



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

DATE: July 22, 2025

SUBJECT: RESOLUTION CONFIRMING THE REPORT WITH THE FINAL DETERMINATION OF SEWER SERVICE CHARGES FOR FISCAL YEAR 2026 TO BE COLLECTED ON THE COUNTY PROPERTY TAX ROLL AND DIRECTING THE CITY CLERK TO FORWARD A COPY OF THE RESOLUTION AND THE REPORT TO THE OFFICE OF THE SAN DIEGO COUNTY AUDITOR

ISSUING DEPARTMENT: 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) 2026 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 2026 property tax bills?

Recommendation:

That the City Council adopt the attached resolution approving the sewer charge amount for each parcel as described in the FY 2026 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 2026 property tax bills.

Fiscal Impact:

Through an agreement with the County of San Diego, the City pays a fee of \$0.10 per parcel for the collection of sewer service charges on the tax bill. Sewer charges will be levied on an estimated 13,205 parcels in FY 2026, at a total estimated cost of \$1,320.50. This amount is deducted by the County from the City's apportionment of property tax payments.

The City will collect approximately \$13,397,925.18 in sewer revenue from property tax payments in FY 2026. 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. Additionally, the City's Finance Department will directly bill and collect an estimated \$1,178,105.28 in sewer service charges from an estimated 219 properties that cannot be placed on the tax roll due to various circumstances. 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:

- Ensure a strong financial outlook through careful planning, sustainable service levels, and fiscal sustainability.
- Invest in infrastructure to serve the needs of the community.

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 XIIID (Proposition 218) of the California Constitution. On July 22, 2025, the City Council approved a rate increase of 5.96% for the average single-family home customer in FY 2026.

DISCUSSION:

As part of the annual sewer billing process, the City will be mailing the week of July 23 a courtesy notification letter to the record owner of each parcel connected to the City's sanitary sewer system, with the estimated sewer charge amount to be collected on the

FY 2026 property tax bill. The letter provides property-specific information to assist property owners with planning and budgeting for property tax payments, rental properties and impound accounts. The courtesy letters also provide information for the property owner to request a sewer billing adjustment 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 [sewer charge adjustment policy](#) and the [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.

To align with the goals of the Climate Action Plan, residents have the option of opting out of the paper annual courtesy notification. 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 can review their annual sewer charges online on the City's website at <http://www.cityoflamesa.us/sewer>. The winter water usage and billing calculations are available online going back to 2012 allowing property owners to 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 2026 sewer charge report, with the amount to be levied against each parcel, was filed with the City Clerk on July 11, 2025.

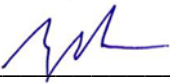
The City Council is required to hold a public hearing prior to making a final determination of the amount of the sewer service charge to be levied against each parcel for the fiscal year. Pursuant to Section 5473.1, a notice of filing of the FY 2026 sewer charge report and the time and place of the public hearing was published two times in the Daily Transcript on July 8, 2025, and July 15, 2025.

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 homeowner 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 2026 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 2026 property tax roll.


Reviewed by:



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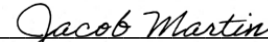
Greg Humora  
City Manager

Respectfully submitted by:



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Michael Throne, PE  
Director of Public Works



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Jacob Martin  
Public Works Operations Manager

Attachments: A. Resolution