

STEERING COMMITTEE

Agenda Report

File #: 2023-2743

Agenda Date: 1/25/2023

Agenda Item No: 7.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

DEFERRED PAYMENT AGREEMENT REQUEST FOR CHARGES AND FEES OWED BY NOR-CAL BEVERAGE CO., INC. INDUSTRIAL WASTEWATER DISCHARGE PERMITTEE

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the request for a deferred payment agreement for charges owed for user fees with Nor-Cal Beverage Co., Inc. in the amount of \$986,149.55.

BACKGROUND

Nor-Cal Beverage Co., Inc. (Nor-Cal Beverage) is the holder of an industrial wastewater discharge permit issued by the Orange County Sanitation District (OC San) that requires payment of user fees for the cost of conveying, treating, and disposing of wastewater discharged. Based on the terms of the permit, the permittee is required to pay estimated quarterly sewer service charges that are reconciled annually with actual discharge flows and strength. The permittee has a current balance of \$986,149.55 in total for the 2021-22 Annual Reconciliation Invoice.

Nor-Cal Beverage previously held two Industrial Wastewater Discharge Permits with OC-San. In fiscal year 2021-22, the discharge from both permits was combined into one permit causing the annual reconciliation to increase significantly. Nor-Cal Beverage was issued a deferred payment agreement last fiscal year which they paid in full with no delinquencies. All other invoices have been paid in full and on time, including the 2022-23 First Quarter Invoice.

RELEVANT STANDARDS

- Resolution No. OC SAN 21-05

PROBLEM

Nor-Cal Beverage currently owes \$986,149.55 for their 2021-22 Annual Reconciliation Invoice and has requested a deferred payment plan.

PROPOSED SOLUTION

Resolution No. OC SAN 21-05 allows for a deferred payment agreement to allow a permittee to pay the amounts owed while continuing to conduct their business with a valid industrial wastewater discharge permit.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

If no action is taken, Nor-Cal Beverage will begin accruing late penalties and finance charges, increasing the balance due on the account.

PRIOR COMMITTEE/BOARD ACTIONS

December 2021 - Approved the request for a deferred payment agreement for charges owed for user fees with Nor-Cal Beverage Co., Inc. in the amount of \$496,231.50.

ADDITIONAL INFORMATION

Per Resolution No. OCSD 21-05, the interest rate is calculated to be 9%.

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Deferred Payment Agreement - Nor-Cal Beverage Co., Inc.
- Appendix A