REFUND, REBATE, REDUCED CHARGE PROGRAM

ORANGE COUNTY SANITATION DISTRICT
JULY 2018
The OCSD Regional Sewer Service Fee Ordinance requires that every owner of real property located within the District which is improved with structures designed for residential, commercial, or industrial use and which, at the request of the owner or the owner’s predecessor-in-interest, is connected to the District’s sewerage system, shall pay an annual Sewer Service Charge based on the respective class of users.

It is also the intent of OCSD that the legal owners of real property, otherwise subject to the levy and payment of the Sewer Service Charges, as prescribed herein, be relieved, in whole or in part, from the payment of said charges, in certain circumstances and under conditions prescribed in the ordinance:

B. **Application for Water Efficiency Rebate or Reduced Charge.**

   The minimum adjustment that will be processed is $150.

   (1) A "water efficiency rebate" is the difference between the original flow portion of the service charge paid by a property owner and the recalculated flow portion of the service charge for the property based on past water use as provided herein.

   (2) A “reduced charge” is a lower sewer service charge imposed for the current fiscal year or a future fiscal year for the flow portion of the service charge based on water consumption as provided herein.

   (3) “Biochemical Oxygen Demand” (BOD) shall mean a measurement of oxygen utilized by the decomposition of organic material, over a specified time period (usually 5 days) in a wastewater sample. It is used as a measurement of the readily decomposable organic content of wastewater.

   (4) “Suspended Solids” (SS) shall mean any insoluble material contained as a component of wastewater and capable of separation from the liquid portion of said wastewater by laboratory filtration as determined by the appropriate testing procedure and expressed in terms of milligrams per liter.

   (5) Any property owner, or legally recognized authorized representative of the property owner, may apply to the District for a water efficiency rebate or reduced charge by establishing that an inequity exists between the amount of the charge paid and the amount of wastewater discharged to the District's system. Proof satisfactory to the General Manager of the District, or his/her designee, shall establish that either:
(a) The principal water use is agricultural or horticultural; or

(b) The property is devoted to any other use wherein the amount of wastewater discharged to the District's system is significantly less on a regular basis than the amount that would normally be expected to be discharged by the class of property in question.

(6) Satisfactory proof shall include, but not be limited to, verifiable documentation from the appropriate water provider showing actual water usage for each billing cycle during the entire period for which the rebate is sought.

(7) The amount of any water efficiency rebate shall not reduce the charge payable by any property owner, whose property is connected to the District’s system, to less than the single-family residential charge shown on the applicable Table attached hereto.

(8) Once a water efficiency rebate or reduced charge to a service charge is granted, additional rebates or reduced charges will not be granted in the same year unless the property was vacant for the entire year.

(9) If a property owner submits a claim for a water efficiency rebate and also believes that an inequity exists in the BOD and SS components of the sewer service charge, the property owner may contact the District for sampling procedures to submit verifiable BOD and SS data to have these charges reviewed. After receipt and review of the sampling data, the District may, in its sole discretion, grant an exemption upon finding satisfactory evidence that the BOD and SS of the property’s wastewater discharge is significantly less on a regular basis than the amounts that would normally be expected to be discharged by the class of property in question.
C. **Application for Refund.**

(1) A "refund" is the difference between the original service charge paid by a property owner and the corrected service charge when the original charge was billed erroneously.

(2) Any property owner, or legally recognized authorized representative of the property owner, may apply to the District for a refund of Sewer Service Charges paid to the District by establishing that the amount paid was pursuant to an error in the amount billed or the amount paid. The applicant for a refund must submit proof satisfactory to the General Manager of the District, or his/her designee, that a billing error has been made by the District, or the County Tax Collector. Such proof shall include, but not be limited to, proof that:

(a) The owner's parcel of property is not connected to the District’s system; or

(b) The property has not been classified in the proper property use classification code; or

(c) A clerical error has been made.

D. **Limitations Period.**

(1) Applications for water efficiency rebates and reduced charges shall be deemed a claim and be governed by the provisions of California Government Code Sections 935 et seq. Water efficiency rebates are only available for the most recently ended fiscal year and shall be presented to the District as provided in the Government Tort Claims Act, Government Code Sections 915 et seq. Reduced charge claims are available for the current fiscal year or future fiscal years. The claim for water efficiency rebate or reduced charge may only be made with respect to amounts paid or payable under such property tax bill. A claim for water efficiency rebate or reduced charge is not deemed a claim for refund, and California
Revenue & Taxation Code Sections 5096 and 5097 are not applicable.

(2) Applications for refunds shall be deemed to be governed by the provisions of California Revenue & Taxation Code Sections 5096 and 5097.

(3) Consistent with Section 2.04, a "year" for purposes of this Section 2.03 commences on July 1 for all annual Sewer Service Charges, based on the District's fiscal year.

E. **Determination.** All applications for water efficiency rebates, reduced charges or refunds of the Sewer Service Charge will be determined by the General Manager of the District, or his/her designee, who, based on the submitted proof, may grant a full or partial rebate, reduced charge or refund.

F. **Administrative Fee.** At the time of filing the application for a water efficiency rebate, reduced charge or refund, the property owner shall pay District an administrative fee for the processing of such application. The amount of the fee shall be equal to the total of all fees and charges imposed on the District by any other public entity, such as the Orange County Tax Collector, the Orange County Auditor, or the Orange County Recorder, in connection with the rebate or refund.

G. **Duration of Reduced Charge.** A reduced charge will remain in effect for one fiscal year, subject to the provisions below:

1. **Standard 3 Year Lock-In.** Upon submission of two consecutive fiscal years of verifiable water data that resulted in a rebate or reduced charge, the District shall determine the average annual consumption based upon those two years and implement a locked-in reduced charge for a standard period of three years.

2. **Renewals.** At the end of the lock-in period, the owner of the parcel may apply for a renewal by submitting verifiable water consumption data for the previous two years.
(3) **Failure to Submit.** Failure to submit the required water consumption data with lock-in renewal application is equivalent to making an election to opt-out pursuant to Section 2.03, Article II, G4.

(4) **Lock-In Opt-Out.** At the time the owner of a parcel qualifies for a three-year lock-in pursuant to Section 2.03, Article II, G1, whether as a first-time application for rebate or reduced charge, as a renewal pursuant to Section 2.03, Article II, G2, or upon two annual submittals of the most recent fiscal year of verifiable water consumption records, the owner may elect in writing to opt-out of the lock-in and instead elect year to year renewals and submit verifiable water consumption records annually.

(5) **Significant Change in Business Operation-Demonstration.** If the owner of a locked-in parcel is able to demonstrate that a significant change in business operation has occurred, verifiable water consumption may be submitted for the most recently ended fiscal year to be used in a recalculation of the fee with a duration of one year until two consecutive fiscal years of water consumption have been submitted and then the standard lock-in will apply.

(6) **Audit.** If the District becomes aware that a lock-in parcel has had a significant change in business operation that increases water consumption, the District may request current verifiable water consumption records from the appropriate water provider for the most recently ended fiscal year and re-establish the reduced charge prior to the expiration of the three-year period.

**Penalty.** The falsification of an application for a water efficiency rebate or reduced charge is a misdemeanor, punishable as provided by the law. In addition, any person who falsifies an application for a water efficiency rebate or reduced charge shall be civilly liable to the District in the maximum sum provided by law.
Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) Rebates

If a customer believes that their BOD and TSS discharge is less than the average discharge being billed for the parcel's use code, the customer may submit a claim at the end of the fiscal year. The claim must include lab analysis results for BOD and TSS from a 24-hour composite sample taken once during each quarter for all sewer laterals servicing the parcel:

First Quarter: July 1 through September 30
Second Quarter: October 1 through December 31
Third Quarter: January 1 through March 31
Fourth Quarter: April 1 through June 30

- Sample results must be submitted for ALL sewer laterals connected to the property.
- The property owner is responsible for providing the testing location(s) to the certified laboratory. It is the responsibility of the property owner to ensure all wastewater flows are captured. If OCSD finds additional information that proves all wastewater flows were not captured, the claim could be denied.
- Testing location(s) must be marked on a facilities map or satellite picture of the property. OCSD may request a sewer atlas map of the property with the exact testing location mark.
- Samples may be taken at the end pipe cleanout of each sewer lateral connected to the property.
- The samples must be taken during normal operating/business hours on a different day for each quarter. Sample could be invalid if taken during non-operating hours.
- All wastewater samples shall be collected and analyzed in accordance with the appropriate procedures contained in 40 CFR 136. Wastewater analyses shall be performed by a certified laboratory utilizing the approved method for performing the analyses on the required constituents.
- Claim must include lab analysis result for BOD and TSS from a 24-hour composite sample taken once during each quarter of the fiscal year (July-June).
- All wastewater sampling must be conducted using an automatic sampling device which is capable of collecting samples at 15-minute intervals during all hours of discharge in a 24-hour day.
- Certified Wastewater Analysis Report must include: Day of week, date, and time of composite sample, location address, description of sample point, BOD (mg/L), TSS (mg/L), sample method, signature from lab representative.
- Copy of Wastewater Analysis must be submitted for each sample location.
To find a certified lab, please visit https://www.waterboards.ca.gov/drinking_water/certlic/labs/ and click on the GIS map link under More Information. The information for the lab will contain the word “wastewater” if it is certified for wastewater sampling.
Additional Information:

Flow based adjustment only

The rebate will be based on the flow component of the sewer service fee only. The customer must submit verifiable water consumption and completed claim forms. Please see requirements to submit BOD and TSS to have the remaining components of the fee reviewed.

Customer 3-year Lock-In

- If customer meets the requirements, the lock-in is automatic. The customers fee will be reduced based on flow only unless samples are submitted for BOD and TSS.
- Must have submitted 2 consecutive years of water usage where a rebate or reduced charge was received to be eligible for a lock-in
- A customer may opt-out of the lock-in program by submitting an original signed and notarized opt-out form.

If a customer meets the requirements for a lock-in and does not sign and return the opt-out form, the reduced charge will automatically be locked-in. If a customer is locked-in to a reduced sewer fee based on flow only, BOD and TSS samples can still be submitted to have the remaining components of the sewer fee reviewed.

Multi-Tenant Properties

The Ordinance establishes three categories for multi-tenant properties:

- 088 – Low Demand Center
- 089 – Average Demand Center
- 090 – High Demand Center

A parcel will be placed in the 088 category if the improvements are strictly retail or office and less than 10,000 square feet.

A parcel will be placed in the 089 category is the improvements are more than 10,000 square feet and do not contain laundromats or food service establishments.

A parcel will be placed in the 090 category is the improvements contain a laundromat or food service establishments.

If a multi-tenant property has been placed in the high or average demand category, and based upon a combination of the tenant list and water consumption history that has been provided by the owner, the use code category should be average or low demand, the property may be moved to a lower demand category.
**Assessment Units**

If an improvement resides over two or more parcels, then all parcels must be included in the claim. If attached or detached improvements such as schools, shopping centers and hospitals, etc. that have the same owner and reside over multiple parcels, then all parcels must be included in the claim and the claim will be reviewed as an assessment unit.

If a parcel that is part of an assessment unit has a separate ground lease on file with the County of Orange, that parcel may be omitted from the assessment unit and the ground lessee may submit the claim for that particular parcel.

If an improvement is a stand-alone restaurant that is separate from the shopping center, a separate claim may be submitted.

**Adjustments**

If an adjustment is warranted, the information will be sent to the county of Orange Auditor-Controller’s office who will then make the adjustment. The Orange County Tax Collector will issue the check to the entity that physically paid the property taxes. The minimum adjustment that will be processed is $150.

**Septic Tanks**

Properties that utilize septic tanks and are not connected to the sewer system, do not pay the OCSD Sewer User Fee. If a property that is utilizing a septic tank is being charged a sewer user fee, the property owner may complete a septic tank refund form and submit it to the OCSD. Septic tank claim forms can be found on our website, [www.ocsd.com](http://www.ocsd.com).

**Limitations Period**

Water Efficiency Rebate Claims may be filed for the current fiscal and the previous fiscal year only. Refund claims (use code or square footage error) may be filed for the current fiscal year and the three preceding fiscal years.
Frequently Asked Questions

Where can I get an application package?
Please visit our website www.ocsd.com and click on the sewer fees in the top right-hand corner and click on Refund/rebate claim forms:

https://www.ocsd.com/about-us/transparency/sewer-fee-claim-forms/-folder-868

Do I have to use an agent to apply?
No. There is no requirement to use an agent. If you have any questions regarding the claim submittal process, please call the OCSD rate line at (714) 593-7281 or email rates@ocsd.com.

What is the submittal deadline for a reduced charge for the upcoming year?
All claims for a reduced charge for the upcoming fiscal year must be received by OCSD no later than July 15th.

Does the Sanitation District account for irrigation?
The ideal situation is for every parcel owner to have a separate irrigation meter. However, this might not be practical in all cases. When a separate irrigation meter does not exist, OCSD will evaluate the annual water consumption compared to the winter water consumption and in most cases, will use the lower usage. If there is a large variance in water use, OCSD may determine that annual water use should be used.

Can I email my claim?
Currently, OCSD does not accept claims sent by email or fax. The claim must be mailed to our offices and the forms must have original signatures.

Do claims have to be postmarked or delivered by the deadline?
Claims must be postmarked by deadlines.