



September 29, 2015

President London Breed and
Clerk of the San Francisco Board of Supervisors
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689

Re: September 29, 2015 Board of Supervisors Agenda Item 41: Appeal of Final Negative Declaration - Recology Landfill Disposal Agreement - Hay Road Landfill in Solano County

Dear President Breed, Members of the San Francisco Board of Supervisors, and Clerk of the Board:

Recology appreciates our partnership with San Francisco. Together, we've made enormous strides toward achieving San Francisco's Zero Waste goals. Despite population growth, we've seen the tonnage of San Francisco municipal solid waste that Recology hauls to landfills decline by over 47 percent since the year 2000.

Attached, please find our 2015/2016 Community Benefit Report, outlining our company's mission to find new ways to process and reuse what was once considered waste-- or as we like to say, "achieving the best and highest use of all resources." Recology strives to recover more recyclables so that the material can be repurposed into new products; we also place a high importance on transforming organics to nutrient-rich soil amendments or energy. By encouraging sustainable resource recovery practices, Recology hopes to carry out our vision of a world without waste.

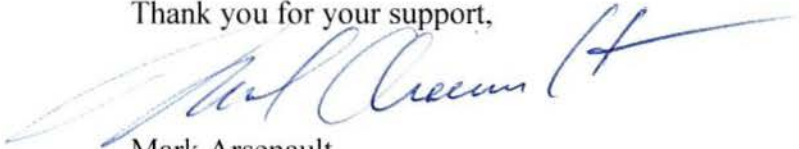
San Francisco is well aware of our extensive efforts to reduce waste. But the Board may not be aware of our other activities at our Hay Road Landfill. In 2013, Recology unveiled a state-of-the-art landfill gas conversion facility that is providing 1.6 megawatts of electricity-- enough to power up to 1,600 homes. Methane gas is pulled from the eastern and southwest boundaries of the Landfill and sent to the onsite energy plant. This prevents methane from being released into the atmosphere while also reducing the use of fossil fuels to generate energy. In total, the landfill gas conversion process at Hay Road translates to an annual greenhouse gas reduction equivalent to taking 13,000 cars off the roads, planting some 14,500 acres of forest, or otherwise offsetting consumption of approximately 7.6 million gallons of gasoline.

Recology also has been pursuing ways to reduce air pollution and greenhouse gas emissions from our truck fleet. None of our trucks use standard diesel fuel. At present 78 percent of our haul trucks run on B20 biodiesel, and 22 percent run on Liquified Natural Gas (or LNG). By the end of this year, 40% of our trucks will run on B20 biodiesel, and 60 percent on LNG. The use of LNG substantially reduces air pollution and associated health risks compared to diesel fuel. Further, LNG has the potential to reduce GHG emissions by an even larger degree than biodiesel fuel. It is for this reason that Recology is pleased to announce that it has contracted with Clean Energy of California to fuel all of its San Francisco LNG trucks with renewable natural gas made entirely from biomethane sources, meaning landfill gases and organics.

Finally, it should be noted that the Disposal Agreement that is the subject of the Negative Declaration pending before the Board will help San Francisco achieve its Zero Waste goals. During the closed bidding process for that Agreement, Recology bid \$22.73 per ton. Waste Management, Inc. bid \$46 per ton for disposal at its Altamont Landfill. While disposal costs typically are passed along to rate payers, there is a limit to the amount ratepayers can bear. Presently, the Department of the Environment includes funding for programs to accomplish its Zero Waste goals in the rates charged to ratepayers. The savings resulting from the Disposal Agreement will ensure the Department can continue to fund those programs. Achieving Zero Waste will better the environment far more effectively than hauling waste to the Altamont Landfill.

Recology looks forward to many more years as San Francisco's partner in reducing waste and improving the environment.

Thank you for your support,



Mark Arsenault
Vice President and Group Manager



COMMUNITY BENEFIT REPORT

2015/2016





TABLE OF CONTENTS

Message from our CEO..... 3

Vision & Mission..... 4

Resource Recovery..... 5

Recycling Facilities & Operations 6

Returning Nutrients to the Soil..... 8

The Art of Recology..... 10

Community 12

Employee Ownership 14



TO OUR COMMUNITY PARTNERS & STAKEHOLDERS

ABOUT OUR COMMUNITY BENEFIT REPORT

Recology sees a world without waste™. This Community Benefit Report details the ways Recology and its employee owners are working to achieve this vision. Using data collected in 2013/2014, this Report highlights our company's recycling achievements, innovative service offerings, employee stewardship, and commitment to our customers and community partners.

HIGHLIGHTS

As of 2015, Recology employee owners proudly serve 127 communities in California, Oregon, Washington, and Nevada. This year, Recology will manage approximately 2.3 million tons of materials generated within these communities, reducing the environmental impact on the communities in which we live.

As an integrated resource recovery company, our approach to collection, transport, and processing takes into consideration the environmental impact of our operations. We source locally whenever possible, use alternative fuel vehicles, and return recyclables and organics to their highest and best use.

Most importantly, the employee-owners at Recology show their dedication to our customers by being active participants in the communities where they work and live.

LOOKING AHEAD

Recology is working hard to bring its vision and mission to the Los Angeles area. We took a great leap forward with this objective by purchasing the assets of Crown Disposal Company, Inc. and Community Recycling and Resource Recovery, Inc., along with the commitment to serve their customers. Through this purchase, Recology now owns a facility in Sun Valley, CA, as well as the largest permitted compost facility in California, located in Lamont, CA.

We will be making substantial improvements to these facilities over the next several years. With this purchase, we bring our commitment to resource recovery to even more communities. Working together, we can achieve a world without waste.

Sincerely,

Michael J. Sangiacomo
President and Chief Executive Officer

OUR VISION, OUR MISSION

VISION

Recology is redefining the waste industry by finding new ways to process and reuse what was once considered waste – or, as we like to say, “achieving the best and highest use of all resources.” The mission of Recology represents a fundamental shift from traditional waste management. Recology strives to recover more recyclables so that the material can be repurposed into new products; we also place a high importance on transforming organics to nutrient-rich soil amendments or energy. By encouraging sustainable resource recovery practices nationally, Recology hopes to carry out our vision of a world without waste.

MISSION

Recology is dedicated to building exceptional resource ecosystems that protect the environment and sustain our communities. We strive for the best and highest use of all resources.

OUR SERVICES

Recology provides services for collection and recovery of recyclables, organics, and refuse, as well as innovative solutions, technology, and marketing to extract the highest use of natural resources and to represent the Recology Resource Ecosystem Paradigm.

The Recology business model is comprised of four components: [Collection](#), [Recovery](#), [Processing](#), and [Marketing](#).



Recology sees a world without waste™



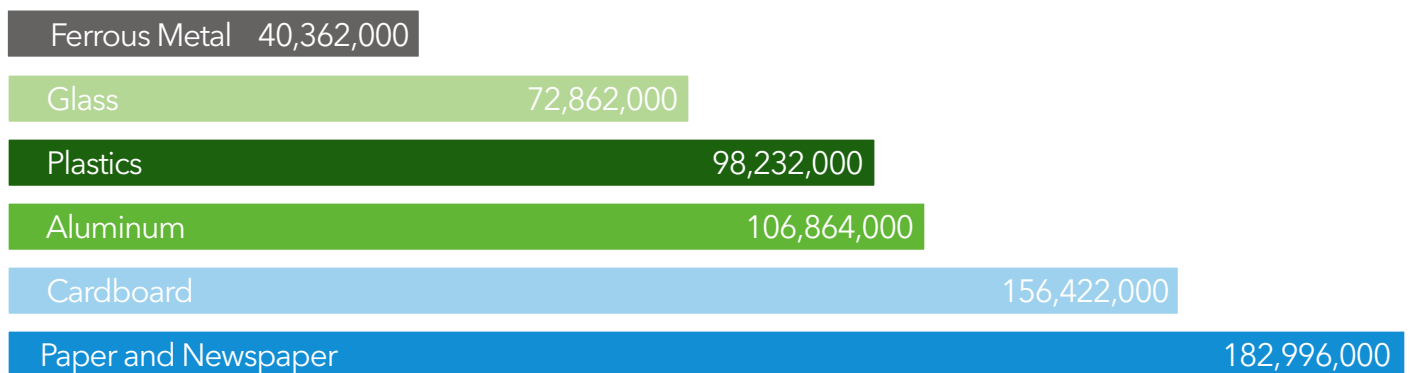


RESOURCE RECOVERY

REPLENISH THE PLANET

Recology returns the recoverable resources found within the waste stream to our economy. Our commitment to zero waste leads us to find new ways to re-introduce materials to the market. Recology continues to encourage customers and employees to increase their recycling efforts and reduce consumption of virgin materials.

2014 TOTAL RECYCABLES (lbs)





127

Communities served
in CA, NV, OR and WA

11

Material Recovery
Facilities



10

Organic Processing
Facilities

RECYCLING FACILITIES

HELPING COMMUNITIES ACHIEVE ZERO WASTE

MATERIAL PROCESSING & INNOVATIVE TECHNOLOGIES

Recology operates a number of material recovery facilities (MRFs) and coordinates dozens of recycling programs to encourage the sorting and recovery of a variety of materials within our service communities.

Recology pioneered the three cart collection system to help customers separate municipal solid waste (MSW), recyclables, and organics, and to help municipalities achieve their diversion goals. This source separation and customer participation is critical for the highest use of all resources.

Once the materials arrive at a Recology MRF, a combination of manual sorting and the latest in processing technology is used to ensure materials are well-separated to achieve the highest diversion. Diversion is then carefully calculated after separation and processing.

Over the next several years, Recology will continue to identify, prioritize, and invest in processing technology that supports community sustainability goals and our vision of a world without waste.

Recology Blossom Valley Organics, Lamont, CA



LEGEND

- | | |
|--|---------------------------------------|
| ■ Administration / Collection | ● Contract Operated Landfill |
| ◆ Material Recovery Facility | ◆ Special Wastes Disposal |
| ★ Transfer & Transport | ● Compost Facilities |
| ▲ Owned & Operated Landfill | ★ Contract Operated Transfer Stations |
| ▼ Contract Operated Material Recovery Facility | ◆ Streetscape Maintenance |

Providing integrated recycling & resource recovery services to 127 communities across California, Nevada, Oregon, and Washington.

1.1 billion lbs
Yard trimmings & food
scraps composted (2014)

296 million lbs
Compost sold in CA
(2013)

16,500 gallons
Water saved per acre
with compost use

RETURNING NUTRIENTS TO THE SOIL

GREEN WASTE & FOOD SCRAPS RECYCLING

In 1996, Recology pioneered the nation's first comprehensive urban organics collection program. This program transformed food waste collection and composting from a waste collection sideline into a major component of community sustainability - returning nutrients to the soil using materials that were historically thrown away and landfilled.

The material collected through the organics program is composted into nutrient-rich soil amendments. Every ton of organics sent to the landfill is a missed opportunity to create green-economy jobs, recover raw material, lower greenhouse gas emissions, and save water. By composting yard trimmings and food scraps, Recology helps ensure that organic material is put to the best and highest use possible.

Today, Recology compost is used by growers across California, Oregon, and Washington, including over 200 vineyards in Napa and Sonoma Counties.

ORGANICS FACILITIES





Recology Blossom Valley Organics in Modesto, CA produces a variety of decorative mulches, arbor, and bark products made from recycled wood.



From 2013-2014, three million people viewed the Recology AIR Program exhibit at San Francisco International Airport (SFO).

THE ART OF RECOLOGY

KEEPING MATERIAL OUT OF LANDFILLS

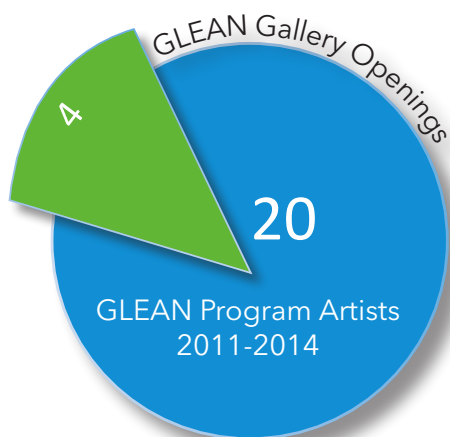
Recology founded the San Francisco Artist in Residence program in 1990. The Recology artist in residence (AIR) programs have attracted international attention for their efforts to help communities see discarded material differently through artwork created by local artists.

Resident artists scavenge for materials at the public disposal area, and work in a studio provided by Recology.

Currently, Recology hosts two programs: the AIR program in San Francisco and GLEAN program in Portland.

Now, 25 years later, the programs have garnered international attention, and have grown to include the John Legnitto Environmental Learning Center, educational public tours, sculpture garden, and off-site exhibitions.

The AIR and GLEAN programs support local artists while bringing awareness to reducing, reusing, and recycling materials, while also diverting material from landfills.



Where the world
sees waste, we see
resources.



Resident artist, Ma Li, Spring 2015

COMMUNITY

GIVING BACK TO THE COMMUNITIES WE SERVE

COMMUNITY PARTNER

The Recology employee owners live and work in the communities they serve, and as a result, many are deeply involved in community activities. For example, in 2013 the 119 employees of Recology Yuba-Sutter volunteered over 700 hours of service at 37 local events, in addition to contributing over \$200,000 in cash and in-kind donations to their community. Among the non-profit organizations Recology companies support, are Goodwill, AmeriCorps, the Boys & Girls Club, and a number of local community gardens.



EDUCATION AND OUTREACH

Recology is committed to providing environmental outreach and education within all our service areas. We work closely with cities to create tailored programs to meet the needs of varying demographics and to help achieve cities' sustainability goals. Our programs include informational and hands-on educational presentations and resources, as well as community clean-up programs to bring awareness to the recycling and composting services available to them. Recology continues to partner with schools, community groups, and non-profit organizations to ensure that our communities thrive.



Recology Store grand opening in Highline, WA. Recology Stores offer goods made from recycled materials, and serve as a material drop-off location.



COMMUNITY GARDENS

Employees at many of our organics facilities utilize Recology compost to grow a variety of fresh vegetables and produce, from squash and potatoes, to tomatoes and okra. Recology community gardens produce large harvests that are then donated to local non-profit organizations, such as food banks and senior centers.

The compost used at our community gardens is manufactured from the food scraps and yard trimmings collected from our service areas.

In 2014, Recology community gardens donated a total of 16,900 lbs of produce to local non-profit organizations.

VOLUNTEER PROGRAM

The Recology Volunteer Program allows employee owners the opportunity to give back to the communities in which they work and live. Since the program's inception in 2008, Recology has sponsored over 17 major volunteer events and participated in many other events hosted by local organizations. Recology employee owners get together to beautify community centers, parks, and municipal gardens with fresh recycled paint, compost, plants, and mulch.

1,200

Employee
Participants

34

Volunteer
Events

7,200

Hours
Donated

In 2013 and 2014, almost 1,200 employee owners in California, Oregon and Washington participated in 34 volunteer events (over 7,200 hours) gardening, painting, and repairing facilities within communities we serve.





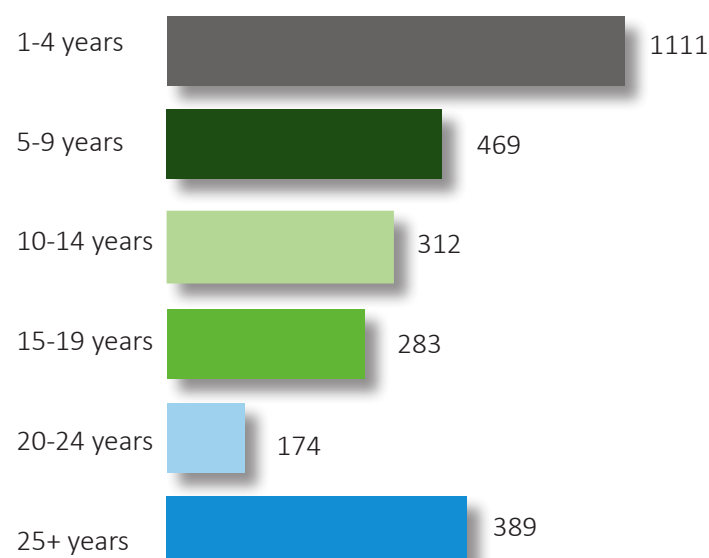
EMPLOYEE OWNERSHIP

EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

Our roots date back to the mid 1800s, when immigrants from northern Italy came to San Francisco looking for opportunities. They found work doing what no one else wanted to do – picking up other people’s garbage. In addition to taking away what others didn’t want, they scavenged through the material to find things they could sell. These early scavengers formed small alliances and created the companies that evolved into Recology.

In 1986 and 1987, the preceding companies of Recology merged in a series of transactions that placed ownership in the hands of the Recology Employee Stock Ownership Plan (ESOP). This plan provides employees a stake in the company to encourage hard work and dedication.

EMPLOYEE OWNERS BY SERVICE YEARS





JOBS CREATED PER 1,000 TONS OF MATERIAL COLLECTED

Material Landfilled	0.1 Jobs
Organics Processed	0.5 Jobs
Recyclables Recycled	2.0 Jobs

OWNERSHIP BENEFITS & CULTURE

Recology is a 100% employee-owned company through the Employee Stock Ownership Plan (ESOP). The Recology ESOP provides our employees with a supplemental retirement plan, alongside their 401(K) or pension, and comprehensive benefits package.

Employee ownership is deeply engrained in the Recology culture, and has a direct reflection on our level of customer service and productivity. Recology employees are continually motivated to provide high-quality and efficient service to the municipalities we serve.

As Recology continues to work with current and new jurisdictions, we're able to maintain long-term, stable relationships with customers and local governments. This long-term and forward-thinking outlook - developed through the dedication of the employee owners of Recology - has made the company a leader in the recycling and resource recovery industry.



Proudly Employee Owned



www.recology.com



Printed on 100% recycled paper