



# City of Rialto

## Legislation Text

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For City Council and Rialto Utility Authority Meeting [May 11, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Acting City Manager

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

Request City Council/Rialto Utility Authority Board to Set a Public Hearing for **June 8, 2021**, to Receive Public Comment Related to the Placement of Sewer Service Charges on the County Property Tax Roll for Delinquent Accounts.

### **BACKGROUND**

The City of Rialto (City) / Rialto Utility Authority (RUA) provides sewer services throughout the entire City and areas of Bloomington. Where RUA provides water service, both water and sewer 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 RUA only bills for sewer service. The sewer-only accounts have high delinquency rates, as the RUA cannot disconnect services for lack of payment.

In order to more effectively collect sewer-only accounts, the Rialto Municipal Code Section 12.08.201 was amended 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**

During the spring of each year, staff develops a list of properties to be levied for delinquent sewer fees. Once the list of properties to be levied has been completed, the list will be compared with the most recent County property ownership data. Changes will be incorporated into the final list which is then submitted to the County. This list is comprised of accounts where the account owner, who is delinquent on sewer payments, is the same as the current property owner per the County secured tax roll. Once created, this list is presented to the City Council / Rialto Utility Authority Board (RUA) for permission to place the delinquent sewer fees on the tax rolls.

To meet the County submittal deadline, several things must occur, most notably, a list must be presented to the City Council/Rialto Utility Authority of properties meeting the criteria for placement of liens with the County and a public hearing must be held to approve the levy. Notification letters were sent to the delinquent account holders alerting them of the RUA's plan to place the delinquent charges on the property tax roll and giving them one last opportunity to pay. The last date for a customer to pay their delinquent sewer bill before placement on the tax rolls is June 25, 2021. A copy of the letter is included as **Attachment 1** and a copy of the Notice of Public Hearing is included

as **Attachment 2**. Once the list of properties to be levied has been completed, the list will be compared with the most recent County property ownership data. Changes will be incorporated into the final list which is then submitted to the County.

On March 12, 2020, the City Council / RUA adopted Resolution 7600 declaring a local emergency in response to the COVID-19 outbreak. And as directed by Council / RUA, customers experiencing financial hardship due to COVID-19 due to the loss of a job or illness, are being offered assistance with payment arrangements and the deferral of payments until a later date. Also, per Council / RUA direction, utility turn-offs have been suspended until further notice and late fees/penalties will not be assessed to any customer account. Customers receiving this assistance with their sewer bills have not been included on the lists of properties to be levied for delinquent sewer fees.

### SCHEDULE/LEVY PROCESS

If the City were to post levies for this fiscal year, the following tasks must be completed by the deadlines listed below:

Task	Date
Notification Letters sent to delinquent customers	No later than May 24, 2021
Set Public Hearing	May 11, 2021
Notice Public Hearing	May 12, 2021
Publish Notice of Public Hearing	Published once between May 12, 2021 and May 20, 2021
Last day for a Customer to pay without delinquent sewer fees being placed on the Tax Roll	June 25, 2020
Conduct Public Hearing	June 8, 2021
Deadline for San Bernardino County Tax Roll Submittal	July 9, 2021

The total levy amount for Fiscal Year 2020-2021 is estimated to be approximately \$1 Million for 1,000 delinquent accounts.

This item was presented to the Water Subcommittee on April 28, 2021, which recommended presenting it to the full City Council / Rialto Utility Authority Board for a Public Hearing. The item will be presented to the Utilities Commission on May 18, 2021.

### 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 estimated at \$1,000,000 and there are approximately 1,000 delinquent accounts. 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.

#### **Capital Improvement Budget Impact**

There is no impact to the Capital Improvement Budget.

#### **Licensing**

A business license is not required for the requested action.

### **RECOMMENDATION**

Staff recommends that the City Council / Rialto Utility Authority set a Public Hearing for June 8, 2021 to receive public comment related to the placement of charges on the County Property Tax Roll for delinquent sewer payments.