

# WORKING TO DELIVER A CLEAN AND SAFE SANTA MONICA



**FIVE-YEAR SOLID WASTE RATE STUDY**  
2023-2028





# PURPOSE OF TONIGHT'S MEETING

Provide Direction On:

- A. Provide and Inform **Rate Adjustment Options and Rate Impacts**
- B. Proposed Establishment of a Solid Waste **Rate Discount Program**

# RRR

## RESOURCE RECOVERY AND RECYCLING (RRR) SERVICES

# CLEAN, SAFE, AND SUSTAINABLE SANTA MONICA



**93,000+**

Residents and visitors served seven days a week



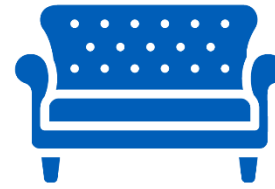
**1,000+**

Residents and visitors served by **one** RRR essential worker



**176 million**

Pounds of organics, recyclables, and landfill trash collected last fiscal year



**180**

Daily 311 bulky item and illegal dumping requests



**13**

Year-round community recycling events



**1.1**

Zero Waste Goal for pounds per day per person of landfilled trash by 2030



# RRR

## FUND STATUS

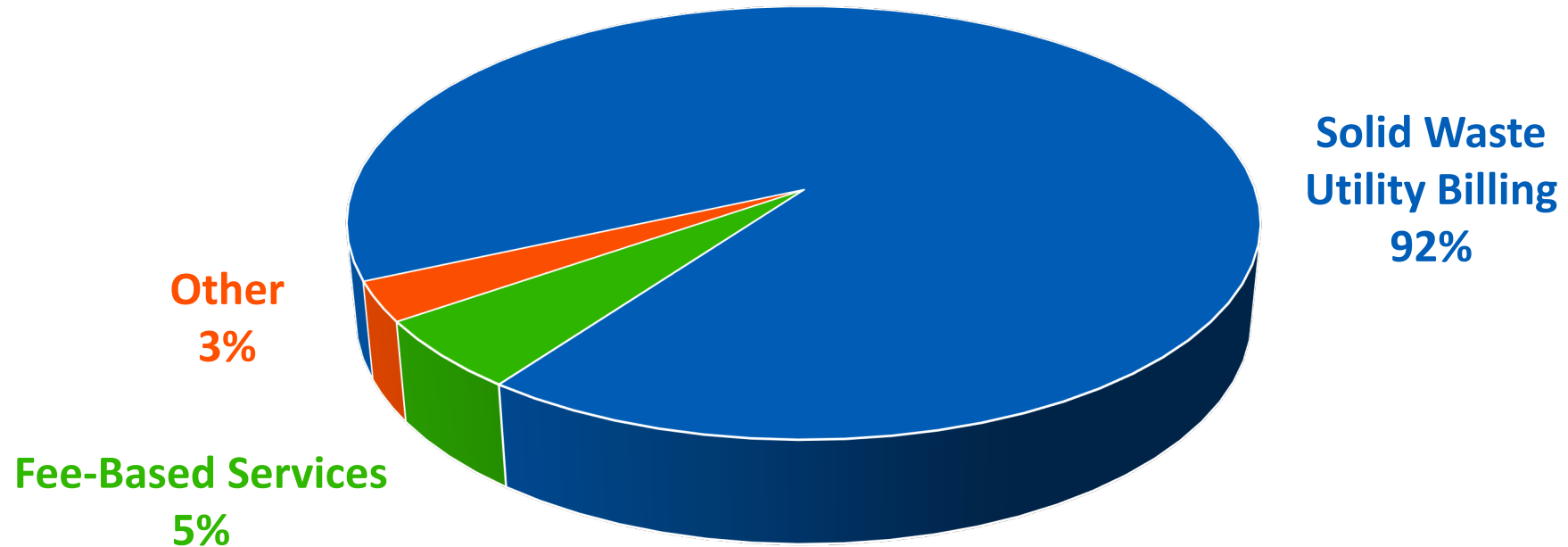


# ENTERPRISE FUND

- Operates like a private enterprise: Revenues must cover expenses
- Independent from the General Fund
- Historically a very healthy fund
- Rate study is required every five years to set rates
- 2014: Last adopted rate study
- 2019: Began a new rate study, but unable to continue due to COVID-19

# WHERE DOES RRR REVENUES COME FROM?

(0% Subsidy from General Fund)





# WHAT DOES RRR SPEND MONEY ON?

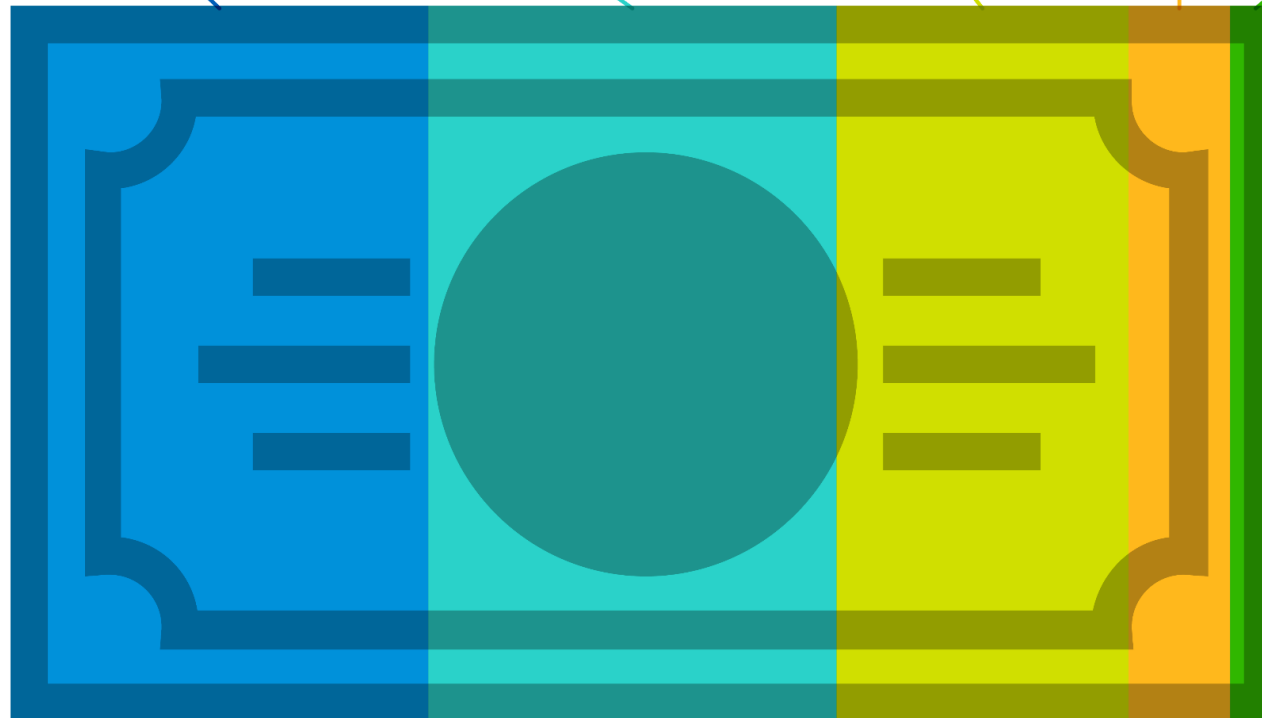
**33%**  
Labor

**32%**  
Vehicles & Capital

**23%**  
Post-Collection  
Transportation, Disposal  
& Recycling

**8%**  
General Fund  
Reimbursement

**4%**  
Supplies &  
Expenses



# COVID-19 IMPACT

- 2019 rate study paused March 2020 with COVID-19 stay-at-home order
- Conscious decision to protect ratepayers and businesses
- Solid waste rates froze for three years (FY 2020-23)
- Three-year rate freeze + COVID-related revenue losses collided with skyrocketing inflation and increased cost of doing business

## TEMPORARY CLOSURE

Official Public Health Information:  
[publichealth.lacounty.gov](http://publichealth.lacounty.gov)

Santa Monica COVID-19 Information:  
[santamonica.gov/coronavirus](http://santamonica.gov/coronavirus)

Santa Monica News Updates:  
[santamonica.gov/newsletter](http://santamonica.gov/newsletter)

Santa Monica Emergency Alerts:  
[santamonica.gov/alerts](http://santamonica.gov/alerts)

Santa Monica Hotline:  
[info@santamonica.gov](mailto:info@santamonica.gov)  
310.458.8400

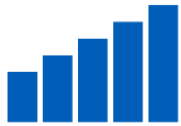
# HISTORIC SOLID WASTE RATE INCREASES

Year	Single-Family Customers	Multi-Family Customers	Commercial Customers
2014-15	3.85%	1%	7.25%
2015-16	3.85%	1%	7.25%
2016-17	3.85%	1%	7.25%
2017-18	CPI-2.5%	CPI-2.5%	CPI-2.5%
2018-19	CPI-3.7%	CPI-3.7%	CPI-3.7%
2019-20	CPI-2.6%	CPI-2.6%	CPI-2.6%
2020-21 - COVID	0%	0%	0%
2021-22 - COVID	0%	0%	0%
2022-23 - COVID	0%	0%	0%

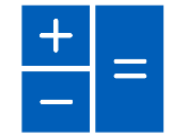
# ACHIEVING CLEAN, SAFE, AND SUSTAINABLE SERVICE



Achieve **financial stability** to sustain operations and meet regulations



**Build fund reserves** to 90-day operating budget by Year 5



**Modernize and simplify** rate structure



**Right-size staffing** to meet community needs



Enhance services to support Council's priority to maintain a **clean and safe city** through regularly scheduled alley cleanup service by enhancing the **Bulky Item Illegal Dumping response team** and creating a new quarterly **Community Cleanup Program**

# RRR

## PROPOSED RATE ADJUSTMENTS

# ENHANCED CLEAN & SAFE SERVICES

- Right-size solid waste and recyclable collection staff levels
- Right-size sweeping services
- SB1383 mandatory compliance and Zero Waste by 2030 implementation
- Restore a fully staffed Bulky Item Illegal Dumping (BIID) response team for proactive alley cleanup
- Create a NEW volunteer-driven Community Cleanup Program

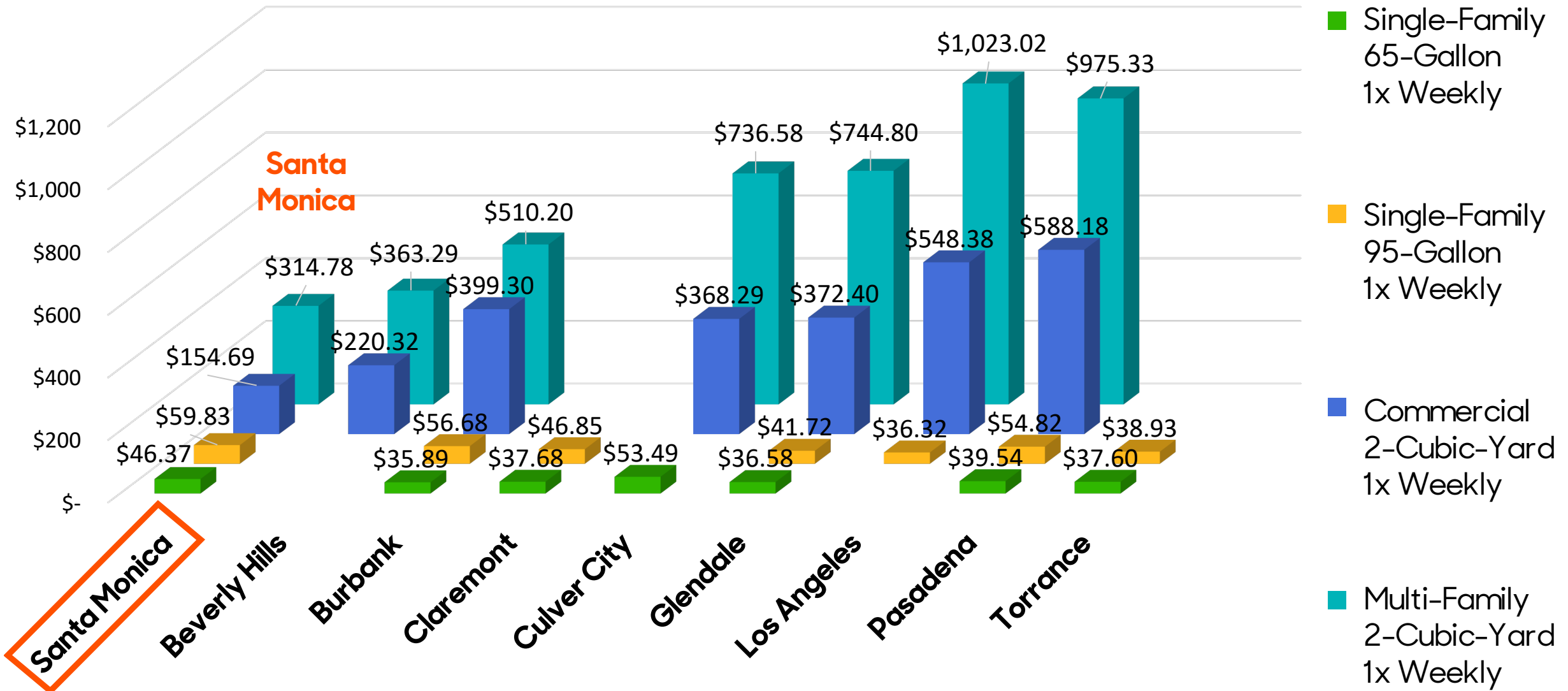


# PROPOSED SAMPLE RATES

## Proposed Rates of Typical Services

Customer Type	Current Monthly	Proposed FY 23-24 Monthly	Proposed FY 24-25 Monthly	Proposed FY 25-26 Monthly	Proposed FY 26-27 Monthly	Proposed FY 27-28 Monthly
<b>Single-Family</b>						
One (1) 65-gallon 1x per week	<b>\$41.78</b>	<b>\$46.37</b> +\$4.60 11%	<b>\$51.47</b> +\$5.10 11%	<b>\$57.13</b> +\$5.66 11%	<b>\$63.42</b> +\$6.29 11%	<b>\$70.39</b> +\$6.98 11%
One (1) 95-gallon 1x per week	<b>\$53.90</b>	<b>\$59.83</b> +\$5.93 11%	<b>\$66.41</b> +\$6.58 11%	<b>\$73.71</b> +\$7.30 11%	<b>\$81.82</b> +\$8.11 11%	<b>\$90.82</b> +\$9.00 11%
<b>Multi-Family</b>						
Four-Unit Apartment Two 95-gallon 1x per week	<b>\$99.28</b>	<b>\$119.65</b> +\$20.37 21%	<b>\$132.81</b> +\$13.16 11%	<b>\$147.42</b> +\$14.61 11%	<b>\$163.64</b> +\$16.22 11%	<b>\$181.64</b> +\$18.00 11%
Ten-Unit Apartment One 300-gallon 2x per week	<b>\$222.58</b>	<b>\$275.00</b> +\$52.42 24%	<b>\$305.25</b> +\$30.25 11%	<b>\$338.83</b> +\$33.58 11%	<b>\$376.10</b> +\$37.27 11%	<b>\$417.47</b> +\$41.37 11%
<b>Commercial</b>						
Small Retail One 95-gallon 1x/week	<b>\$88.21</b>	<b>\$57.13</b> -\$31.09 -35%	<b>\$63.71</b> +\$6.58 11%	<b>\$71.01</b> +\$7.30 11%	<b>\$79.12</b> +\$8.11 11%	<b>\$88.12</b> +\$9.00 11%
Mid-Size Retail One 2-cubic-yard 1x per week	<b>\$131.34</b>	<b>\$154.69</b> +\$23.36 18%	<b>\$172.01</b> +\$17.32 11%	<b>\$191.23</b> +\$19.22 11%	<b>\$212.56</b> +\$21.33 11%	<b>\$236.23</b> +\$23.68 11%

# RATE COMPARISONS BY JURISDICTION







City of Santa Monica

### ACCOUNT INFORMATION

Account Number 00423442-10  
 Name THOMAS & MARISA COX  
 Service Address 2418 HILL ST  
 Bill Type REGULAR  
 Account Type SINGLE FAMILY

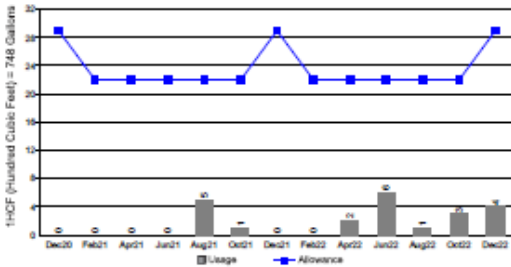
### WATER USAGE INFORMATION

Meter	Read Dates		Billing Days	Dwelling Units	Meter Size
	Present	Previous			
0017497323	12/21/2022	10/20/2022	62	1	0.75

Meter Readings			Usage (HCF)	Usage (Gal)	Avg Daily Usage (Gal)
Code	Present	Previous			
MR	0328	0324	4	2,992	48

Water Allowance (HCF)	Excessance (HCF)	Next Estimated Allowance (HCF)
29	0	22

YOUR WATER USAGE HISTORY (in HCF)



Please return this portion along with your payment. See reverse side for important information.



City of Santa Monica

City of Santa Monica  
 Finance Billing & Collections  
 PO Box 2200  
 Santa Monica, CA 90407-2200  
**UTILITY BILLING**

A monthly late fee of 10% will be added to the Total Amount Due if payment is not received by the due date. Mail payment to City of Santa Monica, PO Box 7125 Artesia, CA 90702-7125. See back for additional information.

MON1226A 1583 1 AV 0.455  
7000001654 00.0007.0236 1583/1

THOMAS & MARISA COX  
 2418 HILL STREET  
 SANTA MONICA CA 90405-6004

## Utilities Account Statement

### ACCOUNT SUMMARY

Previous Balance \$171.24  
 Payment(s) -\$171.24  
 Balance Forward \$0.00  
 Current Charges \$180.67

TOTAL AMOUNT DUE \$180.67  
 BILL DATE 12/27/2022

### WATER CHARGES

	Rate	Usage	Charges
Water Capacity Fee			\$14.95
Tier 1	\$5.08	4	\$20.32
Utility Users Tax			\$3.53
<b>TOTAL WATER CHARGES</b>			<b>\$38.80</b>

### SEWER CHARGES

Sewer Capacity Fee			\$17.01
Flow Charge	\$4.11x.85x4		\$13.97
Utility Users Tax			\$3.10
<b>TOTAL SEWER CHARGES</b>			<b>\$34.08</b>

### RESOURCE RECOVERY & RECYCLING CHARGES

95 Gallon Container	\$107.79	1.0	\$107.79
<b>TOTAL REFUSE CHARGES</b>			<b>\$107.79</b>

### SPECIAL MESSAGE

### ACCOUNT INFORMATION

Account Number 00423442-10  
 Service Address 2418 HILL ST  
 Balance Forward \$0.00  
 TOTAL AMOUNT DUE \$180.67  
 DUE DATE 01/30/2023

### AMOUNT ENCLOSED

Empty box for amount enclosed.



CITY OF SANTA MONICA  
 FINANCE BILLING & COLLECTIONS  
 PO BOX 7125  
 ARTESIA, CA 90702-7125

# CITY UTILITY BILL

- Water Charges
- Sewer Charges
- Waste Management/ RRR Charges



# EXAMPLE: SINGLE FAMILY HOME

Before

TOTAL AMOUNT DUE \$180.67  
BILL DATE 12/27/2022  
DUE DATE 01/30/2023

## WATER CHARGES

	<u>Rate</u>	<u>Usage</u>	<u>Charges</u>
Water Capacity Fee			\$14.95
Tier 1	\$5.08	4	\$20.32
Utility Users Tax			\$3.53
<b>TOTAL WATER CHARGES</b>			<b>\$38.80</b>

## SEWER CHARGES

Sewer Capacity Fee			\$17.01
Flow Charge	\$4.11x.85x4		\$13.97
Utility Users Tax			\$3.10
<b>TOTAL SEWER CHARGES</b>			<b>\$34.08</b>

## RESOURCE RECOVERY & RECYCLING CHARGES

95 Gallon Container	\$107.79	1.0	\$107.79
<b>TOTAL REFUSE CHARGES</b>			<b>\$107.79</b>

After

TOTAL AMOUNT DUE **\$192.53**  
BILL DATE 12/27/2022  
DUE DATE 01/30/2023

↑ \$11.86 or  
6.6%

## WATER CHARGES

	<u>Rate</u>	<u>Usage</u>	<u>Charges</u>
Water Capacity Fee			\$14.95
Tier 1	\$5.08	4	\$20.32
Utility Users Tax			\$3.53
<b>TOTAL WATER CHARGES</b>			<b>\$38.80</b>

## SEWER CHARGES

Sewer Capacity Fee			\$17.01
Flow Charge	\$4.11x.85x4		\$13.97
Utility Users Tax			\$3.10
<b>TOTAL SEWER CHARGES</b>			<b>\$34.08</b>

## RESOURCE RECOVERY & RECYCLING CHARGES

95 Gallon Container	<b>\$119.65</b>	1.0	<b>\$119.65</b>
<b>TOTAL REFUSE CHARGES</b>			<b>\$119.65</b>

# EXAMPLE: 12-UNIT MULTI-FAMILY

Before

After

↑\$80.22 or 4.5%

TOTAL AMOUNT DUE \$1,774.59  
 BILL DATE 01/11/2023  
 DUE DATE 02/13/2023

TOTAL AMOUNT DUE **\$1,854.81**  
 BILL DATE 01/11/2023  
 DUE DATE 02/13/2023

## WATER CHARGES

	Rate	Usage	Charges
Water Capacity Fee			\$38.43
Tier 1	\$5.08	96	\$487.68
Tier 2	\$5.91	28	\$165.48
Utility Users Tax			\$69.16
<b>TOTAL WATER CHARGES</b>			<b>\$760.75</b>

## WATER CHARGES

	Rate	Usage	Charges
Water Capacity Fee			\$38.43
Tier 1	\$5.08	96	\$487.68
Tier 2	\$5.91	28	\$165.48
Utility Users Tax			\$69.16
<b>TOTAL WATER CHARGES</b>			<b>\$760.75</b>

## SEWER CHARGES

Sewer Capacity Fee			\$5.16
Flow Charge	\$4.11x.97x124		\$494.35
Utility Users Tax			\$49.95
<b>TOTAL SEWER CHARGES</b>			<b>\$549.46</b>

## SEWER CHARGES

Sewer Capacity Fee			\$5.16
Flow Charge	\$4.11x.97x124		\$494.35
Utility Users Tax			\$49.95
<b>TOTAL SEWER CHARGES</b>			<b>\$549.46</b>

## RESOURCE RECOVERY & RECYCLING CHARGES

Livable Per Unit Charge	\$9.61	12.0	\$115.32
300G 2x/week	\$349.06	1.0	\$349.06
<b>TOTAL REFUSE CHARGES</b>			<b>\$464.38</b>

## RESOURCE RECOVERY & RECYCLING CHARGES

Livable Per Unit Charge	\$9.61	12.0	\$115.32
300G 2x/week	\$544.60	1.0	\$544.60
<b>TOTAL REFUSE CHARGES</b>			<b>\$544.60</b>

# EXAMPLE: SMALL BUSINESS

Before

After

↓ \$62.17  
or -16%

TOTAL AMOUNT DUE	\$398.77
BILL DATE	01/26/2023
DUE DATE	02/27/2023

TOTAL AMOUNT DUE	\$336.60
BILL DATE	01/26/2023
DUE DATE	02/27/2023

## WATER CHARGES

	Rate	Usage	Charges
Water Capacity Fee			\$18.08
Tier 1	\$5.08	11	\$55.88
Tier 2	\$5.91	4	\$23.64
Utility Users Tax			\$9.76
<b>TOTAL WATER CHARGES</b>			<b>\$107.36</b>

## WATER CHARGES

	Rate	Usage	Charges
Water Capacity Fee			\$18.08
Tier 1	\$5.08	11	\$55.88
Tier 2	\$5.91	4	\$23.64
Utility Users Tax			\$9.76
<b>TOTAL WATER CHARGES</b>			<b>\$107.36</b>

## SEWER CHARGES

Sewer Capacity Fee			\$48.60
Flow Charge	\$4.01x.93x15		\$55.94
Utility Users Tax			\$10.45
<b>TOTAL SEWER CHARGES</b>			<b>\$114.99</b>

## SEWER CHARGES

Sewer Capacity Fee			\$48.60
Flow Charge	\$4.01x.93x15		\$55.94
Utility Users Tax			\$10.45
<b>TOTAL SEWER CHARGES</b>			<b>\$114.99</b>

## RESOURCE RECOVERY & RECYCLING CHARGES

95G 1x/week	\$70.95	1.0	\$70.95
.75 Inch Water Meter	\$105.47	1.0	\$105.47
<b>TOTAL REFUSE CHARGES</b>			<b>\$176.42</b>

## RESOURCE RECOVERY & RECYCLING CHARGES

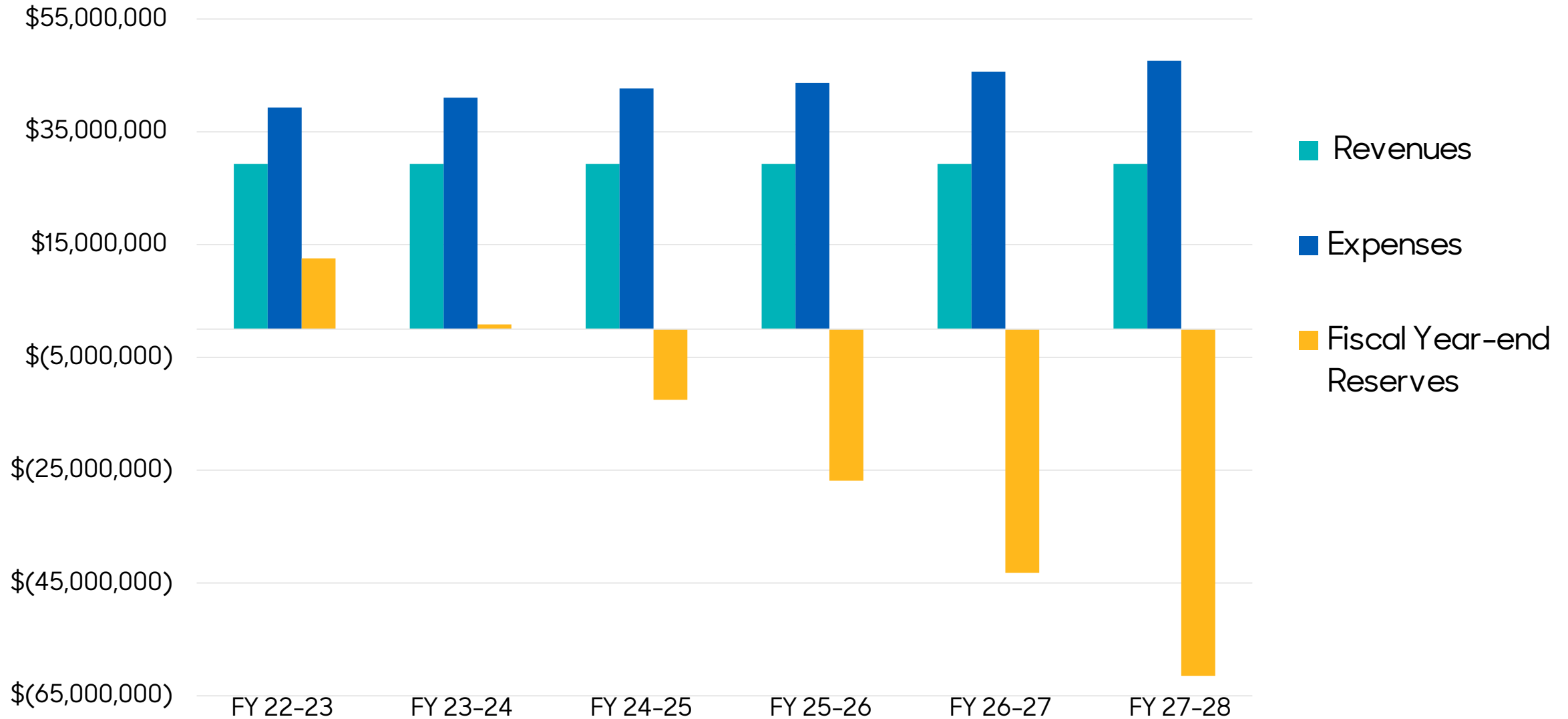
95G 1x/week	\$114.25	1.0	\$114.25
<del>.75 Inch Water Meter</del>	<del>\$105.47</del>	<del>1.0</del>	<del>\$105.47</del>
<b>TOTAL REFUSE CHARGES</b>			<b>\$114.25</b>



# NO INCREASE IS NOT AN OPTION

- Even with no new added services or staffing, a minimum 9% annual increase would still be required to stabilize RRR Fund and reverse financial structural deficit
- Staff does not recommend this:
  - Staffing shortages are unsustainable
  - Will lead to continued degradation of service and cleanliness

# RRR FUND WILL BE DEPLETED IN FY 2024-25 IF RATES ARE NOT INCREASED



# PROPOSED INCREASE AFTER THREE-YEAR FREEZE

Year	Single-Family Customers	Multi-Family Customers	Commercial Customers
2018-19	CPI-3.7%	CPI-3.7%	CPI-3.7%
2019-20	CPI-2.6%	CPI-2.6%	CPI-2.6%
2020-21 - COVID	0%	0%	0%
2021-22 - COVID	0%	0%	0%
2022-23 - COVID	0%	0%	0%
2023-24 - Use Reserve	11%	Restructure	Restructure
2024-25 - Use Reserve	11%	11%	11%
2025-26 - Use Reserve	11%	11%	11%
2026-27	11%	11%	11%
2027-28	11%	11%	11%

# ANNUAL INCREASE WITHOUT THREE-YEAR FREEZE

Year	Single-Family Customers	Multi-Family Customers	Commercial Customers
2018-19	CPI-3.7%	CPI-3.7%	CPI-3.7%
2019-20	CPI-2.6%	CPI-2.6%	CPI-2.6%
2020-21 - COVID	6.75%	6.75%	6.75%
2021-22 - COVID	6.75%	6.75%	6.75%
2022-23 - COVID	6.75%	6.75%	6.75%
2023-24	6.75%	6.75%	6.75%
2024-25	6.75%	6.75%	6.75%
2025-26	6.75%	6.75%	6.75%
2026-27	6.75%	6.75%	6.75%
2027-28	6.75%	6.75%	6.75%



# RATE OPTION SUMMARY

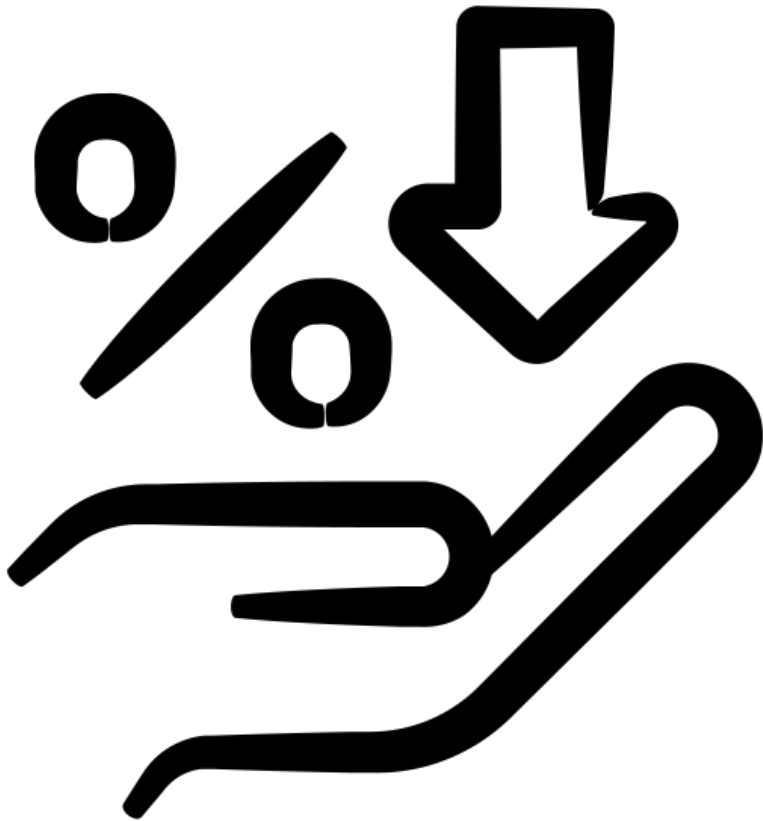
Option	Proposed Annual Rate Increase	Additional Staffing Level	Anticipated Outcome
<b>One – Enhanced Clean and Safe Services</b> <b>(RECOMMENDED)</b>	11%	15.12 FTE	Enhanced illegal dumping collection Proactive weekly alley cleanup Quarterly community cleanup program
Two – Right-Size Basic Services	10.2%	8.12 FTE	Right-size existing basic services NO enhanced illegal dumping collection NO quarterly community cleanup program
Alternative (NOT RECOMMENDED)	9%	0 FTE	Staffing shortages persist Missed or delayed collections continue City’s cleanliness degrades
Alternative (NOT RECOMMENDED)	0%	0 FTE	RRR Fund depletes all funds in FY 2024-25 Unable to continue providing services



# COMMUNITY BENEFITS

- Rate difference for Option One vs. Option Two is minimal (\$2 per month for many customers)
- Compare favorably with other cities
- Protect renters and rent-controlled buildings: Multi-family rates are still lower than other cities
- Protect businesses and economic recovery: Commercial rates are still among the lowest in LA County
- Better service, faster 311 response time, weekly alley cleanup, cleaner city, promotes volunteerism and sense of community

# WAYS TO KEEP RATES DOWN

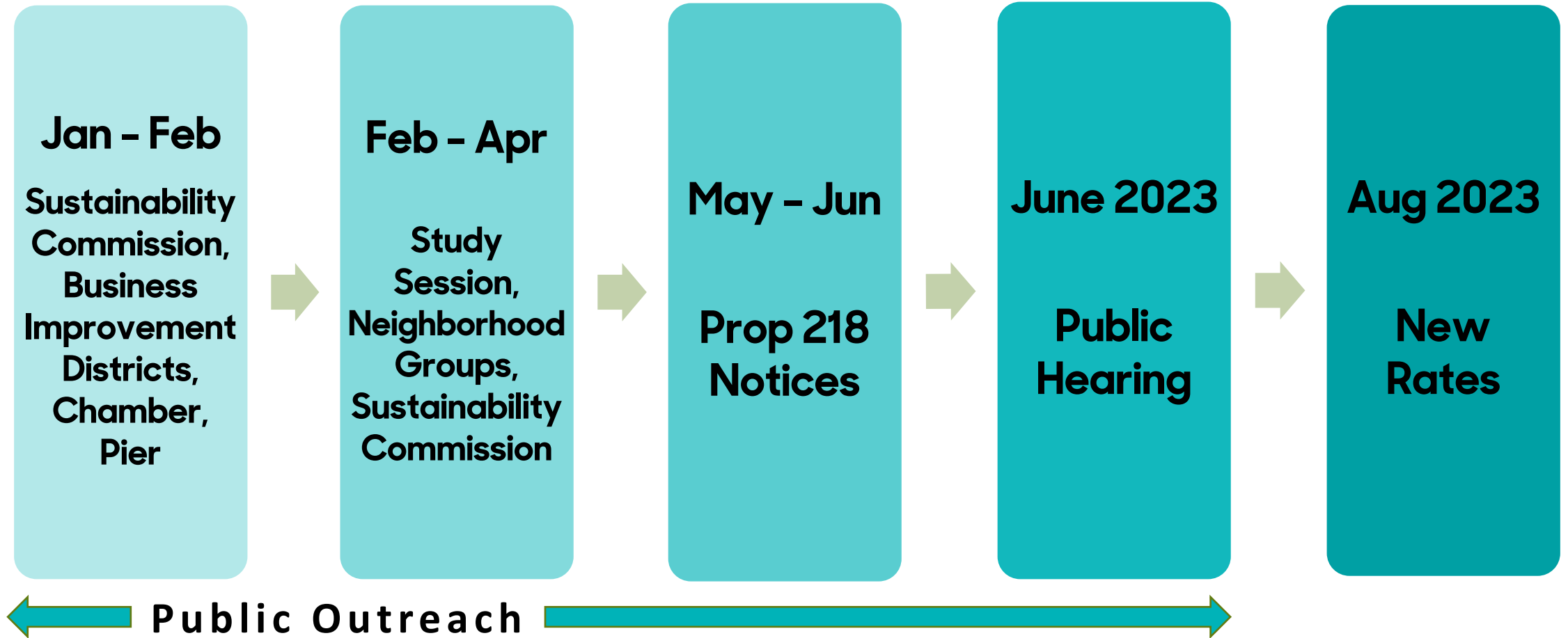


- Customer can choose to right-size service subscription level:  
[311@santamonica.gov](mailto:311@santamonica.gov)
- City can create a solid waste rate discount program

# RRR

## NEXT STEPS AND CONCLUSION

# ROBUST COMMUNITY OUTREACH





## IN SUMMARY

- After a three-year rate freeze, a solid waste rate increase is critical in 2023 to maintain a clean, safe, and sustainable Santa Monica
- Proposed rate increases still protect renters, rent-controlled building owners, and small businesses
- Santa Monica's rates still fare favorably compared with other LA County cities

**FOR MORE INFORMATION:**  
[santamonica.gov/solid-waste-rates](https://santamonica.gov/solid-waste-rates)

**QUESTIONS:**  
[swrates@santamonica.gov](mailto:swrates@santamonica.gov)





THANK YOU