

## RESOLUTION NO. 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, ADOPTING A REVISED SANITATION CHARGE REDUCING THE PERCENTAGE USED TO CALCULATE THE CHARGE FROM 19% TO 17% FOR FISCAL YEAR 2021-22 AND TO 16% EFFECTIVE FISCAL YEAR 2022-23

THE CITY COUNCIL OF THE CITY OF FULLERTON HEREBY RESOLVES AS FOLLOWS:

WHEREAS, Fullerton developed a Sanitation Fund over many years to utilize for activities such as sewer cleaning, storm drain cleaning, street sweeping, repairs on these systems, underpass, drainage system and channel maintenance, concrete curb and gutter repairs, tree trimming, sidewalk cleaning, necessary equipment and other related charges.

WHEREAS, the City calculates the Sanitation Charge utilizing a percentage multiplied by water charges (fixed meter and water usage) on a customer's utility bill.

WHEREAS, on June 4, 2019, City Council approved a series of water rate increases to fund necessary operational and capital costs of the water system.

WHEREAS, City Council expressed a desire to maintain the then-current Sanitation Charge revenue amount of approximately \$8 million rather than increase the charge to customers and collection of revenue as would occur if the Sanitation Charge calculation percentage remains at its current level as the water rates increase.

WHEREAS, prior to Fiscal Year (FY) 2020, the City set the rate at 25% multiplied by water charges (fixed meter and water usage).

WHEREAS, on June 18, 2019 City Council adopted Resolution No. 2019-31, lowering the percentage used to calculate the Sanitation Charge from 25% to 22% effective July 1, 2019.

WHEREAS, on June 16, 2020, City Council adopted Resolution No. 2020-57, lowering the percentage used to calculate the Sanitation Charge from 22% to 19% effective July 1, 2020.

WHEREAS, the next water rate adjustment becomes effective July 1, 2021 and the City must further reduce the Sanitation Charge percentage from the FY 2021 rate of 19% to 17% for Fiscal Year 2021-22 and 16% starting Fiscal Year 2022-23.

WHEREAS, the City plans to review the Sanitation Charge and related programs as the Fund does not have adequate funding to provide for the needs of each of these programs and legislative changes and court rulings over time have affected the

structure of these types of fees.

WHEREAS, in order to complete its review, the City will commission a cost-of-service study related to the programs and providing recommendations along with any appropriate public process.

WHEREAS, as the formula did not change but rather the City will reduce the percentage used to calculate the Sanitation Charge, the City Attorney's Office opined that this action requires no additional formal noticing other than posting the agenda and agenda report related to adoption of this resolution, due to the fact that this action does not increase the current charge and does not establish a new charge.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Fullerton adopt the following:

1. Reduce the percentage used in the calculation of the Sanitation Charge from the current rate of 19% multiplied by water charges (fixed meter and water usage) to 17% effective July 1, 2021 and to 16% effective July 1, 2022 respectively.
2. Direct Staff to review the revenue needs of the Sanitation Fund programs and return with appropriate recommendations related to this fee.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Fullerton that this amended Sanitation Charge percentage shall become effective on and after July 1, 2021.

ADOPTED BY THE FULLERTON CITY COUNCIL ON JUNE 1, 2021.

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Bruce Whitaker  
Mayor

ATTEST:

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Lucinda Williams, MMC  
City Clerk

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Date