

The background of the slide features a large, faint, circular seal of the City of Fullerton, California. The seal contains a central shield with various symbols, including a book and a building, surrounded by the text "CITY OF FULLERTON" and "CALIFORNIA".

Sanitation Charges

Meg McWade, Public Work Director

6-01-2021



How are *Sanitation Charge* revenues used?

The Sanitation Charge revenues currently provide for various programs and services including but not limited to:

Sewer Maintenance*	Storm drain cleaning	Street sweeping
Underpass	Drainage system and channel maintenance	Concrete curb & gutter repairs
Tree trimming near gutters/storm drains	Sidewalk cleaning & Median maintenance	Necessary equipment and repairs on all of these systems

**While the Fullerton Code allows for the use of these funds for sewer maintenance, these fees have not been used for these purposes since late 2005 when the Sewer Enterprise Fund was established.*



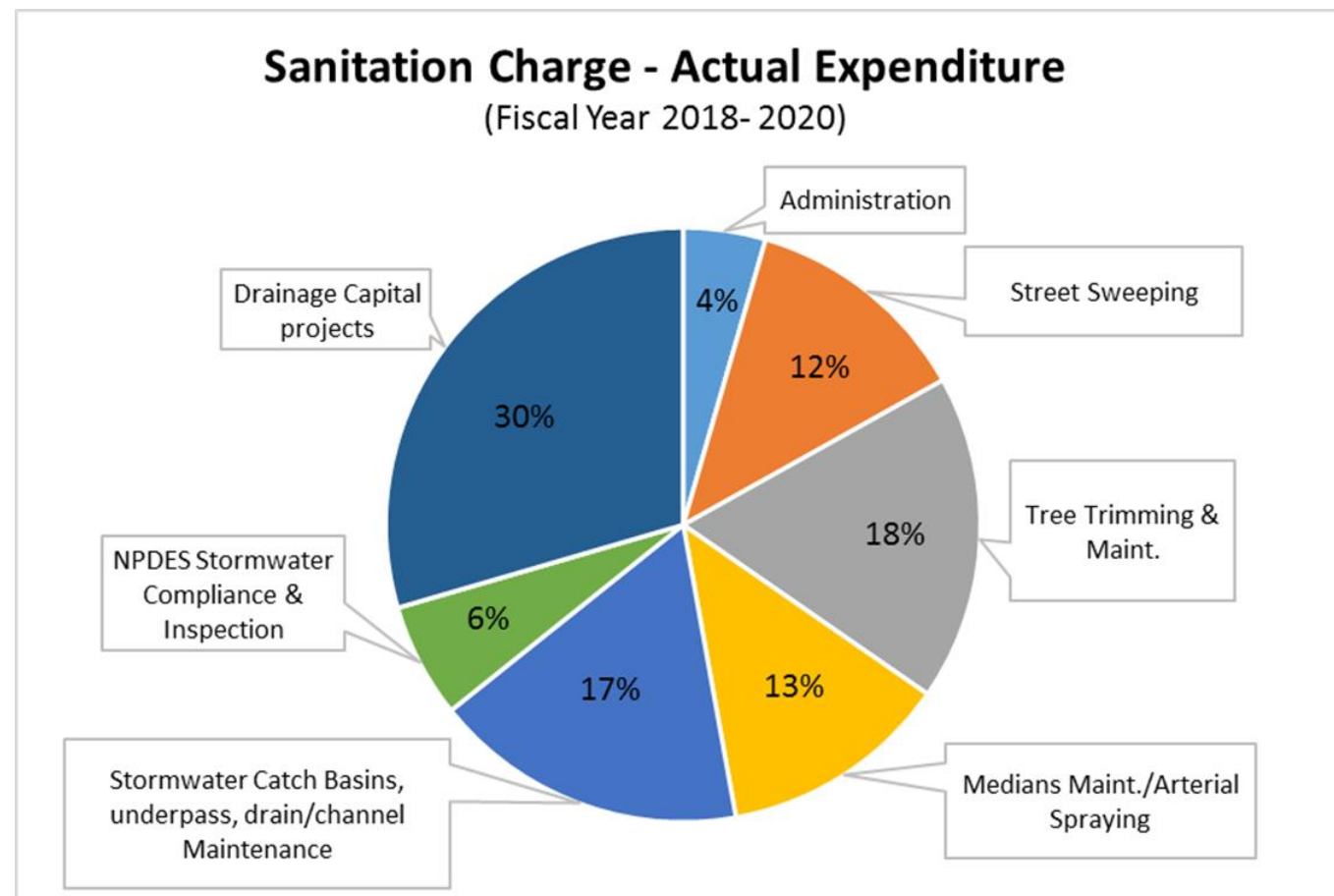
Use of Sanitation Charge Revenues

The City typically allocates the largest share of the Sanitation Charge Revenues to operations, maintenance, and regulatory compliance. (Appx. 75-80%)

→ through *Sanitation Fund (23)*

The remaining amount is utilized for drainage capital improvements (Appx. 20-25%)

→ through *Drainage Capital Fund (36)*





Sanitation Charge Calculation Formula

Currently, the Sanitation Charge is a calculation that uses a percentage multiplied by the water charges (fixed meter and water consumption) on a customer's utility bill. To maintain the Fiscal Year 2018-19 Sanitation Charge revenue level (appx. \$8M), rather than increase them as a result of the water rate increase, the City approved the percentage changes as below.

1978 through June 30, 2019	25% multiplied by Water Charges
July 1, 2019 – June 30, 2020	22% multiplied by Water Charges
July 1, 2020 – June 30, 2021	19% multiplied by Water Charges
July 1, 2021 – June 30, 2022	17% multiplied by Water Charges (proposed)
Effective July 1, 2022	16% multiplied by Water Charges (proposed)



Sanitation Charge – Next steps

- Staff is working to release RFP to hire consultant to conduct a cost-of-service study related to the program
 - Review and potentially restructure the Sanitation Charge
 - Provide guidance regarding Prop 218/other regulations
 - Assist with appropriate public process





Staff Recommendation

- Adopt Resolution No. 2021-XX and approve proposed reduction of % calculation of Sanitation Charge from 19% to 17% for Fiscal Year 2021-22 and to 16% effective Fiscal Year 2022-23