

RESOLUTION NO. 2024-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA
ADJUSTING THE RATE OF THE SANITATION SERVICES USERS
CHARGE FOR ROADWAY CLEANING AND ENVIRONMENTAL
SANITATION SERVICES PROVIDED BY THE CITY OF SANTA ANA

WHEREAS, Chapter 18 of the Santa Ana Municipal Code (“SAMC”), Article XII, Section 18-600 *et seq.*, authorizes the City to make a monthly charge to each residential, commercial, industrial, manufacturing or other units which are located within the City for street cleaning services and other environmental sanitation services and to establish those rates by resolution; and

WHEREAS, this Resolution adjusting street cleaning services and other environmental sanitation services shall apply only to SAMC Chapter 18, Article XII, Sanitation Services Users Charge; and

WHEREAS, the rate structure for street cleaning services and other environmental sanitation services includes several municipal utility services customer classes: residential, multifamily, commercial, industrial, manufacturing and other units located within the City; and

WHEREAS, on August 1, 2023, the City Council authorized City staff to retain Stearns, Conrad and Schmidt Consulting Engineers, Inc. (“SCS”), an environmental consulting and contracting firm, to determine whether rates for services charges are sufficient to meet increased costs of services, and to perform a detailed cost-of-service study to ensure compliance with Proposition 218 requirements and provided a thorough examination of the financial landscape and capital needs associated with sanitation services; and

WHEREAS, the Sanitation Services Users Charge Cost of Service Study Report (“Study”) prepared by SCS (a copy of which is available for inspection at the City and also posted on the City’s website), set the basis upon which the Charges were calculated, which included a five-year financial projection of anticipated growth, fund balances and reserve targets, revenues, operations and maintenance expenses, vehicle/equipment replacement expenses, and capital spending; and

WHEREAS, the Study determined that the City’s current user charge revenues will no longer be sufficient to meet the projected financial needs of the City to fund its sanitation services operations. Therefore, a five-year financial management plan was calculated and SCS determined that sanitation services user charge per unit should increase to a monthly charge of \$11.72 per month in July 2024, billed bi-monthly as \$23.44 per unit per bill. An inflationary-like increase of approximately 3.50% is anticipated to be necessary each July from 2025 to 2028; and

WHEREAS, the Sanitation Services Users Charge (“Charges”) is billed on a bi-monthly billing basis; and

WHEREAS, the Charges are property-related fees within the meaning of Article XIII D of the California Constitution; and

WHEREAS, the revenues derived from the Charges will not exceed the funds required to provide the services for which the Charges are imposed, and will be used exclusively for street cleaning services (e.g. roadway cleaning and street sweeping) and other environmental sanitation services such as illegal dumping/rubbish removal, alley and sidewalk cleaning, power washing, sanitation and right-of-way inspection and enforcement, and weed abatement; and

WHEREAS, the Charges are equitable to all customer classes; and

WHEREAS, Article XIII D, section 6 of the California Constitution (“Article XIII D”) requires that prior to imposing new or increased Charges, the City shall provide written notice by mail of the new or increased Charges to the record owner of each parcel upon which the Charges are proposed for imposition and any responsible party directly liable for payment of the Charges, the amount of the Charges proposed to be imposed on each parcel, the basis upon which the Charges were calculated, the reason for the Charges, and the date, time, and location of a public hearing on the proposed Charges; and

WHEREAS, on December 5, 2023, the City Council authorized the initiation of the process to adjust the Sanitation Fee in compliance with California’s Proposition 218 requirements; and

WHEREAS, on December 27, 2023, the City distributed notices as required by Article XIII D regarding the City Council’s consideration of the Charges at a public hearing scheduled for February 20, 2024, to all property owners and customers of record whose parcels receive sanitation services and would be subject to the proposed user charge adjustments in accordance with Article XIII D, Section 6(a)(1) of the California Constitution and Government Code Section 53755; and

WHEREAS, on February 20, 2024, the City Council held a duly noticed public hearing on the Charges contained in this Resolution within **Exhibit A**, and at that time invited oral and written comments from the public; and

WHEREAS, upon close of said public hearing, the City did receive _____ written protests to the Charges, and therefore there has been no majority protest; and

WHEREAS, the City Council now desires to establish and impose the Charges as set forth in **Exhibit A**, commencing on July 1, 2024 and subject to annual user charge adjustments through July 1, 2028; and

WHEREAS, any additional increase that exceeds the user Charge increases in **Exhibit A** would be subject to another Proposition 218 noticed public hearing and approval by the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Ana as follows:

Section 1. The adoption of this Resolution falls within a statutory exemption from environmental review pursuant to sections 15273, 15060(c)(2) of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA), which pertain to the establishment, modification, structuring, restructuring, or approval of rates and charges by public agencies which the public agency finds are for the purpose of meeting operating expenses, and pertain to activities that will not result in a direct or reasonably foreseeable indirect change to the environment and that are not defined as a project under CEQA Regulations.

Section 2. After considering the material presented in **Exhibit A**, the City Council hereby finds as follows:

- (a) Revenues derived from the Charges do not exceed the funds required to provide the property-related service;
- (b) Revenues derived from the Charges shall not be used for any purpose other than that for which the Charges are imposed;
- (c) The amount of the Charges imposed upon any parcel or person does not exceed the proportional cost of services attributable to the parcel;
- (d) The Charges are for services actually used by, or immediately available to, the owner of the property upon which the Charges are imposed; and
- (e) The Charges will not be expended for general governmental purposes.

Section 3. After receiving public comment and testimony on the Charges, and absent a majority protest to the Charges, the Charges are hereby approved to take effect on the dates, in the amounts, and at the rates described in **Exhibit A**, attached and incorporated herein by this reference.

Section 4. This Resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this Resolution. To the extent any other resolution of the City conflicts with the provisions set forth herein, it is the explicit intent of the City Council that the provisions of this Resolution shall supersede.

[Signatures on the following page]

ADOPTED this ____ day of _____, 2024.

Valerie Amezcua
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: Jose Montoya
Jose Montoya
Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Jennifer L. Hall, City Clerk, do hereby certify the attached Resolution No. 2024-_____ to be the original resolution adopted by the City Council of the City of Santa Ana on _____, 2024.

Date: _____

City Clerk
City of Santa Ana

EXHIBIT A

SANITATION SERVICES USERS CHARGES

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29
Implementation Date	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Monthly User Charge per Unit	\$11.72	\$12.13	\$12.56	\$13.00	\$13.45