



# Recology Presentation

## Refuse Rate Board Hearing

March 13, 2026



# Introduction & Highlights

- Successful Rate Year 2025
- Early implementation of RY26 enhancements – many supporting street cleanliness
- Introduction of several technology pilots
- Robust operational response to Super Bowl LX activities
- Expansion of unique recycling & collection programs
- In-depth infrastructure assessment, site optimization & future capital planning

# RX25 Financial Results

	Rate Year 2025 Projection			Rate Year 2025 Actual			\$ Variance			
	(in millions)	SSGG	RSF	Combined	SSGG	RSF	Combined	SSGG	RSF	Combined
Revenues		\$ 372.1	\$ 167.2	\$ 539.3	\$ 360.3	\$ 161.1	\$ 521.4	\$ (11.73)	\$ (6.15)	\$ (17.88)
Expenses		351.9	155.3	507.2	352.0	150.8	502.8	0.08	(4.48)	(4.39)
Net Profit		\$ 20.1	\$ 12.0	\$ 32.1	\$ 8.3	\$ 10.3	\$ 18.6	(11.82)	(1.67)	(13.49)
OR Eligible Expenses		\$ 203.5	\$ 121.0	\$ 324.5	\$ 211.3	\$ 119.7	\$ 331.0	7.85	(1.30)	6.55
Operating Ratio		91.0%	91.0%	91.0%	96.2%	92.1%	94.7%			
Operating Ratio on ALL Expenses		94.6%	92.8%	94.0%	97.7%	93.6%	96.4%			
Profit Margin on ALL Expenses		5.4%	7.2%	6.0%	2.3%	6.4%	3.6%			

## Revenue Variances

RSF Lower inbound volume  
 RSF Higher recycling revenue  
 SS/GG Lower rate payer revenue

## Expense Variances

RSF Lower disposal & processing  
 All Lower equipment lease expense  
 All Higher payroll & related  
 SS/GG Higher liability insurance  
 SS/GG Higher bad debt

# Q1 Financial Results

	Q1 RY2026 Projection			Q1 RY2026 Actual			\$ Variance			
	(in millions)	SSGG	RSF	Combined	SSGG	RSF	Combined	SSGG	RSF	Combined
Revenues		\$ 102.2	\$ 43.2	\$ 145.4	\$ 102.7	\$ 43.7	\$ 146.4	\$ 0.54	\$ 0.52	\$ 1.06
Expenses		96.6	40.1	136.8	96.3	39.0	135.3	(0.32)	(1.12)	(1.44)
Net Profit		\$ 5.5	\$ 3.1	\$ 8.6	\$ 6.4	\$ 4.7	\$ 11.1	0.86	1.64	2.50
OR Eligible Expenses		\$ 56.1	\$ 31.1	\$ 87.3	\$ 54.8	\$ 29.6	\$ 84.4	(1.34)	(1.48)	(2.83)
Operating Ratio		91.0%	91.0%	91.0%	89.5%	86.3%	88.4%			
Operating Ratio on ALL Expenses		94.6%	92.9%	94.1%	93.8%	89.2%	92.4%			
Profit Margin on ALL Expenses		5.4%	7.1%	5.9%	6.2%	10.8%	7.6%			

## Revenue Variances

\*Annual projections are not seasonalized

RSF Higher inbound volume

RSF Higher recycling revenue

SS/GG Higher rate payer revenue

## Expense Variances

\*Annual projections are not seasonalized

All Lower payroll & related

All Lower equipment lease expense

# Abandoned Material Collection (AMC)

- Three Afternoon AMC routes added as part of 2026 Rate Order
  - Routes start at 1 pm and expanded AMC coverage into evening hours
  - Tonnage up 26% in Q1RY26
  - 311 tickets flat overall YOY with <1% increase

	Q1RY26	Q1RY25	Increase/Decrease
<b>Tons Collected</b>	<b>1,303</b>	<b>1,036</b>	<b>+26%</b>
<b>AMC 311 Calls</b>	<b>25,778</b>	<b>25,527</b>	<b>+.98%</b>
<b>SLA Compliance</b>	<b>91%</b>	<b>94%</b>	<b>-3.7%</b>

# Bulky Item Mailer to Apartment Residents

- RRA identified apartment move-in/move-outs as possible source of illegal dumping
- Mailed 40k postcards to individual units in high density areas
- In coordination with RRA, performing “A / B” testing to determine effectiveness of mailed outreach
- Social media will also be tested later this month with a targeted marketing campaign



The flyer features a central white box with the text: "Recology provides curbside collections for up to 10 bulky items at no additional charge to apartments". Below this, it says "Participating in the program keeps our city clean!". The flyer is decorated with illustrations of a winged armchair, a winged toaster, a winged sofa, and a winged desk. At the bottom, there is a QR code and instructions in three languages: English, Chinese, and Spanish.

**Recology provides curbside collections for up to 10 bulky items at no additional charge to apartments**

**Participating in the program keeps our city clean!**

綠源再生 (Recology) 免費為公寓住戶提供路邊大型物件收集服務, 每次可收取最多10件的大型物品, 不另收費。參與本計畫, 讓我們的城市更整潔。

Recology ofrece recogida en la puerta de su apartamento de hasta 10 objetos voluminosos sin costo adicional. La participación en el programa ayuda a mantener limpia nuestra ciudad.

Scan to make an appointment or contact your property manager.

掃碼立即預約, 或聯絡你的物業經理查詢。

Escanee el código para programar una cita o comunicarse con el administrador de su propiedad.

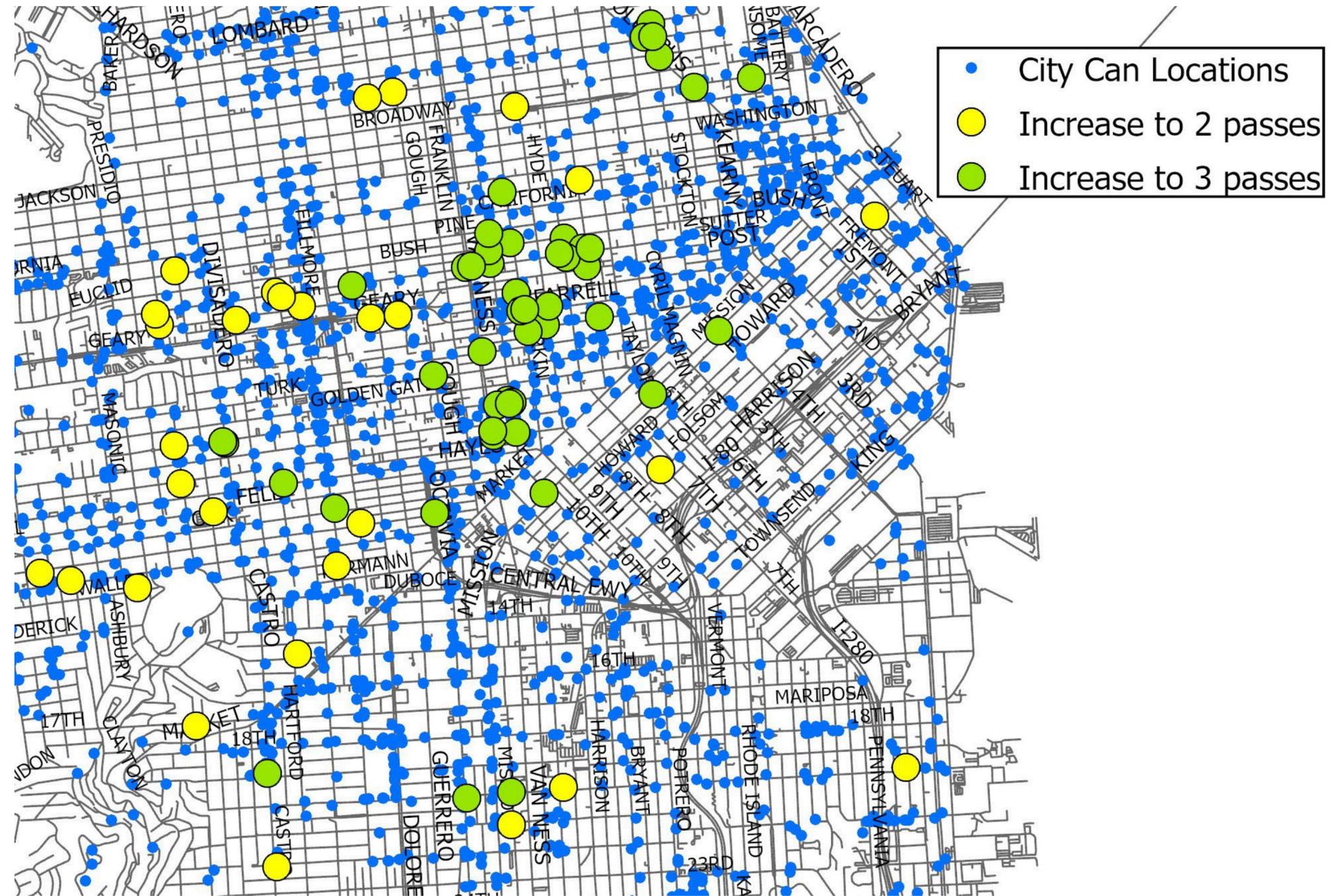
[recology.com/sfbulky](https://recology.com/sfbulky)

# Public Receptacles Collection (PRC)

	Q1RY26	Q1RY25	Increase/Decrease
<b>Tons Collected (PRC routes only)</b>	<b>1,232</b>	<b>1,287</b>	<b>-4.3%</b>
<b>311 Overflow Calls</b>	<b>5,052</b>	<b>4,355</b>	<b>+16%</b>
<b>311 Sensor Requests</b>	<b>6,336</b>	<b>21,403</b>	<b>-70%</b>
<b>SLA Compliance</b>	<b>93%</b>	<b>95%</b>	<b>-2.7%</b>

# PRC Pilot with DPW & Mayor's Office

- Working group comprised of DPW, Mayor's Office, and Recology
- Using available foot traffic and 311 overflow data to determine service frequency needs of every can
- Service increases launched February 23<sup>rd</sup> and will run through March 23<sup>rd</sup>



# PRC Route Cameras

- DPW requested service verification cameras be installed on all 12 dedicated PRC routes
- DPW, Recology, and RRA have worked on the new process
- Currently providing footage to DPW for their review



# Contamination Pilot

- 3rd Eye – RY25
  - System functionality
  - 19% Conversion rate
  - \$190K - 3rd Eye revenue
- 3rd Eye – RY26 Q1
  - System updates
  - \$164K - 3rd Eye revenue
  - 88% Customer association
- Prairie Robotics - RY26
  - 6 FEL trucks
  - Status update
  - Approved FTE

3RD EYE	Total Events	Notice (1st) Letters	Warning (2nd) Letters	Final Notice Letters
RY25	10,700	231	43	12



Hopper Before



Hopper After Customer's Bin emptied



Plastic Bag

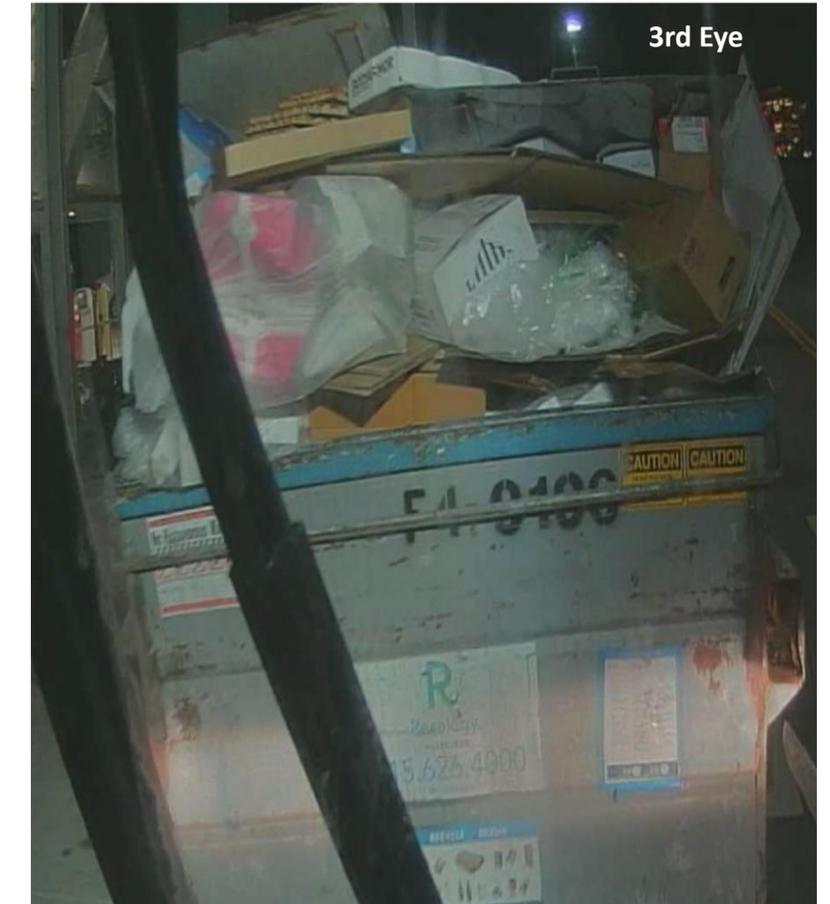
# Overload Cameras

- Implementation
  - Go Live February 16th
  - 27 Trucks / 21 Routes
  - Over 80% Customer Association
- RGG and RSS Single Week Stats
  - System and Functionality
  - Back of Office Process
  - Events For Review
  - Warnings and Grace Period
  - Total Charges

Total Events	Warnings Letters	Grace Period	Events Per Route	Total Charges
1712	121	84	82	141



Overloaded Landfill



Overloaded Recycle

# Pizza Box Enclosures

- Partnering with District 3
- Design and Functionality



# Activities for Super Bowl LX

- Partnering With City Departments
- +550 Additional Route Hours
- 15 Special Events
- 7% increase in hauls
- 110 Ton Net Volume Increase

“ I’m just trying to stay focused on the people walking around and help make sure everybody has a great experience and they have clean streets”

**MICHAEL MURRAY**

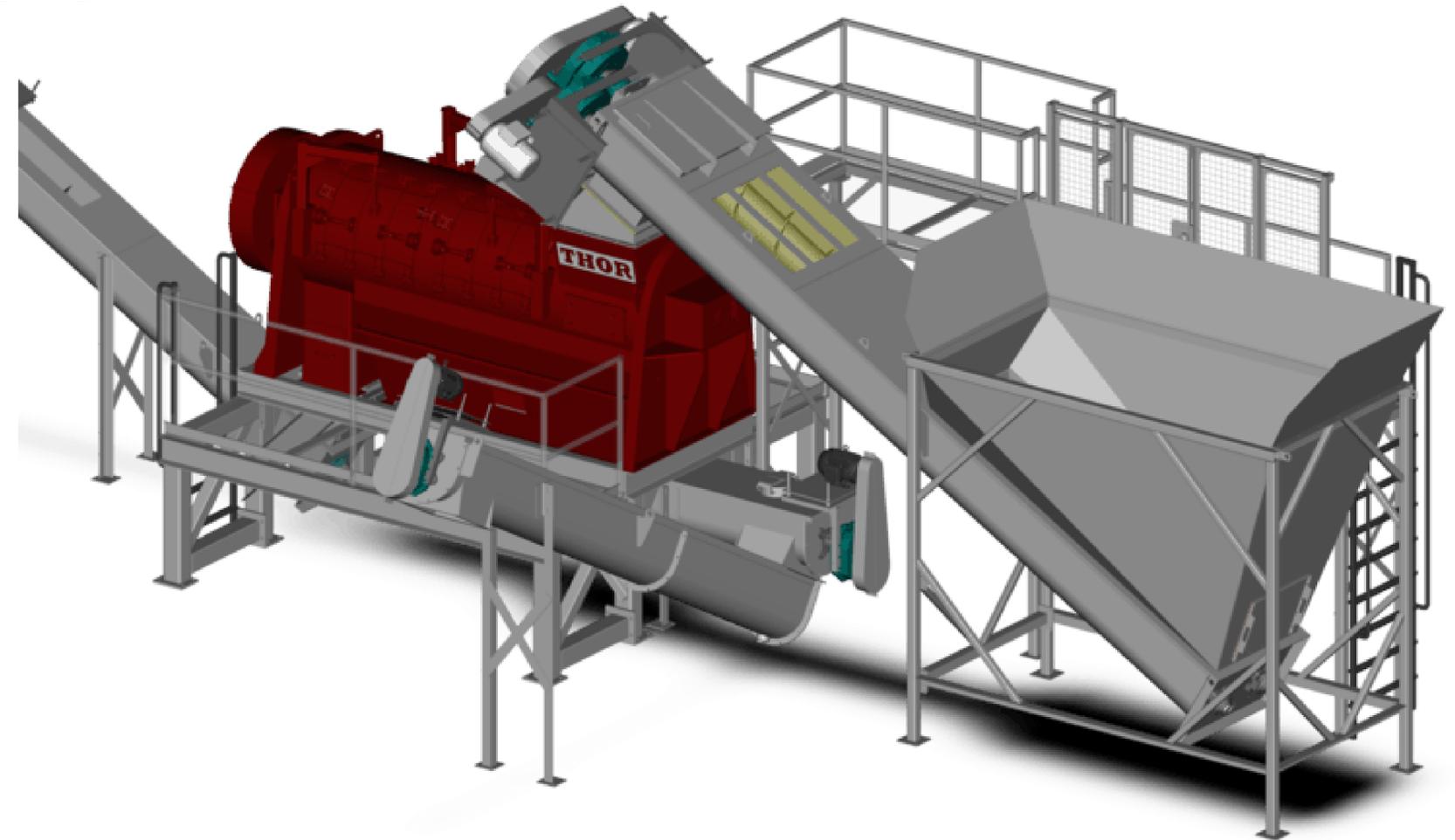
*City Can Driver*

Recology Golden Gate, 27 years



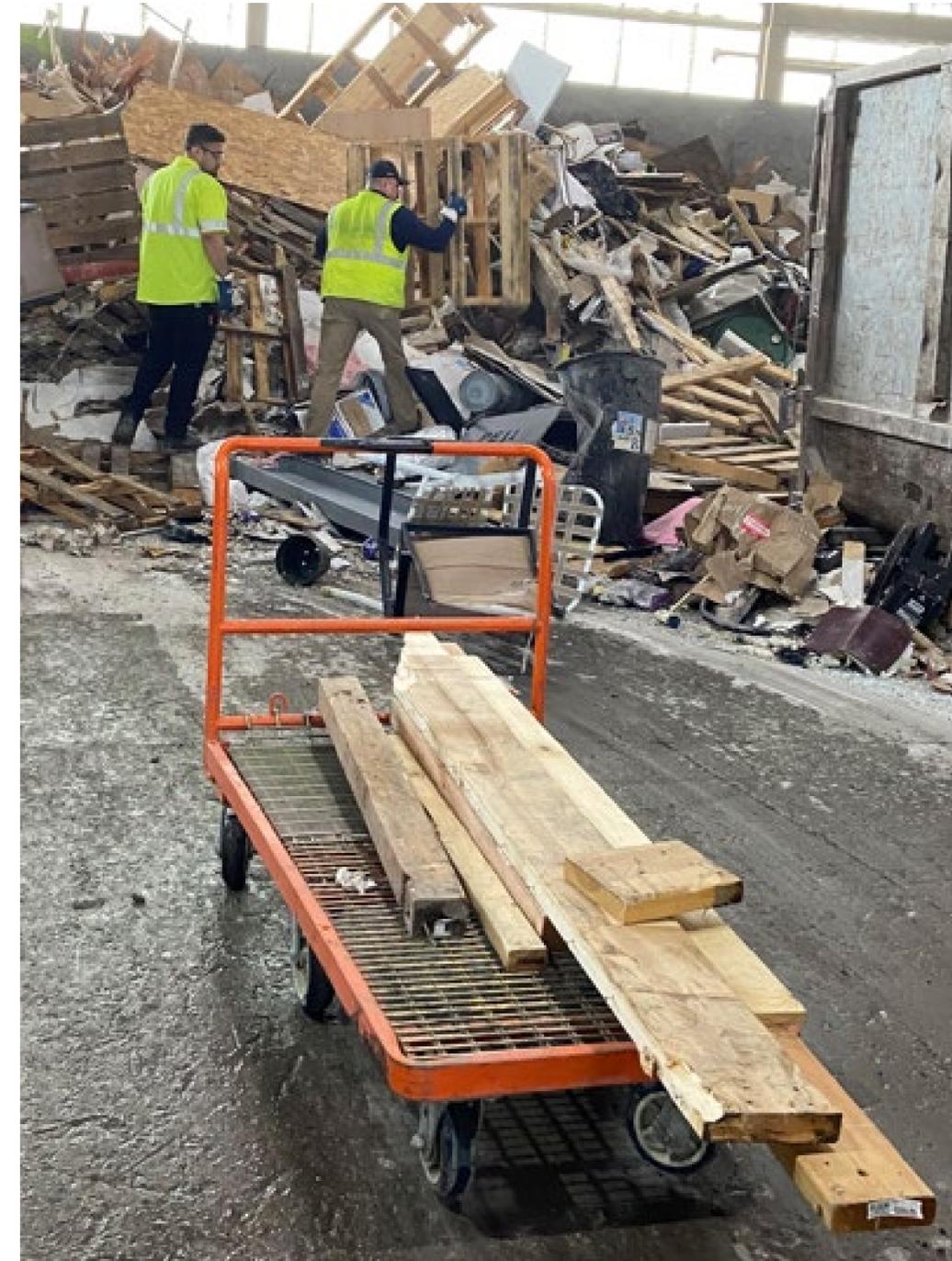
# Organics Pre-Processing

- Organics De-Packager permitting, installation and Operations
- Permitting the installation and obtaining the proper entitlements to operate the equipment
  - SF Planning Department CEQA review
  - Permit application to BAAQMD
  - Solid Waste Facility Permit
  - Construction Permits
- Equipment order in July 2026
- Delivery end of Q1 RY27
- Operational beginning Q3 RY27



# Wood & Mattress Recycling

- Recovery of re-usable lumber
  - Recology SF working with the SF Environment and The ReUse People
  - 8 Loads of re-usable wood delivered
  - 28.48 tons have been recovered RYTD
- Since October 1st. Recology has been accepting Mattresses and Box Springs at no charge from our customers at the Public Disposal & Recycling Area
  - To date we have received 2,426 units and 36.39 tons
  - 934 More units RYTD



# Pier 96 Seismic Study

- Seismic Study & Facility Conditions Assessment - complete
- Full reports & cost estimates for retrofit and upgrades have been finalized. Project total is \$52.5 Million; breakdown of costs are outlined below
- Port of SF Real Estate & Engineering Departments are reviewing the reports & findings

Architectural/Facility Upgrades		Building/Seismic Retrofit		Seawall Repairs	
Project	Cost	Project	Cost	Project	Cost
Facility Upgrades	\$4,459,549	Seismic Retrofit	\$15,962,070	East Seawall Repair	\$3,799,898
Near Term Roof Repair	\$145,000	Full Roof Replacement	\$15,100,000	South Seawall Repair	\$13,043,784
<b>Total</b>	<b>\$4,604,549</b>	<b>Total</b>	<b>\$31,062,070</b>	<b>Total</b>	<b>\$16,843,682</b>

\*all costs are escalated (2029 dollars)

# Closing Remarks

- **Delivered strong operational performance under the approved rate order**, maintaining service levels while responding to increased demand and major citywide events
- **Expanded and optimized street-cleanliness programs**, including Abandoned Material Collection, Public Receptacle Collection, and targeted outreach to reduce illegal dumping
- **Used data and technology to drive smarter service delivery**, leveraging on-board cameras, 311 data, and pilot programs to improve compliance, efficiency, and transparency
- **Worked collaboratively with City partners**, including DPW, the Mayor's Office, SFE and the RRA, to align service levels with community needs and real-time conditions
- **Advanced recycling, diversion, and contamination-reduction efforts**, supporting the City's environmental goals while improving material recovery
- **Positioned the system for the future**, with planned investments in organics pre-processing, assessing facility resilience, and long-term infrastructure planning



Thank you

