



CITY COUNCIL STAFF REPORT

ITEM NO. 7.1

DATE: July 27, 2026
TO: Honorable Mayor and City Council
FROM: Kristen Hilton, Acting Administrative Services Director
SUBJECT: Hearing to place delinquent sewer accounts on the Property Tax Roll.

RECOMMENDED ACTION

Staff recommends the City Council hold a public hearing to consider protests, adopt a resolution overruling protests to place delinquent sewer accounts on the property tax roll, and direct staff to forward a finalized copy of the assessment list to the County Tax Assessor.

SUMMARY

The City of Livermore has approximately 1,100 sewer accounts, primarily commercial, that are billed monthly. Of these accounts, 19 are severely delinquent. As provided in Livermore Municipal Code section 13.36.180, 13.36.210 and the Health and Safety Code 5473 et seq., any and all delinquent sewer service and use charges may be placed on the tax roll and collected with property taxes.

DISCUSSION

Sewer revenues are generated for the collection, treatment, and disposal of wastewater. The City of Livermore Sewer Enterprise serves all residential and business customers within the city limits. All service charges are based on the strength and quantity of sewage generated by the customer. Commercial accounts are billed monthly based on the amount of water used and their industrial classification. Residential customers are billed annually via the Alameda County property tax roll. Residential charges are based on expected usage and strength of sewage of the class as a whole and customers pay a flat rate each year.

According to Livermore Municipal Code 13.36.190, sewer service and use charges are delinquent if not paid on or before the sixtieth day immediately following the date upon which such charges become due and payable. Commercial and some residential multi-family sewer accounts are billed monthly. In addition, residential customers in new development are billed monthly until they move to the property tax roll in July and begin to be billed annually. For all sewer accounts billed monthly, customers receive a statement that lists the previous balance and current charges separately, so delinquent charges are clearly identifiable. As a courtesy, City of Livermore utility billing staff also contacts customers with delinquent balances by letter, email and/or phone call to alert them to the balance due. Despite these

efforts, the accounts on the property tax assessment list remain severely delinquent.

Per Livermore Municipal Code 13.36.180, 13.36.210, and the Health and Safety Code 5473 et seq., in the event of the failure of any owner to pay when due any sewer services charges applicable to premises owned by them, the City may enforce payments of such delinquent charges by placing them on the tax roll and collecting with property taxes. In addition to the City of Livermore's collection efforts, on July 9, 2026, city staff sent letters to affected property owners advising the City's intent to assess their property and the scheduled Public Hearing on July 27, 2026. Notice of the hearing was also published in the paper once a week for two weeks, with the first publication occurring at least 14 days before the public hearing, and with at least 5 days in between the two publications, pursuant to Health and Safety Code sections 5473 et. seq. and Government Code 6066.

Of the accounts on the property tax assessment list, all but two are commercial accounts. The largest two accounts on the assessment list are restaurant and retail store. The amounts for the residential accounts represent final balances not paid before the property rolled to the assessor tax roll.

Upon confirmation by the City Council, City staff will send the final assessment list to a consultant to verify addresses and then send the information to the assessor's office to be placed on the Alameda County tax roll.

The number of accounts and balances on the assessment list may decrease after publication of this report since account holders and property owners may settle their account up until the July 27, 2026 Public Hearing. This payment cutoff date is necessary in order for the assessments to be included in the 2026-2027 County Tax Assessor's billing.

Staff recommends the City Council consider protests, adopt a resolution overruling protests, and direct staff to forward a finalized copy of the assessment list to the County Tax Assessor.

FISCAL AND ADMINISTRATIVE IMPACTS

The total assessment list is approximately \$6,180. Collection of these delinquent balances would avoid bad debt expense in this amount to be charged to the sewer enterprise fund. Consultant expense of \$500 will be incurred to place the delinquent sewer lien charges on the County's property tax roll.

COMMUNITY PILLAR

5: A City That Works

GOAL

17: Ensure effective use of public resources

ATTACHMENTS

1. Resolution

2. Exhibit A - City of Livermore delinquent sewer list balance as of 6-24-25 FY26-27 property tax liens

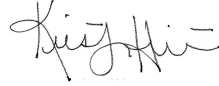
Prepared by: Martin Wong
Accounting Supervisor

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Kristen Hilton
Acting Administrative Services Director