

1 [City and County of San Francisco Refuse Collection and Disposal Rate Board August 2016
2 Resolution]

3 **Refuse Collection and Disposal Rate Board Resolution adopting findings on uses of**
4 **the Special Reserve Fund.**

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6 WHEREAS, The 1932 Refuse Collection and Disposal Ordinance, as amended,
7 establishes and governs the process for approving residential refuse collection and disposal
8 rates for the City and County of San Francisco ("City"); and,

9 WHEREAS, On March 14, 2013, Recology Sunset Scavenger, Recology Golden Gate,
10 and Recology San Francisco ("Recology") filed an Application with the City Administrator
11 requesting an increase in the Companies' residential refuse collection and disposal rates ("the
12 2013 Rate Application"); and,

13 WHEREAS, On July 23, 2013, the Rate Board issued a Resolution and Order on the
14 Director of Public Works' Recommended Orders on the 2013 Rate Application; and

15 WHEREAS, The Rate Board requested in its July 23, 2013 Resolution and Order a
16 report on the Special Reserve Fund identifying all contributions to and expenditures from the
17 Fund since its inception, and an assessment of future conditions that may require use of the
18 Fund; and

19 WHEREAS, On October 30, 2015, the Director of Public Works submitted a report from
20 the Department of the Environment, addressing the Rate Board's request in its July 23, 2013
21 Resolution and Order, and proposing certain distributions from the Special Reserve Fund; and

22 WHEREAS, The Rate Board, consisting of Chair/Deputy City Administrator Jennifer
23 Johnston, Member/Deputy Controller Todd Rydstrom, and Member/San Francisco Public
24 Utilities Commission Deputy General Manager Michael P. Carlin, convened a public hearing
25

1 on the report on December 16, 2015; and,

2 WHEREAS, Upon consideration and discussion following a presentation of the report
3 and public comment at the December 16, 2015 hearing, the Rate Board issued a Resolution
4 by which it concurred in part with the Department on the Environment's recommended
5 distributions from the Special Reserve Fund and determined that there was a continuing need
6 to retain \$16.35 million in the Fund until such time as the Rate Board determines that there is
7 no need for the Fund, at which time the remaining monies must be used to the benefit of
8 ratepayers; and,

9 WHEREAS, The Rate Board requested in its December 16, 2015 Resolution that the
10 Department of Environment submit to the Rate Board a report regarding any claims made
11 against the Special Reserve Fund so that the Rate Board may reconvene in the summer of
12 2016 to review such report and consider whether to make any further allocations from the
13 Fund; and,

14 WHEREAS, On June 24, 2016, the Department on the Environment submitted a report
15 addressing the Rate Board's request in its December 16, 2015 Resolution regarding the
16 status of claims against the Special Reserve Fund, and proposing an additional distribution
17 from the Fund; and,

18 WHEREAS, The Rate Board, consisting of Chair/Deputy City Administrator Jennifer
19 Johnston, Member/Deputy Controller Todd Rydstrom, and Member/San Francisco Public
20 Utilities Commission Deputy General Manager Michael P. Carlin, convened a public hearing
21 on August 17, 2016 to consider the report; and,

22 WHEREAS, Upon consideration and discussion at the August 17, 2016 hearing
23 following public comment and presentations of the Department on the Environment's October
24 30, 2015 and June 24, 2016 reports; now, be it therefore

25 RESOLVED, That the Rate Board takes the following actions and adopts the following

1 findings regarding the Special Reserve Fund:


2 1. The Rate Board finds, for purposes of Section 5 of the 1987 Agreement in
3 Facilitation of Waste Disposal between the City and Sanitary Fill Company (now Recology
4 San Francisco), that there is a continuing need for \$13.85 million in the Special Reserve
5 Fund, and the remaining monies in the Fund may be and are allocated for the benefit of
6 current and future ratepayers and commercial accounts of the City's refuse collection
7 companies.

8 2. The Rate Board finds that the Department of the Environment's proposed
9 additional distribution from the Special Reserve Fund (as detailed in its June 24, 2016 report)
10 is consistent with the intended uses of the Fund and benefits the ratepayers.

11 3. The Rate Board concurs with the Department of the Environment's proposed
12 distribution from the Special Reserve Fund, which is the transfer of an additional \$2.5 million
13 from the Special Reserve Fund into the new Reserve Fund (created pursuant to the Landfill
14 Disposal Agreement between the City and County of San Francisco and Recology San
15 Francisco ("Landfill Disposal Agreement"), dated July 22, 2015) ("New Reserve Fund") to
16 provide additional initial funding for the New Reserve Fund;

17 4. The Rate Board orders that the remaining balance of \$13.85 million be retained in
18 the existing Special Reserve Fund until such time as the Rate Board determines that there is
19 no need for the Fund, at which time the remaining monies must be used to the benefit of
20 ratepayers.

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22 Approved by unanimous vote of the Refuse Collection and Disposal Rate Board
23 (3 to 0 in favor), on August 17, 2016.

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JENNIFER JOHNSTON, Chair
City and County of San Francisco Refuse Collection and Disposal Rate Board