

March 28, 2022

The Honorable Timothy Grayson
Assembly Member
California State Assembly
State Capitol Swing Space, Room 8610
Sacramento, CA 95814

RE: AB 2536 (Grayson) – Oppose

Dear Assembly Member Grayson:

The Orange County Sanitation District (OC San) respectfully opposes your bill AB 2536 related to studies for connection fees and capacity charges. OC San provides wastewater collection, treatment, and recycling for approximately 2.6 million people in central and northwest Orange County, CA. OC San’s primary mission is to protect public health and the environment through its services.

This measure would impose new standards and practices for determining the reasonable cost of providing sewer and water service. However, it is already an industry standard to conduct a fee study, which gathers information that is critical to making decisions, before adopting or increasing connection fees or capacity charges. Specifically, the OC San Board of Directors uses this information, as well as the proposed impacts on customers, to make informed decisions on increasing or adopting new fees.

The provisions and perceived intent to limit new users of water and sewer services to only “buy-in” to the system is concerning to us. It is industry practice to use the buy-in methodology when water and sewer delivery systems are already constructed and have sufficient capacity to meet additional demand from new development within the service area. It allows new development to contribute to the costs of excess capacity from existing facilities, essentially ensuring that all customers pay their fair share. This is a principal aspect of public utility service expansion and finance and ensures that everyone can benefit from water or sewer service.

For these reasons, OC San respectfully must oppose your bill AB 2536 that would add requirements to determine the reasonable cost of providing sewer and water service. Please feel free to contact us if you have any questions.

Sincerely,



John Withers
Board Chairman

CC: Orange County Legislative Delegation

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