



REFUSE COLLECTION AND DISPOSAL RATE BOARD CITY AND COUNTY OF SAN FRANCISCO

Jennifer Johnston, Chair, Deputy City Administrator
Ted Egan, Chief Economist, Office of the Controller
Michael P. Carlin, Deputy General Manager, City Public Utilities Commission

SPECIAL MEETING AGENDA

FRIDAY, JUNE 16, 2017
ROOM 416, CITY HALL, 1:00 P.M. – 5:00 P.M.

MONDAY, JUNE 19, 2017
ROOM 416, CITY HALL, 9:00 A.M. – 5:00 P.M.

WEDNESDAY, JUNE 21, 2017
SOUTH LIGHT COURT, CITY HALL, 9:00 A.M. – 5:00 P.M.

CITY HALL
ONE DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CALIFORNIA 94102

This Special Meeting of the City's Refuse Collection and Disposal Rate Board ("Rate Board") is to hear and consider objections to the May 12, 2017 Director of Public Works Report and Recommended Order ("Report and Recommended Order") to increase residential refuse collection and disposal rates. This Report and Recommended Order follows conclusion of the DPW Director's 2017 hearings on the Rate Application filed by Applicants Recology Sunset Scavenger, Recology Golden Gate, and Recology San Francisco.

Written objections were received from 13 sources by Rate Board Chair Jennifer Johnston before the statutory deadline on May 30, 2017. (See Agenda Items IV.A through IV.M, below, which include a summary of the objections; these descriptions are for general information only and are not intended to represent any decision, fact or position of the City or the Rate Board.) No additional objections may be raised or filed, orally or in writing. Objectors and Non-Objectors may only rely upon evidence previously placed in the administrative record during the DPW Director's 2017 hearings through testimony or documents; they may not present new evidence at the Rate Board hearing level. After hearing presentations on the objections and responses from the DPW Director and others, the Rate Board will deliberate and take action to approve or deny the Rate Application, in whole or in part.

Copies of the Application, the DPW Director's Report and Recommended Order, written objections timely received by the Rate Board, Rules of Procedure and other documents relevant to these proceedings are posted on the DPW website at www.sfdpw.org under "Refuse Collection and Disposal Rates (Garbage Rates)." Documents and information are also available from the San Francisco Ratepayer Advocate, Peter Deibler, e-mail ratepayeradvocatesf@fhf-consultants.com, telephone (415) 554-6921, website <http://ratepayeradvocatesf.org/>; and from the City and County of San Francisco Department of Public Works, 9:00 a.m. to 5:00 p.m. Monday through Friday, contact Nathan Rodis at 415-554-6932, City Hall Room 348, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. Some of these documents are also available at the San Francisco Main Library Government Information Center, 415-557-4500, Fifth Floor, 100 Larkin Street, San Francisco, CA 94102.

This is a Special Meeting because the Rate Board does not meet at a regularly scheduled time or place. This Special Meeting will commence on June 16; and, if needed, will continue with the same Agenda on June 19 and June 21, until the Agenda is completed. The Chair in her discretion may modify the order or time limits of this Agenda in order to assure a fair and efficient hearing.

I. Call to Order and Roll Call

II. Introductory Remarks by Chair

Discussion

III. Opening Comments by Ratepayer Advocate

Discussion

IV. Presentations by the Thirteen Objectors Who Timely Filed Written Objections

- The Chair will call the Objectors to make their presentations in the order listed below starting Friday June 16; and, if needed will continue on Monday, June 19.
- 10 minutes maximum per Objector, excluding any Board questions

A. Objections by Jeanne Schlatz (letter received May 22, 2017)

Discussion

1. Generally opposes the rate increase.

B. Objections by Mimi and Robert Lindeboom (letter received May 25, 2017)

Discussion

2. The proposed increase is too high. The objectors put their bins out every three weeks and believe they should receive an incentive for recycling and putting the item of refuse in the proper bin, or go back to one garbage can per customer and have Recology employees do the sorting.

C. Objections by Lou Ann Bassan (letter received May 26, 2017)

Discussion

3. The overall rate of increase is too high; it is not “just and reasonable” and violates the City’s Refuse Collection and Disposal Ordinance.
4. The total monthly charges are too high. The objector states that her total monthly charges would increase 25% with the Director’s recommended \$15 per month base service charge, which is significantly greater than the 16.40% increase Recology published in its notice. A 25% increase is not “just and reasonable” and violates the City’s Refuse Collection and Disposal Ordinance.
5. Charging \$15 for a monthly basic service charge for a single family home (which is triple the current amount charged) is excessive and unjustified, particularly when the truck only needs to move for every three houses at which garbage is collected. This is not “just and reasonable” and violates the City’s Refuse Collection and Disposal Ordinance.
6. Increasing the base service charge to \$15 for single family homes and residential buildings with less than six units unfairly places the cost burden on these customers over buildings with six or more units. The base service charge for a single family home is \$15; while the base service charge per dwelling unit in apartment buildings with six or more units is proposed to be \$5.00 per unit. Thus an apartment building with six units will pay only \$30, which is only twice as much as a single family home with two residents would be charged. Larger buildings and their populations should pay their proportionate share. This is fundamentally unfair to single family homes and smaller residential units; it is not “just and reasonable” and violates the City’s Refuse Collection and Disposal Ordinance.
7. The objector states that the Report and Recommended Order represents a 67% increase for blue and green bins for single family homes and residential buildings with less than six dwelling units. Special delivery trash and meal kit companies should be targeted for the trash they are generating, not single family homes. The objector opposes the increase, stating that single family homeowners and owners of residential buildings with less than six units are being forced to subsidize Recology’s proposed pilot program to test new methods for recovering recyclable and organic material from the black bin stream, rather than focusing on customers who fail to properly separate their streams of garbage (such as office buildings and other large institutions). This is not “just and reasonable” and violates the City’s Refuse Collection and Disposal Ordinance.
8. There is no justification for Recology’s request for annual cost of living adjustments on top of other rate increases; it is not “just and reasonable” and violates the City’s Refuse Collection and Disposal Ordinance.
9. The recommended low-income discount for seniors on fixed incomes is deficient; there should be a senior exemption regardless of income since seniors are on a fixed income, consume less, recycle and compost more, and are not contributing

to black bin waste and landfills with disposable diapers. Forcing seniors to pay full rates is not “just and reasonable” and violates the City’s Refuse Collection and Disposal Ordinance.

10. The City’s policy is to achieve zero waste by 2020 (three years from now), so why are consumers expected to pay for a 15-year landfill contract.
11. Homeowners cannot opt out of garbage service; if they fail to pay for garbage service, a lien will be attached to their property. It is unfair to place the burden of bigger costs on owners of single family homes and small residential buildings.
12. The consequence of placing greater charges on larger bins will be to encourage more dumping, as individuals choose the smallest bins with the lowest costs. Dumping in the City continues uncurtailed and unabated as it is. Households should have to certify that they will not generate more garbage than can fit into the smallest bins.
13. Customers should not have to pay more money for Public Works to clean up after people who illegally dump their garbage, and it is illegal under Proposition 218 to charge individual customers for it. Including costs of public cleanup in individual ratepayer bills is arbitrary and capricious and therefore unlawful as a matter of administrative law because they are not based on factual record evidence. The costs of these activities, which benefit the general public and not property owners specifically, should continue to be covered by the City’s general budget.
14. Customers have not been provided information regarding Recology’s costs, which may be less than they were a few years ago (e.g., gas is cheaper now), or the revenues that Recology generates from the City’s refuse.
15. The objector objects to a tool Recology mentioned in a December 13, 2016 letter to Public Works for inspecting and photographing garbage bins that may contain improperly sorted materials. Customers should not be penalized or fined for others dumping in their bins after they are placed curb-side; and Recology’s monthly charges for locks and keys are excessive. It is also unfair to target and penalize single family homes, because there is no way to determine liability for improper shorting in multi-unit buildings with common shared bins.

D. Objections by Joseph Wong (letter received May 26, 2017)

Discussion

16. The increase is too much and is not reasonable; there was already a high increase in 2013.

E. Objections by Patty Sinn (letter received May 26, 2017.)

Discussion

17. The percentage increase is too high.

F. Objections by Carol Damm (letter received May 26, 2017)

Discussion

18. The objector generally opposes the proposed rate increases. The proposed rate increases are just another thing that landlords subject to San Francisco punitive rent control regulations must absorb.

G. Objection by Marian Laffan (letter received May 30, 2017)

Discussion

19. The objector states that the adjustment to the base charge will result in an increase of 36% for her personally. Although the report indicates that apartment buildings of fewer than six units represent 65% of accounts, there is no information regarding single family homes and buildings with two to five units. A 150% increase in the base cost for two to five unit buildings is not fair and justified; instead, the board should reduce this amount and instead impose a 100% increase to a new base charge of \$10 per dwelling unit for buildings with two to five units.
20. The ratepayers are illegally being required to pay for the cost-of-living adjustment increase twice, once as part of the \$12 million to support the Zero Waste Incentives and a second time with a refuse rate increase.
21. There should be a review of the impact of the Zero Waste Incentives on both the planning and health departments as well as trash collection and disposal requirements, as there is no point in the health department’s ruling that trash must be picked up each week if residents have no trash to pick up.

- 22. Some ratepayers are affected more than others by the increase to the fixed charge, and the minority of customers are being discriminated against because they are good citizens have a small trash footprint.
- 23. Outreach efforts on the rate application were not effective for the most part, otherwise there would not be negative comments on the outreach; ratepayers should have been notified via a Recology bill insert instead of what appeared to be junk mail, which was treated as such by many neighbors.

H. Objection by Bronwen Lemmon (letter received May 30, 2017)

Discussion

- 24. The objector states that an increase of 191% for the base rate is outrageous.
- 25. The proposed base rate unfairly discriminates against owners of 2-5 unit buildings.
- 26. The Director's ruling conflicts with other City legislation, as tenants in buildings with two to five units constructed after 1979 (and thus not under the City's rent control legislation) will experience the rate increase which owners will most certainly pass them on to them.
- 27. The increase in the rates for black trash bins does not recognize that under normal market conditions the rate should go up but not necessarily by container size. Recology and the City have not performed due diligence to research technology and provide a just and fair pricing system.
- 28. The Director's ruling increases rates for blue and green refuse for 32 gallon containers, despite the fact that such refuse is supposed to generate income; Recology and the City should provide an explanation to justify their proposal.
- 29. The proposed increases represent monopoly pricing by Recology, as privately-owned for-profit corporation; the Rate Board must control inflationary prices.
- 30. The Rate Board should demand full disclosure of the charges that Recology included in the application to pay for costs incurred by certain City departments for solid waste management, and information regarding the people who will receive rebates and why they were overcharged.

I. Objection by Martin and Grace Turkis (letter received May 30, 2017)

Discussion

- 31. The objector states that an increase of 191% for the base rate is outrageous.
- 32. The proposed base rate unfairly discriminates against owners of 2-5 unit buildings.
- 33. The Director's ruling conflicts with other City legislation, as tenants in buildings with two to five units constructed after 1979 (and thus not under the City's rent control legislation) will experience the rate increase which owners will most certainly pass them on to them.
- 34. The increase in the rates for black trash bins does not recognize that under normal market conditions the rate should go up but not necessarily by container size. Recology and the City have not performed due diligence to research technology and provide a just and fair pricing system.
- 35. The Director's ruling increases rates for blue and green refuse for 32 gallon containers, despite the fact that such refuse is supposed to generate income; Recology and the City should provide an explanation to justify their proposal.
- 36. The proposed increases represent monopoly pricing by Recology, as privately-owned for-profit corporation; the Rate Board must control inflationary prices.
- 37. The Rate Board should demand full disclosure of the charges that Recology included in the application to pay for costs incurred by certain City departments for solid waste management, and information regarding the people who will receive rebates and why they were overcharged.

J. Objection by Kathleen and Thomas Soper (letter received May 30, 2017)

Discussion

- 38. The objector states that an increase of 191% for the base rate is outrageous.
- 39. The proposed base rate unfairly discriminates against owners of 2-5 unit buildings.
- 40. The Director's ruling conflicts with other City legislation, as tenants in buildings with two to five units constructed after 1979 (and thus not under the City's rent control

legislation) will experience the rate increase which owners will most certainly pass them on to them.

41. The increase in the rates for black trash bins does not recognize that under normal market conditions the rate should go up but not necessarily by container size. Recology and the City have not performed due diligence to research technology and provide a just and fair pricing system.
42. The Director's ruling increases rates for blue and green refuse for 32 gallon containers, despite the fact that such refuse is supposed to generate income; Recology and the City should provide an explanation to justify their proposal.
43. The proposed increases represent monopoly pricing by Recology, as privately-owned for-profit corporation; the Rate Board must control inflationary prices.
44. The Rate Board should demand full disclosure of the charges that Recology included in the application to pay for costs incurred by certain City departments for solid waste management, and information regarding the people who will receive rebates and why they were overcharged.

K. Objection by Garrin Wong (letter received May 30, 2017)

Discussion

45. The objector states that an increase of 191% for the base rate is outrageous.
46. The proposed base rate unfairly discriminates against owners of 2-5 unit buildings.
47. The Director's ruling conflicts with other City legislation, as tenants in buildings with two to five units constructed after 1979 (and thus not under the City's rent control legislation) will experience the rate increase which owners will most certainly pass them on to them.
48. The increase in the rates for black trash bins does not recognize that under normal market conditions the rate should go up but not necessarily by container size. Recology and the City have not performed due diligence to research technology and provide a just and fair pricing system.
49. The Director's ruling increases rates for blue and green refuse for 32 gallon containers, despite the fact that such refuse is supposed to generate income; Recology and the City should provide an explanation to justify their proposal.
50. The proposed increases represent monopoly pricing by Recology, as privately-owned for-profit corporation; the Rate Board must control inflationary prices.
51. The Rate Board should demand full disclosure of the charges that Recology included in the application to pay for costs incurred by certain City departments for solid waste management, and information regarding the people who will receive rebates and why they were overcharged.

L. Objection by Gideon Kramer (letter received May 30, 2017)

Discussion

52. The hikes are unjust and way out of bounds, especially those for buildings with two to five units. Those rate hikes of up to 51% were obscured from the public and hidden from ratepayers; the advertised rate hike of 16.4% the first year applies only to single-family homes. There is no way that such a huge rate increase can be justified.

M. Objection by Noni Richen/The Small Property Owners of San Francisco Institute (letter received May 30, 2017)

Discussion

53. The hikes are unjust, especially those for buildings with two to five units. Those rate hikes of up to 51% were obscured from the public and hidden from ratepayers; the advertised rate hike of 16.4% the first year applies only to single-family homes. There is no way that such a huge rate increase can be justified.

V. Public Comment on Any or All of Objections No. 1-53 (Agenda Item IV)

Discussion

- Speakers will have a maximum of three (3) minutes each.

VI. DPW Director's Recommended Orders and Response to Objections

Discussion

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| VII. Public Comment on the DPW Director’s Recommended Orders and Response to Objections (Agenda Item VI) | Discussion |
| • Speakers will have a maximum of three (3) minutes each. | |
| VIII. General Public Comment on Any Other Matters within the Jurisdiction of the Rate Board | Discussion |
| • Speakers will have a maximum of three (3) minutes each. | |
| IX. Rate Board Consideration of Proposed Order and Objections to Proposed Order; Approve or Deny the Application, In Whole or In Part, Including the Proposed Uses of the Special Reserve Fund Under the 1987 Waste Disposal Agreement and Whether there is a Continuing Need for the Fund, or Some Portion of It. | Discussion and Action |
| X. Resolution Adopting Findings of the Rate Board | Discussion and Action |
| XI. Adjournment | Discussion and Action |

MEETING INFORMATION

Language Interpreters

Requests for language interpreters at a meeting must be received at least 48 hours in advance of the meeting to help ensure availability. Contact the Office of the City Administrator at 415-554-4148 to request an interpreter for the Refuse Collection and Disposal Rate Board ("Refuse Rate Board") meetings/hearings.

Using Computers for Presentations

Hearing rooms are equipped with Windows-based computers. Office 2010 is installed and presentations using this software package may be brought in on a USB drive and loaded directly onto the computer. Presenters utilizing other software, custom fonts or other types of computers, must contact City Hall Media Services in advance at 415-554-4933 to schedule an on-site test prior to the meeting. All presenters should arrive 30 minutes prior to the Rate Board hearing to load and test any presentations on the installed computer.

Disability Access

City Hall Room 408 is wheelchair accessible. Assistive listening devices for the hearing rooms are available upon request, contact the Office of the City Administrator at 415-554-4148 to arrange for the device.

The nearest accessible BART station is Civic Center (Market/Grove/Hyde Streets). Accessible MUNI Metro lines are the F, J, K, L, M, N, T (exit at Civic Center or Van Ness Stations). MUNI bus lines also serving the area are the 5, 6, 9, 19, 21, 47, 49, 71, and 71L. For more information about MUNI accessible services, call (415) 701-4485. There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex. Accessible curbside parking is available on Dr. Carlton B. Goodlett Place and Grove Street.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline is 4:00 p.m. of the last business day of the preceding week: for American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact the Office of the City Administrator at 415-554-4148 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. The City's Sunshine Ordinance (San Francisco Administrative Code Chapter 67) assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102; telephone (415) 554-7724; fax (415) 554-7854; or email sof@sfgov.org.

A free copy of the Sunshine Ordinance (San Francisco Administrative Code Chapter 67) may be printed from the Internet, at <http://www.sfbos.org/sunshine>.

Cell Phones, Pagers and Similar Sound-Producing Electronic Devices

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices (Chapter 67A of the San Francisco Administrative Code).

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (San Francisco Campaign & Governmental Conduct Code §§2.100 *et. seq*) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at: 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 581-3100; fax (415) 252-3112; web site www.sfgov.org/ethics.