



County of Monterey

Item No.

Board Report

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

Legistar File Number: ORD 24-016**May 21, 2024****Introduced:** 5/10/2024**Current Status:** Agenda Ready**Version:** 1**Matter Type:** Ordinance

Adopt an ordinance to amend Section 16 of County Service Area 75-Chualar Ordinance No. 03920 to provide for the collection of sewer charges through the County of Monterey Property Tax Rolls.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt an ordinance amending Section 16 of County Service Area 75 Chualar (CSA 75) Ordinance No. 03920 to provide for the collection of sewer charges through the County of Monterey Property Tax Roll.

SUMMARY/DISCUSSION:

On May 7, 2024, the Board of Supervisors introduced and waived reading of the ordinance and set the ordinance for adoption on May 21, 2024, at 10:30 a.m.

CSA 75 currently contracts with Monterey One Water (M1W) to provide sewer services billing and collection services to CSA 75 customers. On November 16, 2023, M1W notified the County of Monterey that beginning with Fiscal Year 2024-25, M1W will cease providing this service to CSA 75. Public Works, Facilities and Parks (PWF) staff recommends that the Board adopt an ordinance to amend Section 16 of CSA 75 Ordinance No. 03920 to provide for the collection of sewer service charges through the Property Tax Roll of the County of Monterey pursuant to California Health and Safety Code Section 5470 *et. seq.* in order to collect sewer service charges to cover the costs of providing wastewater collection services to CSA 75 customers.

CSA 75 provides sanitation collection services to the community of Chualar. PWF currently manages CSA 75 and does not currently have the capability to provide in-house billing services. It has been determined that the least costly and most efficient method of collecting the sewer service charges is by placing these property related fees and charges on the Property Tax Roll beginning with the FY 2024-25 tax year. The County has been collecting on CSA 75 delinquent sewer accounts since on or about 2010 by utilizing this method.

In addition, the County of Monterey and the Treasurer-Tax Collector have authorized Easy Smart Pay, a third-party vendor, to provide a monthly payment option for the payment of property taxes which will include CSA 75 sewer service charges.

If CSA 75 does not provide for billing through the Property Tax Roll, PWF will need to bill customers directly. To undertake this responsibility in-house would require an additional Accounting Technician position at a cost of \$124,500 annually, one-time software costs estimated between \$10,000-\$20,000 and ongoing software maintenance costs. These costs could be shared between

Legistar File Number: ORD 24-016

the three sanitation districts (Pajaro County Sanitation District, Boronda County Sanitation District and CSA 75 - Chualar). Alternatively, PWWP could outsource the monthly billing, at a cost of \$12,200-\$18,400 annually, plus an initial implementation fee. Such a will take time to procure and contract and will cost more than providing for the collection of sewer service charges through the Property Tax Roll, as provided in the proposed ordinance.

FINANCING:

M1W currently charges \$2,539 annually for sewer billing and collection services which will cease when their billing services are terminated on June 30, 2024. Internal expenses resulting from the billing modification will be minimal, including staff time to prepare the necessary annual Board of Directors report to allow the County to collect annual sewer charges. This incremental cost will be offset by a savings in staff time as delinquent sewer account processing will no longer be necessary. Additionally, the Auditor Controller’s office charges administration costs of ¼ of 1 percent of revenue collected on the County Property Tax Roll. The estimated 2024-25 revenue from CSA 75 sanitation billings is \$219,000, resulting in an estimated charge by the Auditor-Controller of \$550.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the Board of Supervisors Strategic Initiatives for efficient and effective government operations.

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

Prepared by: Lynette Redman, Management Analyst III, (831) 796-6038

Approved by: Enrique Saavedra, PE, Chief of Public Works, Facilities and Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

DocuSigned by:
Randell Ishii
5/13/2024 | 4:20 PM PDT

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

Attachment A - Ordinance

Attachment B - Location Map