



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2024-3578

Agenda Date: 4/24/2024

Agenda Item No: 17.

FROM: Robert Thompson, General Manager
Originator: Wally Ritchie, Director of Finance

SUBJECT:

PROPOSED ORDINANCE NO. OC SAN-60A AMENDING ORDINANCE NO. OC SAN- 60 TO CORRECT ERRORS IN TABLE F AND TABLE G

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Motion to read Ordinance No. OC SAN-60A by title only and waive reading of said entire Ordinance;
- B. Introduce Ordinance No. OC SAN-60A entitled, "An Ordinance of the Board of Directors of the Orange County Sanitation District, Amending Ordinance No. OC SAN-60 to correct errors in Table F and Table G";
- C. Set May 22, 2024 as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-60A; and
- D. Direct the Clerk of the Board to publish summaries of the Ordinance as required by law.

BACKGROUND

In March 2023, the Orange County Sanitation District (OC San) adopted Ordinance No. OC SAN-60, a new five-year sewer fee rate schedule which provides for equitable and proportionate distribution for the cost of service of operating OC San’s wastewater system. In December 2022, HDR Engineering, Inc. issued its “Final Wastewater Rates, Fees, and Charges Study” (“HDR Report”). OC San’s Board of Directors received the HDR Report on December 15, 2022. The report includes charges for use for Class I and Class II Permittees, as well as Special Purpose Discharge Permittees. During staff preparation for future rate implementation, clerical errors were discovered in the report tables which reduced three charges. Tables F and G were included in the adopted Ordinance No. OC SAN-60 and require correction.

RELEVANT STANDARDS

- Stable rates, no large unforeseen rate increases

PROBLEM

OC San's Board of Directors approved a five-year rate schedule for Industrial Sewer Service Charges, Wastehauler Charges and Miscellaneous Fees which expires at the end of the current fiscal year. After the adoption of Ordinance No. OC SAN-60, clerical errors were found in Article II, Table F and Table G, related to charges for use for Permittees.

PROPOSED SOLUTION

Adopt Ordinance No. OC SAN-60A to amend and correct the errors in Ordinance No. OC SAN-60.

TIMING CONCERNS

The current Ordinance is in effect. The amendments are required for the corrected rates to take effect.

RAMIFICATIONS OF NOT TAKING ACTION

Revenues will be insufficient to support OC San's operating expenses and the Facilities Master Plan adopted in December 2017.

PRIOR COMMITTEE/BOARD ACTIONS

March 2023 - Adopted Ordinance No. OC SAN-60 entitled, "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Wastehaulers and Repealing Ordinance No. OCSD-51."

February 2023 - Introduced Ordinance No. OC SAN-60 entitled, "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Wastehaulers and Repealing Ordinance No. OCSD-51;" and Set March 22, 2023, as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-60.

December 2022 - Received and filed the Orange County Sanitation District's 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. These items have been budgeted.

ATTACHMENT

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

- Proposed Ordinance No. OC SAN-60A
- Ordinance No. OC SAN-60