

The Rate Setting Process

Presented by:
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Administration Committee
February 11, 2026

OC SAN
ORANGE COUNTY SANITATION DISTRICT

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Proposition 218

- “Right to Vote on Taxes Act” (1996)
- Protects California property owners from unfair or excessive local government fees, assessments, and taxes.
- Rates must be proportional to the service provided and cannot exceed the cost of service.



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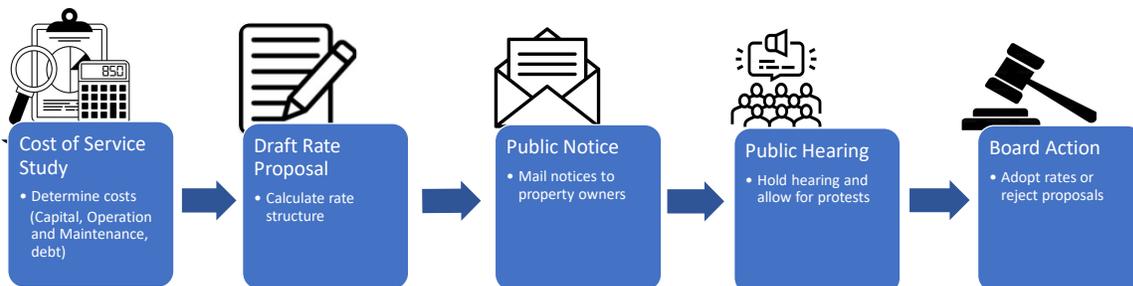
Legal Requirements Under Prop 218

- Cost-of-Service Basis
- Notice & Public Hearing
- Majority Protest
- Transparency

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Steps



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Cost of Service Study

-  Operations & Maintenance (O&M) Costs
-  Capital Improvement / Replacement Costs
-  Debt Service
-  Reserve Requirements
-  Proportionality to Water Usage or Wastewater Discharge Volume

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Public Transparency

- Publish Rate Study
- Mail Notices
- Public Outreach Before Hearings



OCSSAN
Orange County Sanitation Authority
Foothill Valley, CA 92741

NOTICE OF PUBLIC HEARING
Wednesday, March 22, 2023 • 8 p.m.
1884 Ellis Avenue, Foothill Valley, CA 92741

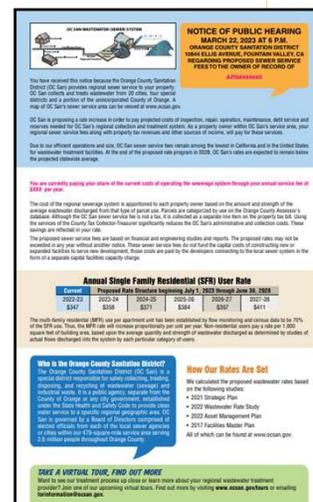
We protect public health and the environment by:

- Helping to ensure our beaches are safe.
- Supplying 100-million gallons per day of treated water for recycling.
- Recycling 800 tons per day of solids from wastewater and creating soil amendment and compost.
- Producing over 60 percent of electricity to power our treatment facilities.
- Maintaining over \$1 billion in infrastructure equipping quality of life, agriculture, and treatment systems — reducing the risk of future spills and beach closures.

All while being fiscally responsible and keeping your rates below the industry average.

QUESTIONS & ANSWERS

How do I attend the Public Hearing?
A public hearing will be held on Wednesday, March 22 at 8 p.m. in the OC San Board Room, 1884 Ellis Avenue, Foothill Valley, California. An agenda item will be added to the agenda for the hearing. The agenda for the hearing will be posted on the OCSSAN website at www.ocssan.gov and in the agenda for the hearing. The agenda for the hearing will be posted on the OCSSAN website at www.ocssan.gov and in the agenda for the hearing.



NOTICE OF PUBLIC HEARING
MARCH 22, 2023 AT 8 P.M.
ORANGE COUNTY SANITATION AUTHORITY
1884 ELLIS AVENUE, FOOTHILL VALLEY, CA
RECALCULATED WASTEWATER SERVICE FEES TO THE OWNER OF RECORD OF

Annual Single Family Residential (SFR) User Rate

Current	Proposed Rate Structure Beginning July 1, 2023 Through June 30, 2026				
2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
\$347	\$358	\$371	\$384	\$397	\$411

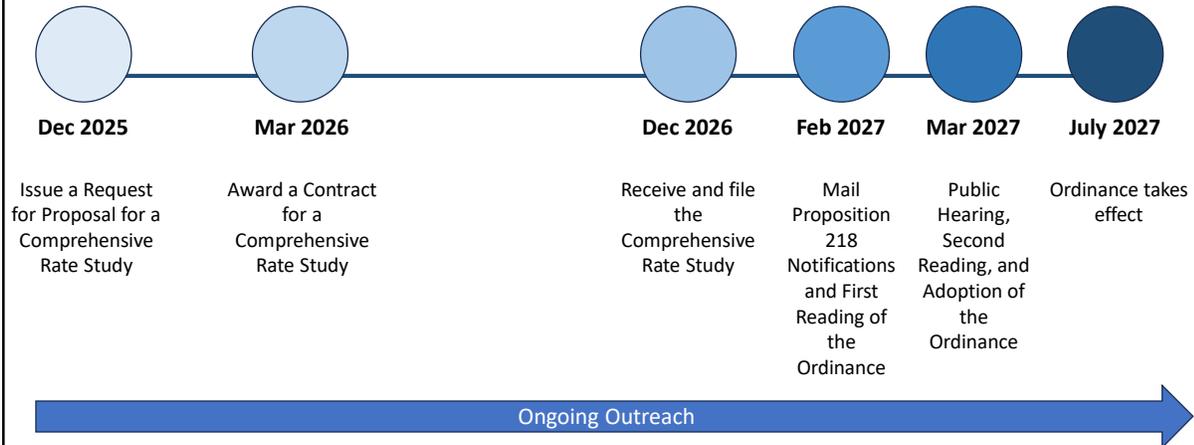
Who is the Orange County Sanitation District?
The Orange County Sanitation District (OC San) is a public agency responsible for providing wastewater treatment, collection, and recycling of wastewater. OC San is a public agency responsible for providing wastewater treatment, collection, and recycling of wastewater.

How Our Rates Are Set
We calculated the proposed wastewater rates based on the following studies:
 • 2021 Strategic Plan
 • 2022 Wastewater Rate Study
 • 2022 Asset Management Plan
 • 2017 Facilities Master Plan
 All of which can be found at www.ocssan.gov.

MAKE A VIRTUAL TOUR, FIND OUT MORE
Want to see our treatment process up close or learn more about your regional wastewater treatment plant? Our area of our upcoming virtual tour. Find out more by visiting www.ocssan.gov or emailing tour@ocssan.gov.

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Timeline



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Takeaways

- Prop 218 ensures fairness, transparency, and accountability in local utility rates.
- Cost-of-service studies are critical to legally defend rates.
- Public notice and hearing requirements are required by Prop 218.
- Proper documentation and communication reduce risk of legal challenges.

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Recommendation

Information item.

