



CITY OF SIMI VALLEY



Proposed Sanitation Services Rates

FY 2020 - 21 thru FY 2024 - 25

Sanitation Services : Rates

- ▶ **Sanitation is an enterprise operation – the fees charged pay for expenses**
- ▶ **Operations and Maintenance (O&M) – labor, utilities, supplies, contracts, minor maintenance**
- ▶ **Capital Projects –major repairs, component replacement, improvements**



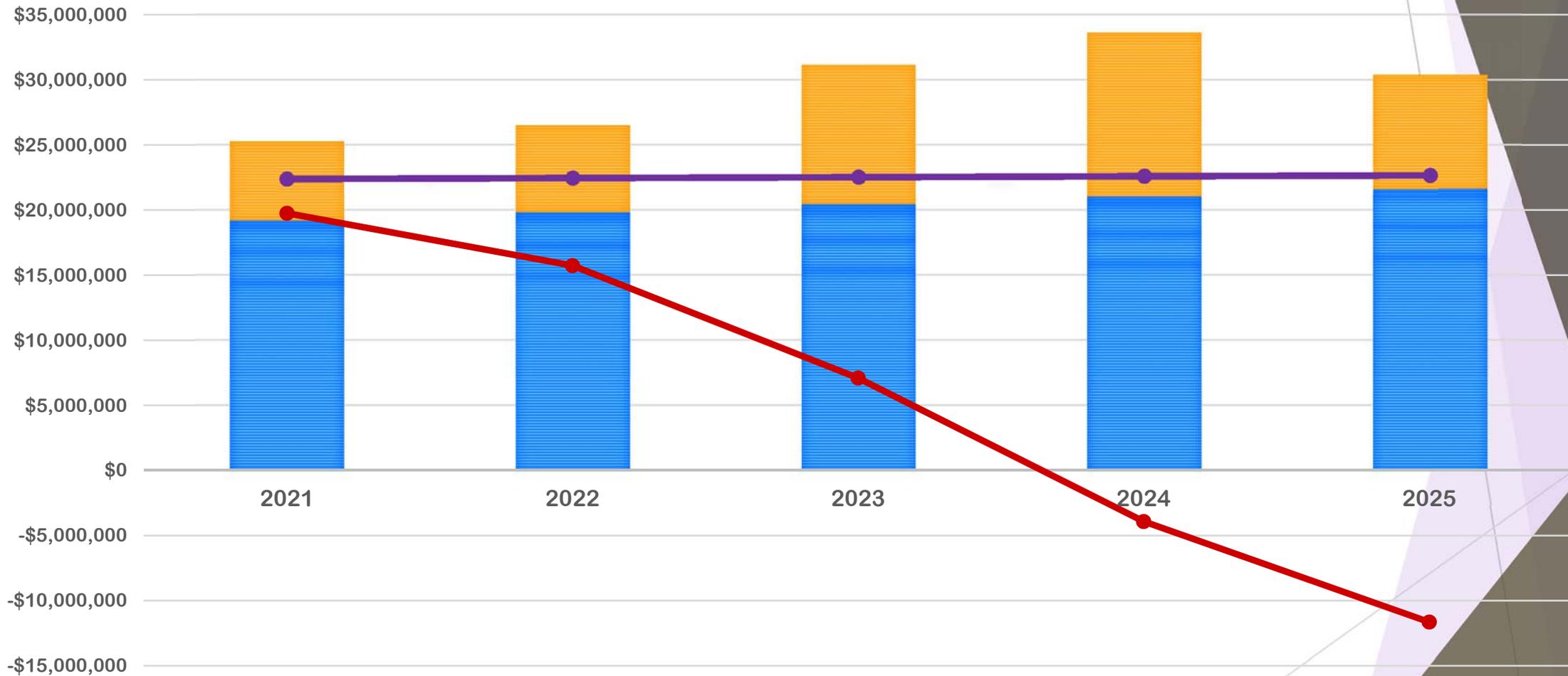
Need for Rate Increase

- ▶ **Current FY San budget - \$2.4 M deficit**
- ▶ **O&M expenses projected to increase 3.5% per year**
- ▶ **Average Capital expense over next 5 years: \$9.35 M**
- ▶ **180-day operating plus 1 year CIP reserve: \$17.5M**



Need for Rate Increase

Cash Balance without Rate Increase



O&M

Capital Projects

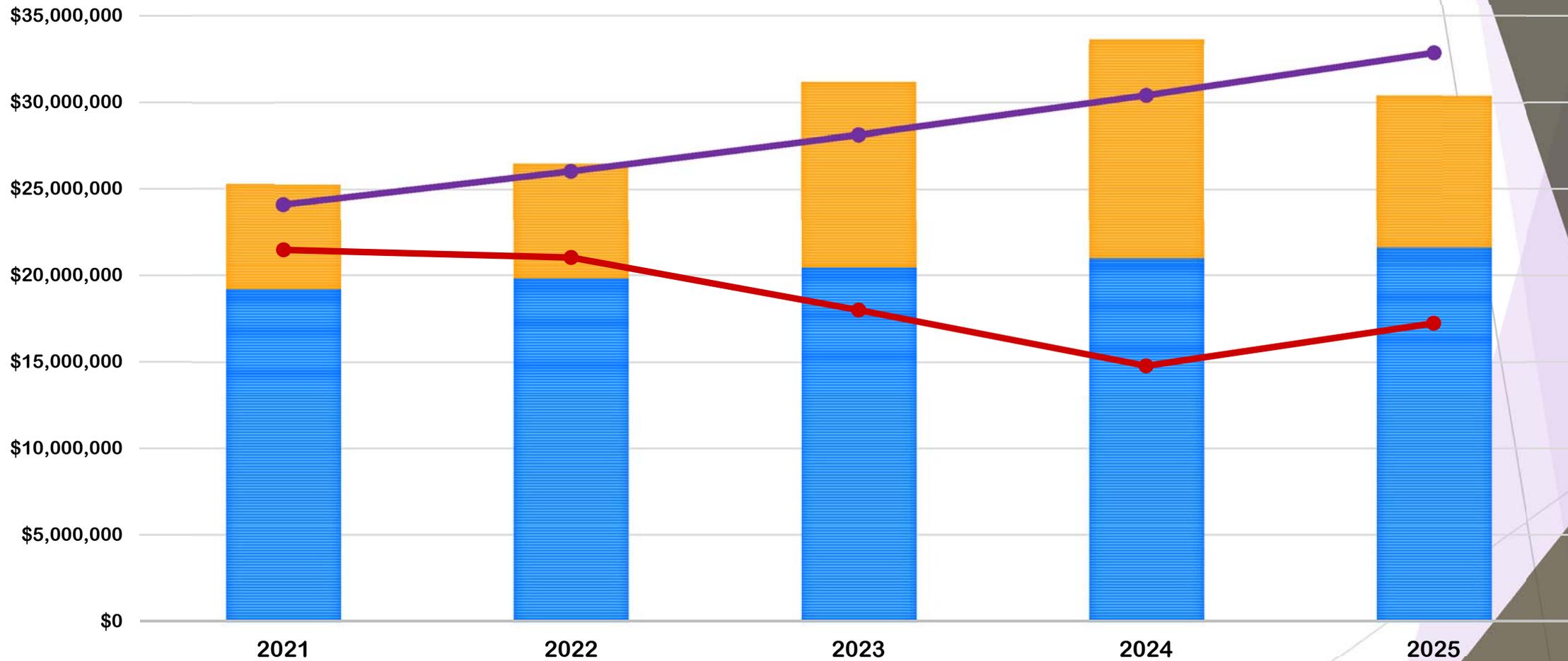
Revenue

Cash Balance



Need for Rate Increase

Cash Balance with Rate Increase



O&M

Capital Projects

Revenue

Cash Balance



Residential Service Rates

Recommendation for Prop 218 Notice

| | CURRENT | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---------|---------------|---------------|---------------|---------------|---------------|
| RESIDENTIAL FIXED RATES : (\$/MONTH) | | | | | | |
| Single Family | \$38.58 | \$41.24 | \$44.48 | \$47.97 | \$51.76 | \$55.85 |
| Multi-Family | \$26.88 | \$29.25 | \$31.55 | \$34.03 | \$36.72 | \$39.62 |
| Senior Housing | \$20.79 | \$22.86 | \$24.65 | \$26.59 | \$28.69 | \$30.96 |
| Mobile Home | \$26.88 | \$29.25 | \$31.55 | \$34.03 | \$36.72 | \$39.62 |

Would remain third lowest in the region



Non-Residential Service Rates

Recommendation for Prop 218 Notice

| | CURRENT | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---------|---------------|---------------|---------------|---------------|---------------|
| NON-RESIDENTIAL FIXED RATES : (\$/MONTH) | | | | | | |
| Office w/ LM | \$33.55 | \$39.89 | \$43.02 | \$46.40 | \$50.07 | \$54.03 |
| Office w/o LM | \$26.85 | \$31.92 | \$34.41 | \$37.11 | \$40.04 | \$43.20 |
| Commercial w/ LM | \$40.92 | \$48.49 | \$52.30 | \$56.41 | \$60.87 | \$65.68 |
| Commercial w/o LM | \$32.74 | \$38.79 | \$41.84 | \$45.12 | \$48.68 | \$52.53 |
| Restaurant w/ LM | \$48.29 | \$57.11 | \$61.59 | \$66.42 | \$71.67 | \$77.33 |
| Restaurant w/o LM | \$38.64 | \$45.69 | \$49.28 | \$53.15 | \$57.35 | \$61.88 |
| Café w/ LM | \$48.29 | \$57.11 | \$61.59 | \$66.42 | \$71.67 | \$77.33 |
| Café w/o LM | \$38.64 | \$45.69 | \$49.28 | \$53.15 | \$57.35 | \$61.88 |



Non-Residential Service Rates

Recommendation for Prop 218 Notice

| | CURRENT | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|----------|------------|------------|------------|------------|------------|
| NON-RESIDENTIAL USAGE RATES : (\$ / HUNDRED ACRE FEET OF WATER USE) | | | | | | |
| Office w/ LM | \$4.84 | \$4.91 | \$5.30 | \$5.72 | \$6.17 | \$6.66 |
| Office w/o LM | \$3.85 | \$3.93 | \$4.24 | \$4.57 | \$4.92 | \$5.32 |
| Commercial w/ LM | \$5.86 | \$6.38 | \$6.88 | \$7.42 | \$8.01 | \$8.64 |
| Commercial w/o LM | \$4.71 | \$5.11 | \$5.51 | \$5.94 | \$6.41 | \$6.92 |
| Restaurant w/ LM | \$6.92 | \$7.85 | \$8.47 | \$9.13 | \$9.85 | \$10.63 |
| Restaurant w/o LM | \$5.53 | \$6.28 | \$6.77 | \$7.30 | \$7.88 | \$8.50 |
| Café w/ LM | \$6.92 | \$7.85 | \$8.47 | \$9.13 | \$9.85 | \$10.63 |
| Café w/o LM | \$5.53 | \$6.28 | \$6.77 | \$7.30 | \$7.88 | \$8.50 |
| OTHER VARIABLE RATES : (\$ / UNIT) | | | | | | |
| High School (\$ / STUDENT) | \$1.28 | \$1.72 | \$1.86 | \$2.01 | \$2.17 | \$2.34 |
| Other Schools (\$ / STUDENT) | \$0.85 | \$1.15 | \$1.24 | \$1.34 | \$1.45 | \$1.56 |
| Septage Hauling (\$750 / GAL LOAD) | \$30.08 | \$35.34 | \$38.11 | \$41.10 | \$44.35 | \$47.85 |
| Wood Ranch / Big Sky SFR Lift Fee | \$107.47 | \$100.43 | \$108.32 | \$116.82 | \$126.05 | \$136.01 |
| Duplex Unit Fee | \$74.90 | \$73.90 | \$79.70 | \$85.95 | \$92.75 | \$100.07 |

Process for Rate Setting

- ▶ **Prop 218 requires protest ballot**
- ▶ **If a majority of parcels (about 38,000) protest, agency may not raise rates**
- ▶ **Nexus between cost and expense by customer type, report required**
- ▶ **Current 5-year rates adopted in May, 2015**



Notification Process

- ▶ **Notice must be sent to all property owners describing proposed rate**
- ▶ **Protests must be in writing or presented at Public Hearing**
- ▶ **Council may adopt a rate up to (or less than) those shown in the Notice if less than majority protest**



Public Outreach

- ▶ **Notice on the City's website**
- ▶ **Notice on Simi Valley Television**
- ▶ **Neighborhood Councils**
- ▶ **Chamber of Commerce**
- ▶ **Budget Advisory Committee**
- ▶ **Special public meeting on
October 16, 6:00 p.m.**



Thank You

Presented By:



CITY OF SIMI VALLEY

PUBLIC WORKS SANITATION SERVICES

Q & A
