



Monterey County

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File Number: 22-640

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In Control: Board of Supervisors

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Acting on behalf of County Service Area No. 75-Chualar:

- a. Set a Public Hearing on July 26, 2022, at 1:30 p.m., to conduct a public hearing on the Report of 2021 Delinquent Fees (Report) for County Service Area No. 75-Chualar (CSA 75), and consider any protests and objections to the Report by property owners liable to be assessed for delinquent sanitation service charges (Delinquent Fees);
- b. Direct the Department of Public Works, Facilities & Parks (PWFP) to prepare a final Report of 2021 Delinquent Fees for CSA 75; and
- c. Direct PWFP to publish Notice of Public Hearing in a newspaper of general circulation and mail said Notice to the property owner(s) of record per County Assessor-Recorder records and as listed in the attached report not less than ten (10) days prior to the date of hearing.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting on behalf of County Service Area No. 75-Chualar:

- a. Set a Public Hearing on July 26, 2022, at 1:30 p.m., to conduct a public hearing on the Report of 2021 Delinquent Fees (Report) for County Service Area No. 75-Chualar (CSA 75), and consider any protests and objections to the Report by property owners whose real property is liable to be assessed for delinquent sanitation service charges (Delinquent Fees);
- b. Direct the Department of Public Works, Facilities & Parks (PWFP) to prepare a final Report of 2021 Delinquent Fees for CSA 75; and
- c. Direct PWFP to publish Notice of Public Hearing in a newspaper of general circulation and mail said Notice to the property owner(s) of record per County Assessor-Recorder records and as listed in the attached report not less than ten (10) days prior to the date of hearing.

SUMMARY:

The proposed action will set a Public Hearing on July 26, 2022, at 1:30 p.m., to conduct a noticed public hearing on the Report of 2021 Delinquent Fees (Report) for County Service Area No. 75-Chualar (CSA 75) to consider placing past due sanitation service charges on the property tax roll to facilitate the collection of 2021 delinquent fees for CSA 75 and to consider any protests and objections to the Report by property owners whose real property is liable to be assessed for delinquent sanitation service charges (Delinquent Fees). This assessment will be in the form of a lien placed on the corresponding real property within CSA 75 for which 2021 sanitation service charges are delinquent. Said lien shall remain on the corresponding real property until such time as the delinquent balance for 2021 is paid in full by the property owner(s) of record or their agents, successors or assignees.

DISCUSSION:

CSA 75 is approximately 175 acres and serves the entire unincorporated area of Chualar. It is located approximately ten (10) miles southeast of Salinas along Highway 101. CSA 75 has 197 parcels, the majority of which are residential. CSA 75 provides for the operation and maintenance of sewage collection, disposal, and treatment services (sanitation services), street lighting services, and storm and surface water drainage. Monterey One Water (M1W) acts as the billing agency for CSA 75 sanitation services.

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the tax roll and, instead, provided for the collection of service charges through a monthly billing system. On June 26, 2004, the Board of Supervisors adopted Ordinance No. 04225 establishing procedures for the collection of delinquent fees for CSA 75. Procedures implemented pursuant to Ordinance No. 04225 include the following; 1) the setting of a public hearing to conduct a noticed public hearing on the annual report of delinquent fees and to consider any protests and objections to the report by property owners whose real property is liable to be assessed for delinquent fees, 2) preparation of an annual report of delinquent fees; 3) publication of notice of public hearing in a newspaper of general circulation and the mailing of said notice to property owner(s) of record per County Assessor-Recorder records and as listed in the report of delinquent fees not less than ten (10) days prior to the date of the public hearing and 4) to conduct a noticed public hearing on the annual report of delinquent fees and to consider any protests and objections to said report by property owners whose real property is liable to be assessed for delinquent fees.

The Report of 2021 Delinquent Fees (Attachment A) lists real property in CSA 75 and corresponding property owners whose property has accrued unpaid balances for calendar year 2021 on accounts for twenty (20) parcels, despite multiple billing notices. The proposed action will schedule the required noticed public hearing for the 20 parcels with past due 2021 balances. By letter notice to CSA 75 property owners on or about June 13, 2022, PWFP notified said property owners that they have delinquent accounts for 2021. PWFP will send a second letter notice to affected CSA 75 property owners on or about July 11, 2022 to notify property owners that they have delinquent accounts for the 2021 calendar year. The letters will inform each property owner of the past due amount as of December 31, 2021, and that the delinquent amount is subject to collection through placement of a lien on their corresponding real property.

Notice of the public hearing will be published in a newspaper of general circulation on or before July 16, 2016. Individual notices of the July 26, 2022, public hearing will be mailed to the affected property owners of record per County Assessor-Recorder records and as listed in the Report not less than ten (10) days prior to the noticed public hearing. A public hearing notice (Attachment B) will be published in the Monterey County Weekly not less than ten (10) days prior to the July 26 public hearing which notice shall be published on or before July 16, 2022.

OTHER AGENCY INVOLVEMENT:

M1W acts as the billing agency for CSA 75 sanitation service charges. If approved by the Board, placement of the liens on the property tax roll will be facilitated by the Treasurer-Tax Collector's Office.

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FINANCING:

Collectively, past due amounts for calendar year 2021 for CSA 75 currently total \$19,355.58 for the twenty (20) parcels with delinquent accounts. In accordance with the Monterey County Fee Schedule, Late Payment Penalties are assessed at 1.5% of past due amounts pursuant to California Health and Safety Code Section 5473. In accordance with Ordinance No. 04225, penalty fees are included in the total amount listed in Attachment A. CSA 75's main revenue source comes from sewer fees with additional revenue allocated from a portion of the general property tax as well as investment income from the Unassigned Fund Balance. Additionally, revenue from the prior year's delinquent accounts is collected when property tax payments are made in December and April of the following year. All calendar year 2021 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 093 for CSA 75.

CSA 75 is in the fifth year of a five-year rate increase. The current past due amount is greatly reduced from last year's total delinquent accounts of \$32,901.11, which was likely related to the Covid-19 pandemic. The current revenue budget is \$213,361 with revenue collected totaling \$215,087. The current expenditure budget is \$185,926 with year-to-date expenditure obligations totaling \$140,730. The fund balance is \$178,259. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2022-23 property tax rolls in December 2022 and April 2023. Delinquent payments may also be made through the date of the public hearing.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and corresponding overdue payment penalties for delinquent accounts ensures continued cash flow to fund maintenance and repairs. Responsible fiscal management allows for adequate management of sewer infrastructure needs and improves public health and safety.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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The following attachments are on file with the Clerk of the Board:

Attachment A-Report of 2021 Delinquent Fees-CSA 75 as of 6/09/2022

Attachment B-Notice of Public Hearing

Attachment C-CSA 75 Location Map