.7%	0.0%	0.0%	0.0%	4.3%	1.0%
City # of route hours/year	339.24	286.53	98.20	0.00	0.00	0.00	503.69	724
SBWMA # of route hours/year	32,197.46	25,398.59	5,495.16	3,954.61	1,534.42	337.47	11,636.30	68,918
City # of route hours/year %	1.1%	1.1%	1.8%	0.0%	0.0%	0.0%	4.3%	1.1%
City Total Containers in Service	240	334	32	0	0	0	1,040	606
SBWMA Total Containers in Service	17,701	19,228	1,745	266	266	266	24,026	39,472
City Total Containers in Service %	1.4%	1.7%	1.8%	0.0%	0.0%	0.0%	4.3%	1.5%

MFD & Commercial	Cart and Bin Solid Waste	Cart and Bin Recyclable Materials	Cart and Bin Organic Materials (including Holiday Trees)	Drop Box Solid Waste	Drop Box Recyclable Materials	Drop Box Organic Materials	Two On-Call Collection Events	MFD & Commercial TOTAL
	E	F	G	H	H	H	J	
<b>Annual Cost of Operations</b>								
Direct Labor-Related Costs								
Wages for CBAs	\$38,458	\$18,935	\$10,123	\$0	\$0	\$0	\$5,206	\$72,721
Benefits for CBAs	\$15,705	\$7,264	\$2,729	\$0	\$0	\$0	\$2,193	\$27,891
Payroll Taxes	\$3,200	\$1,575	\$842	\$0	\$0	\$0	\$433	\$6,050
Workers Compensation Insurance	\$3,390	\$1,669	\$892	\$0	\$0	\$0	\$459	\$6,410
<b>Total Direct Labor Related-Costs</b>	\$60,752	\$29,444	\$14,586	\$0	\$0	\$0	\$8,290	\$113,072
Direct Fuel Costs	\$10,036	\$4,529	\$3,315	\$0	\$0	\$0	\$1,337	\$19,217
Other Direct Costs	\$5,225	\$2,757	\$1,521	\$0	\$0	\$0	\$696	\$10,199
Depreciation - Collection Vehicles	\$8,275	\$4,549	\$3,959	\$0	\$0	\$0	\$852	\$17,634
Depreciation - Containers	\$2,617	\$2,527	\$2,509	\$0	\$0	\$0	\$258	\$7,911
Depreciation for Collection Equipment	\$10,892	\$7,076	\$6,467	\$0	\$0	\$0	\$1,110	\$25,546
Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)								
General and Administrative	\$13,019	\$14,325	\$14,551	\$0	\$0	\$0	\$969	\$42,865
Operations	\$1,835	\$2,079	\$3,881	\$0	\$0	\$0	\$240	\$8,036
Vehicle Maintenance	\$3,151	\$3,570	\$6,665	\$0	\$0	\$0	\$413	\$13,799
Container Maintenance	\$1,402	\$1,901	\$2,366	\$0	\$0	\$0	\$143	\$5,812
<b>Total Allocated Indirect Costs excluding Depreciation and Interest</b>	\$19,408	\$21,875	\$27,464	\$0	\$0	\$0	\$1,765	\$70,511
Total Allocated Indirect Depreciation Costs (Form 9)	\$165	\$182	\$289	\$0	\$0	\$0	\$21	\$657
Annual Implementation Cost Amortization (Form A)	\$504	\$13	\$11	\$0	\$0	\$0	\$65	\$593
<b>Total Annual Cost of Operations</b>	<b>\$106,981</b>	<b>\$65,876</b>	<b>\$53,653</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,284</b>	<b>\$239,795</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$11,230.08</b>	<b>\$6,915</b>	<b>\$5,632</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,395</b>	<b>\$25,172</b>
<b>90.5%</b>								
<b>Total Proposed Costs before Pass-Through Cost Allocation</b>	<b>\$118,211</b>	<b>\$72,791</b>	<b>\$59,285</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,679</b>	<b>\$264,967</b>
<b>Contractor Pass-Through Costs</b>								
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$4,299	\$2,793	\$2,553	\$0	\$0	\$0	\$438	\$10,083
Interest Expense on Implementation Cost	\$228	\$6	\$5	\$0	\$0	\$0	\$29	\$269
<b>Total Contractor Pass-Through Costs</b>	<b>\$4,528</b>	<b>\$2,799</b>	<b>\$2,558</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$468</b>	<b>\$10,352</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$122,739</b>	<b>\$75,590</b>	<b>\$61,843</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,147</b>	<b>\$275,319</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$139,052</b>	<b>\$68,199</b>	<b>\$47,014</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,496</b>	<b>\$268,762</b>
Change \$	<b>(\$16,313)</b>	<b>\$7,391</b>	<b>\$14,829</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$650</b>	<b>\$6,558</b>
Change %	<b>-11.7%</b>	<b>10.8%</b>	<b>31.5%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>4.5%</b>	<b>2.4%</b>

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**D. Unincorporated County - Agency Facilities**

	Statistics Used For Cost Allocation				Totals
City # of Lifts per year	0	208	416	5,041	624.00
SBWMA # Lifts per year (Accounts for Venues/Events)	216,827	14,105	50,232	93,999	
City # of Lifts per year %	0.0%	1.5%	0.8%	5.4%	
City Total Route Labor hours year	0.00	6.98	6.07	13.05	13.05
SBWMA Total Route Labor hours year	4,619.52	192.29	1,032.23	5,844.04	
City Total Route Labor hours year	0.0%	3.6%	0.6%	0.2%	
City # of route hours/year	0.00	6.75	5.66	13.05	12.41
SBWMA # of route hours/year	2,555.65	183.49	976.33	5,844.04	
City # of route hours/year %	0.0%	3.7%	0.6%	0.2%	
City # of Containers	0	4	7	5,070	11.00
SBWMA # of Containers	784	219	513	96,133	
City # of Containers %	0.0%	1.8%	1.4%	5.3%	

Agency Facilities	Solid Waste	Organic Materials	Recyclable Materials	Venues and Events	Agency Facilities
	E	G	I	I	TOTAL
<b>Annual Cost of Operations</b>					
Direct Labor-Related Costs					
Wages for CBAs	\$0	\$802	\$236	\$24	\$1,063
Benefits for CBAs	\$0	\$321	\$95	\$10	\$425
Payroll Taxes	\$0	\$67	\$20	\$2	\$88
Workers Compensation Insurance	\$0	\$71	\$21	\$2	\$94
Total Direct Labor Related-Costs	\$0	\$1,261	\$371	\$38	\$1,670
Direct Fuel Costs	\$0	\$244	\$70	\$7	\$321
Other Direct Costs	\$0	\$174	\$50	\$5	\$229
Depreciation - Collection Vehicles	\$0	\$784	\$165	\$16	\$964
Depreciation - Containers	\$0	\$0	\$0	\$0	\$0
Depreciation for Collection Equipment	\$0	\$784	\$165	\$16	\$964
Lease	\$0	\$0	\$0	\$0	\$0
Allocated Indirect Costs excluding Depreciation and Interest (Form 9)					
General and Administrative (using lifts for Agency Costs)	\$0	\$369	\$335	\$570	\$1,275
Operations	\$0	\$228	\$58	\$6	\$292
Vehicle Maintenance	\$0	\$392	\$100	\$10	\$502
Container Maintenance (using lifts for Agency Costs)	\$0	\$54	\$49	\$84	\$188
Total Allocated Indirect Costs excluding Depreciation and Interest	\$0	\$1,043	\$543	\$670	\$2,257
Total Allocated Indirect Depreciation Costs (Form 9)	\$0	\$25	\$5	\$1	\$31
Annual Implementation Cost Amortization (Form A)	\$0	\$37	\$8	\$1	\$45
<b>Total Annual Cost of Operations</b>	<b>\$0</b>	<b>\$3,567</b>	<b>\$1,212</b>	<b>\$738</b>	<b>\$5,517</b>
<b>Profit (insert Operating Ratio below)</b>	<b>\$0</b>	<b>\$374</b>	<b>\$127</b>	<b>\$77</b>	<b>\$579</b>
<b>90.5%</b>					
<b>Total Operating Costs before Pass-Through Cost Allocation</b>	<b>\$0</b>	<b>\$3,942</b>	<b>\$1,339</b>	<b>\$816</b>	<b>\$6,096</b>
<b>Contractor Pass-Through Costs</b>					
Regulatory Agency Fees	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$214	\$45	\$4	\$263
Interest Expense on Implementation Cost	\$0	\$7	\$1	\$0	\$9
<b>Total Contractor Pass-Through Costs</b>	<b>\$0</b>	<b>\$221</b>	<b>\$46</b>	<b>\$4</b>	<b>\$271</b>
<b>TOTAL BASE CONTRACTOR'S COMPENSATION</b>	<b>\$0</b>	<b>\$4,163</b>	<b>\$1,385</b>	<b>\$820</b>	<b>\$6,368</b>
<b>TOTAL CONTRACTOR'S COMPENSATION - 2014</b>	<b>\$0</b>	<b>\$4,444</b>	<b>\$2,233</b>	<b>\$901</b>	<b>\$7,577</b>
Change \$	\$0	(\$281)	(\$847)	(\$81)	(\$1,209)
Change %	0.0%	-6.3%	-38.0%	-8.9%	-16.0%

<b>Member Agency Snapshot</b>		<b>Appendix 3-13</b>				
<b>SBWMA - COLLECTION COMPENSATION APPLICATION REVIEW</b>						
<b>Operating Statistics - Three Year Summary</b>						
<b>Rate Year 2015</b>						
<b>UNINCORPORATED COUNTY</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
<b>Number of Accounts</b>						
Residential (SFD)	4,974	5,030	5,041	11	0.2%	
Commercial & Multi Family	375	409	404	-5	-1.2%	
<b>Total</b>	<b>5,349</b>	<b>5,439</b>	<b>5,445</b>	<b>6</b>	<b>0.1%</b>	
<b>Total Route Labor Hours</b>						
Residential (SFD)	8,358	8,769	7,984	-785	-9.0%	
Commercial & Multi Family	989	858	851	-7	-0.8%	
Member Agency Facility	79	24	13	-11	-45.2%	
<b>Total</b>	<b>9,426</b>	<b>9,652</b>	<b>8,849</b>	<b>-803</b>	<b>-8.3%</b>	
<b>Total Route Hours</b>						
Residential (SFD)	7,742	8,007	7,386	-621	-7.8%	
Commercial & Multi Family	806	716	724	8	1.2%	
Member Agency Facility	73	21	12	-9	-41.7%	
<b>Total</b>	<b>8,622</b>	<b>8,744</b>	<b>8,123</b>	<b>-622</b>	<b>-7.1%</b>	
<b>Total # of Solid Waste Containers</b>						
Residential (SFD)	5,003	5,061	5,070	9	0.2%	
Commercial & Multi Family	234	248	240	-8	-3.2%	
Member Agency Facility	38	0	0	0	#DIV/0!	
<b>Total</b>	<b>5,275</b>	<b>5,309</b>	<b>5,310</b>	<b>1</b>	<b>0.0%</b>	
<i>for complete list of containers for all services, see Appendix 1-4</i>						
<b>Total Tonnage</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>	<b>%</b>	
	<i>actual</i>	<i>estimate</i>	<i>estimate</i>			
Residential - solid waste	2,676	2,689	2,689	0	0.0%	
Residential - organics	4,279	4,041	4,082	40	0.0%	
Commercial & MFD - solid waste	1,407	1,303	1,303	0	0.0%	
Commercial & MFD - green waste	228	303	303	0	0.0%	
C&D	0			0	0.0%	
Member Agency Delivered to Shoreway	-	-	-	0	0.0%	
<b>Total</b>	<b>8,590</b>	<b>8,336</b>	<b>8,376</b>	<b>40</b>	<b>0.0%</b>	

Tonnage data provided by the SBWMA



**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Financial Statements and Supplementary Information  
September 30, 2013 and 2012  
(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 1400  
55 Second Street  
San Francisco, CA 94105

## Independent Auditors' Report

The Board of Directors  
Recology San Mateo County:

We have audited the accompanying financial statements of Recology San Mateo County (the Company) (a wholly owned subsidiary of Recology Inc.), which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of income and stockholder's investment and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Recology San Mateo County as of September 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



***Other Matters***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in Schedules 1, 2 and 3 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**KPMG LLP**

San Francisco, California  
December 11, 2013

**RECOLOGY SAN MATEO COUNTY**  
 (A Wholly Owned Subsidiary of Recology Inc.)

Balance Sheets

September 30, 2013 and 2012

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Current assets:		
Accounts receivable, less allowance for doubtful accounts of \$376,029 and \$711,676 in 2013 and 2012, respectively	\$ 14,817,814	17,176,314
Parts and supplies	143,914	164,137
Prepaid expenses	329,662	390,170
Total current assets	<u>15,291,390</u>	<u>17,730,621</u>
Property and equipment:		
Vehicles, containers, and operating equipment	2,325,766	2,706,522
Leasehold improvements	135,287	135,287
	2,461,053	2,841,809
Less accumulated depreciation	<u>1,342,753</u>	<u>1,018,760</u>
Property and equipment, net	<u>1,118,300</u>	<u>1,823,049</u>
Unbilled accounts receivable	<u>2,186,142</u>	<u>3,004,727</u>
Total assets	<u>\$ 18,595,832</u>	<u>22,558,397</u>
<b>Liabilities and Stockholder's Investment</b>		
Current liabilities:		
Accounts payable	\$ 412,429	700,175
Accrued liabilities:		
Payroll and payroll taxes	874,926	756,056
Vacation and sick leave	505,364	428,822
Franchise fees and other	3,778,433	4,082,937
Deferred revenue	7,713,778	5,312,404
Total current liabilities	<u>13,284,930</u>	<u>11,280,394</u>
Long-term deferred revenue	1,550,448	2,874,878
Commitments and contingencies		
Stockholder's investment, net	<u>3,760,454</u>	<u>8,403,125</u>
Total liabilities and stockholder's investment	<u>\$ 18,595,832</u>	<u>22,558,397</u>

See accompanying notes to financial statements.

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Statements of Income and Stockholder's Investment  
Years ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues:		
Refuse collection	\$ 96,164,236	91,474,572
Other revenues	<u>1,020,399</u>	<u>1,010,876</u>
Total operating revenues	<u>97,184,635</u>	<u>92,485,448</u>
Expenses:		
Refuse collection	27,926,835	28,559,616
Disposal	26,022,354	24,905,911
Franchise and other city fees	13,183,700	12,792,827
Truck and garage	15,202,416	14,034,534
General and administrative	<u>9,970,858</u>	<u>9,818,269</u>
Total operating expenses	<u>92,306,163</u>	<u>90,111,157</u>
Operating income	4,878,472	2,374,291
Other income (expense)	<u>93,548</u>	<u>(8,218)</u>
Net income	4,972,020	2,366,073
Stockholder's investment, net, beginning of year	8,403,125	8,263,508
Net distributions to Parent and affiliates	<u>(9,614,691)</u>	<u>(2,226,456)</u>
Stockholder's investment, net, end of year	<u>\$ 3,760,454</u>	<u>8,403,125</u>

See accompanying notes to financial statements.



**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)

Statements of Cash Flows

Years ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Net income	\$ 4,972,020	2,366,073
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	510,614	564,423
Provision for bad debts	620,883	838,803
Loss on disposal of property and equipment	—	9,675
Changes in assets and liabilities:		
Accounts receivable	1,737,617	(5,348,764)
Unbilled accounts receivable	818,585	688,926
Parts and supplies	20,223	(34,876)
Prepaid expenses	60,508	(21,036)
Accounts payable	(287,746)	5,791
Accrued liabilities	(109,092)	(84,182)
Deferred revenue	2,401,374	1,092,394
Long-term deferred revenue	(1,324,430)	2,119,754
Net cash provided by operating activities	<u>9,420,556</u>	<u>2,196,981</u>
Cash flows from financing activity:		
Net distributions to Parent and affiliates	<u>(9,420,556)</u>	<u>(2,196,981)</u>
Net change in cash	—	—
Cash, beginning of year	<u>—</u>	<u>—</u>
Cash, end of year	<u>\$ —</u>	<u>—</u>
Supplemental disclosures of noncash activities:		
Additions to property and equipment funded by Parent	\$ 68,445	38,169
Transfer of assets to affiliates	(262,580)	(67,644)

See accompanying notes to financial statements.

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

September 30, 2013 and 2012

**(1) Accounting Policies**

**(a) Organization**

Recology San Mateo County (the Company) is a wholly owned subsidiary of Recology Inc. (the Parent or Recology), which in turn is wholly owned by the Recology Employee Stock Ownership Plan (the Recology ESOP or the ESOP).

**(b) Use of Estimates**

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. The more significant estimates requiring the judgment of management include the valuation of accounts receivable, pension benefit obligation, self-insurance, and liabilities for environmental remediation. Actual results could differ from those estimates.

**(c) Fair Value of Financial Instruments**

Assets and liabilities that are considered to be financial instruments (such as receivables, accounts payable, and accrued liabilities) are reported in the balance sheets at amounts that approximate their fair value based upon current market indicators and the short maturity of these instruments.

**(d) Cash Concentration Account**

The Company's bank account is linked to the Parent's concentration account. Cash balances (or deficits) at the end of each day are automatically transferred to (or from) the concentration account, so that at the end of any particular day, as well as at year-end, the Company's bank account has a zero balance, with related amounts debited or credited to the underlying intercompany account.

**(e) Revenue Recognition and Accounts Receivable**

The Company recognizes revenue on an accrual basis when services are performed. Deferred revenues primarily consist of revenues billed in advance that are recorded as revenue in the period in which the related services are rendered. Unbilled accounts receivable consist of revenues earned in a period that has not been billed. Short term unbilled accounts receivable of \$2,168,534 and \$3,133,795 are included within accounts receivable at September 30, 2013 and 2012, respectively.

The Company's receivables represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company estimates its allowance for doubtful accounts based on several factors, including historical collection trends, type of customer, existing economic conditions, and other factors. Past-due receivable balances are written off when the Company's internal collection efforts have been unsuccessful.

**RECOLOGY SAN MATEO COUNTY**  
 (A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

September 30, 2013 and 2012

(f) **Parts and Supplies**

Parts and supplies consist of equipment parts, materials, and supplies that are recorded at average cost and are expensed when utilized.

(g) **Property and Equipment**

Property and equipment, including major renewals and betterments, are stated at cost. It is the Company's policy to periodically review the estimated useful lives of its property and equipment. Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

	<u>Estimated useful lives</u>
Buildings	20 – 40 years
Leasehold improvements	Shorter of lease or useful life
Machinery and equipment	6 – 8 years
Furniture and fixtures	8 years
Vehicles	9 years
Containers	10 years

Depreciation expense on the above amounted to \$510,614 and \$564,423 for the years ended September 30, 2013 and 2012, respectively. The cost of maintenance and repairs is charged directly to operations as incurred; significant betterments are capitalized.

(h) **Impairment of Long-Lived Assets**

The Company's policy is to review estimated undiscounted future cash flows and other measures of asset value for its operations when events or changes in circumstances indicate the carrying value of an asset may not be fully recoverable.

During the years ended September 30, 2013 and 2012, there were no events or changes in circumstances that indicated the carrying value of an asset was not fully recoverable.

(i) **Income Taxes**

Effective October 1, 1998, the Parent elected to become an S Corporation with the Company electing to be treated as a Qualified Subchapter S Corporation subsidiary. Under S Corporation rules, the Parent's taxable income and losses are passed through to the ESOP, the Parent's sole shareholder, which is exempt from income tax, and the Company is treated as a division of the Parent having no separate income tax obligations. The Parent has not allocated the income tax expense to the Company.

The Company recognizes income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

September 30, 2013 and 2012

in the period in which the change in judgment occurs. The Company's accounting policy for evaluating uncertain tax positions is to accrue estimated benefits or obligations relating to those positions. The Company records interest related to unrecognized tax benefits as interest expense and penalties as an administrative expense. For the years ended September 30, 2013 and 2012, there were no interest expenses or penalties recorded because the Company had no uncertain tax positions that met the more-likely-than-not threshold.

**(j) Environmental Remediation Liabilities**

The Company accrues for environmental remediation costs when they become probable and based on its best estimate within a range. If no amount within the range appears to be a better estimate than others, the low end of such range is used. Remediation costs are estimated by environmental remediation professionals based upon site remediation plans they develop and on their experience working with regulatory agencies and the Company's environmental staff and legal counsel. All estimates require assumptions about future events due to a number of uncertainties, including the nature and extent of any contamination, the appropriate remedy or remedies, the final apportionment of responsibility among the potentially responsible parties, if any are identified, the financial viability of other potentially responsible parties, and regulatory agency requirements. Thus, actual costs incurred may differ from the Company's initial estimate. These estimates do not take into account discounts for the present value of total estimated future costs, as the timing of cash payments is not reliably determinable. The Company regularly evaluates the recorded liabilities when additional information becomes available or regulatory changes occur to ascertain whether the accrued amounts are adequate. The Company does not recognize recoverable amounts from other responsible parties or insurance carriers until receipt is deemed probable. No environmental remediation liabilities were accrued at September 30, 2013 and 2012.

**(k) Stockholder's Investment**

The Company has 100 shares of common stock authorized, issued, and outstanding with no par value as of September 30, 2013 and 2012. Stockholder's investment, net, is comprised of the legal capital plus cumulative contributions net of distributions.

**(l) Allocations**

The Company includes allocated charges from the Parent and affiliates in operating expenses. The charges are allocated by applying activity appropriate factors to direct and indirect costs of the Parent and affiliates or based upon established fees.

**(m) Reclassifications**

Certain prior year balances have been reclassified to conform to the current year presentation.

**(2) Operations**

The Company collects refuse, organic material, and recyclables for Member Agencies represented by the South Bay Waste Management Authority (SBWMA). The Member Agencies include the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos and San Mateo, the

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

September 30, 2013 and 2012

Towns of Atherton and Hillsborough, the West Bay Sanitary District, and portions of the County of San Mateo. The Company's refuse collection rates are set by the Member Agencies. The rate setting process may result in the disallowance of certain costs and/or delays in cost recovery, as well as differences in the timing of when revenues and expenses are recognized.

**(3) Employee Stock Ownership Plan**

In 1986, the Parent established an employee stock ownership plan and trust, which purchased all of the Parent's outstanding stock. The ESOP is a noncontributory plan that covers most of the employees of the Company and other Recology subsidiaries. Employees, except under certain conditions, become fully vested after a requirement of three years of service. No vesting occurs until the full service requirement is satisfied.

The Parent's common stock is not traded on an established market. Presently, all shares are held by the ESOP. All distributions will be made from the ESOP in cash, which is received from Recology, or shares, subject to immediate repurchase by Recology. A participant who is vested is entitled to begin receiving a distribution from his or her ESOP account at a future date following his or her termination of employment. Distributions may be made in a lump-sum, equal annual installments over a period generally not to exceed five years, or a combination of the foregoing, generally as determined by the ESOP Administrative Committee (the Committee). The Committee also generally determines the time and manner of distributions, subject to the following limitations: (i) in the event of a participant's retirement, disability, or death, distribution must begin prior to September 30 of the plan year following the plan year in which employment terminates; and (ii) if a participant's employment terminates for any other reason, distribution must begin prior to September 30 of the sixth plan year following the plan year in which employment terminates, although the Committee may further defer distributions that are not attributable to post-1986 shares until the participant reaches the age that he or she would be required to reach in order to qualify for retirement under the ESOP. Each participant who has attained age 55 and has participated in the ESOP for at least 10 years may elect to receive cash distributions for in-service withdrawals attributable to post-1986 shares allocated to his or her account. An eligible participant is entitled to elect payment attributable to as much as 25% of his or her eligible shares during the first five years of election and up to 50% of eligible shares in the sixth year. The cash distributions are based upon the appraised value of the Recology stock and other assets, if any, as of the most recent valuation of the participant's account.

The Parent contributes to the ESOP to make benefit payments to eligible participants under the plan.

**(4) Employee Benefit Plans**

The Company participates in a noncontributory, funded defined-benefit pension plan (the Plan) sponsored by its Parent for the benefit of certain nonunion employees. Benefits are based on a formula, which includes years of service and average compensation. As of September 30, 2013 and 2012, the Plan, of which certain of the Company's employees are participants, had a projected benefit obligation in excess of plan assets by approximately \$33.3 million and \$152.1 million, respectively. It is the Parent's policy to contribute at least the minimum statutory required amount. The Company's financial statements do not reflect the Company's share of the projected benefit obligation in excess of plan assets.

**RECOLOGY SAN MATEO COUNTY**  
 (A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements  
 September 30, 2013 and 2012

The Company's pension expense under the Plan for the years ended September 30, 2013 and 2012 was \$196,660 and \$146,538, respectively, which represents an allocation of approximately 0.8% and 0.9% of the Parent's plan expense for the years ended September 30, 2013 and 2012, respectively.

The Company's portion of the actuarially computed value of the vested and nonvested benefits of the Plan and the union plan and the net assets of the related pension plan funds have not been determined.

The weighted average discount rate used by the Parent to determine pension expense under the Plan was 4.5% and 5.7% for the years ended September 30, 2013 and 2012, respectively. The expected long-term rate of return on assets was 7.5% and 7.75% for the years ended September 30, 2013 and 2012, respectively. The rate of increase in future compensation levels used in determining the benefit obligations was 3.0% for the years ended September 30, 2013 and 2012.

Certain of the Company's union employees are participants in a union sponsored multi-employer defined benefit pension plan. The risks of participating in this multi-employer plan is different from single-employer plans in that (i) assets contributed to multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be assumed by the remaining participating employers; and (3) if the Company chooses to stop participating in any of the multi-employer plans, the Company may be required to pay those plans a withdrawal amount on the underfunded status of the plan. Pension cost charged to expense under these plans for the years ended September 30, 2013 and 2012 was \$2.2 million and \$2 million, respectively. The Company's portion of the actuarially computed value of the vested and nonvested benefits of the plans and the net assets of the pension funds has not been determined.

The following table outlines the Company's participation in multi-employer plans:

Pension fund (1)/Employer Identification number/Plan number	Pension protection Act reported status		Fund improvement plan / Rehabilitation plan status 2012	Contribution		Expiration date of collective bargaining agreement
	2012	2011		2013	2012	
Western Conference of Teamsters Retirement Fund (2)/91-6145047/001	Not Endangered	Not Endangered	Not Applicable	\$ 2,182,409	2,035,838	October 23, 2013
Total contributions to multiemployer pension plan				\$ 2,182,409	2,035,838	

(1) The Company paid no surcharges for multiemployer pension funds during the year ended September 30, 2013.

(2) The Western Conference of Teamsters Retirement Fund utilized an extended amortization period for losses incurred in 2008.

Unless otherwise noted in the table above, the most recent Pension Protection Act zone status available in 2013 and 2012 is for the plan's year-end at December 31, 2012 and 2011, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. As

**RECOLOGY SAN MATEO COUNTY**  
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Notes to Financial Statements

September 30, 2013 and 2012

defined in the Pension Protection Act of 2006, among other factors, plans reported as critical are generally less than 65% funded and plans reported as endangered are generally less than 80% funded.

The Company agreed to allow certain union employees to participate in a multi-employer union-sponsored postretirement medical plan. The Company contributed \$1,132,660 and \$1,027,385 into the multi-employer union-sponsored postretirement medical plan during 2013 and 2012, respectively.

The Company, through plans managed by the Parent, also sponsors a defined-contribution plan, the Recology 401(k) Plan, for certain eligible employees of the Company. The Company made matching contributions equal to a specified percentage of each participant's annual contributions, amounting to \$36,885 and \$30,378 for the years ended September 30, 2013 and 2012, respectively.

**(5) Self-Insurance**

The Company, through plans managed by its Parent, is self-insured for various risks of loss related to general liability, automobile liability, property damage, employee healthcare, and workers' compensation. The Parent establishes a reserve for self-insured claims, based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Adjustments to the reserve are charged or credited to the Parent's expense in the periods in which they are determined to be necessary. The Parent also purchases commercial insurance on behalf of the Company and other subsidiaries to cover risks above set limits. The Company was allocated expenses of \$2,780,714 and \$2,550,562 for the years ended September 30, 2013 and 2012, respectively, for the cost of self-insured programs, including certain reserve adjustments. The Company's share of the self-insurance reserve is ultimately reflected as a liability of the Parent.

**(6) Commitments and Contingencies**

Substantially all of the assets of the Company are pledged to secure the obligations of the Parent. The Company, along with the Parent and the Parent's wholly owned subsidiaries, has guaranteed the repayment, on a joint and several basis, of any and all obligations under the Parent's Revolving Credit Agreement. The Company could be required to honor the guarantee upon an uncured default event, as defined in the Parent's Revolving Credit Agreement. The Parent's Revolving Credit Agreement expires on April 12, 2018. At September 30, 2013, the outstanding principal on the Parent's Revolving Credit Agreement was \$33.0 million, and there were standby letters of credit issued for \$182.2 million. The Parent has represented to the Company that it is in compliance with all covenants of the Revolving Credit Agreement.

The Company, along with the Parent and the Parent's wholly owned subsidiaries, has guaranteed the payment of amounts owed to unrelated third parties, which provided the equipment financing to affiliates of the Company. The affiliates are obligated to the unrelated third parties with various expiration dates through September 2020. At September 30, 2013, the outstanding principal on the financed equipment recorded by the affiliates was \$27.3 million.

The book value of the equipment financed by an affiliate and utilized by the Company at September 30, 2013 and 2012 was \$54,956 and \$66,658, respectively.

**RECOLOGY SAN MATEO COUNTY**  
 (A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

September 30, 2013 and 2012

Approximately 90% of the Company's employees are subject to collective bargaining agreements, all of which expire in October 2013. Negotiations on a new agreement are ongoing.

The Parent and its subsidiaries, including the Company, are subject to various laws and regulations relating to the protection of the environment. It is not possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly any future remediation and other compliance efforts. The Parent has environmental impairment liability insurance, which covers the sudden or gradual onset of environmental damage to third parties, on all owned and operated facilities. In the opinion of management, compliance with present environmental protection laws will not have a material adverse effect on the results of operations of the Company provided costs are substantially covered in the Company's rates on a timely basis.

The Company and the Parent are involved in various legal actions arising in the normal course of business. It is the Company's opinion that these matters are adequately provided for or that the resolution of such matters will not have a material adverse impact on the financial position or results of operations of the Company or the Parent.

**(7) Equipment and Property Obligations**

The Company has cancelable agreements with an affiliate whereby it pays for use of certain operating equipment and property. The Company leases an operating yard from a third party, which expires on December 31, 2020, for an annual rental fee of \$1. The Company leases a parking lot from an unrelated third party. The lease expires on January 1, 2016. The annual rent is \$3,300.

Future payments for continued use of the equipment and real estate, by year-end and in aggregate, as of September 30, 2013 are as follows:

	<u>Equipment</u>	<u>Real estate</u>	<u>Total</u>
Year ending September 30:			
2014	\$ 7,395,545	3,300	7,398,845
2015	7,372,592	3,300	7,375,892
2016	7,342,702	825	7,343,527
2017	7,330,357	—	7,330,357
2018	7,126,749	—	7,126,749
Thereafter	16,057,099	—	16,057,099
Total payments	<u>\$ 52,625,044</u>	<u>7,425</u>	<u>52,632,469</u>

The Company's rental expense for the years ended September 30, 2013 and 2012 was \$7,442,106 and \$7,388,744, respectively, including amounts under short-term rental agreements with third parties and affiliates.

Under the terms of the agreements with an affiliate, and in accordance with existing rate policies, the Company may continue to use certain equipment under operating leases without a related payment once the affiliate's equipment cost and related interest have been funded through operating lease payments.



**RECOLOGY SAN MATEO COUNTY**  
 (A Wholly Owned Subsidiary of Recology Inc.)

Notes to Financial Statements

September 30, 2013 and 2012

**(8) Transactions with Related Parties**

During the years ended September 30, 2013 and 2012, operating and other expenses of the Company included allocated charges by the Parent and affiliates. Such charges are based upon the direct and indirect costs of the Parent and affiliates, or established fees, and are allocated based on specific activities. The allocated charges were as follows:

	<u>2013</u>	<u>2012</u>
Parent:		
Health insurance	\$ 437,016	419,251
Workers' compensation	1,326,151	1,296,457
Pension	196,660	146,538
General and vehicle insurance	1,017,547	834,854
Corporate services	2,756,173	2,618,529
	<u>5,733,547</u>	<u>5,315,629</u>
Affiliates:		
Rental of equipment	7,391,964	7,340,726
Regional management and accounting fees	900,901	807,813
	<u>8,292,865</u>	<u>8,148,539</u>
Total	<u>\$ 14,026,412</u>	<u>13,464,168</u>

Amounts due from or payable to Parent and affiliates are accumulated by the Company during the year, and at year-end, the net amount is settled by way of capital contributions or distributions. Changes in amounts due from or payable to Parent and affiliates are presented as a financing activity in the statements of cash flows, except as relating to expenditures attributable to property and equipment, which are presented as supplemental noncash investing activities.

**(9) Subsequent Events**

The Company has evaluated its subsequent events through December 11, 2013, which is the date the financial statements were available for issuance.

Schedule 1

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Schedule of Revenues by Franchise Area  
Year ended September 30, 2013

	<b>Atherton</b>	<b>Belmont</b>	<b>Burlingame</b>	<b>E Palo Alto</b>	<b>Foster City</b>	<b>Hillsborough</b>	<b>Menlo Park</b>	<b>North Fair Oaks</b>	<b>Redwood City</b>	<b>San Carlos</b>	<b>San Mateo</b>	<b>West Bay</b>	<b>Unincorporated county</b>	<b>Other jurisdictions</b>	<b>Total</b>
Revenues:															
Refuse collection operations:															
Residential	\$ 2,884,538	2,651,078	2,210,190	2,035,808	1,679,691	3,050,080	2,855,045	960,207	9,361,511	3,471,113	6,201,863	1,164,190	2,269,619	—	40,794,933
Commercial & Multi Family Dwelling	264,008	3,443,404	6,502,412	2,263,614	3,040,286	111,480	7,150,805	1,531,474	7,605,468	4,117,919	13,713,295	374,516	744,934	—	50,863,615
Debris Box	879	165,786	1,908,883	359,296	652,110	—	223,219	—	1,060,283	599,000	1,490,517	—	—	—	6,459,973
Hauling revenue adjustments	(448,706)	(196,398)	(880,948)	(48,519)	146,328	175,255	107,112	38,314	(312,765)	(168,753)	(361,734)	(25,150)	21,679	—	(1,954,285)
Other revenues	69	—	—	—	—	—	166	69	—	75	—	141	—	1,019,879	1,020,399
Total operating revenues	<u>2,700,788</u>	<u>6,063,870</u>	<u>9,740,537</u>	<u>4,610,199</u>	<u>5,518,415</u>	<u>3,336,815</u>	<u>10,336,347</u>	<u>2,530,064</u>	<u>17,714,497</u>	<u>8,019,354</u>	<u>21,043,941</u>	<u>1,513,697</u>	<u>3,036,232</u>	<u>1,019,879</u>	<u>97,184,635</u>
Reconciliations:															
January 1, 2013 – September 30, 2013 revenue adjustment	(93,170)	—	58,599	33,049	(201,043)	(223,601)	(92,120)	12,747	347,028	161,013	(238,622)	(116,551)	98,095	—	(254,576)
October 1, 2012 – December 31, 2012 revenue adjustment	111,486	(45,583)	270,589	6,895	19,306	46,696	(67,193)	4,205	158,689	(152,159)	(272,634)	47,978	(62,543)	—	65,732
October 1, 2012 – December 31, 2012 (incentives)/disincentives	(6,659)	(20,765)	(59,435)	(29,203)	(31,441)	(8,426)	(46,376)	(13,020)	(96,553)	(35,238)	(109,459)	(4,004)	(10,287)	—	(470,866)
January 1, 2011 – September 30, 2011 Revenue booked in 2011 Billed in 2013	437,049	200,061	611,195	37,778	66,850	10,076	98,577	(42,246)	(96,399)	195,137	982,449	83,761	(46,944)	—	2,537,344
Total unbilled adjustments	<u>448,706</u>	<u>133,713</u>	<u>880,948</u>	<u>48,519</u>	<u>(146,328)</u>	<u>(175,255)</u>	<u>(107,112)</u>	<u>(38,314)</u>	<u>312,765</u>	<u>168,753</u>	<u>361,734</u>	<u>11,184</u>	<u>(21,679)</u>	<u>—</u>	<u>1,877,634</u>
Allied balancing account	—	—	127,105	—	—	552	123,503	—	—	165,433	189,856	—	—	—	606,449
Rate stabilization account	—	62,685	—	—	—	—	—	—	—	—	—	13,966	—	—	76,651
SBWMA reimbursement of repairs	—	—	—	—	—	—	—	—	—	—	—	—	—	(67,233)	(67,233)
South Bay Recycling fuel and electric revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	(935,491)	(935,491)
Gross revenues billed	<u>\$ 3,149,494</u>	<u>6,260,268</u>	<u>10,748,590</u>	<u>4,658,718</u>	<u>5,372,087</u>	<u>3,162,112</u>	<u>10,352,738</u>	<u>2,491,750</u>	<u>18,027,262</u>	<u>8,353,540</u>	<u>21,595,531</u>	<u>1,538,847</u>	<u>3,014,553</u>	<u>17,155</u>	<u>98,742,645</u>

See accompanying independent auditors' report.

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Schedule of Pass-through Costs by Franchise Area  
Year ended September 30, 2013

	<u>Atherton</u>	<u>Belmont</u>	<u>Burlingame</u>	<u>E Palo Alto</u>	<u>Foster City</u>	<u>Hillsborough</u>	<u>Menlo Park</u>	<u>North Fair Oaks</u>	<u>Redwood City</u>	<u>San Carlos</u>	<u>San Mateo</u>	<u>West Bay</u>	<u>Unincorporated county</u>	<u>Other jurisdictions</u>	<u>Total</u>
Pass-through costs:															
Disposal costs	\$ 984,425	1,313,738	2,909,764	1,450,412	1,509,022	745,810	2,774,612	763,752	5,033,167	1,899,367	5,535,699	397,630	799,671	(94,715)	26,022,354
Franchise and other city fees	320,863	1,584,866	1,275,775	796,798	538,158	338,543	1,662,044	132,067	2,428,847	924,542	2,927,544	80,977	172,676	—	13,183,700
Pass-through costs	1,305,288	2,898,604	4,185,539	2,247,210	2,047,180	1,084,353	4,436,656	895,819	7,462,014	2,823,909	8,463,243	478,607	972,347	(94,715)	39,206,054
Reconciliations:															
Allied balancing account	—	—	127,105	—	—	552	123,503	—	—	165,433	189,856	—	—	—	606,449
Rate stabilization account	—	62,685	—	—	—	—	—	—	—	—	—	13,966	—	—	76,651
Total pass-through costs	\$ 1,305,288	2,961,289	4,312,644	2,247,210	2,047,180	1,084,905	4,560,159	895,819	7,462,014	2,989,342	8,653,099	492,573	972,347	(94,715)	39,889,154

See accompanying independent auditors' report.

**RECOLOGY SAN MATEO COUNTY**  
 (A Wholly Owned Subsidiary of Recology Inc.)  
 Schedule of Revenues Attributable to Unscheduled/intermittent Service by Franchise Area  
 Year ended September 30, 2013

	<u>Atherton</u>	<u>Belmont</u>	<u>Burlingame</u>	<u>E Palo Alto</u>	<u>Foster City</u>	<u>Hillsborough</u>	<u>Menlo Park</u>	<u>North Fair Oaks</u>	<u>Redwood City</u>	<u>San Carlos</u>	<u>San Mateo</u>	<u>West Bay</u>	<u>Unincorporated county</u>	<u>Other jurisdictions</u>	<u>Total</u>
Revenues:															
Attachment Q fees and other	\$ 51,924	94,007	109,113	43,895	25,360	40,066	131,453	27,308	48,952	89,517	300,982	18,165	20,758	—	1,001,500
	<u>\$ 51,924</u>	<u>94,007</u>	<u>109,113</u>	<u>43,895</u>	<u>25,360</u>	<u>40,066</u>	<u>131,453</u>	<u>27,308</u>	<u>48,952</u>	<u>89,517</u>	<u>300,982</u>	<u>18,165</u>	<u>20,758</u>	<u>—</u>	<u>1,001,500</u>

See accompanying independent auditors' report.



**RECOLOGY SAN MATEO COUNTY**

Financial Statements

December 31, 2013

(With Independent Accountants' Compilation Report Thereon)



**KPMG LLP**  
Suite 1400  
55 Second Street  
San Francisco, CA 94105

### **Independent Accountants' Compilation Report**

The Board of Directors  
Recology San Mateo County:

We have compiled the accompanying balance sheet of Recology San Mateo County (the Company) (a wholly owned subsidiary of Recology Inc.) as of December 31, 2013, and the related statement of operations and stockholder's investment for the nine months ended September 30, 2013, three months ended December 31, 2013, and twelve months ended December 31, 2013. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by U.S. generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information appearing on pages 4 through 7 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

**KPMG LLP**

May 20, 2014

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)

Balance Sheet

December 31, 2013

**Assets**

Current assets:

Accounts receivable, less allowance for doubtful accounts of \$567,934	\$ 14,322,970
Parts and supplies	158,903
Prepaid expenses	451,022
Due from Parent	1,310,547
	<hr/>
Total current assets	16,243,442

Property and equipment:

Vehicles, containers, and operating equipment	2,325,766
Leasehold improvements	135,287
	<hr/>
	2,461,053

Less accumulated depreciation	1,462,708
	<hr/>

Property and equipment, net	998,345
	<hr/>

Unbilled accounts receivable	2,468,964
	<hr/>

Total other assets	2,468,964
	<hr/>

Total assets	\$ 19,710,751
	<hr/> <hr/>

**Liabilities and Stockholder's Investment**

Current liabilities:

Accounts payable	\$ 400,158
Accrued liabilities:	
Payroll and payroll taxes	731,059
Vacation and sick leave	655,746
Accrued franchise fees and other expenses	4,050,885
Deferred revenue	8,194,276
	<hr/>

Total current liabilities	14,032,124
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Long-term deferred revenue	405,726
----------------------------	---------

Commitments and contingencies	
-------------------------------	--

Stockholder's investment, net	5,272,901
	<hr/>

Total liabilities and stockholder's investment	\$ 19,710,751
	<hr/> <hr/>

See accompanying independent accountants' compilation report.

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Statement of Operations and Stockholder's Investment

	<b>Nine months ending September 30, 2013</b>	<b>Three months ending December 31, 2013</b>	<b>Twelve months ending December 31, 2013</b>
Revenues:			
Refuse collection	\$ 72,930,334	24,687,880	97,618,214
Other revenues	766,553	292,222	1,058,775
Total operating revenues	<u>73,696,887</u>	<u>24,980,102</u>	<u>98,676,989</u>
Expenses:			
Refuse collection	20,808,003	6,942,376	27,750,379
Truck and garage	11,567,056	3,811,571	15,378,627
General and administrative	7,588,708	2,665,759	10,254,467
Total collection expenses	<u>39,963,767</u>	<u>13,419,706</u>	<u>53,383,473</u>
Disposal	19,238,649	6,712,436	25,951,085
Franchise and other city fees	9,952,366	3,335,513	13,287,879
Pass-through expenses	<u>29,191,015</u>	<u>10,047,949</u>	<u>39,238,964</u>
Total collection and pass-through expenses	<u>69,154,782</u>	<u>23,467,655</u>	<u>92,622,437</u>
Net income	4,542,105	1,512,447	6,054,552
Stockholder's investment, net, beginning of period	8,833,040	3,760,454	8,833,040
Net contributions to Parent and affiliates	<u>(9,614,691)</u>	—	<u>(9,614,691)</u>
Stockholder's investment, net, end of period	<u>\$ 3,760,454</u>	<u>5,272,901</u>	<u>5,272,901</u>

See accompanying independent accountants' compilation report.



Schedule 1

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Schedule of Revenues by Franchise Area  
Year ended December 31, 2013

	<u>Atherton</u>	<u>Belmont</u>	<u>Burlingame</u>	<u>E Palo Alto</u>	<u>Foster City</u>	<u>Hillsborough</u>	<u>Menlo Park</u>	<u>North Fair Oaks</u>	<u>Redwood City</u>	<u>San Carlos</u>	<u>San Mateo</u>	<u>West Bay</u>	<u>Unincorporated County</u>	<u>Member Agency Total</u>	<u>Other</u>	<u>Total</u>
Revenues:																
Refuse collection operations																
Residential	\$ 2,878,569	2,724,037	2,234,115	2,035,516	1,675,832	3,076,861	2,890,727	976,891	9,340,643	3,628,875	6,361,064	1,188,979	2,317,469	41,329,578	—	41,329,578
Commercial and Multi-Family Dwelling	260,903	3,550,543	6,558,183	2,292,108	2,968,133	109,158	7,206,113	1,556,282	7,496,167	4,315,902	14,092,346	336,682	760,732	51,503,252	—	51,503,252
Debris box	879	169,883	1,861,557	361,329	634,000	—	219,809	—	1,080,052	624,342	1,474,367	—	—	6,426,218	—	6,426,218
Hauling revenue adjustments	(438,069)	(310,505)	(766,400)	(51,969)	305,772	318,048	122,663	56,511	74,538	(323,413)	(735,263)	36,707	(29,284)	(1,740,664)	—	(1,740,664)
Other	69	7,695	13,496	4,524	—	2,195	55,185	307	16	10,536	—	141	5,666	99,830	1,058,775	1,158,605
Total operating revenues	\$ 2,702,351	6,141,653	9,900,951	4,641,508	5,583,737	3,506,262	10,494,497	2,589,991	17,991,416	8,256,242	21,192,514	1,562,509	3,054,583	97,618,214	1,058,775	98,676,989
Reconciliations:																
(CY 2013) revenue adjustment	\$ (138,004)	—	10,909	30,802	(363,464)	(323,056)	(207,722)	12,837	150,547	98,468	(465,210)	(158,673)	102,163	(1,250,404)	—	(1,250,404)
(CY 2012) (incentives)/disincentives	(6,659)	(20,765)	(59,435)	(29,203)	(31,441)	(8,426)	(46,376)	(13,020)	(96,553)	(35,238)	(109,459)	(4,004)	(10,287)	(470,866)	—	(470,866)
(CY 2011) (shortfall)/surplus	582,732	266,748	814,926	50,370	89,133	13,434	131,436	(56,328)	(128,532)	260,183	1,309,932	111,681	(62,592)	3,383,123	—	3,383,123
Total reconciliations	438,069	245,983	766,400	51,969	(305,772)	(318,048)	(122,662)	(56,511)	(74,538)	323,413	735,263	(50,996)	29,284	1,661,853	—	1,661,853
Rate stabilization account	—	64,522	—	—	—	—	—	—	—	—	—	14,289	—	78,811	—	78,811
Interest charge on delinquent payments	—	(7,695)	(13,496)	(4,524)	—	(2,195)	(54,941)	(238)	(16)	(10,536)	—	—	(5,667)	(99,308)	—	(99,308)
Return of balancing account funds applied to year 2012	—	—	—	—	—	—	—	—	—	(214,542)	—	—	—	(214,542)	—	(214,542)
Specific 2011 shortfall billed in 2013	—	—	—	—	—	327,634	—	—	—	—	—	—	—	327,634	—	327,634
SBWMA reimbursement of repairs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(92,881)	(92,881)
South Bay Recycling fuel and electric revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(947,951)	(947,951)
Total billings	\$ 3,140,420	6,444,463	10,653,855	4,688,953	5,277,965	3,513,653	10,316,894	2,533,242	17,916,862	8,354,577	21,927,777	1,525,802	3,078,200	99,372,663	17,943	99,390,606

See accompanying independent accountants' compilation report.

**Recology San Mateo County**  
 (A Wholly Owned Subsidiary of Recology Inc.)  
 Schedule of Pass-Through Costs (Disposal) by Franchise Area  
 Year ended December 31, 2013

	<u>Atherton</u>	<u>Belmont</u>	<u>Burlingame</u>	<u>E Palo Alto</u>	<u>Foster City</u>	<u>Hillsborough</u>	<u>Menlo Park</u>	<u>North Fair Oaks</u>	<u>Redwood City</u>	<u>San Carlos</u>	<u>San Mateo</u>	<u>West Bay</u>	<u>Unincorporated County</u>	<u>Member Agency Total</u>	<u>Other</u>	<u>Total</u>
<b>Disposal Fees:</b>																
<b>Residential</b>																
MSW	\$ 156,296	302,074	338,737	577,064	299,486	207,486	403,292	258,243	935,148	405,824	1,142,983	106,667	243,503	5,376,803	—	5,376,803
Organics	710,039	382,425	475,902	330,963	253,577	401,397	746,507	192,141	1,169,628	567,736	1,287,215	228,331	393,273	7,139,134	—	7,139,134
<b>Commercial</b>																
MSW	33,445	197,735	675,507	107,962	209,237	12,039	759,474	162,144	1,213,105	512,348	1,139,929	32,607	90,563	5,146,095	40,488	5,186,583
Organics	26,724	44,760	206,322	29,159	186,920	21,876	347,701	40,326	273,625	71,670	274,946	13,402	15,880	1,553,311	25,564	1,578,875
<b>Multi-Family Dwelling</b>																
MSW	—	202,394	267,770	245,424	305,330	—	196,084	88,093	679,625	145,096	970,455	4,363	37,429	3,142,063	—	3,142,063
Organics	—	6,355	6,281	8,418	5,017	—	12,905	164	12,859	8,171	35,644	85	466	96,365	—	96,365
<b>Debris Box</b>																
MSW	39	45,250	659,192	118,392	119,147	—	38,185	—	365,307	74,962	405,908	—	—	1,826,382	—	1,826,382
Organics	—	896	—	257	54,408	—	24,907	—	67,694	854	—	—	—	149,016	—	149,016
<b>City Facilities</b>																
MSW	8,224	17,104	147,846	23,525	46,681	62,515	109,433	14,650	188,714	51,797	193,571	1,500	448	866,008	—	866,008
Organics	22,498	7,545	91,795	12,203	6,905	13,242	92,177	392	74,653	16,030	35,852	968	6,509	380,769	—	380,769
<b>City Self Hauled</b>																
MSW	—	105,595	—	—	19,917	—	—	—	1,697	40,212	12,356	—	—	179,777	—	179,777
Organics	—	5,487	—	—	5,614	—	—	—	17,529	680	—	—	—	29,310	—	29,310
<b>Total Disposal</b>	<b>\$ 957,265</b>	<b>1,317,620</b>	<b>2,869,352</b>	<b>1,453,367</b>	<b>1,512,239</b>	<b>718,555</b>	<b>2,730,665</b>	<b>756,153</b>	<b>4,999,584</b>	<b>1,895,380</b>	<b>5,498,859</b>	<b>387,923</b>	<b>788,071</b>	<b>25,885,033</b>	<b>66,052</b>	<b>25,951,085</b>

See accompanying independent accountants' compilation report.

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Schedule of Pass-Through Costs (Franchise and Other Fees) by Franchise Area  
Year ended December 31, 2013

	<u>Atherton</u>	<u>Belmont</u>	<u>Burlingame</u>	<u>E Palo Alto</u>	<u>Foster City</u>	<u>Hillsborough</u>	<u>Menlo Park</u>	<u>North Fair Oaks</u>	<u>Redwood City</u>	<u>San Carlos</u>	<u>San Mateo</u>	<u>West Bay</u>	<u>Unincorporated County</u>	<u>Total</u>
Franchise and Other Fees:														
Franchise Fees	\$ 282,038	569,301	751,230	371,686	469,625	319,661	601,566	120,024	2,349,446	740,882	759,109	71,446	145,410	7,551,424
Street Sweeping Fee	24,000	387,130	—	232,536	64,671	—	—	—	—	91,596	320,000	—	—	1,119,933
Management Fee	—	—	—	—	—	—	200,400	—	—	—	—	—	—	200,400
AB939 Fee	14,000	225,826	—	—	—	—	—	—	71,548	—	892,755	—	—	1,204,129
Administration Fee	—	—	187,808	—	—	—	—	—	44,717	—	—	—	—	232,525
Landfill Closure Fee	—	—	262,931	—	—	—	746,772	—	—	—	978,198	—	—	1,987,901
HHW Fee	—	62,822	—	—	47,419	19,499	52,715	14,019	—	52,260	—	11,146	30,262	290,142
Collection Vehicle Fee	—	161,304	—	—	—	—	—	—	—	—	—	—	—	161,304
Litter Control Fee	—	129,043	—	200,000	—	—	—	—	—	—	—	—	—	329,043
NDPES Litter Impact Fee	—	64,522	—	—	—	—	—	—	—	—	—	—	—	64,522
Steam Cleaning Fee	—	—	75,000	—	—	—	—	—	—	10,000	—	—	—	85,000
City Manager Fee	—	—	—	—	—	—	—	—	—	28,900	—	—	—	28,900
Asst City Manager Fee	—	—	—	—	—	—	—	—	—	32,656	—	—	—	32,656
Franchise and Other Fees	<u>320,038</u>	<u>1,599,948</u>	<u>1,276,969</u>	<u>804,222</u>	<u>581,715</u>	<u>339,160</u>	<u>1,601,453</u>	<u>134,043</u>	<u>2,465,711</u>	<u>956,294</u>	<u>2,950,062</u>	<u>82,592</u>	<u>175,672</u>	<u>13,287,879</u>
Reconciliations:														
Rate Stabilization Fee	—	64,522	—	—	—	—	—	—	—	—	—	14,289	—	78,811
Total Franchise and other Fees	\$ <u>320,038</u>	<u>1,664,470</u>	<u>1,276,969</u>	<u>804,222</u>	<u>581,715</u>	<u>339,160</u>	<u>1,601,453</u>	<u>134,043</u>	<u>2,465,711</u>	<u>956,294</u>	<u>2,950,062</u>	<u>96,881</u>	<u>175,672</u>	<u>13,366,690</u>

See accompanying independent accountants' compilation report.

**RECOLOGY SAN MATEO COUNTY**  
(A Wholly Owned Subsidiary of Recology Inc.)  
Schedule of Revenues Attributable to Unscheduled and Intermittent Service by Franchise Area  
Year ended December 31, 2013

	<u>Atherton</u>	<u>Belmont</u>	<u>Burlingame</u>	<u>E Palo Alto</u>	<u>Foster City</u>	<u>Hillsborough</u>	<u>Menlo Park</u>	<u>North Fair Oaks</u>	<u>Redwood City</u>	<u>San Carlos</u>	<u>San Mateo</u>	<u>West Bay</u>	<u>Unincorporated County</u>	<u>Total</u>
Revenue Billed:														
Attachment Q revenues	\$ 51,424	94,684	110,558	51,303	22,402	40,630	141,592	27,358	54,779	90,486	332,407	19,407	22,295	1,059,325
Less:														
Back yard collection fees	30,542	2,903	4,097	—	—	32,893	—	25	—	3,156	6,939	4,130	3,385	88,070
Total unscheduled services	20,882	91,781	106,461	51,303	22,402	7,737	141,592	27,333	54,779	87,330	325,468	15,277	18,910	971,255
Less:														
Belmont Q Fees	—	91,781	—	—	—	—	—	—	—	—	—	—	—	91,781
Sales of containers	69	—	—	—	—	—	243	69	—	—	—	141	—	522
Total attachment Q Fees	\$ 20,813	—	106,461	51,303	22,402	7,737	141,349	27,264	54,779	87,330	325,468	15,136	18,910	878,952

See accompanying independent accountants' compilation report.