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CITY AND COUNTY OF SAN FRANCISCO
REFUSE COLLECTION AND DISPOSAL RATE BOARD
SPECIAL MEETING AND HEARING
CITY HALL
1 DR. CARLTON B. GOODLETT PLACE, ROOM 408
SAN FRANCISCO, CA 94102

Monday, July 15, 2013
Volume III
(pages 221-269)

REPORTED BY: FREDDIE REPPOND
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1 FOR REFUSE COLLECTION AND DISPOSAL RATE BOARD:
2 Linda Yeung, Deputy City Administrator, Chair
3 Michael Carlin, Deputy General Manager, Public
4 Utilities Commission
5 Ben Rosenfield, City Controller
6 Marie C. Blits, Deputy City Attorney, of Counsel
7 Anna Low, Clerk

8 FOR DEPARTMENT OF PUBLIC WORKS:
9
10 Mohammed Nuru, Director
11 Douglas Legg, Manager of Finance, Budget, and
12 Performance
13 Ann Carey, Project Manager
14 Thomas C. Owen, Deputy City Attorney, of Counsel

15 FOR DEPARTMENT OF THE ENVIRONMENT:
16
17 Robert Haley

18 FOR THE APPLICANT:
19
20 Jon Braslaw, Assistant Group Manager, Recology
21 Michael J. Baker, Esq., Arnold & Porter, LLP

22 FOR THE RATEPAYER ADVOCATE:
23 Peter Deibler

24 MEMBERS OF THE PUBLIC:
25 Stuart Gardiner
Kermit Kubitz
Nancy Wuerfel

1 Monday, July 15, 2013

1:30 p.m.

2 P R O C E E D I N G S

3 MS. YEUNG: Good afternoon. If we could get
4 started, please. Will the hearing please come to order.

5 For the record, it is Monday, July 15th, 2013,
6 at 1:30 p.m. And we're in Room 408 in City Hall.

7 This is a special meeting of the City and
8 County of San Francisco's Refuse Collection and Disposal
9 Rate Board, continued from Tuesday, July 9th, when we
10 met in the same room. I am Linda Yeung, Deputy City
11 Administrator, the Chair of the Refuse Collection and
12 Disposal Rate Board for the City and County of San
13 Francisco.

14 The two other members of the Rate Board are
15 Ben Rosenfield, Controller of the City and County of San
16 Francisco, and Michael Carlin, Deputy General Manager of
17 the City's Public Utilities Commission. Thank you.

18 Also present is Deputy City Attorney Marie
19 Blits from the City Attorney's Government Team, who is
20 serving as counsel to the Rate Board, and her assistant,
21 Anna Low, who is serving as our clerk today. Present
22 for DPW are DPW Director Mohammed Nuru; DPW Manager of
23 Finance, Budget, and Performance, Douglas Legg; and DPW
24 Project Manager, Ann Carey.

25 Our hearing today is again being transcribed

1 by stenographer/reporter Freddie Reppond.

2 We are also making a tape recording of this
3 proceeding. Please speak only one at a time and speak
4 directly into your microphone so that you can be clearly
5 heard. Please turn off cellphones, pagers, and other
6 sound-producing electronic devices so that our hearing
7 will not be interrupted.

8 As we noted last week, the purpose of this
9 Rate Board meeting is to hear and consider objections to
10 the report and recommended orders issued by the DPW
11 Director on June 7th, 2013, that would increase
12 residential refuse collection and disposal rates. The
13 report and recommended orders were issued in response to
14 the rate application filed by Applicants, Recology
15 Sunset Scavenger, Recology Golden Gate, and Recology San
16 Francisco, also simply referenced as Recology.

17 Before issuing his report and recommended
18 order, the DPW Director held a series of public hearings
19 on that rate application. Copies of the agenda for this
20 hearing are available on the side table of the room for
21 you to pick up, together with copies of the written
22 objections that will be heard by this Board, and the
23 DPW's June 7th report and recommended order. There are
24 also binders of materials that you may review, but which
25 must stay in the room.

1 First, the black binder containing the agenda
2 for this hearing and related documents, including the
3 objections filed by the five objectors that will be
4 heard and DPW Director's June 7th report and recommended
5 orders.

6 Two, the white binders contain the reporter's
7 transcripts and exhibits from the DPW Director's 2013
8 hearings.

9 Today's session will end at 5:30 p.m. or
10 earlier, if our work is completed. If not completed
11 today, we may continue the hearing to another date to be
12 determined.

13 I will now briefly review how we are
14 proceeding. Our hearing is primarily governed by the
15 City's 1932 Initiative Ordinance that established this
16 rate-setting process and by the rules of procedure
17 adopted by the DPW Director. On Monday, July 8th, you
18 heard introductory remarks from me as the Chair under
19 Agenda Item No. 2, which I am again summarizing here
20 this afternoon. Then under Agenda Item No. 3, we heard
21 opening comments from the City's Ratepayer Advocate,
22 Peter Deibler of HFH consultants.

23 Next, under Agenda Items No. 4.A through 4.E
24 we heard presentations from four of the five objectors
25 who filed written objections with the Rate Board by the

1 June 24th statutory deadline -- Stuart Gardiner, Kermit
2 Kubitz, Nancy Wuerfel, and Michael Baker on behalf of
3 the applicant refuse rate companies, Recology.

4 The Chair read into the record the objections
5 filed by Josephine Zhao, with extended families of 15
6 members and members of asianamericanvoters.org, as Ms.
7 Zhao was unable to appear.

8 Under Agenda Item No. 6, DPW Director Mohammed
9 Nuru reviewed the DPW Director's process and resulting
10 report and recommended orders and responded to the
11 objections from the objectors. We also heard public
12 comments under Agenda Items 5, 7, and 8.

13 On Tuesday afternoon, July 9th, we completed
14 any further Board questions and public comment and moved
15 into Agenda Items 9 and 10 for Rate Board deliberations
16 and possible action regarding DPW Director's proposed
17 orders, objections to the proposed orders, and a
18 resolution adopting findings of the Rate Board.

19 I would like to again thank each of the
20 objectors, both for their thoughtful input and adherence
21 to our procedural rules and time limits.

22 Today, as we did at around 2:30 p.m., we will
23 move to Agenda Items 5, 7, and 8 and allow three types
24 of public comment. In order to conduct this portion of
25 the hearing most efficiently, I request that anyone who

1 wishes to speak complete a speaker card. There are
2 yellow speaker cards available on the table on the side
3 of the room and from our clerk. I also suggest that any
4 group of persons with similar interests designate a
5 representative to act as spokesperson.

6 For the first public comment category under
7 Agenda Item No. 5, we will hear comments from persons
8 who wish to speak in agreement with any or all of the 22
9 objections filed by the 5 objectors, up to maximum of 15
10 minutes today for all of these speakers combined.

11 For the second public comment category under
12 Agenda Item No. 7, we will hear comments from persons
13 who wish to speak in agreement with any or all of the
14 DPW Director's Responses to Objections and Recommended
15 Order, up to a maximum of 15 minutes today for all of
16 these speakers combined.

17 For the third public comment category under
18 Agenda Item No. 8, we will hear general public comments
19 from persons on matters within the jurisdiction of the
20 Board that have not already been heard as comments on
21 the objections or comments on the Director's Recommended
22 Order, up to a maximum of 15 minutes today for all of
23 these speakers combined. Each person will be given the
24 same amount of time, up to three minutes maximum. When
25 you begin your comments, please identify the objection

1 number and description on the agenda for each objection
2 that you are addressing and identify what parts of the
3 administrative record support your points. Please be
4 advised that although the Board will listen to all
5 general public comment in the third category of public
6 comment, the Board cannot use information provided in
7 finally deciding the rates unless the comment is
8 specifically tied to one or more of the 22 objections
9 being heard or to the DPW Director's Responses to
10 Objections and Proposed Order.

11 After any additional information has been
12 received this afternoon, the Board will close the public
13 hearing and move to Agenda Items 9 and 10, where we will
14 deliberate and take actions to approve or deny the rate
15 application in whole or in part and issue an order. In
16 this process the Board will address each separate
17 objection.

18 The Board acts by majority vote. If for any
19 reason the Board does not act within 60 days of the day
20 the DPW Director issued his recommended order, which was
21 June 7th, 2013, the DPW Director's Order will be deemed
22 the order of the Rate Board.

23 I want to emphasize again to everyone
24 addressing the Rate Board, whether the Applicant, the
25 public, or the staff, that your comments must be

1 strictly limited to the specific items that are the
2 subject of this hearing. In other words, the only items
3 before the Rate Board are the objections to the specific
4 issues in the Director's Report and Recommended Order
5 that were filed with the Rate Board by June 24th, as
6 listed on our agenda. The Board can only act on those
7 items.

8 I also want to emphasize that the Rate Board
9 may only consider evidence admitted into the
10 administrative record during the DPW Director's 2013
11 refuse rate hearings. The administrative record is
12 contained in the white binders of the reporter's
13 transcripts and exhibits on the table. Any other
14 evidence is inadmissible before this Rate Board. So
15 this Board will not hear items that are not properly
16 before it and it will not rely upon facts outside the
17 administrative record.

18 Also, please note that in my capacity as
19 Chair, I may modify these procedures as the hearing
20 progresses as may be needed to ensure a fair and
21 efficient proceeding.

22 So at this time we would like to hear from
23 certain individuals. The first one I'm going to call up
24 is the DPW Director and staff, after which I will ask
25 Peter Deibler of the Ratepayer Advocate to come to the

1 mic.

2 MR. LEGG: Good afternoon. I am unclear as to
3 whether you just wanted me to make comments before you
4 look at the resolution. I do have a couple of things in
5 response to questions last week, but I'm not sure --

6 MS. YEUNG: There were a couple of questions
7 specifically regarding -- it had to do with the special
8 events, parades, and the costs related to that.

9 MR. LEGG: All right. Per your direction, we
10 have been working with the companies to identify the
11 costs of parades and special events and to remove those
12 from the rate base. Recology provided a breakdown of
13 the costs for 12 parades and 12 special events during
14 the year; and this was the guidance that DPW had
15 provided them back in the fall of last year. So they
16 provided information, removing 384 hours of labor cost,
17 the allocated truck costs that go with that, and the
18 disposal costs for the tons that they anticipated
19 picking up at those special events. The total cost of
20 providing service at those special events is \$53,066.
21 The 384 hours of labor cost is essentially the salaries
22 for 2 people, 8 hours each, at 24 events a year, which
23 is how that figure is derived.

24 DPW has run the adjustments through the rate
25 model, which results in very small changes to both the

1 tipping fee charged by Recology San Francisco at the
2 transfer station because of the change in disposal
3 tonnage as well as for the collection rates charged by
4 Recology Sunset Scavenger and Recology Golden Gate. The
5 tipping fee will actually go up two cents because
6 there's a smaller base to spread the expenses over. The
7 average increase in collection rates goes down by two
8 one-hundredths of one percent. So the rate increase
9 would go from 19.91 percent to 19.89 percent. When
10 those percentages are applied to the various rate
11 components, there's no change in the base charge for the
12 20-gallon or 32-gallon black bins. There's, of course,
13 no change to the blue and green or the fixed charges,
14 because those are fixed.

15 There was a one-cent decrease in the special
16 charge for elevation charges. It's just a quirk of how
17 the rate model works, where the percentage changes
18 actually have an impact. So it will mean that elevation
19 charges will go down slightly. This \$53,000 is roughly
20 two one-hundredths of a percent of the total collections
21 costs of \$270 million, so it makes sense that moving
22 those costs would have that impact. But because there
23 are changes to the both the tipping fee and some of the
24 collection fees as result of whatever action you take if
25 this is included, we will reissue the final Director's

1 rate orders.

2 There were a couple of other questions that I
3 think were about the abandoned materials program. And I
4 don't think that it needs to be part of the record, but
5 I do want to share with you and with members of the
6 public there were questions asked about, first, what is
7 the apples-to-apples comparison of DPW costs to Recology
8 costs.

9 And I'll pass this out afterwards, but simply
10 put, Exhibit 41, which was Recology's abandoned
11 materials costs, showed a cost of about \$3.6 million.
12 And if you remove the disposal costs, as we had
13 discussed, that would bring it down to \$3.1 million.
14 And then to that amount we would add back in OR. OR at
15 91 percent would increase that by about \$300,000 to 3.4
16 million. And if they achieve their zero-waste
17 incentives and earn the extra 2 percent, we're back to
18 \$3.5 million as those total costs.

19 On the DPW side, Exhibit 13 showed our actual
20 costs for fiscal year 2011/'12. At the time that they
21 were putting together that information, we did not have
22 a full fiscal year's worth of data, so we went back a
23 year to actual costs. And I think you'll recall that we
24 did not have any direct supervision or administrative
25 expenses. We did include kind of management expenses

1 that are part of DPW's overhead rate but not the kind of
2 allocated costs of our Supervisor II's who are in the
3 zone supervising the packer drivers. So after doing
4 that, I did spread those costs across all
5 street-cleaning activities, that those supervisors' and
6 the dispatchers' costs are also included in this. The
7 \$2.2 million was increased by another \$240,000 for those
8 administrative and supervisory expenses. It's almost
9 the same as what Recology shows as their administrative
10 and supervisory expenses on Exhibit 41. Their expenses
11 come out to \$239,000. So I was both pleased and
12 surprised to see that.

13 Between fiscal year 2011/'12 and the budget
14 year, the fiscal year that we're now in, '13/'14,
15 DPW's -- the affected labor union agreements and our
16 budgeted fringe benefit rates have increased by 9.08
17 percent, mostly due to healthcare cost increases,
18 pension pickup, and very small salary MOUs. So that
19 resulted in an additional \$220,000 added. So the
20 comparable DPW cost is 2.7 million. So we are looking
21 at, assuming all zero-waste incentives are met, a
22 difference between \$3.5 million and \$2.7 million would
23 be the apples-to-apples expense cost.

24 A number of people I think, including those on
25 the Rate Board, were concerned about having baseline

1 information for which we are comparing both costs and
2 also activity, too. And so from our databases and
3 also -- I'll just pass this out right now.

4 MR. ROSENFELD: Mr. Legg, before you move on,
5 if I could just make sure I'm understanding the
6 3.5-to-2.7 comparison. That is your actual expenses
7 marked up for changes in time as you described versus
8 the quoted service that Recology would provide here?

9 MR. LEGG: Correct. 2.7 and 3.5.

10 MR. ROSENFELD: But for different service
11 levels, to make it clear?

12 MR. LEGG: For different service levels. That
13 is correct. And that's what the information that I'm
14 passing out now will demonstrate.

15 I don't think we need to go through all of
16 this, but I do want to have you look at the top line on
17 the first page. As I said, DPW has a service-level
18 agreement with 311 where our goal is to respond to 90
19 percent of all calls within 48 hours. And that top line
20 that says "packer truck" shows what percentage we met
21 during each of the months of the previous fiscal year
22 2012 13. And for the whole year we were off of our
23 service-level agreement by nine percentage points. We
24 only got to abandoned waste within 48 hours 81 percent
25 of the time. Recology's service-level agreement which

1 they are proposing is that we are going to get to
2 abandoned waste during the week within four hours and on
3 weekends within eight business hours. So it's a much
4 more robust and I believe effective service that they're
5 proposing. And we are setting up to measure it to make
6 sure that they meet that.

7 On what's called "Dashboard 3," the third
8 page, you can actually see the breakdown of how many we
9 get to within the first day, the second day, et cetera.
10 Their service standard is much more along the lines of
11 getting there in 24 hours. And DPW was only able to do
12 that 66 percent of the time. So it's a very different
13 level of service that is being proposed for the
14 additional costs that are included in the rate
15 application.

16 And the other information: The back page just
17 shows number of calls that we received on each calendar
18 day of the last fiscal year. And the reason this is
19 important and I want it out in public is the penalty
20 provisions that are in the Director's report have
21 exceptions if the total number of calls spikes way up
22 above these averages. And so this is what those
23 averages are going to be based upon, because this is
24 essentially the level of service that Recology proposed
25 to meet those service standards with.

1 MS. YEUNG: Any questions for Mr. Legg?

2 Thank you.

3 MR. LEGG: Thank you.

4 MS. YEUNG: Ratepayer Advocate?

5 MR. DEIBLER: Good afternoon. Peter Deibler.

6 I have no further comments or questions at this time.

7 I'm happy to answer any questions you might have.

8 MS. YEUNG: Thank you.

9 At this time if there's anyone from the
10 Department of the Environment, if there's anything you
11 want to speak to? Thank you.

12 Also, the Recology company?

13 MR. BAKER: No, thank you.

14 MS. YEUNG: Any of the other objectors?

15 MR. GARDINER: For the record, my name is
16 Stuart Gardiner. Thank you and thanks to DPW management
17 and staff for pursuing some of the questions I raised on
18 essentially the cost savings to ratepayers from removing
19 the special events and parades.

20 One or two points of additional clarification
21 I'd like to raise and maybe you could ask Mr. Legg to
22 address them when I'm through. He was kind enough to
23 provide me with a copy of his apples-to-apples table.
24 And, first of all, it's not clear that all of the
25 proportional costs and overhead and so on for Recology

1 that should be comparable to the fourth line from the
2 bottom of DPW expenses allocated fiscal year '11/'12
3 supervision and administrative expense. It's not clear
4 that the supervision and administrative support under
5 non-union and union under Recology are fully equal to
6 that. I'm not sure if that's true, if there's any
7 management oversight, if there are things like
8 depreciation and taxes and other broadly allocable
9 expenses that have been removed as a result of excluding
10 the special events and parades costs.

11 Secondly, in the spreadsheet that Recology
12 provided to Mr. Legg which he shared with me, there was
13 roughly six thousand dollars, if I remember right -- I
14 don't have a copy with me -- that was removal of the
15 cost for truck expenses. And Mr. Legg referred briefly
16 to allocation of that. And the Board might find it
17 helpful to know what the basis of that allocation so
18 that you can be assured that that's the right number.

19 I think those are the only two questions I
20 had. Is it in order to offer a couple of comments about
21 the draft order?

22 MS. YEUNG: Just go ahead.

23 MR. GARDINER: Okay. The portion of the draft
24 order at the bottom of page 2 and the bottom of page 3
25 that deal with the abandoned materials collection

1 program I wanted to suggest to the Board that you -- as
2 it may be revised or in its current form, whatever you
3 choose to adopt, that you take the abandoned materials
4 collection without parades and events and make it an
5 exhibit to your order so that it's clear beyond any
6 question what's being approved and what isn't.

7 And, similarly, the material that Mr. Legg
8 just handed out with reference to the baseline of
9 current performance, I think it's very comprehensive
10 information that I hope will be useful to the Board and
11 if they choose to hold a hearing at the Board of
12 Supervisors after the pilot period is over. So I'd also
13 like to suggest that you make that an exhibit so that
14 there's no doubt about what you're comparing.

15 I think the only other comment I had at this
16 time was a question which is just procedural. Can you
17 tell those of us from the public when the final order
18 and the transcript of this proceeding will be available,
19 presumably on the DPW Website?

20 MS. BLITS: Marie Blits from City Attorney's
21 office speaking.

22 The reporter's transcript should be available,
23 as I understand it, in about 10 to 12 days from the
24 court reporter. And then that will be, as usual, posted
25 on the DPW Website when it is finalized and ready.

1 The Board's order, if they finish today,
2 should be -- if the Board finishes and signs the
3 document today that should be available on the Website
4 by tomorrow. If the Board continues today's proceeding
5 or gives further instructions that still have to be
6 written up, that could take an additional few days to do
7 that, but most likely by later this week.

8 MR. GARDINER: Thank you.

9 MS. YEUNG: Ms. Wuerfel, could you maybe have
10 a seat first and then we could have the department
11 address the concerns? Thank you.

12 MR. LEGG: I'd like to have Mr Braslaw talk
13 about Mr. Gardiner's question about their allocated
14 costs. Mr. Braslaw and I discussed it just before this
15 meeting and I think he can speak better to their costs,
16 but I think what he is proposing makes sense to me. And
17 as I was looking -- Mr. Gardiner actually posed the
18 question to me earlier -- I don't believe that we've
19 left out any other costs that should be removed because
20 of the parades. At 384 hours out of 27,000 hours and
21 because there isn't a lot of overlap, supervision, and
22 materials and supplies and all of those kinds of things,
23 I don't believe are going to be reduced as a result of
24 not attending to those events.

25

1 MR. BRASLAW: Jon Braslaw with Recology.

2 As Mr. Legg said, there are a couple of areas
3 of allocated costs. And the questions had come up. One
4 was with respect to vehicle costs. And the vehicle
5 costs that we had identified related to the parades and
6 special events was a proportional share of the total
7 vehicle costs. So we took the vehicle cost associated
8 with the work that was identified as special events, the
9 hours of work; and we took that as a proportional share
10 of the total hours that we had estimated and then did
11 the math to come up with the cost reduction. The fact
12 that it probably slightly overestimates the cost
13 reduction, because it does include vehicle-lease costs
14 which wouldn't go away even though the parades and
15 special events are going away, we did it on that
16 proportional basis. It was the easiest way to calculate
17 it. And it's not a significant difference either way.

18 The other allocated cost was allocated
19 overhead. In the proposal we have included a
20 supervisory position to help manage the program. They
21 would have been responsible for managing the parades and
22 special events also. This is a salaried position. And
23 it's our expectation that they will be likely working
24 some extra hours anyway, so the change with the parades
25 and special events, by removing them, wouldn't impact

1 the salary that we'd be providing for this
2 administrative support. Any other clerical work would
3 really be absorbed. There's really no difference in
4 costs associated with that part of managing the program.

5 MS. YEUNG: Thank you.

6 Any other questions?

7 Ms. Wuerfel?

8 MS. WUERFEL: Good afternoon. Nancy Wuerfel.

9 Thank you very much for the draft orders and
10 comments. It would also be helpful if we could get to
11 read them while we're at home, as opposed to trying to
12 listen to the documentation presented here as well as
13 reading. But I'll do the best I can.

14 I want to talk to the comments that I would
15 like to have incorporated, if this Board would be so
16 kind, about page 3, item 2, having to do with the
17 special reserve fund, where you kindly asked for a
18 report to be made and for it to be submitted to the City
19 Administrator and the Disposal Rate Board. The issue is
20 how. What's the process? You guys don't get together
21 very often, so I'm very concerned that I as a member of
22 the public am not going to be able to see how this
23 works. How will I know to come? So without your
24 putting in there when that happens, there will have to
25 be some sort of notice by somebody to people. I'm

1 assuming DPW will be the secretary, quote/unquote, on
2 this. But we need to put in a process. This is sort of
3 dead on arrival.

4 Also, I had requested that should that be the
5 case, that we have a Ratepayer Advocate at the hearing
6 because there's a lot of technical stuff and people need
7 to have access to a plain, unmarked person like the
8 Ratepayer Advocate that talks our language and
9 transcribes for you. So I would encourage you to do
10 that.

11 Also, any time the Rate Board asked for
12 communications, that you take an active role. Just
13 passing the buck and saying we want you to do this, the
14 process isn't clear to me how I'm going to receive it.
15 That also applies to the idea, which I very much
16 appreciate, of having the Board of Supervisors look at
17 the abandoned materials collection program. This is
18 something I appreciate having in here, but I want to
19 know how. Who is going to call them up? Who is going
20 to follow up? Is there a process whereby a department
21 head talks to the Board Of Supervisors clerk to say, Put
22 this on a list of some committee? But the process is
23 missing. And without that there is no justice in San
24 Francisco City Hall, as far as I can see. I need to be
25 able to follow the ball.

1 And so, also, when it talks about clearly
2 informing the public, when will I expect that clear
3 information? Again, I think DPW has done a very good
4 job on trying to get this out to those of us that are
5 part of the groupies. But for those of us that don't
6 understand the process as well as some of us, I really
7 want it very clear why and how this will come to the
8 public's attention.

9 So I want to thank you for your diligence in
10 incorporating as many of the public's recommendations as
11 you have. And you can do the last mile by making sure
12 it doesn't just end up as somebody's job description and
13 we don't know who that is or when. Thank you.

14 MS. YEUNG: Thank you.

15 Any other objectors?

16 MR. KUBITZ: Thank you for taking public
17 comment again. I'll try to make this relatively brief.

18 What I'm handing out is a letter that is a
19 response to Mr. Baker's letter about the applicability
20 of Proposition 218 to transferring abandoned materials
21 to DPW. The fundamental points of the letter are it's
22 asserted in that letter that it does apply to
23 residential collection rates for the reason that
24 recycling charges are imposed, collected, and retained
25 by Recology. Those are questionable assertions

1 imposed -- I cite the record in Exhibit 1 and transcript
2 page 290, where Mr. Quillen testified. And in the
3 original narrative it says at DPW's request, Recology
4 prepared the movement of abandoned materials. So the
5 questions of who's imposing -- look for a synonym, the
6 execution of the decision to move abandoned materials
7 was DPW's.

8 That having been said, I appreciate the
9 Board's accepting public comment and characterizing this
10 as a public record. Near the end of this letter, I
11 suggest some other things to pay attention to in
12 execution the Exhibit 41 previously referred to. Says
13 disposal of 3,086 tons at a cost of 462,000. I just
14 want to be cautious and make sure that by adopting
15 public funding of unscheduled large-item pickup we don't
16 go from 3,086 tons to 6,000 or 7,000 or if we get to
17 8,000 tons being disposed of, we'll pay over a million
18 dollars and will have increased the abandoned materials
19 problem at a higher cost to the City.

20 And, finally, à propos, although I don't
21 object to getting all the information in the record,
22 even though we said we weren't going to have new
23 testimony in this hearing, I appreciate this chart
24 passed out by Mr. Legg. I'm referring to the
25 packer-truck volume and response by zone which shows

1 that in Zone F, which is your West of Sunset residential
2 low-density housing. You only have 1900-something
3 requests for bulky item collection. And Downtown, which
4 combines A, B -- I don't know what D is. The bulk of
5 the abandoned materials collection comes from seemingly
6 apartment house/semi-commercial areas of the city. So
7 why the West of Twin Peaks area with this little brown
8 circle of 66 percent? I notice we have the lowest level
9 and the lowest response rate, which kind of concerns me
10 a little bit.

11 But my last comment is with regard to working
12 with the companies to ensure public information about
13 future rate-setting in Exhibit 100, which was my
14 original testimony in the hearings. I gave some
15 suggestions about notice. And the way I got notice of
16 this was a one-page sheet that said on the outside
17 "Proposition 218 information" and nothing more, which is
18 you kind of toss it away. It might be Proposition 65.
19 It might be Proposition 37. Who knows what it is? It
20 would be helpful if it said, as I suggested in
21 Exhibit 100, "Subject matter: Garbage rate increase
22 amount, 21 percent, deadline such and such," so you have
23 more than just a, quote, nominal this is in reference to
24 some state proposition that nobody knows anything about.

25 Those are my comments. I appreciate the

1 Board's paying attention to this matter. Thank you.

2 MS. YEUNG: Thank you. Do Board Members have
3 further questions for the participants?

4 MS. BLITS: Madam Chair, if I might make a
5 suggestion, if Board Members have further questions they
6 want to ask about the objection, they could do that.
7 And the Board could also go ahead and be discussing the
8 draft resolution and asking any questions they have of
9 the participants that might help inform that before you
10 go back later to actually vote on the objections and
11 vote on the resolution.

12 MS. YEUNG: Thank you.

13 MR. ROSENFELD: I think we heard from a
14 couple of the objectors on the draft order. I think Mr.
15 Legg had comments that he was interested in making, if
16 we can ask you to make them.

17 MR. LEGG: Yes. Thank you.

18 No. 1.A, this is about when the abandoned
19 materials collection program would terminate. We had
20 talked about two and a half years. And I was talking
21 about doing two and a half years, so we had data to
22 analyze. We would put -- my thinking is that DPW would
23 be producing a report that would be submitted, or an
24 analysis that would be submitted, as part of our budget
25 in February 2016, which would go in the budget for

1 fiscal year '16/'17.

2 The problem with -- I think there are two big
3 problems with saying that the program terminates
4 December 2015. One is I don't know what our mechanism
5 for issuing a new rate order is without having gone
6 through the 1932 process before December '13 in order to
7 trigger a process whereby we could issue a new rate
8 order unless we define very clearly what would be
9 changed in the rates like we did in the Director's
10 Report with the apartment caps, where we said this
11 specific amount of money would be returned in an annual
12 adjustment process. But as it currently stands, the
13 Director's Report does not have a mid-year rate
14 adjustment process other than a rate application.

15 So the other thing is that because the Board
16 of Supervisors would have approved the budget for fiscal
17 year '15/'16 in July of 2015, if the program just stops,
18 there won't be a program for the last six months of the
19 year. So I would recommend saying that at the end of
20 Rate Year 16 that the program would terminate; and if
21 there has not been a new rate application submitted by
22 the companies -- and as I said I expect that there would
23 be -- and if the application is coming in sooner, I
24 think we would work to do all this analysis on how well
25 the program is going whenever we get that with the data

1 available at the time of that rate application. But if
2 it was pushed to the end of the year, we could
3 theoretically do a City application to change the rates.
4 It would be concurrent with the budget process.

5 MR. ROSENFELD: Could I suggest a version of
6 this to see how it sounds?

7 In reading through this draft order, I had a
8 similar kind of question relating to the something that
9 the companies brought up last time, which is
10 acknowledging the time it takes to ramp a program like
11 this down in terms of attrition and everything else.
12 What if we had kind of this December 31st date by which
13 this Board would need to hear the issue and make a final
14 determination, but it would become effective the
15 subsequent July 1, which would provide for basically a
16 determination if the program is or is not going to
17 continue six months prior to that actually occurring,
18 which would allow the companies time to ramp the program
19 down and would also allow the department in this case to
20 request funds from the Mayor and Board of Supervisors
21 from the general fund to replace the program. Does that
22 dovetail a little bit better with administrative
23 processes?

24 MR. LEGG: The key point from the City's
25 perspective is we would need to be doing something at

1 the change of the fiscal year; and I think that would be
2 workable. My only -- it's a legal question. I don't
3 know whether this Board exists if not to hear objections
4 to a rate application. So that's something that the
5 City Attorney would have to -- and this is Ms. Wuerfel's
6 concern that the Rate Board is the creation of an
7 objection to a rate application as opposed to a sitting
8 body that exists otherwise. In terms of ramp-down, I'd
9 want the companies to respond to whether that timeline
10 would work for them.

11 MR. ROSENFELD: I guess that would be a
12 question for the City Attorney's office if the -- do we
13 need to somehow -- I assume that the processes that
14 we've outlined in the draft ordinance is okay. The
15 draft resolution.

16 MR. CARLIN: So as you address that, what's
17 the convenient mechanism? And can you have that sort of
18 in the draft resolution/ordinance?

19 MS. BLITS: Mr. Legg was referencing an
20 application from DPW, which you have seen before when
21 things needed to be tweaked in between our
22 every-five-years-or-so major rate-setting processes. If
23 he could elaborate just a little bit further about what
24 he was seeing as that DPW application process, that
25 might help sort this out.

1 MR. LEGG: It is not a process I relish. We
2 have twice in my tenure filed rate applications to
3 change some aspects of the rate. And so in 2010 we
4 filed a rate application to reallocate funds that were
5 beg collected into the special reserve and allocate them
6 instead to the impound account. And so we filed a rate
7 application with the City Administrator that triggered
8 this scheduling of a hearing because it was a change in
9 the use of the funds. That was the first year that a
10 Prop 218 notice was sent out. Because it was a
11 single-issue application, we did a single hearing on
12 both Prop 218 and the 1932 process. I think it was
13 still a little bit confusing to the public but much less
14 confusing than this kind of application.

15 So if we were to do this, we would submit an
16 application that says we propose reducing the rate base
17 by \$3.6 million. That would have lower --

18 MR. ROSENFELD: Could we accomplish the same
19 thing by simply now administratively saying that, if the
20 Board does not extend the program, these funds are
21 returned to the ratepayers proportionately in the form
22 of decreased rates, which would save the department
23 needing to reopen and forward a negative submission?

24 MR. LEGG: I would like to be able to do that.
25 I want the companies to comment, because I think there

1 are all kinds of costs issues about how much they're
2 actually spending. But I think that if we can agree now
3 that the figures that are shown in Exhibit 41 would be
4 the basis, less the parade costs, we could put it into
5 the same rate model. I would be comfortable doing that.
6 But I'd really want the companies to comment.

7 I'd much prefer to do that than have a rate
8 process that requires 200,000 letters to reduce rates,
9 essentially.

10 MR. ROSENFELD: It seems clear with the
11 intent of the discussion as well, if the Rate Board does
12 not make a decision to continue the program based on the
13 report and evidence that's presented, the program ends
14 and rates are reduced commensurately, which seems more
15 straightforward than reopening this process again
16 mid-cycle and likely just months in advance of the next
17 rate application.

18 If the company could comment?

19 MR. BAKER: We are just chatting over here, so
20 there may be more. But there are two issues that I
21 think we would be concerned about.

22 Number one, in order for something to occur by
23 December 31, 2015, something has to happen before that.
24 The process has to start. So the question is when does
25 that process start? How long will it take? Under

1 current DPW rules of procedure, I don't think this is
2 accommodated, so some sort of new procedure would have
3 to be put in place. So the question is how long before
4 December 31 do you have to start something so that you
5 can make a decision by December 31, 2015? And depending
6 on how far out -- how much lead time you need -- will
7 you have a sufficient record of performance to evaluate?
8 So that's number one, I think, to consider.

9 The second point, which was mentioned at a
10 prior hearing, is the company will be investing in
11 equipment and hiring people. So there are going to be
12 some stranded costs here. And so the question is how do
13 we deal with stranded costs?

14 MS. YEUNG: Could I make a suggestion? So it
15 sounds like the date is of concern. The other thing of
16 concern is again the company is ramping up investments
17 in dollars and people's jobs are at stake. So can we
18 conversely, instead of saying that it will terminate --
19 that we say it will continue unless the Board takes
20 action to terminate it?

21 MR. ROSENFELD: We could do that. I'd be
22 comfortable with that.

23 The other two suggestions I'd make maybe --
24 and to bat around just processes, because that's really
25 what we're talking about, and I think it's somewhat

1 responsive to the point Ms. Wuerfel raised as well would
2 be to and that we've just heard from the companies -- to
3 clarify that the report shall be provided no later than
4 December 1st and that it shall be made available on the
5 Website and provided to the Board. And then the Board
6 no later than December 31st shall hear the matter. And
7 absent affirmative continuance of the program, it shall
8 sunset effective July 1st of the subsequent year, which
9 provides the six-month notice to kind of
10 administratively wind the program down. I don't know if
11 that's clear and provides kind of more of process
12 outline in the order itself.

13 MR. BAKER: I was just going to ask, I think
14 that time frame sounds workable. But, again, if there
15 is some acknowledgment in the order that the company may
16 have some costs and some investment or stranded costs,
17 whatever the word is, not that you're agreeing but just
18 that it's noted, that this is an issue that would have
19 to be grappled with at the same time of considering the
20 question whether the program is continued.

21 MR. CARLIN: I guess what I'm kind of looking
22 for in this report would be sort of like the efficiency
23 of the program versus the dollars being expended. And
24 if we were to terminate the program, it would be also
25 looking at the cost benefits of the program, including

1 maybe taking into consideration what might be considered
2 to be stranded costs, if you want to use that term. But
3 I agree with Mr. Rosenfield that it's doable in my mind
4 to have kind of a schedule like that and have a report
5 and have a hearing and kind of move forward.

6 MR. ROSENFELD: It sure sounds
7 administratively preferable to arrive at what occurs if
8 the Board does not affirmatively continue the program or
9 the counter-negative now, rather than leaving the
10 question open for later of what that looks like, which
11 as I understand Mr. Legg's comment, will require another
12 rates-adjustment process beginning at the beginning. So
13 I wonder if we can't arrive at what that value looks
14 like that is proactively turned to the rates if the
15 program is not continued. And I understand the
16 companies' concern, but it feels like a calculation that
17 could be made today and included in the final order.

18 MR. LEGG: I believe that we could do that.
19 To me, the important question is is there a body that
20 can review the analysis and the report and say yes or
21 no, go forward, or stop? The way the resolution is
22 written, it just says you're going to stop and we may
23 find that it's a great program and it's been very
24 effective and it's cost-effective, that they found
25 efficiencies that in the next rate application we would

1 realize. I don't think we want to say it's just going
2 to stop until some decision-making body has reviewed
3 that analysis.

4 MR. ROSENFELD: I think that's a question for
5 the City Attorney here. So presumably if we have
6 clauses like we do in A and B, this body can continue to
7 exist to exercise those authorities at those times.

8 MS. BLITS: We have not done it quite that way
9 before that I have seen, looking back through the
10 historical records, although your experience with this
11 may go back farther than mine at this point. I think I
12 need to take a further look at that when we have a break
13 here in a little bit with a couple of my colleagues.

14 MR. LEGG: I think that we could get the
15 report done. I think we would have enough data by, say,
16 November 1st. I just want to make sure that there's
17 enough time for people to have time to review the report
18 and then time to actually start to ramp down on the
19 companies' side and go through the budget process on the
20 department's side.

21 MS. YEUNG: Was there any other concerns with
22 the resolution?

23 MR. LEGG: Yes. In No. 2, which is on page 3
24 of 5, this again is the question about does the Rate
25 Board exist to receive this report. And I would

1 recommend that this report be submitted to the members
2 of Rate Board either by the date specified, December 31,
3 2015, or at its next meeting, which may be sooner than
4 December 2015. Then I think that you would want
5 language to say that if the Rate Board has not met by
6 December 31, 2015, that the report would be submitted to
7 you and would be considered at its next meeting, because
8 I don't think -- as I said, I don't think there's a real
9 forum for the Rate Board to consider this report. DPW
10 could certainly post this report on the Website and
11 provide it to whomever the Rate Board wanted to direct,
12 but I'm not sure exactly when it could be acted upon is
13 my only question.

14 And I want to make sure if you meet sooner you
15 have the information sooner.

16 MR. CARLIN: I guess in looking at this and
17 the resolution, I wasn't looking for an action on the
18 special reserve fund, rather that information would be
19 made available. And because the fund is no longer
20 collecting funds, it's sitting there accumulating
21 interest, what is the disposition of those funds. So
22 when you have the next general rate hearing, you would
23 actually be addressing those, plus the waste-disposal
24 agreement expires in 2016. And so having a plan of
25 action in the next hearing phase would actually be

1 helpful. So I wasn't looking for there was going to be
2 an action taken on it. My concern was that there should
3 actually be a report. It should be publicly available.
4 It can be submitted to the City Administrator and posted
5 on their Website. That was the whole idea.

6 MR. LEGG: And that's fine. I don't have any
7 problem with that.

8 MS. YEUNG: Any other comments?

9 MR. ROSENFELD: I'm in line with that. I
10 would suggest again that to Ms. Wuerfel's comments we
11 can explicitly say in the document itself that the
12 report shall be made available to the public on the
13 Website.

14 MR. CARLIN: I agree.

15 MS. YEUNG: It's now 2:30. So we're taking
16 public comment. I'm going to ask that we take Items 5,
17 7, and 8 together. So if there's any public comment on
18 any of those three items, could you please come to the
19 mic.

20 Ms. Wuerfel.

21 MS. WUERFEL: Two issues: That I'd like the
22 City Attorney to continue reading the 1932 Ordinance. I
23 think that it's fairly straightforward. It says the
24 Board, meaning the Rate Board, shall convene upon call
25 of the Chairman, for the other two Members; and two

1 Members shall constitute a quorum. It doesn't say
2 anything about coming only at the request of objectors.
3 That's one thing for you to consider, that if the Board
4 wish to convene, it sounds like they can do so.

5 The other issue is, if there is something that
6 you decide is rate limiting in terms of not letting the
7 Board convene, then perhaps you should not let this
8 Board disband. Is there anything in the law that says
9 that this Board cannot remain as convened as we have
10 today until further notice? And that would then allow a
11 legal basis on which to get together again and for the
12 public to be aware. And certainly we enjoy your company
13 an awful lot, so leave that out there.

14 And the last item I want to talk about is in
15 support of the Director's Report to have a public
16 meeting about the land-use acquisition. I cannot
17 support that strongly enough. And, again, I would love
18 to have a real process that would be possibly including
19 this Board, if not the Board of Supervisors. As I have
20 said, these are major decisions. And I don't want them
21 all wrapped up and bundled into the mess that is these
22 Rate Board hearings. I think it would be not fair to
23 Recology to ask them to propose rates that might or not
24 have all of the arguments for paying for land. This has
25 got to be sorted out first before we contaminate the

1 rates with any of the financial implications of buying
2 land.

3 So those are my two comments. And I think
4 there's an out here one way or the other. Whether you
5 all like it or not is a different question. Thank you
6 for your listening to me.

7 MS. YEUNG: Mr. Gardiner.

8 MR. GARDINER: Thank you for your patience
9 once again.

10 There's something I overlooked before that I
11 want to bring to your attention. When I was talking
12 about the DPW document, recommending it as an exhibit to
13 your rate order, I realized a few minutes ago that,
14 unless I am mistaken, it does not contain some of the
15 performance information that I think Mr. Carlin in
16 particular was interested in, which is the diversion
17 from the waste stream. So I would recommend that you
18 have some -- whether it's a citation to the existing
19 record that you put in your rate order or whether it's
20 an additional table that DPW could generate -- I
21 recommend that you have something about the current
22 level of diversion so that you could compare part of
23 that success.

24 The other comment I wanted to make is in
25 response -- and I'm not sure where the Board stands on

1 this -- but I know, Chair Yeung, you suggested that
2 maybe you should have the default on the abandoned
3 materials collection program be a continuation at the
4 end of the pilot rather than having to reauthorize it.

5 And I just want to observe that from the
6 standpoint of a pilot program those are usually viewed
7 as having sunset provisions rather than continuing
8 indefinitely. And if the Board does not act for
9 whatever reason or does not have a majority in favor, it
10 continues indefinitely, which I'm not sure is within the
11 spirit of a pilot program where you're really trying to
12 experiment with whether this is a good idea or not for
13 the ratepayers.

14 Thank you.

15 MS. YEUNG: Thank you. Any other comments?
16 So today we're going to go over the objections and also
17 have some discussion around the resolutions. So we're
18 going to take a 15-minute recess. We'll reconvene at
19 ten till three. Thank you.

20 (Recess taken from 2:36 p.m. to 2:52 p.m.)

21 MS. YEUNG: Good afternoon. If we could get
22 started.

23 Madam City Attorney, in terms of the
24 resolution there's some changes. What's your
25 recommendation?

1 MS. BLITS: Thank you, Madam Chair.

2 Our suggestion as to the draft resolution on
3 the topic of the abandoned materials collection program
4 and the pilot program envisioned by the Board, which is
5 in the text at the -- towards the bottom of page 2 and
6 the top of page 3, is the following: That the Board
7 determine today or in a week or so, when you can
8 reconvene after DPW and Recology have rerun the numbers,
9 that the Board determine what the return to the
10 ratepayers' amount would be. If that comes -- if the
11 Board determines that should be the appropriate route
12 and that what we write in to the resolution for the time
13 being is that, as it says right now, it will expire --
14 we would suggest modifying the date, instead of December
15 31st, 2015.

16 What we have thought about and the Board can
17 see what you would like to do is the report coming back
18 analyzing data on the diversion from the landfill, the
19 data from the pilot program; that the report be
20 submitted and made publicly available by November 1st of
21 2015; and that this Board reconvene in December --
22 November or December -- of 2015. You can decide your
23 actual sequence to hear and consider that report and
24 decide at that time, based on the data in that report
25 about the diversion from the landfill and the success of

1 the program, whether you think the program should
2 continue or not.

3 If you decide that the data does not warrant
4 continuing, then by the terms of the resolution it would
5 expire. If you decide that the data warrant
6 continuation of the program, then you would have that
7 choice written into your resolution. So you have choice
8 A and Choice B already written into the resolution,
9 including the amount that would be turned back to the
10 ratepayers if the program does not continue. You
11 probably have to work on the exact date sequence a
12 little bit more, but that would be the concept.

13 So the actual rates and amounts would be
14 already written into this resolution. It would be just
15 a matter of hearing the report on the actual data by the
16 end of 2015 and making a decision at that time which
17 could then be folded -- on which of those choices is
18 appropriate based on that data. And the result of that
19 hearing would then be folded into the regular budget
20 process going forward at the Board of Supervisors for
21 the budget that would be effective July 1st, 2016.

22 MS. YEUNG: Any questions?

23 Mr. Legg, did you have a comment?

24 MR. LEGG: Yes. I wanted to make sure that
25 the termination date for the program would be June 30,

1 2016, based on that.

2 MR. ROSENFELD: Effective July 1.

3 MR. LEGG: And I would want to run the costs
4 through the rate model and have a contingent schedule,
5 which we can do in the next day or two. What we would
6 be putting into that rate model is the information that
7 it's in Exhibit 41, which lists all of those costs, less
8 the \$53,000 for parades that we've already removed and
9 are going to issue a new rate order based upon. So it's
10 not -- the only other concern I have about the language
11 that you're batting around is that it's not returning
12 funds to ratepayers. It would be issuing a new rate
13 schedule that would be collecting less revenue from
14 ratepayers.

15 MR. ROSENFELD: Makes sense.

16 MR. LEGG: Then I had one more comment about
17 No. 2 which I can make now or whenever you're -- this is
18 Mr. Carlin's report on the special reserve. And it
19 starts out that it says to revise rate orders regarding
20 the special reserve. We really don't have any rate
21 orders regarding the special reserve. So I will suggest
22 just making this a "further resolved" clause. I think
23 if the Rate Board is resolving that they want this
24 report by this date, that we shall do so. But we're
25 not -- we'll be providing that report to you, but we're

1 not -- there's nothing in our Director Rate Orders about
2 this that we would be able to revise.

3 MS. BLITS: Attached to the orders, as I have
4 them in my binder in any event, there are several
5 documents, including the special reserve.

6 MR. LEGG: I believe that they're attached to
7 the Director's Report and not to the Director's Orders.
8 The orders are really just here are the rates and here's
9 the process for changing the rates through a COLA
10 mechanism.

11 MS. BLITS: There's at least one attachment
12 referenced in one of the orders; and I have to look back
13 now and see which one that was.

14 MR. LEGG: Those are procedures for making
15 withdrawals from the special reserve. So if there are
16 extraordinary expenses, those procedures are referenced.
17 I mean we could change those procedures, but it seems
18 like a separate issue.

19 MS. BLITS: Would you repeat your suggestion,
20 please.

21 MR. ROSENFELD: Douglas, what I understand
22 you to be saying in No. 2 is to basically strike the
23 beginning of that sentence and to basically start with
24 "no later than December 31st, the City Administrator and
25 Department of Environment shall prepare a report to the

1 City Administrator and Refuse Collection and Disposal
2 Board regarding the special reserve fund" and move that
3 to a "whereas" clause.

4 MR. LEGG: Yes. So I would make No. 3 No. 2
5 and I would -- then right below the new No. 2, I'd
6 write, "be it further resolved that."

7 MR. ROSENFELD: So the content of the report
8 remains the same. We continue to have the "not later
9 than December 31st" date and then we can add a clause
10 that says that such report shall be made publicly
11 available.

12 MR. LEGG: Right.

13 MS. YEUNG: Any other comments on the
14 resolution?

15 MR. ROSENFELD: My only other one, which we
16 had talked about earlier in this process but didn't
17 bring up on Friday -- or I neglected to bring up on
18 Friday -- was the issue of urging the Board of
19 Supervisors to conduct a hearing regarding future land
20 purchases to be used for waste processing. And I would
21 simply suggest adding that into the same "further
22 resolved" clause or requesting that the Board conduct a
23 hearing regarding the abandoned materials collection
24 pilot program.

25 MS. YEUNG: Thank you.

1 MR. CARLIN: Is that by the same date certain?

2 MR. ROSENFELD: I think you could use the
3 same date certain.

4 MR. CARLIN: Okay.

5 MS. YEUNG: Any other changes in the
6 resolution?

7 MR. CARLIN: No.

8 MS. YEUNG: Mr. Ratepayer Advocate.

9 MR. DEIBLER: Thank you, Madam Chair.

10 I have two comments. And I would like to also
11 reserve the opportunity to maybe make a comment, if
12 necessary, after your deliberations have finished. But
13 two comments on the public input process, if I might.

14 One is that for milestone events in the rate
15 order like the DPW abandoned materials report being
16 issued, the special reserve fund analysis being issued,
17 I appreciate very much the addition of the language
18 regarding the Website; but I suggest taking an
19 additional step of making that notification to the
20 public more proactive so that people don't need to be
21 weekly monitors of the Website to see if anything has
22 changed. It's a little difficult, I think, for members
23 of the public to do. My understanding is -- and I don't
24 frankly know for sure whether DPW or DOE use this list.
25 I've been told that the neighborhood services maintains

1 a list for communicating with all groups --
2 quote/unquote, groups -- has been vetted and is a
3 defined process and that Planning Department uses that.
4 Many other departments use that. And that that be used
5 to provide notice of some of these key events that would
6 trigger public interest or something comparable. I
7 don't know in detail what the Department of Public
8 Works' normal outreach effort is and how that parallels
9 that.

10 Secondly, if I might, on page 4 of the rate
11 order regarding the 1932 rate -- the ordinance and the
12 218 noticing issue and sort of trying to keep those
13 untangled, I'd like to suggest first of all that maybe
14 happen soon. You don't wait two years and then think
15 about it, but maybe do that soon, sort of figure out
16 what that noticing mechanism would look like, how it
17 would work, and have some way to vet that with the
18 public and sort of test it -- Does this work? Are we
19 communicating effectively about these two processes or
20 not? -- rather than just hoping we are and sending it
21 out again.

22 Thank you.

23 MS. YEUNG: Any other comments on the
24 resolution?

25 So if I could ask us to go back to Chart 2 on

1 the objections. The last time the way we addressed
2 these topics we grouped A, E, and I. So I just want to
3 have one more change for the Board, if there are any
4 questions or concerns around those objections. No?

5 Regarding Category B, rate increases, any
6 questions or comments? C for Objections 4, 5, and 6.
7 Category D, Objection 10. Category F, 14. Category G,
8 H, and J for Objections 15, 16, and 22. Great. Okay.

9 At this time if there are no more comments
10 regarding either the objections or the resolution, I'm
11 going to ask that we continue and ask the City Attorney
12 to facilitate a time between all three of us for early
13 next week.

14 MS. BLITS: If you could poll your members now
15 and see if you can agree on a time and I hope we can
16 have a room available. Maybe two different times, in
17 case we have complications getting a room.

18 MR. CARLIN: I could do noon on Tuesday. I
19 could do 1:00 on Tuesday. Want to do noon?

20 MS. YEUNG: And now for a room. It would be
21 July 23rd, Tuesday, at noon, and pending confirmation of
22 the room.

23 MR. ROSENFELD: The single open issue we're
24 talking about having open are these two contingent rate
25 schedules and final adoption of those into the

1 resolution.

2 MR. CARLIN: Correct.

3 Will those actually be available to the public
4 before noon on Tuesday? Can they be?

5 MR. ROSENFELD: Sorry. One additional
6 contingent schedule on top of the one that we're already
7 --

8 MR. CARLIN: Thank you.

9 Mr. Legg, could that information actually be
10 publicly available before noon on Tuesday?

11 MR. LEGG: Yes, we can have it publicly
12 available before then. And I can share it with -- I
13 would share it with the Ratepayer Advocate, the five
14 objectors, and our mailing list of people who've
15 requested notices about the rate process.

16 MR. CARLIN: Great. Thank you. That'd be
17 great.

18 MS. YEUNG: Okay. The meeting will be
19 continued. Thank you.

20 (The session was adjourned at 3:07 p.m.)

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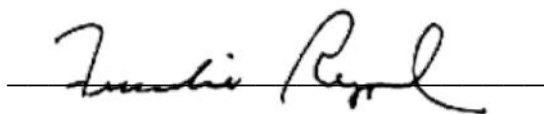
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CERTIFICATE OF REPORTER

I, FREDDIE REPPOND, a duly authorized
Shorthand Reporter and licensed Notary Public, do hereby
certify that on the date indicated herein that the above
proceedings were taken down by me in stenotype and
thereafter transcribed into typewriting and that this
transcript is a true record of the said proceedings.

IN WITNESS WHEREOF I have hereunto set my hand
on this 7th day of August, 2013.



FREDDIE REPPOND