



ADMINISTRATION COMMITTEE

Agenda Report

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File #: 2026-4875

Agenda Date: 5/13/2026

Agenda Item No: 10.

FROM: Robert Thompson, General Manager
Originator: Jennifer Cabral, Director of Communications

SUBJECT:

PROPOSED OUTREACH STRATEGY FOR ANTICIPATED RATE PLAN ADJUSTMENTS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the proposed Outreach Strategy for the anticipated rate plan adjustments.

BACKGROUND

The Orange County Sanitation District (OC San) is conducting a rate study to properly allocate the cost of service and to recommend rate adjustments to be implemented over the next five years. Upon completion of the study, OC San will initiate the Proposition 218 notification process, which requires notifying all affected property owners within our service area of any proposed rate adjustments.

Historically, OC San conducts this rate study and Proposition 218 notification process every five years. The last adjustment approved in the prior process is for Budget Year 2027/28, which begins July 1, 2027. However, based on recently updated agreements with the Irvine Ranch Water District (IRWD), regional sewer service billing for some property owners will transition from IRWD to OC San on July 1, 2026. To collect revenue from this new customer base, affected property owners must be properly notified of OC San's rate schedule, requiring the Proposition 218 process to be advanced by one year.

Staff intend to recommend that rates for FY 2027-28 will remain as approved in the current fee schedule. New rate adjustments will be proposed for the subsequent four years, consistent with the estimates in prior budget ten-year cash flow projections.

In preparation for anticipated rate adjustments, staff will present the proposed outreach strategy to inform and engage stakeholders throughout the Proposition 218 notification process.

RELEVANT STANDARDS

- Build brand, trust, and support with policy makers and community leaders
- Make it easy for people to understand OC San's roles and value to the community

- Ensure the public’s money is wisely spent

PROBLEM

OC San does not have direct contact with our rate payers. Unlike other utilities, OC San bills for services annually by partnering with the County of Orange to include the regional sewer fee on the Secured Property Tax Bill. Contact with our ratepayers is through efforts such as; the tour program, community outreach events, OC San’s Community Newsletter, Wastewater 101 Citizens’ Academy, construction outreach, social media, and our speakers’ bureau.

PROPOSED SOLUTION

Implement a proactive outreach strategy to inform and engage stakeholders prior to formal notification.

Comply with Proposition 218 legal requirements and create a direct mailer for distribution to each parcel owner in the service area once the rate study is adopted by the Board. This builds on existing outreach efforts and expands engagement with key stakeholders and community leaders. Elements of OC San’s outreach efforts include presentations/briefings to elected officials and stakeholder groups, community outreach events, social media and newsletter communications, member agency toolkits, implementation of an administrative remedy to address legal objections early in the process, and paid advertising, as appropriate.

TIMING CONCERNS

Schedule	Key Activities
Starting in May 2026 and continuing through Winter 2027	Stakeholder briefings, community foundation building, and pre-notice outreach
November 2026	Receive and File the Comprehensive Rate Study & Approval of the Proposed Rate Schedule and mailing of notice
January 2027	Prop. 218 Mailing
February 2027	First reading of the ordinance
March 2027	Public hearing, second reading, and adoption of the ordinance
July 2027	Ordinance takes effect

RAMIFICATIONS OF NOT TAKING ACTION

OC San will continue to conduct its standard outreach and meet all legal requirements under Proposition 218. However, budget constraints across the service area and limited outreach to these areas may limit public understanding and acceptance of the proposed rate schedule.

ADDITIONAL INFORMATION

This effort aligns with OC San’s ongoing initiatives to enhance operational efficiency, strengthen community engagement, and support long-term financial sustainability.

PRIOR COMMITTEE/BOARD ACTIONS

March 2023 - Conducted a Public hearing under Proposition 218 for Proposed Multi-Year Regional Sewer Service Charges and under Health and Safety Code Section 5473.1 for collection of charges on the tax roll; directed the Clerk of the Board to tabulate the results of the protest received and report the number of protests to the Board of Directors; motioned to read Ordinance No. OC SAN-58 by title only and waive second reading of said entire ordinance; adopted Ordinance No. OC SAN-58, entitled "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Regional Sewer Service Charges and Repealing Ordinance No. OCSD-49"; and adopted Resolution No. OC SAN 23-10, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Directing the County Tax Collector-Treasurer to Include Regional Sanitary Sewer Service Charges on the Tax Roll for Fiscal Years 2023-2024 Through 2027-2028."

The previous Proposition 218 rate increase took effect July 1, 2023.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been included in the Proposed FY 2026-2027 and FY 2027-28 Budget.

ATTACHMENT

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

- Presentation