



# City of Rialto

## Legislation Text

---

File #: 20-0561, Version: 1

---

For City Council Meeting and Rialto Utility Authority [July 28, 2020]

TO: Honorable City Council

APPROVAL: Rod Foster, City Manager

FROM: Thomas J. Crowley, P.E., Utilities Manager

Request City Council/Rialto Utility Authority Board to Conduct a Public Hearing to Adopt **Resolution No. 7640** Authorizing the Placement of Wastewater Service Charges on the County Property Tax Roll for Delinquent Accounts.

**(ACTION)**

### **BACKGROUND**

The City of Rialto (City)/Rialto Utility Authority (RUA) provides wastewater services throughout the entire City and areas of Bloomington. Where RUA provides water service, both water and wastewater services are billed together. For delinquent accounts, the RUA is able to impose penalties and shut off water services to promote payment, per Rialto Municipal Code Section 12.08. However, there are areas of the City where either the West Valley Water District or the Fontana Water Company provides water services and the City only bills for wastewater service. Historically, the wastewater-only accounts have high delinquency rates, as the RUA cannot physically disconnect services for lack of payment.

In order to more effectively collect wastewater-only accounts, the Rialto Municipal Code Section 12.08.201 was amended by Ordinance to allow for placement of delinquent charges on property tax bills through the County Tax Collector's Office. The Ordinance approved on June 19, 2007, provides a method for collecting delinquent accounts similar to the lien placement process used for solid waste delinquent accounts.

### **ANALYSIS/DISCUSSION**

Notification letters were sent to the delinquent account holders alerting them of City/RUA's plan to place the delinquent charges on the property tax roll and giving them one last opportunity to pay. This was done on May 21, 2020. The last date for a customer to pay their delinquent wastewater bill before placement on the tax rolls was June 26, 2020. It should be noted that if a customer paid their delinquent wastewater bill prior to the deadline, their property and the levy amount will be removed from the list provided to the County. A copy of the letter is included as **Attachment 1**.

In order to complete the process and meet the County submittal deadline of August 10, 2020, a Public Hearing must be conducted to approve the levy and list of properties of delinquent account holders that meet the criteria for placement of liens with the County. A copy of the Notice of Public Hearing and proof of publication is included as **Attachment 2**.

If approved by the City Council/Rialto Utility Authority Board, staff will work to finalize the list of delinquent accountholders and levy amounts being submitted to the County. In addition, the City will provide and compare the most recent County property ownership data with the City's account data and will submit the charges to the County on behalf of the City. The most recent list of the delinquent properties available is included as **Attachment 3**.

This item was presented to the Water Subcommittee on April 29, and July 22, 2020, who recommended presenting it to the full City Council/Rialto Utility Authority Board for a Public Hearing. An update was presented to the Water Subcommittee on May 28, 2020. The item was then presented to the Utilities Commission on June 16, 2020, who recommended the City Council/Rialto Utility Authority Board conduct a Public Hearing and approve placement of the delinquent wastewater charges on the County property tax roll.

### **ENVIRONMENTAL IMPACT**

This request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378 (b)( 5) a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY**

This action is consistent with Guiding Principle 3A in the General Plan:

*Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.*

### **LEGAL REVIEW**

The City Attorney has reviewed and supports the staff report.

### **FINANCIAL IMPACT**

#### Operating Budget Impact

The levy is comprised of accounts where the account owner is the same as the current property owner per the County secured tax roll. The potential total levy amount is \$1,096,620 and there are 1,812 delinquent accounts as of July 7, 2020. Again, if a customer paid their delinquent wastewater bill prior to the June 26 deadline, their property and the levy amount will be removed from the list provided to the County. The County of San Bernardino charges \$0.30 per parcel for the use of their services and this amount will be added to the levy and collected by the County of San Bernardino.

### **RECOMMENDATION**

Staff recommends that the City Council/Rialto Utility Authority:

- 1) Conduct a Public Hearing to receive public comment related to the placement of

charges on the County Property Tax Roll for delinquent wastewater payments; and,

- 2) Approve a Resolution authorizing the placement of delinquent wastewater payments on the County Property Tax Roll.