

1 [City and County of San Francisco Refuse Collection and Disposal Rate Board 2015
2 Resolution]

3 **[PROPOSED] Refuse Collection and Disposal Rate Board Resolution regarding the**
4 **Abandoned Materials Collection (“AMC”) Program; and adopting findings on uses of**
5 **the Special Reserve Fund.**

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

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

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

16 WHEREAS, The Rate Board requested in its July 23, 2013 Resolution and Order
17 that the Director of Public Works, prior to November 1, 2015, submit a report regarding the
18 effectiveness of the Abandoned Materials Collection (“AMC”) pilot program in diverting
19 materials from landfill in a cost effective manner, consistent with the City’s goal of zero
20 waste; and

21 WHEREAS, On October 30, 2015, the Director of Public Works submitted a report
22 regarding the AMC Program consistent with the Rate Board’s July 23, 2013 Resolution and
23 Order, in which the Director concluded that the AMC Program has resulted in an increase
24 in diversion from landfill in a cost-effective manner; and

1 WHEREAS, The Rate Board requested in its July 23, 2013 Resolution and Order a
2 report on the Special Reserve Fund (“Fund”) identifying all contributions to and
3 expenditures from the Fund since its inception, and an assessment of future conditions that
4 may require use of the Fund; and

5 WHEREAS, On October 30, 2015, the Director of Public Works submitted a report
6 from the Department of the Environment on the Fund addressing the request of the Rate
7 Board in its July 23, 2013 Resolution and Order and proposing certain distributions from the
8 Fund; and

9 WHEREAS, The Rate Board, consisting of Chair/Deputy City Administrator Jennifer
10 Johnston, Member/Controller Ben Rosenfield, and Member/San Francisco Public Utilities
11 Commission Deputy General Manager Michael P. Carlin, convened a public hearing on the
12 reports on December 16, 2015; and

13 WHEREAS, Upon consideration and discussion following presentations of the
14 reports at the December 16, 2015, hearing, the Rate Board has recommendations
15 concerning the Abandoned Materials Collection Program and the Special Reserve Fund;
16 now, therefore, be it

17
18 RESOLVED, That the Rate Board takes the following actions and adopts the
19 following findings:

20 1. Regarding the AMC Program:

21 A. The Rate Board finds that the AMC Program has resulted in an increase in
22 diversion from landfill of materials, consistent with achieving the City’s goal of zero waste,
23 in a cost-effective manner.

24 B. Based on this finding, the AMC Program shall be continued beyond June
25 30, 2016, at the same rates as in the pilot program, subject to any adjustments authorized

1 in the Rate Orders.

2 2. Regarding the Special Reserve Fund:

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

9 B. The Rate Board finds that the Department of the Environment’s proposed
10 distributions from the Fund are consistent with the intended uses of the Fund and benefit
11 the ratepayers.

12 C. The Rate Board concurs with the Department of the Environment’s
13 proposed distributions from the Fund, including:

14 i. Transfer \$3.75 million to a new Reserve Fund (created pursuant to the
15 Landfill Disposal Agreement between the City and County of San Francisco and Recology
16 San Francisco (“Landfill Disposal Agreement”), dated July 22, 2015) to provide for initial
17 funding of the Reserve Fund;

18 ii. Transfer \$12.0 million to a new Reserve Fund to be used to cover the
19 incremental cost of hauling and disposing of City waste under the Landfill Disposal
20 Agreement; and

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1 iii. Retain \$13.85 million (the balance) in the existing Special Reserve
2 Fund until such time as the Rate Board determines that there is no need for the Fund, at
3 which time the remaining monies must be used to the benefit of ratepayers.

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

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8 _____
9 JENNIFER JOHNSTON, Chair
10 City and County of San Francisco Refuse Collection and Disposal Rate Board

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