



ADMINISTRATION COMMITTEE

Agenda Report

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File #: 2025-4457

Agenda Date: 9/10/2025

Agenda Item No: 9.

FROM: Rob Thompson, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

RELINQUISHMENT AND DISPOSITION PROCEDURES FOR VACATION AND SALE OF EXCESS EASEMENTS INTERESTS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Adopt Resolution No. OC SAN 25-XX titled, "A Resolution of the Board of Directors of Orange County Sanitation District Permitting the Establishment of Relinquishment and Disposition Procedures for Vacation and Sale of Excess Easement Interests."

BACKGROUND

Orange County Sanitation District (OC San) receives requests from private property owners and public entities to relinquish its rights to abandoned sewer line easements. Requests for relinquishment of excess land, in particular easement interests, are typically made by or on behalf of the underlying or adjoining fee interest real property owner.

RELEVANT STANDARDS

- Protect OC San assets
- Ensure the public's money is wisely spent

PROBLEM

The General Manager currently does not have the authority to enter into cost recovery reimbursement agreements within the limits of his established delegated authority. As a result, processing easement relinquishment requests from private owners or developers requires individual Board approval to recover the costs associated with the transaction. This creates uncertainty due to a lack of standardization in managing reimbursement agreements and cost recovery, potentially exposing the agency to risks related to unauthorized gifts of public funds.

In addition, the current process lacks transparency to the public whether there are costs associated with their request and subsequent recovery efforts.

PROPOSED SOLUTION

Authorize the General Manager to enter into agreements with property owners requesting relinquishment of OC San's excess easement interests for fair market value as determined under established policies and procedures, provided that the payment for said relinquished easement does not exceed One Hundred Fifty Thousand Dollars (\$150,000).

TIMING CONCERNS

Relinquishment requests can take six to nine months to complete the due diligence required before they are brought to the Board of Directors for approval. Adoption of the Resolution will streamline operations, reduce delays, and enhance the agency's responsiveness while maintaining necessary legal safeguards.

RAMIFICATIONS OF NOT TAKING ACTION

If no action is taken, processing relinquishment requests will be delayed because each individual request requires Board of Directors approval, leading to inefficiencies and frustration among private property owners and developers. This also increases the risk of non-compliance with laws governing the use of public funds, including potential unauthorized gifts of public funds. Furthermore, the lack of transparency regarding cost responsibilities may result in poor customer service and diminished public trust.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

This policy would enable more timely and efficient processing of relinquishment requests from private owners or developers. Staff worked with legal counsel to develop this approach. The General Manager would be authorized to enter into cost recovery agreements, subject to internal approval, ensuring compliance with applicable laws to prevent unauthorized gifts of public funds. This policy will also improve transparency and customer service by clarifying when costs are associated with relinquishment requests. All relinquishment requests will undergo a due diligence process to confirm the property is no longer of beneficial use to OC San.

CEQA

N/A

FINANCIAL CONSIDERATIONS

Cost recovery would be limited to direct fees and costs borne of relinquishment requests. There is no budgetary impact.

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 25-XX
- DRAFT Relinquishment Cost Recovery Policy
- DRAFT Reimbursement Agreement