

**GARDEN GROVE SANITARY DISTRICT**

**INTER-DEPARTMENT MEMORANDUM**

To:	Matthew J. Fertal	From:	Kingsley Okereke
Dept.:	General Manager	Dept.:	Finance
Subject:	PUBLIC HEARING ON A REPORT DETAILING FEES TO BE COLLECTED ON THE TAX ROLL FOR SEWER SERVICES OUTSIDE THE CITY LIMITS; AND ADOPTION OF A RESOLUTION AUTHORIZING THE COLLECTION ON THE TAX ROLL OF SEWER SERVICE PROVIDED BY THE GARDEN GROVE SANITARY DISTRICT OUTSIDE THE CITY LIMITS (PUBLIC HEARING)		

OBJECTIVE

To have the Garden Grove Sanitary District Board of Directors (1) conduct a Public Hearing on the report identifying fees to be collected on the tax roll for sewer services provided by the Garden Grove Sanitary District for properties located outside the City limits that do not receive City water services; 2) adopt the attached Resolution approving the report detailing the sewer service fees to be collected on the tax roll from these properties located outside the city that do not receive City water services; and 3) direct staff to file the necessary documentation with the County for collection of the fees on the tax roll. This action requires four (4) affirmative votes in order to proceed with placing liens on the properties listed in the report.

BACKGROUND

In accordance with Health and Safety Code section 6520.5, on September 13, 2005, and February 14, 2012, the Board of Directors adopted Ordinance No. 7 and Ordinance No. 10, respectively that established sewer user fees pursuant to a fee structure based on classification and individual customer water usage. The fee structure was designed to be fair for all residents and businesses. The sewer user fees as established are calculated to provide funds required by the District to fund needed capital improvements, provide requisite debt service payments, properly maintain and operate the District's sewer system, and to comply with State and Federal Waste Discharge Requirements. The Board approved rates for residential and non-residential were applied to the sewer assessment to be filed with the County. As most of the Garden Grove Sanitary District receives water services from the City of Garden Grove, the adopted sewer rate is charged on the property owner's water bill. In the areas of the District that do not receive a water bill from the City of Garden Grove, it was necessary to implement the rate by charging it on the property owner's property tax statement.

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DISCUSSION

In order to place sewer charges on the tax roll, the Board must hold a Public Hearing on whether to approve the report detailing charges proposed to be collected on the tax roll for sewer services in the areas of the District that extend beyond the Garden Grove city limits, and do not receive water services from the City of Garden Grove. The report is on file and available for review in the office of the City Clerk, and will be available at the June 24, 2014, City Council meeting. The rates reflected on the report were adopted on February 14, 2012, with the requisite inflationary adjustments per Ordinance No. 10. The attached Resolution would approve the annual report detailing service charges for each parcel in the service area noted herein and direct that the sewer services charges be collected on the tax roll.

In order for charges to be collected on the tax roll, the Board is required to hold a Public Hearing on whether to approve the report detailing charges proposed to be collected on the tax roll.

FISCAL IMPACT

This action will provide for the collection of sewer service fees from properties located outside the city for which the Garden Grove Sanitary District provides sewer services.

RECOMMENDATION

It is recommended that the Garden Grove Sanitary District Board:

- Conduct the Public Hearing on the report detailing fees to be collected on the tax roll for sewer services outside the city limits;
- Adopt the attached Resolution approving the report and authorizing the collection of sewer service fees for property served by the Garden Grove Sanitary District and located outside the City limits (by four (4) affirmative votes ); and
- Direct staff to file the necessary documentation with the County for the collection of the fees on the property tax bills.

  
KINGSLEY OKEREKE  
Finance Director

  
By: Monica Neely  
Revenue Manager

  
By: Jeff Kuramoto  
Utilities Revenue Supervisor

**Recommended for Approval**

Attachment: Resolution

  
Matthew Fertal  
General Manager

GARDEN GROVE SANITARY DISTRICT

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GARDEN GROVE SANITARY DISTRICT AUTHORIZING CHARGES FOR SEWER SERVICES IN THE AREAS OF THE DISTRICT THAT EXTEND BEYOND THE GARDEN GROVE CITY LIMITS AND DO NOT RECEIVE WATER SERVICES FROM THE CITY OF GARDEN GROVE TO BE COLLECTED ON THE TAX ROLL

WHEREAS, the Garden Grove Sanitary District is a subsidiary district of the City of Garden Grove, organized under the Sanitary District Act of 1923;

WHEREAS, in accordance with Ordinance No. 7, adopted September 13, 2005, and Ordinance No. 10, adopted on February 14, 2012, the Garden Grove Sanitary District imposes and collects fees and charges for sewer services it provides within its jurisdictional boundaries, which extend to areas outside the corporate boundaries of the city of Garden Grove;

WHEREAS, pursuant to California Health and Safety Code Section 5471, such sewer user fees and charges applicable to parcels that also receive water service from the City of Garden Grove are collected with the charges of the City of Garden Grove's water utility;

WHEREAS, pursuant to Ordinance No. 7 and Ordinance No. 10, the Garden Grove Sanitary District Board of Directors may elect, in its discretion, to have the sewer user fees for those areas outside of the corporate boundaries collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from the general taxes of the District;

WHEREAS, on July 22, 1999, the Board of Directors of the Garden Grove Sanitary District adopted Resolution No. 3631 ordering the charges for sewer collection services in the areas of the District that extend beyond the Garden Grove city limits and do not receive water services from the City of Garden Grove to be collected on the tax roll;

WHEREAS, the Board of Directors of the Garden Grove Sanitary District wishes to have charges for sewer services in the areas of the District that extend beyond the Garden Grove city limits and do not receive water services from the City of Garden Grove collected on the tax roll;

WHEREAS, the Board of Directors of the Garden Grove Sanitary District has considered the report containing a description of each parcel of real property receiving sewer services from the District that is located in an area outside the corporate boundaries of the city of Garden Grove and not receiving water service from the City of Garden Grove, and the amount of the charge for each parcel for the year, presented at its meeting of June 24, 2014;

WHEREAS, at the Regular Meeting of the Garden Grove Sanitary District on June 24, 2014, held in the Community Meeting Center at 11300 Stanford Avenue, Garden Grove, California, at 6:30 p.m., the Board of Directors held a duly noticed Public Hearing, at which all oral and written comments, objections, and protests to the report were heard;

WHEREAS, the Secretary has caused notice of the report and Public Hearing to be published in a newspaper of general circulation on June 4, 2014, and June 11, 2014, within the District pursuant to Section 6066 of the Government Code; and

WHEREAS, the Board of Directors has heard and considered all protests, both written and oral, and hereby determines that protest has not been made by the owners of a majority of separate parcels of property described in the report.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Garden Grove Sanitary District, pursuant to the provisions of the Health and Safety Code 5473, approves the report detailing the charges proposed to be collected on the tax roll for sewer services in the areas of the District that extend beyond the Garden Grove city limits and do not receive water services from the City of Garden Grove, and hereby orders these sewer services charges be collected on the tax roll in the same manner, by the same person, and at the same time as, together with and not separately from, the general taxes of the District. The General Manager of the District, or his designee, shall file all necessary documentation with the County of Orange for the collection of the charges on the property tax roll.

BE IT FURTHER RESOLVED, that the General Manager of the District, or his designee, is directed to cause a written report to be prepared annually containing a description of each parcel of real property receiving sewer services in the areas of the District that extend beyond the Garden Grove city limits and do not receive water services from the City of Garden Grove, and the amount of the charge for each parcel for that year in conformance with the then valid rate ordinance and that this report be filed by the Secretary with the County Auditor prior to August 10 of each year for the purpose of adding the fees to the tax roll.