



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: July 13, 2021

SUBJECT: Resolution Confirming the Report with the Final Determination of Sewer Service Charges for Fiscal Year 2022 to be Collected on the County Property Tax Roll and Directing the City Clerk to Forward a Certified Copy of the Resolution and the Report to the Office of the San Diego County Auditor

ISSUING DEPT: Public Works

SUMMARY:

Issues:

Should the City Council adopt the attached resolution approving the sewer charge amount for each parcel as described in the Fiscal Year (FY) 2022 sewer charge report and authorize the City Clerk to submit the sewer charge for each parcel to the County Auditor for collection on the FY 2022 property tax bills?

Recommendation:

The City Council adopt the attached resolution approving the sewer charge amount for each parcel as described in the FY 2022 sewer charge report and authorize the City Clerk to submit the sewer charge for each parcel to the County Auditor for collection on the FY 2022 property tax bills.

Fiscal Impact:

Through an agreement with the County, the City pays a fee of \$0.10 per parcel for collection of sewer service charges on the tax bill. Sewer charges will be levied on 13,130 parcels in FY 2022, at a total estimated cost of \$1,313.00. This amount is deducted by the County from the City's apportionment of property tax payments.

The City will collect approximately \$11,425,980 in sewer revenue from property tax payments in FY 2022. This revenue is received from the County in monthly apportionments with a majority of the revenue collected in January and May after property tax bills are due. Sewer service revenue is deposited into the Wastewater Fund and is used to fund the City's sewer program, including

operation and maintenance, sewer treatment and conveyance, infrastructure improvements, and debt service.

City's Strategic Goals:

- Continue to improve high quality municipal services

BACKGROUND:

On June 26, 2012, the City Council adopted Ordinance No. 2012-2823 authorizing the collection of La Mesa sewer service charges on the County property tax roll as a fixed charge special assessment.

The City has an agreement with the County of San Diego for the collection of taxes and special assessments. As part of the agreement, the County collects the fixed charge special assessments levied by the City at the same time and in the same manner as County property taxes are collected. A special assessment is defined as a levy placed upon real property (land or land and improvements) for the purpose of paying for a special service, the amount of which is based on the benefit received from the service provided.

Sewer service charges are collected from all users of the City's sanitary sewer system pursuant to La Mesa Municipal Code Section 17.12 and the laws of the State of California. The City levies the sewer service fee under the authority of California Health and Safety Code Section 5471. Sewer charges are subject to the limitations prescribed in Article XIID (Proposition 218) of the California Constitution. After careful evaluation by City staff, it was determined that a sufficient Wastewater Fund reserve that meets the City's minimum exists; no increase was requested for FY 2022. Therefore, the sewer rates charged for FY 2022 will remain the same as FY 2021. Staff will evaluate the Wastewater Fund later this year to determine if a change in the sewer rates is needed for future years.

DISCUSSION:

As part of the annual sewer billing process, the City mails a courtesy notification letter to 13,130 parcels, with the estimated sewer charge amount to be collected on the FY 2022 property tax bill, to the record owner of each parcel connected to the City's sanitary sewer system. The purpose of the letter is to provide property-specific information to assist property owners with planning and budgeting for property tax payments, rental properties and impound accounts. The City mails the courtesy billing letters so that property owners have the opportunity to request a sewer billing adjustment, if qualified, before the charges are placed on the property tax bill. Municipal Code Section 17.12.040 authorizes the City Manager to establish policies and grant exceptions from the established sewer service charges in certain situations. The City's sewer charge adjustment policy and the adjustment request form are available on the City's website.

Adjustment requests may be submitted at any time throughout the year, however, the County charges a \$15 per parcel correction fee for processing billing changes after the August 10th submittal deadline.

This year the City is offering residents an option to opt out of the annual courtesy sewer billing charges notification. This request is being offered to align with the goals of the Climate Action Plan, adopted by the City Council in March 2018. Residents will still be able to obtain their water usage information online from the City's website. A resident who opts out of the annual notification will continue to receive public hearing notices for sewer fees, pursuant to Article XIID (Proposition 218) of the California Constitution.

Property owners also have the opportunity to review their annual sewer charges online on the City's website at www.cityofflamesa.com/sewer. The winter water usage and billing calculations are available online going back to 2012 so that property owners can track changes in their winter water average and the bill amount from year to year.

In order to collect the sewer charges on the property tax roll, Health and Safety Code Section 5473 requires that a written report containing a description of each parcel receiving sewer service and the amount of the charge for each parcel, be prepared each year and filed with the City Clerk. Sewer charges must be computed in conformity with the adopted schedule of sewer service fees. The FY 2022 sewer charge report, with the amount to be levied against each parcel, was filed with the City Clerk on July 1, 2021.


The City Council is required to hold a public hearing prior to making a final determination of the amount of the sewer service charge to be levied against each parcel for the fiscal year. Pursuant to Section 5473.1, a notice of filing of the FY 2022 sewer charge report and the time and place of the public hearing was published two times in the East County Californian on July 1, 2021, and July 8, 2021.

On or before August 10 of each year, the City must certify and deliver the adopted resolution and a copy of the approved report with the levy amounts for each parcel, to the County Auditor to be added to the assessment roll for collection on the property tax bill. Following the public hearing, staff will prepare the final parcel report, along with any changes requested by residents and approved by City staff, for submittal to the County. Parcels that cannot be placed on the tax roll, such as government agencies or home owner associations are billed separately by the City.

CONCLUSION:

Staff recommends that the City Council adopt the resolution approving the sewer charge amount for each parcel as described in the FY 2022 sewer charge report and authorize the City Clerk to submit the sewer charge for each parcel to the County Auditor for collection on the FY 2022 property tax roll.

Reviewed by:



Greg Humora
City Manager

Respectfully submitted by:



Leon Firsh
Director of Public Works/City Engineer



Tim Kawasaki
Senior Management Analyst

Attachment: A. Resolution

RESOLUTION NO. 2021-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MESA CONFIRMING THE REPORT WITH THE FINAL DETERMINATION OF SEWER SERVICE CHARGES FOR FISCAL YEAR 2022 TO BE COLLECTED ON THE COUNTY PROPERTY TAX ROLL AND DIRECTING THE CITY CLERK TO FORWARD A CERTIFIED COPY OF THIS RESOLUTION, TOGETHER WITH A COPY OF THE REPORT TO THE OFFICE OF THE SAN DIEGO COUNTY AUDITOR

WHEREAS, pursuant to the La Mesa Municipal Code and the laws of the State of California, sewer service charges shall be paid by all persons using the sanitary sewer system of the city of La Mesa;

WHEREAS, pursuant to Health and Safety Code Section 5473, the City Council adopted Ordinance No. 2012-2823 electing to have sewer service charges collected on the property tax roll in the same manner, by the same persons, and at the same times as, together with and not separately from, its general taxes and has caused to be prepared and filed with the City Clerk, a sewer service charge report containing the description of each parcel of property receiving services and the amount of the charges for each parcel for Fiscal Year (FY) 2022;

WHEREAS, a courtesy notice was mailed to the owner of each parcel receiving sewer service from the City of La Mesa with the estimated sewer charge amount to be placed on the property tax roll for FY 2022 for the respective property;

WHEREAS, the notice included the option to opt out of the annual notice to align with the goals of the Climate Action Plan, adopted by the City Council in March 2018;

WHEREAS, on July 1, 2021, the FY 2022 sewer charge report, with the amount to be levied against each parcel, was filed with the City Clerk;

WHEREAS, pursuant to Section 5473.1, a notice of filing of the FY 2022 sewer charge report and the time and place of the public hearing was published two times in the East County Californian on July 1, 2021 and July 8, 2021;

WHEREAS, on July 13, 2021 at 6:00 p.m. a public hearing was held to receive and consider all oral and written testimony regarding the FY 2022 report of sewer service charge amounts to be levied against each parcel for the fiscal year;

WHEREAS, pursuant to Health and Safety Code Section 5473.4, on or before August 10 of each year, the City Clerk shall file with the County auditor, a copy of the report with an endorsed statement of Final Determination by the legislative body; and

WHEREAS, it is estimated that the FY 2022 itemized tax roll will include 13,130 parcels and a total assessment of approximately \$11,425,980.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, as follows:

1. Said report on file in the City Clerk's office describing each parcel of property receiving services and the amount of the charges for each parcel is hereby confirmed and the amount levied upon each parcel shall be entered by the County auditor on the assessment roll for FY 2022.

2. The City Clerk is hereby directed to forward a certified copy of this resolution, together with a copy of the final parcel report, along with any changes requested by residents and approved by staff, to the Office of the San Diego County Auditor on or before August 10, 2021.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of La Mesa, California, held the 13th day of July 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MEGAN WIEGELMAN, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2021-___, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MEGAN WIEGELMAN, CMC, City Clerk

(SEAL OF CITY)