





Costa Mesa Sanitary District

...an Independent Special District

Memorandum

To: Board of Directors

Via: Scott Carroll, General Manager 

From: Alan Burns, District Counsel 

Date: May 26, 2016

Subject: **Consideration of Solid Waste Annual Charges and The Wastewater Annual Charges for FY 2016-17 to be Collected with the General Taxes**

Summary

The District adopted the procedures authorized by Health and Safety Code Section 5470 that allows solid waste and wastewater charges to be collected on the assessment roll. To do so we must adopt a report assessing the charges against the parcels every year. The proposed resolutions make those assessments.

Staff Recommendation

That the Board of Directors:

1. Adopt Resolution No. 2016-885 confirming the solid waste annual charges for FY 2016-17 to be collected with the general taxes and direct the District Clerk to file with the County Auditor; and
2. Adopt Resolution No. 2016-886 confirming the wastewater annual charges for FY 2016-17 to be collected with the general taxes and direct the District Clerk to file with the County Auditor.

Analysis

The District has adopted the procedures provided in Health and Safety Code Section 5470 to allow our solid waste and wastewater collection charges to be collected with other taxes on the County assessment roll. To be able to do so, the District went through a mailed notice proceeding and the process was implemented in the early 1990s. Since that implementation, Proposition 218 was passed (Article XIID of the California Constitution) which required that fees must be justified as proportional and in other ways proper whenever a new fee or increase is needed. That proceeding also requires mailed notice



Protecting our community's health and the environment by providing solid waste and sewer collection services.

www.cmsdca.gov

and a protest hearing. This year no fees are being increased for solid waste, but fees for wastewater collection will increase by 2% for all classes. The fee increase is part of a five year Sewer Rate Plan that was approved by the Board of Directors on June 27, 2013. Prior to approving the Sewer Rate Plan, the District followed Proposition 218 procedures so said procedures are not required this year.

However, we are still required to annually assess both the solid waste and wastewater charges by parcel for the Assessor. The procedure to assess parcels must be adopted after a noticed public hearing, in which notice is published two weeks before in an appropriate newspaper. The District will provide the County with an electronic version of a report which contains a description of each property receiving services and the charges. The real property may be described by reference to the assessor's parcel map description.

The hearing should be held to consider objections or protests to the assessments. Upon conclusion of the hearing, the Board may adopt the resolution approving the assessments to be filed with the Auditor. The Finance Manager must then file the assessments with the Auditor before August 10. She must confirm that the charges were adopted by the Board. The Auditor must then enter the charges against the parcels on the assessment roll. The charges are then collected by the Assessor and if the charges are not paid, there are procedures for liens, penalties and collections.

Strategic Plan Element & Goal

This item complies with the objective and strategy of Strategic Element 7.0., Finances, which states:

“Objective: To ensure the short and long-term fiscal health of the District.”

“Strategy: The District will forecast and plan revenue and expenditures and maintain appropriate reserves and investments to provide financial resources to fund current and planned operations and projects.”

Legal Review

District Counsel prepared this staff report and resolutions that are attached hereto.

Environmental Review

Subject activity is exempt from the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et. seq.). Section 15300.4 of CEQA allows an agency while establishing its own procedures “to list those specific activities which fall within each of the exempt classes”, and the District has adopted “CEQA Guidelines and Implementing Procedures” that state on page 6 ““Projects” does not include C. Continuing administrative or maintenance activities.”

Financial Review

The adopted Solid Waste rate for the fiscal year 2016-17 is the same as the prior fiscal year. Therefore, the annual charge of \$216 will generate an estimated \$4,725,000 as reflected in the adopted budget.

Solid Waste Collection Rates for FY 2016-17

<u>Customer Class</u>	<u>Per Month</u>	<u>Per Year</u>
Single Family	\$18.00	\$216.00

The adopted Wastewater rate increased by 2.00% over the prior fiscal year in accordance with the District's Five Year Sewer Rate Plan study completed in December 2012. The annual charges are estimated to \$5,500,000 as shown in the adopted budget.

Wastewater Collection Rates for FY 2016-17

<u>Customer Class</u>	<u>Existing</u>	<u>New</u>
<u>Residential (Per Dwelling Unit)</u>		
Single Family Residential	\$88.79	\$90.57
Multi-Family Residential	\$52.11	\$53.15
<u>Non-Residential (Per 1,000 sq. ft.)</u>		
Commercial – Ave Strength	\$39.49	\$40.28
Commercial – High Strength	\$43.07	\$43.93
Industrial	\$101.38	\$103.41

Public Notice Process

Since the five year Wastewater Rate Plan was adopted on June 27, 2013 and rates are not being increased for solid waste, this matter does not require mailed protest hearing statements but is properly noticed with two weeks newspaper notice in accordance with Government Code Section 6066. Copies of this report are on file and will be included with the entire agenda packet for the May 26, 2016 Board of Directors regular meeting at District Headquarters and on the District's website www.cmsdca.gov

Alternative Actions

1. Refer the matter back to staff.

Attachments: A: Resolution No. 2016-885
B: Resolution No. 2016-886

Reviewed by:

Board of Directors

May 26, 2016

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A handwritten signature in blue ink, appearing to read "Wendy G. Davis".

Wendy Davis

Finance Manager

RESOLUTION NO. 2016-885

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COSTA MESA
SANITARY DISTRICT IMPOSING CHARGES ON THE ASSESSMENT ROLL
FOR SOLID WASTE COLLECTION**

THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

WHEREAS, the Board of Directors has adopted the procedures authorized by California Health and Safety Code Section 5470 et seq. for the collection of rates and charges for solid waste collection on the assessment roll; and

WHEREAS, the Board of Directors has further complied with California Constitution, Article XIID (Proposition 218) in establishing those fees, including a 45 day postcard notice each time those fees are increased; and

WHEREAS, the Board of Directors does hereby desire to conduct its annual assessment of the properties within the District by adopting those charges in compliance with Health and Safety Code 5473; and

WHEREAS, the Board of Directors has conducted a public hearing after providing notice in accordance with Health and Safety Code 5473.1;

NOW THEREFORE, THE BOARD DOES HEREBY:

1. Adopt the charges for each parcel which constitutes the report assessing those properties on the assessment roll in accordance with Health and Safety Code Section 5473 which shall be filed with the District Clerk which describes every parcel receiving service and the amount of the charge for each year.
2. Direct the District Clerk to file with the Auditor a copy of the report prepared pursuant to Health and Safety Code Section 5473 with a statement endorsed on the report over her signature that the charges constituting the report has been finally adopted by the Board of Directors and the Auditor shall enter the amounts of the charges against the parcels on the current assessment roll.

PASSED and **ADOPTED** on this __ day of _____ 2016.

Secretary, Costa Mesa Sanitary District
Board of Directors

President, Costa Mesa Sanitary District
Board of Directors

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF COSTA MESA)

I, Noelani Middenway, Clerk of the Costa Mesa Sanitary District, hereby certify that the above and foregoing Resolution No. 2016-885, was duly and regularly passed and adopted by said Board of Directors at a regular meeting thereof held on the _____ day of _____ 2016 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Costa Mesa Sanitary District, this ____ day of _____ 2016.

Clerk of the Costa Mesa Sanitary District

RESOLUTION NO. 2016-XXX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COSTA MESA
SANITARY DISTRICT IMPOSING CHARGES ON THE ASSESSMENT ROLL
FOR WASTEWATER COLLECTION**

THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

WHEREAS, the Board of Directors has adopted the procedures authorized by California Health and Safety Code Section 5470 et seq. for the collection of rates and charges for wastewater collection on the assessment roll; and

WHEREAS, the Board of Directors has further complied with California Constitution, Article XIID (Proposition 218) in establishing those fees, including a 45 day postcard notice each time those fees are increased; and

WHEREAS, the Board of Directors does hereby desire to conduct its annual assessment of the properties within the District by adopting those charges in compliance with Health and Safety Code 5473; and

WHEREAS, the Board of Directors has conducted a public hearing after providing notice in accordance with Health and Safety Code 5473.1;

NOW THEREFORE, THE BOARD DOES HEREBY:

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PASSED and **ADOPTED** on this __ day of _____ 2016.

Secretary, Costa Mesa Sanitary District
Board of Directors

President, Costa Mesa Sanitary District
Board of Directors

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF COSTA MESA)

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AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Costa Mesa Sanitary District, this ____ day of _____ 2016.

Clerk of the Costa Mesa Sanitary District