



ADMINISTRATION COMMITTEE

Agenda Report

Administration Building
10844 Ellis Avenue
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File #: 2024-3547

Agenda Date: 4/10/2024

Agenda Item No: 5.

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

SUBJECT:

PROPOSED ORDINANCE NO. OC SAN-59A AMENDING ORDINANCE NO. OC SAN- 59 TO CORRECT AN ERROR IN THE TABLE OF SECTION 2.10(B)

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-59A by title only and waive reading of said entire Ordinance;
- B. Introduce Ordinance No. OC SAN-59A entitled, "An Ordinance of the Board of Directors of the Orange County Sanitation District, Amending Ordinance No. OC SAN-59 to correct an error in the table of Section 2.10(B)";
- C. Set May 22, 2024 as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-59A; and
- D. Direct the Clerk of the Board to publish summaries of the Ordinance as required by law.

BACKGROUND

In March 2023, the Orange County Sanitation District (OC San) adopted Ordinance No. OC SAN-59. The Capital Facilities Capacity Charge is a one-time, non-discriminatory charge imposed at the time a building or structure is newly connected to OC San's system, or an existing structure is expanded or increased. This charge is to pay a portion of the capacity costs and for access to capacity in the system. During staff preparation for future rate implementation, clerical errors were discovered in the report table which reduced some charges. This table was included in the adopted Ordinance No. OC SAN-59 and requires correction.

RELEVANT STANDARDS

- Stable rates, no large unforeseen rate increases

PROBLEM

OC San's Board of Directors approved a five-year rate schedule for Capital Facilities Capacity Charges ("Capacity Charges") to fund new capital projects or improve existing capital projects. After the adoption of Ordinance No. OC SAN-59, minor errors were found in the table of Section 2.10(B), related to supplemental Capacity Charges.

PROPOSED SOLUTION

Adopt Ordinance No. OC SAN-59A to amend and correct the errors in Ordinance No. OC SAN-59.

TIMING CONCERNS

The current Ordinance is in effect. The amendments are required for the corrected rates to take effect.

RAMIFICATIONS OF NOT TAKING ACTION

Revenues will be insufficient to support the Facilities Master Plan adopted in December 2017.

PRIOR COMMITTEE/BOARD ACTIONS

March 2023 - Adopted Ordinance No. OC SAN-59, entitled: "An Ordinance of the Board of Directors of the Orange County Sanitation District Adopting Capital Facilities Capacity Charges, and Repealing Ordinance No. OC SAN-57".

February 2023 - Introduced Ordinance No. OC SAN-59 entitled, "An Ordinance of the Board of Directors of the Orange County Sanitation District Adopting Capital Facilities Capacity Charges, and Repealing Ordinance No. OC SAN-57"; and set March 22, 2023, as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-59.

December 2022 - Received and filed the Orange County Sanitation District's 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

ATTACHMENT

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

- Proposed Ordinance No. OC SAN-59A
- Ordinance No. OC SAN-59