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

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

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

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

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

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

WHEREAS, The Rate Board, consisting of Chair/Deputy City Administrator Jennifer Johnston, Member/Deputy Controller Todd Rydstrom, and Member/San Francisco Public Utilities Commission Deputy General Manager Michael P. Carlin, convened a public hearing
on the report on December 16, 2015; and,

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

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

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

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

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

RESOLVED, That the Rate Board takes the following actions and adopts the following
findings regarding the Special Reserve Fund:

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

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

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

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

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

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