

BOARD OF DIRECTORS

Agenda Report

File #: 2021-1708

Agenda Date: 8/25/2021

Agenda Item No: 7.

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

SUBJECT:

COLLECTION OF SEWER SERVICE CHARGES VIA THE TAX ROLL

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Conduct a public hearing to receive input on a report filed with the Clerk of the Board entitled: "Sewer Service Charges for Collection on Tax Rolls for Fiscal Year 2021-22":
 - 1. Open the Public Hearing
 - 2. Receive staff report and recommendations
 - 3. Report of written communications by Clerk of the Board
 - 4. Public Comment
 - 5. Close Public Hearing
 - 6. Discussion by Board of Directors;
- B. Unless there is a majority protest, adopt the report, which has the assessor's parcel numbers and amount of charges for collection on the tax rolls;
- C. Adopt Resolution No. OC SAN 21-13 entitled "A Resolution of the Board of Directors of the Orange County Sanitation District adopting the Report proposing to collect Sewer Service Fees on the Tax Roll for Fiscal Year 2021/2022";
- D. Authorize execution of the "Certification of Assessment";
- E. Direct staff to file a certified copy of the adopted Resolution, Report, and the Certification of Assessment with the County Auditor-Controller; and
- F. Direct staff to coordinate collection of sanitary sewer service charges on the general Orange County tax rolls with the County Auditor-Controller, Assessor, and Tax Collector.

BACKGROUND

Sections 5473 and 5473.1 of the State Health and Safety Codes allow the Orange County Sanitation District (OC San) to collect the Sanitary Sewer Service Charges on the County's Property Tax Roll.

OC San has exercised this option in the past because it has proven to be a cost-effective method of collection. To collect the charges on the tax roll it is necessary annually to:

1. File a report with the Clerk of the Board identifying each parcel of real property receiving OC San's services and the amount of the charge; and
2. Provide notice and conduct a public hearing on the report.

RELEVANT STANDARDS

- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The California Health and Safety Code requires a public hearing on the annual report of charges and mechanism to collect sewer fees.

PROPOSED SOLUTION

Provide notice of and hold a public hearing on annual charges and adopt a Resolution directing the County Tax Collector-Treasurer to include local and regional sanitary sewer service charges on the tax roll.

TIMING CONCERNS

Special Assessments are due to the County Auditor-Controller in August to be included on the tax roll.

RAMIFICATIONS OF NOT TAKING ACTION

Approximately \$318 million of sanitary sewer service charges would not be collected on the County tax roll.

PRIOR COMMITTEE/BOARD ACTIONS

Similar hearings are conducted annually to enable OC San to collect local and regional sanitary sewer service charges via special assessments on the tax roll.

June 2020 - Board of Directors reduced the approved Single Family Residential (SFR) rates, Multi-Family Residential (MFR) rates, and Industrial Discharges Charge for Fiscal Year 2020-21.

March 2018 - Board of Directors approved the Multi-Year Regional Sewer Service Charge Schedule.

FINANCIAL CONSIDERATIONS

Collecting sanitary sewer service charges on the County tax roll is the most efficient and cost-effective way of collecting these charges from property owners.

ATTACHMENT

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

- Resolution No. OC SAN 21-13
- Proposition 218 Certification of Assessment
- “Sewer Service Charges for Collection on Tax Rolls for Fiscal Year 2021-22” *filed electronically in the Clerk of the Board’s office*