



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2023-2990

Agenda Date: 6/14/2023

Agenda Item No: 9.

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

SUBJECT:

DISPOSITION OF UNCOLLECTIBLE DEBT - GOLDEN STATE PUMPING, LLC

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the discharge of uncollectible debt owed by Golden State Pumping, LLC in the amount of \$126,722.18.

BACKGROUND

In November 2020, Golden State Pumping, LLC ceased operations because of local municipal code violations. Orange County Sanitation District (OC San) negotiated a settlement of obligations for Golden State Pumping, LLC wastehauler charges in the amount of \$5,000. Golden State Pumping, LLC paid the \$5,000 settlement. The settlement agreement included the balance of the wastehauler charges and did not include the charges for the Class II Wastewater Discharge permit.

At the time of the business closure, the account balance for the Class I permit was \$38,188.23. The final reconciliation invoices were invoiced in May of 2021, bringing the total delinquent amount to \$126,722.18. The invoices processed after 12/1/2020 were for a Notice of Violation, the 2nd Quarter Estimated Usage for the period prior to the shutdown, and the final reconciliation for the closed account. The final invoices were delayed due to business closure and failure for the company to submit the close of business form. According to the original settlement, all the equipment was being sold and Golden State Pumping, LLC requested a settlement due to limited availability of funds while closing the business.

RELEVANT STANDARDS

- Sound engineering and accounting practices, complying with local, state and federal laws
- Protect OC San assets

PROBLEM

OC San has been unable to collect the delinquent funds.

PROPOSED SOLUTION

Forgive the uncollectible debt owed by Golden State Pumping, LLC.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

The debt will remain unsettled if action is not taken.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

N/A

CEQA

N/A

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:

- Discharge Status of Class I Permit Notification Dated 11-25-2020
- Order to Cease Discharge Notification Dated 12-1-2020
- Golden State Pumping Outstanding Invoices
- Settlement of Obligations by Golden State Pumping LLC Dated 1-11-2021