

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

3 **[PROPOSED] Refuse Collection and Disposal Rate Board Resolution adopting**
4 **findings on uses of 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
8 disposal rates for the City and County of San Francisco (“City”); and,

9 WHEREAS, On March 14, 2013, Recology Sunset Scavenger, Recology Golden
10 Gate, and Recology San Francisco ("Recology") filed an Application with the City
11 Administrator requesting an increase in the Companies’ residential refuse collection and
12 disposal rates (“the 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 (“Fund”) identifying all contributions to and
17 expenditures from the Fund since its inception, and an assessment of future conditions that
18 may require use of the Fund; and

19 WHEREAS, On October 30, 2015, the Director of Public Works submitted a report
20 from the Department of the Environment, addressing the request of the Rate Board in its
21 July 23, 2013 Resolution and Order and proposing certain distributions from the 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
25

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

2 WHEREAS, Upon consideration and discussion following a presentation of the
3 report and public comment at the December 16, 2015 hearing, the Rate Board issued a
4 Resolution by which it concurred in part with the Department on the Environment's
5 recommended distributions from the Fund and determined that there was a continuing need
6 to retain \$16.35 million in the Special Reserve Fund until such time as the Rate Board
7 determines that there is no need for the Fund, at which time the remaining monies must be
8 used to the benefit of 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 existing Special Reserve Fund so that the Rate Board may reconvene in the
12 summer of 2016 to review such report and consider whether to make any further
13 allocations from the existing Special Reserve Fund; and

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

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

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

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

1 following 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 Fund (as detailed in its June 24, 2016 report) is consistent
10 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 Fund, which is the transfer of an additional \$2.5 million from the Fund
13 into the new Reserve Fund (created pursuant to the Landfill Disposal Agreement between
14 the City and County of San Francisco and Recology San Francisco ("Landfill Disposal
15 Agreement"), dated July 22, 2015) to provide additional initial funding for the New Reserve
16 Fund;

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

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22 [Approved by _____ vote of the Refuse Collection and Disposal Rate Board
23 ([]), on _____].

24
25 _____
JENNIFER JOHNSTON, Chair
City and County of San Francisco Refuse Collection and Disposal Rate Board