

## Agenda Report

---

**File #:** 2019-486, **Version:** 1

---

**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 2019-20"
  - 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. OCSD 19-11 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 2019/2012";
- 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 (Sanitation District) to collect the Sanitary Sewer Service Charges on the County's Property Tax Roll. The Sanitation District 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 the Sanitation District'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
- Cost-effective and most efficient method to collect sewer service fees

## **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 \$311 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 the Sanitation District to collect local and regional sanitary sewer service charges via special assessments on the tax roll.

## **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) are included in hard copy and may also be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Resolution No. OCSD 19-11
- Prop 218 Certification of Assessment

- “Sewer Service Charges for Collection on Tax Rolls for Fiscal Year 2019-20” *filed electronically in the Clerk of the Board’s office*