

County of Monterey

Government Center - Board Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901



Meeting Agenda - Final

Tuesday, May 21, 2024

10:30 AM

**Join via Zoom at <https://montereycty.zoom.us/j/224397747> - English or in person
at the address listed above or at <https://montereycty.zoom.us/j/95465517952> -
Español o personalmente en la dirección indicada anteriormente**

Pajaro County Sanitation District

Chair Director Glenn Church - District 2

Vice Chair Director Chris Lopez - District 3

Director Wendy Root Askew - District 4

Director Mary L. Adams - District 5

Director Luis A. Alejo - District 1

Participation in meetings

While the Board chambers remain open, members of the public may participate in Board meetings in 2 ways:

1. You may attend the meeting in person; or,
2. You may observe the live stream of the Board of Supervisors meetings at <https://monterey.legistar.com/Calendar.aspx>, <http://www.mgtvonline.com/>, www.youtube.com/c/MontereyCountyTV or <https://www.facebook.com/MontereyCoInfo/>

If you choose not to attend the Board of Supervisors meeting but desire to make general public comment, or comment on a specific item on the agenda, you may do so in 2 ways:

a. submit your comment via email by 5:00 p.m. on the Monday prior to the Board meeting. Please submit your comment to the Clerk of the Board at cob@co.monterey.ca.us. In an effort to assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the meeting body (i.e. Board of Supervisors Agenda) and item number (i.e. Item No. 10). Your comment will be placed into the record at the Board meeting.

b. you may participate through ZOOM. For ZOOM participation please join by computer audio at: <https://montereycty.zoom.us/j/224397747>

OR to participate by phone call any of these numbers below:

- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 312 626 6799 US (Chicago)
- +1 929 205 6099 US (New York)
- +1 253 215 8782 US
- +1 301 715 8592 US

Enter this Meeting ID number: 224397747 when prompted. Please note there is no Participant Code, you will just hit # again after the recording prompts you.

You will be placed in the meeting as an attendee; when you are ready to make a public comment if joined by computer audio please Raise your Hand; and by phone please push *9 on your keypad.

Participación en reuniones

Mientras las cámaras de la Junta permanezcan abiertas, los miembros del público pueden participar en las reuniones de la Junta de 2 maneras:

1. Podrá asistir personalmente a la reunión; o,
2. Puede observar la transmisión en vivo de las reuniones de la Junta de Supervisores en <https://monterey.legistar.com/Calendar.aspx>, <http://www.mgtvonline.com/>, www.youtube.com/c/MontereyCountyTV o <https://www.facebook.com/MontereyCoInfo/>

Si elige no asistir a la reunión de la Junta de Supervisores pero desea hacer comentarios del público en general o comentar un tema específico de la agenda, puede hacerlo de 2 maneras:

a. envíe su comentario por correo electrónico antes de las 5:00 p.m. el lunes anterior a la reunión de la Junta. Envíe su comentario al Secretario de la Junta a cob@co.monterey.ca.us. En un esfuerzo por ayudar al secretario a identificar el tema de la agenda relacionado con su comentario público, indique en la línea de asunto el cuerpo de la reunión (es decir, la agenda de la Junta de Supervisores) y el número de artículo (es decir, el artículo n.º 10). Su comentario se colocará en el registro en la reunión de la Junta.

b. puedes participar a través de ZOOM. Para participar en ZOOM, únase por audio de computadora en: <https://montereycty.zoom.us/j/224397747>

O para participar por teléfono llame a cualquiera de estos números a continuación:

- +1 669 900 6833 EE. UU. (San José)
- +1 346 248 7799 EE. UU. (Houston)
- +1 312 626 6799 EE. UU. (Chicago)
- +1 929 205 6099 EE. UU. (Nueva York)
- +1 253 215 8782 EE. UU.
- +1 301 715 8592 EE. UU.

Ingrese este número de ID de reunión: 224397747 cuando se le solicite. Tenga en cuenta que no hay un código de participante, simplemente presione # nuevamente después de que la grabación lo solicite.

Se le colocará en la reunión como asistente; cuando esté listo para hacer un comentario público si se une al audio de la computadora, levante la mano; y por teléfono, presione *9 en su teclado.

NOTE: All agenda titles related to numbered agenda items are live web links. Click on the title to be directed to the corresponding Board Report.

PUBLIC COMMENTS: Members of the public may address comments to the Board concerning each agenda item. The timing of public comment shall be at the discretion of the Chair.

10:30 A.M. - Call to Order

Roll Call

Additions and Corrections by Clerk

The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

General Public Comments

This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board of Supervisors. Board members may respond briefly to the statement made or questions posed. They may ask a question for clarification; make a referral to staff for factual information or request staff to report back to the Board at a future meeting.

Consent Calendar

1. Adopt an ordinance amending Section 16 of Pajaro County Sanitation District (PCSD) Ordinance No. 05054 to provide for the collection of sewer charges through the County of Monterey Property Tax Roll.

Attachments: [Board Report](#)
 [Attachment A - PCSD Ordinance](#)
 [Attachment B - Pajaro CSD Map](#)

2. Acting as the Board of Directors of the Pajaro County Sanitation District:
 - a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, and consider any protests and objections to the Report by property owners liable to be assessed for delinquent fees;
 - b. Direct the Department of Public Works, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
 - c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

Attachments: [Board Report](#)
[Attachment A - Delinquent Account Fees](#)
[Attachment B - Public Hearing Notice](#)
[Attachment C - Location Map](#)

12:00 P.M. - Recess to Lunch

1:30 P.M. - Reconvene

Roll Call

Scheduled Matters

3. Board of Supervisors of the County of Monterey acting as the Board of Directors of the Pajaro County Sanitation District:
 - a. Conduct a Public Hearing to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area pursuant to Proposition 218 requirements;
 - b. Direct the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
 - c. Determine whether a majority protest exists;
 - d. If a majority protest exists, no rate increase may be imposed;
 - e. If no majority protest exists, adopt a resolution approving the proposed wastewater service rate increase; and
 - f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

Attachments: [Board Report](#)
[Attachment A - PCSD Location Map](#)
[Attachment B - Summary of Sewer Rate Increases](#)
[Attachment C - Resolution Est New Rate - PCSD](#)
[Attachment D - Public Hearing Notices](#)
[Attachment E - Certification of Clerk of the Board](#)

Read Out from Closed Session

Read out by County Counsel will only occur if there is reportable action(s).

Adjournment



County of Monterey

Item No.1

Board Report

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

Legistar File Number: ORD 24-014

May 21, 2024

Introduced: 5/9/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Ordinance

Adopt an ordinance amending Section 16 of Pajaro County Sanitation District (PCSD) Ordinance No. 05054 to provide for the collection of sewer charges through the County of Monterey Property Tax Roll.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District (PCSD), adopt an ordinance to amend Section 16 of PCSD Ordinance No. 05054 to provide for the collection of sewer service charges through the Property Tax Roll of the County of Monterey.

SUMMARY/DISCUSSION:

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

The PCSD currently contracts with Monterey One Water (M1W) to provide sewer billing and collection services for PCSD customers. On November 16, 2023, M1W notified the County of Monterey Department of Public Works, Facilities and Parks (PWFP) that beginning with Fiscal Year 2024-25, M1W will cease providing this service to the PCSD. Therefore, PWFP staff recommends that the Board adopt an ordinance to amend Section 16 of PCSD Ordinance No 05054 to allow 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 service charges to cover the costs of providing wastewater collection services to PCSD customers.

The PCSD provides services to the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. PWFP currently manages the PCSD 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/PCSD has been utilizing this method to collect on delinquent PCSD accounts since on or about 2010.

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 the PCSD sewer service charges.

If PCSD does not provide for billing through the Property Tax Roll, PWFP 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 the three sanitation districts (Pajaro County Sanitation District, Boronda County Sanitation District and County Service Area 75-Chualar). Alternatively, PWFP could outsource the monthly billing, at a cost of \$12,200-18,400 annually, plus an initial implementation fee. Such a service 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.

OTHER AGENCY INVOLVEMENT

The Office of the County Counsel has approved the ordinance as to form and the County Administrative Office supports the recommendation.

FINANCING:

M1W water currently charges the PCSD \$14,804 annually for sewer services billing and collection services which will cease when their billing and collection services stop 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 service 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 ¼ of 1 percent of revenue collected on the County Property Tax Roll. The estimated 2024-25 revenue from PCSD billing is \$1,324,000, resulting in an estimated annual charge by the Auditor-Controller's Office of \$3,310.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support 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 & Parks

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

Attachments:

Attachment A - Ordinance

Attachment B - Location Map



County of Monterey

Item No.

Board Report

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

Legistar File Number: ORD 24-014

May 21, 2024

Introduced: 5/9/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Ordinance

Adopt an ordinance amending Section 16 of Pajaro County Sanitation District (PCSD) Ordinance No. 05054 to provide for the collection of sewer charges through the County of Monterey Property Tax Roll.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District (PCSD), adopt an ordinance to amend Section 16 of PCSD Ordinance No. 05054 to provide for the collection of sewer service charges through the Property Tax Roll of the County of Monterey.

SUMMARY/DISCUSSION:

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

The PCSD currently contracts with Monterey One Water (M1W) to provide sewer billing and collection services for PCSD customers. On November 16, 2023, M1W notified the County of Monterey Department of Public Works, Facilities and Parks (PWFP) that beginning with Fiscal Year 2024-25, M1W will cease providing this service to the PCSD. Therefore, PWFP staff recommends that the Board adopt an ordinance to amend Section 16 of PCSD Ordinance No 05054 to allow 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 service charges to cover the costs of providing wastewater collection services to PCSD customers.

The PCSD provides services to the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. PWFP currently manages the PCSD 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/PCSD has been utilizing this method to collect on delinquent PCSD accounts since on or about 2010.

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 the PCSD sewer service charges.

If PCSD does not provide for billing through the Property Tax Roll, PWFP will need to bill customers directly. To undertake this responsibility in-house would require an additional Accounting Technician

Legistar File Number: ORD 24-014

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 the three sanitation districts (Pajaro County Sanitation District, Boronda County Sanitation District and County Service Area 75-Chualar). Alternatively, PWFP could outsource the monthly billing, at a cost of \$12,200-18,400 annually, plus an initial implementation fee. Such a service 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.

OTHER AGENCY INVOLVEMENT

The Office of the County Counsel has approved the ordinance as to form and the County Administrative Office supports the recommendation.

FINANCING:

M1W water currently charges the PCSD \$14,804 annually for sewer services billing and collection services which will cease when their billing and collection services stop 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 service 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 ¼ of 1 percent of revenue collected on the County Property Tax Roll. The estimated 2024-25 revenue from PCSD billing is \$1,324,000, resulting in an estimated annual charge by the Auditor-Controller’s Office of \$3,310.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support 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 & Parks

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

DocuSigned by:
Randell Ishii
5/13/2024 | 10:42 AM PDT

Attachments:

Attachment A - Ordinance

Attachment B - Location Map

Attachment A

**PAJARO COUNTY SANITATION DISTRICT
ORDINANCE NO. _____**

**AN ORDINANCE OF THE PAJARO COUNTY SANITATION DISTRICT
AMENDING SECTION 16 OF ORDINANCE NUMBER 05054 TO PROVIDE
FOR THE COLLECTION OF SEWER SERVICE CHARGES THROUGH
THE COUNTY OF MONTEREY PROPERTY TAX ROLL**

County Counsel Summary

This ordinance amends Section 16 of Ordinance No. 05054 of the Pajaro County Sanitation District to allow for the collection of sewer service charges through the property tax roll of the County of Monterey pursuant to California Health and Safety Codes section 5470 et seq. in order to collect service charges to cover the costs of providing wastewater collection services to Pajaro County Sanitation District customers.

The Board of Supervisors of the County of Monterey, acting as the Board of Directors of the Pajaro County Sanitation District ordains as follows:

SECTION 1. FINDINGS AND DECLARATIONS.

A. The Board of Supervisors of the County of Monterey, acting as the Board of Directors of the Pajaro County Sanitation District (“PCSD”) has determined that adding sewer charges to the property tax roll is the least costly and most efficient method of collecting the sewer service charge.

B. PCSD is authorized by California Health and Safety Code section 5470 *et. seq.* to impose and collect service charges to cover the costs of providing wastewater collection and treatment services.

C. PCSD hereby desires, pursuant to Health and Safety Code section 5473, commencing with Fiscal Year 2024-25, to have sewer service charges for services rendered collected on the property tax roll of the County of Monterey in the same general manner, by the same persons, and at the same time as the collection of general property taxes, in the manner provided pursuant to by Health and Safety Code section 5470 *et. seq.*

D. This Ordinance is exempt from the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Public Resources Code section 21065; CEQA Guidelines sections 15378(b)(4) and 15061(b)(3)), and because the Ordinance involves the approval of government revenues to fund existing services (Public Resources Code section 21080(b)(8); CEQA Guidelines section 15273(a)(4)).

SECTION 2. AMENDMENT TO SECTION 16.

A. Subsection (c) of Section 16 of Ordinance No. 05054 is hereby amended to read:

The PCSD shall collect monthly sewer service charges on the property tax roll of the County

of Monterey in the same general manner, by the same persons, and at the same time as the collection of general property taxes, in the manner provided pursuant to by California Health and Safety Code section 5470 *et. seq.*

B. Subsection (d) of Section 16 of Ordinance No. 05054 is hereby amended to read:

All sewer service charges shall be collected in advance on a bi-monthly basis on the property tax roll of the County of Monterey in the same general manner, by the same persons, and at the same time as the collection of general property taxes, in the manner provided pursuant to by California Health and Safety Code section 5470 *et seq.* All charges for sewer services shall be in the name of the owner of the property being served as reflected on the last equalized assessment roll for the County of Monterey or as reflected in any deed or other satisfactory evidence of change of ownership recorded with the County Recorder since the last equalized assessment roll, upon presentation of such evidence to the County of Monterey, Department of Public Works and Facilities Director for such purposes. The property owner of record shall be the party ultimately responsible for the payment of sewer service charges.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of whether any one or more sections, subsections, sentences, clauses, or phrases is declared invalid.

SECTION 4. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day after its adoption.

PASSED AND ADOPTED on this _____ day of _____ 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

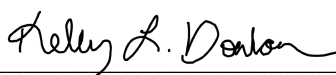
Chair, Glenn Church
Monterey County Board of Supervisors

A T T E S T:

VALERIE RALPH
Clerk of the Board

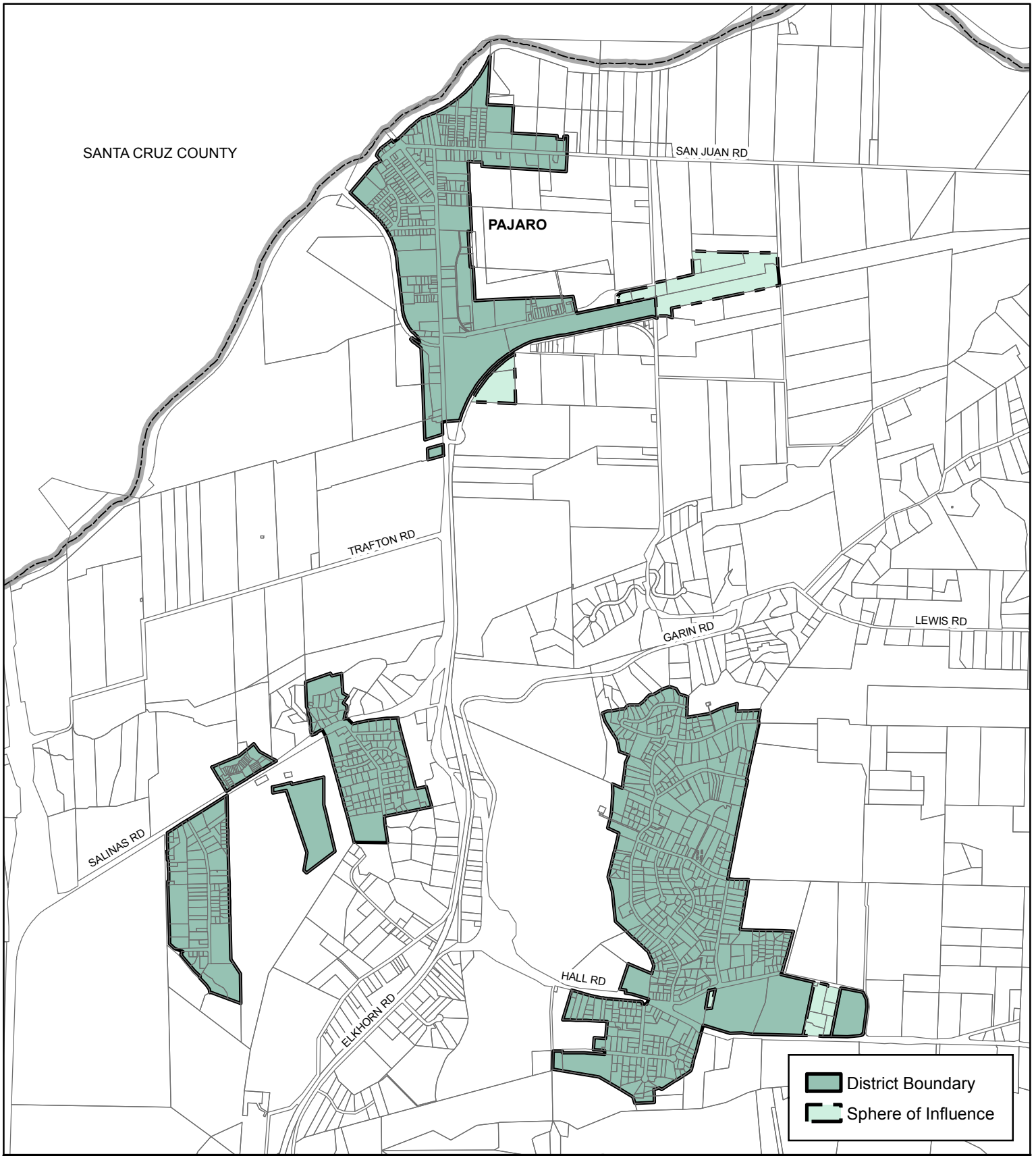
By: _____
Deputy

APPROVED AS TO FORM BY:



Kelly L. Donlon
Assistant County Counsel

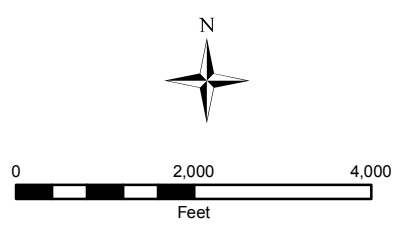
Attachment B



LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369
 Salinas, CA 93902
 Telephone (831) 754-5838

132 W. Gabilan St., Suite 102
 Salinas, CA 93901
 FAX (831) 754-5831



COUNTY SANITATION DISTRICTS

**PAJARO COUNTY
 SANITATION DISTRICT**

(Last LAFCO-Approved Change: 03/26/2012)
 Map prepared: 05/02/2013



County of Monterey

Item No.2

Board Report

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

Legistar File Number: PCSD 24-004

May 21, 2024

Introduced: 5/10/2024

Current Status: Agenda Ready

Version: 1

Matter Type: PCSD General

Acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, and consider any protests and objections to the Report by property owners liable to be assessed for delinquent fees;
- b. Direct the Department of Public Works, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, and consider any protests and objections to the Report by property owners liable to be assessed for delinquent fees;
- b. Direct the Department of Public Works, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

SUMMARY:

The proposed actions will set a Public Hearing to consider placing past due sanitation service charges for the Pajaro County Sanitation District (PCSD) on the Property Tax Roll to facilitate collections. This assessment will be in the form of a lien placed on the property owner's real property until such time that the delinquent balance is paid in full.

DISCUSSION:

PCSD provides wastewater collection services to 1,047 customers in the Pajaro, Las Lomas, and Bay Farms communities. Monterey One Water (M1W) currently acts as the billing agency for the PCSD. As of July 1, 2024, M1W will no longer provide billing/collection services for the PCSD.

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the Property Tax Roll and provided instead for collection through a monthly billing system. On June 9, 2007, the Board of Supervisors adopted Ordinance No. 05054 establishing procedures for collection of delinquent fees for PCSD through the Property Tax Roll. The procedures include holding a public hearing once a year to hear the Report of Delinquent Sanitation Fees and any protests or objections

by property owners liable to be assessed for delinquent fees.

The Report of 2023 Delinquent Fees (Attachment A) lists property owners within the PCSD that have accrued unpaid balances for calendar year 2023 on accounts for 82 parcels, despite multiple billing notices. The proposed action will schedule the required hearing for the 82 parcels with past due 2023 balances. On April 12, 2024, affected property owners were notified by letter that they have delinquent 2023 sewer accounts. If payments were not made, a second notification letter was sent out on or before May 6, 2024. The letters informed each property owner of the past due amount as of December 31, 2023, and that the delinquent amount is subject to collection through placement of a lien on their property. Notices of the June 11, 2024, public hearing will be mailed not less than 10 days prior to the hearing to property owners listed in the Report. The public hearing notice (Attachment B) will be published in the Monterey County Weekly not less than 10 days prior to said hearing.

OTHER AGENCY INVOLVEMENT:

For Fiscal Year Ending June 30, 2024, M1W is the billing agency for the PCSD. M1W notified PWWP that it will no longer act as the billing agency as of July 1, 2024. A proposed ordinance to change the billing method to collect sewer charges through the Property Tax Roll is pending for adoption on May 21, 2024. Placement of the liens on the Property Tax Roll is completed by the Office of the Treasurer-Tax Collector.

FINANCING:

Collectively, past due amounts for calendar year 2023 for PCSD currently total \$42,099 from 82 parcels. Costs associated with processing the liens for the delinquent accounts, including data processing, accounting, noticing, and control procedures, are calculated at \$60 per parcel for a total of \$4,920. In accordance with Ordinance No. 05054, the processing costs will be added as lien transfer fees to the delinquent amount on a per parcel basis prior to forwarding the accounts to the Treasurer-Tax Collector, for a total lien amount of \$47,019. PCSD's main revenue is generated from sewer fees, with additional revenues allocated from a portion of the general property tax. 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 2023 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 151 for PCSD. The current past due amount is consistent with previous annual past due amounts. The PCSD current revenue budget is \$5,268,926 year-to-date revenue collected totaling \$866,170. The current expenditure budget is \$7,586,167 with year-to-date expenditures totaling \$3,377,011. The budget reflects funding from Federal Aid and State Disaster Relief funds. The estimated ending fund balance for FY24 is \$607,001. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2024-25 Property Tax Roll in December 2024 and April 2025. Delinquent payments may be made through the date of the public hearing.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and lien transfer fees for delinquent accounts ensure continued cash flow to fund maintenance and operations. Responsible fiscal management ensures that sewer infrastructure needs are met and improves public health and safety.

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

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

Reviewed by: Tom Moss, PG, QSD, Senior Water Resources Hydrologist

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

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

Attachments:

Attachment A - Report of 2023 Delinquent Fees

Attachment B - Notice of Public Hearing

Attachment C - Location Map



County of Monterey

Item No.

Board Report

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

Legistar File Number: PCSD 24-004

May 21, 2024

Introduced: 5/10/2024

Current Status: Agenda Ready

Version: 1

Matter Type: PCSD General

Acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, and consider any protests and objections to the Report by property owners liable to be assessed for delinquent fees;
- b. Direct the Department of Public Works, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, and consider any protests and objections to the Report by property owners liable to be assessed for delinquent fees;
- b. Direct the Department of Public Works, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

SUMMARY:

The proposed actions will set a Public Hearing to consider placing past due sanitation service charges for the Pajaro County Sanitation District (PCSD) on the Property Tax Roll to facilitate collections. This assessment will be in the form of a lien placed on the property owner's real property until such time that the delinquent balance is paid in full.

DISCUSSION:

PCSD provides wastewater collection services to 1,047 customers in the Pajaro, Las Lomas, and Bay Farms communities. Monterey One Water (M1W) currently acts as the billing agency for the PCSD. As of July 1, 2024, M1W will no longer provide billing/collection services for the PCSD.

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the Property Tax Roll and provided instead for collection through a monthly billing system. On June 9, 2007, the Board of Supervisors adopted Ordinance No. 05054 establishing procedures for collection of delinquent fees for PCSD through the Property Tax Roll. The procedures

include holding a public hearing once a year to hear the Report of Delinquent Sanitation Fees and any protests or objections by property owners liable to be assessed for delinquent fees.

The Report of 2023 Delinquent Fees (Attachment A) lists property owners within the PCSD that have accrued unpaid balances for calendar year 2023 on accounts for 82 parcels, despite multiple billing notices. The proposed action will schedule the required hearing for the 82 parcels with past due 2023 balances. On April 12, 2024, affected property owners were notified by letter that they have delinquent 2023 sewer accounts. If payments were not made, a second notification letter was sent out on or before May 6, 2024. The letters informed each property owner of the past due amount as of December 31, 2023, and that the delinquent amount is subject to collection through placement of a lien on their property. Notices of the June 11, 2024, public hearing will be mailed not less than 10 days prior to the hearing to property owners listed in the Report. The public hearing notice (Attachment B) will be published in the Monterey County Weekly not less than 10 days prior to said hearing.

OTHER AGENCY INVOLVEMENT:

For Fiscal Year Ending June 30, 2024, M1W is the billing agency for the PCSD. M1W notified PWFPA that it will no longer act as the billing agency as of July 1, 2024. A proposed ordinance to change the billing method to collect sewer charges through the Property Tax Roll is pending for adoption on May 21, 2024. Placement of the liens on the Property Tax Roll is completed by the Office of the Treasurer-Tax Collector.

FINANCING:

Collectively, past due amounts for calendar year 2023 for PCSD currently total \$42,099 from 82 parcels. Costs associated with processing the liens for the delinquent accounts, including data processing, accounting, noticing, and control procedures, are calculated at \$60 per parcel for a total of \$4,920. In accordance with Ordinance No. 05054, the processing costs will be added as lien transfer fees to the delinquent amount on a per parcel basis prior to forwarding the accounts to the Treasurer-Tax Collector, for a total lien amount of \$47,019. PCSD's main revenue is generated from sewer fees, with additional revenues allocated from a portion of the general property tax. 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 2023 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 151 for PCSD. The current past due amount is consistent with previous annual past due amounts. The PCSD current revenue budget is \$5,268,926 year-to-date revenue collected totaling \$866,170. The current expenditure budget is \$7,586,167 with year-to-date expenditures totaling \$3,377,011. The budget reflects funding from Federal Aid and State Disaster Relief funds. The estimated ending fund balance for FY24 is \$607,001. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2024-25 Property Tax Roll in December 2024 and April 2025. Delinquent payments may be made through the date of the public hearing.

Legistar File Number: PCSD 24-004

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and lien transfer fees for delinquent accounts ensure continued cash flow to fund maintenance and operations. Responsible fiscal management ensures that sewer infrastructure needs are met and improves public health and safety.

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

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

Reviewed by: Tom Moss, PG, QSD, Senior Water Resources Hydrologist

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

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

DocuSigned by:
Randy Ishii
C09779208FE94F3...

5/13/2024 | 4:33 PM PDT

Attachments:

Attachment A - Report of 2023 Delinquent Fees

Attachment B - Notice of Public Hearing

Attachment C - Location Map

Attachment A

REPORT OF 2023 DELINQUENT FEES AS OF April 5, 204
PAJARO COUNTY SANITATION DISTRICT

| Parcel # | Account Owner Mailing Address | 2023 Past Due Amount | Lien Transfer Fee | Total Amount Due |
|-----------|---|-------------------------|-------------------------|------------------|
| 117081017 | LARA EDWARD & HERNANDEZ R 2750 GOLF CIR WATSONVILLE CA 95076-5466 | \$381.97 | \$60.00 | \$441.97 |
| 117082003 | MORALES BENJAMIN & CHRISTINA 24 HILLCREST RD WATSONVILLE CA 95076-5449 | \$112.77 | \$60.00 | \$172.77 |
| 117082021 | MAGDALENO MERVIN & AGBAYANI E 1 BAY FARMS RD WATSONVILLE CA 95076-5442 | \$423.48 | \$60.00 | \$483.48 |
| 117082025 | DIAZ SANTOS R 5344 SCOTTS VALLEY DR 14 SCOTTS VALLEY CA 95066-3535 | \$803.19 | \$60.00 | \$863.19 |
| 117101019 | CERVANTES RAY & ESTHER 12940 ROSE CT WATSONVILLE CA 95076-5454 | \$506.07 | \$60.00 | \$566.07 |
| 117102006 | TORREZ JOSEPH & AIDA 32 SECONDO WAY WATSONVILLE CA 95076-5415 | \$282.64 | \$60.00 | \$342.64 |
| 117123007 | JERMAINE HEIN & HOWARD HEIN 68 FRUITLAND AVE A WATSONVILLE CA 95076-5460RD HEIN | \$520.45 | \$60.00 | \$580.45 |
| 117181001 | MITCHELL KRAIG ROBERT 992 SALINAS RD WATSONVILLE CA 95076-5446 | \$232.93 | \$60.00 | \$292.93 |
| 117181016 | MONJARAZ GERARDO & RUBY VELEZ 12835 FAIR WAY ROYAL OAKS CA 95076-5458 | \$516.34 | \$60.00 | \$576.34 |
| 117181033 | DONOVAN KATIE & DEUTSCHMAN S 12665 FAIR WAY ROYAL OAKS CA 95076-5456 | \$177.11 | \$60.00 | \$237.11 |
| 117181034 | CHAVEZ MARTHA 12655 FAIR WAY ROYAL OAKS CA 95076-5456 | \$112.57 | \$60.00 | \$172.57 |
| 117181035 | SANBORN NATALIE 12645 FAIR WAY ROYAL OAKS CA 95076-5456 | \$417.79 | \$60.00 | \$477.79 |
| 117281018 | CALDERON JORGE & TERESA 498 ENCINA AVE MONTEREY CA 93940-3878 | \$172.73 | \$60.00 | \$232.73 |
| 117301036 | URBIETA MARIA G 14 ASSOCIATED LN WATSONVILLE CA 95076-5202 | \$242.72 | \$60.00 | \$302.72 |

REPORT OF 2023 DELINQUENT FEES AS OF April 5, 204
PAJARO COUNTY SANITATION DISTRICT

| Parcel # | Account Owner Mailing Address | 2023 Past Due Amount | Lien Transfer Fee | Total Amount Due |
|-----------|--|-------------------------|-------------------------|------------------|
| 117321001 | ROCHA CLAUDIA 1 CAYETANO ST WATSONVILLE CA 95076-5207 | \$254.83 | \$60.00 | \$314.83 |
| 117322003 | RAMIREZ GUSTAVO 25 FLORENCE AVE WATSONVILLE CA 95076-5211EZ | \$274.15 | \$60.00 | \$334.15 |
| 117324009 | LOPEZ SALVA 25 FLORENCE AVE WATSONVILLE CA 95076-5211 | \$165.51 | \$60.00 | \$225.51 |
| 117331001 | DE LEON 12 BOLING RD ROYAL OAKS CA 95076-5502 MARIA | \$5,495.50 | \$60.00 | \$5,555.50 |
| 117332009 | DRUCKER ELIZABETH ANN 1815 BEL AIR RD LOS ANGELES CA 90077-2728 | \$423.27 | \$60.00 | \$483.27 |
| 117332010 | MARTINEZ MARIA 42 PORTER DR WATSONVILLE CA 95076-5223 | \$426.71 | \$60.00 | \$486.71 |
| 117351003 | SANTILLAN RITO & SOCORRO PO BOX 1734 WATSONVILLE CA 95077-1734 | \$179.88 | \$60.00 | \$239.88 |
| 117351006 | RODRIGUEZ TERESA 124 SAN JUAN RD WATSONVILLE CA 95076-5237 | \$438.78 | \$60.00 | \$498.78 |
| 117371003 | SANCHEZ JULIA 17 ELSA ST WATSONVILLE CA 95076-5209 | \$1,583.49 | \$60.00 | \$1,643.49 |
| 117371010 | MORA STEVEN & MARTHA 4 ELSA ST WATSONVILLE CA 95076-5209 | \$112.41 | \$60.00 | \$172.41 |
| 117372007 | GARCIA VICENTE RUIZ ET AL 24 GONDA ST WATSONVILLE CA 95076-5215 | \$112.41 | \$60.00 | \$172.41 |
| 117372010 | VASQUEZ RAM12 GONDA ST WATSONVILLE CA 95076-5215IRO & CARMEN ETAL | \$454.21 | \$60.00 | \$514.21 |
| 117372027 | MENERA SERGIO A 44 SUSAN ST WATSONVILLE CA 95076-5243 | \$243.68 | \$60.00 | \$303.68 |
| 117372045 | DURAN JOSE MIGUEL & GUADALUPE PO BOX 297 WATSONVILLE CA 95077-0297 | \$478.09 | \$60.00 | \$538.09 |

REPORT OF 2023 DELINQUENT FEES AS OF April 5, 204
PAJARO COUNTY SANITATION DISTRICT

| Parcel # | Account Owner Mailing Address | 2023 Past Due Amount | Lien Transfer Fee | Total Amount Due |
|-----------|---|-------------------------|-------------------------|------------------|
| 117372047 | BERUMEN MARIA ELENA ET AL 110 GONDA ST WATSONVILLE CA 95076-5217 | \$98.32 | \$60.00 | \$158.32 |
| 117373003 | ZUMARAN MANUEL DANIEL 208 CALIFORNIA ST WATSONVILLE CA 95076-3912 | \$438.04 | \$60.00 | \$498.04 |
| 117373012 | CAMPOS JAVIER & GLORIA 12 ELSA ST WATSONVILLE CA 95076-5210 | \$426.66 | \$60.00 | \$486.66 |
| 117373016 | VALENCIA ELIAS & MARTINEZ JOSE 17 GONDA ST WATSONVILLE CA 95076-5214 | \$434.04 | \$60.00 | \$494.04 |
| 117551006 | MOYA ELENA RAMIREZ 1978 MAIN ST ROYAL OAKS CA 95076-3066 | \$445.90 | \$60.00 | \$505.90 |
| 117561013 | RIVAS MANUEL JR 2825 GOLF CIR WATSONVILLE CA 95076-5465 | \$312.55 | \$60.00 | \$372.55 |
| 119101014 | ORTIZ FRANCISCO JR & CLAUDIA T 115 SANTA FE RDG APTOS CA 95003-9643 | \$226.78 | \$60.00 | \$286.78 |
| 119111022 | CHRISTIANSEN ELISE J ET AL 88 OAK RD WATSONVILLE CA 95076-5615 | \$582.57 | \$60.00 | \$642.57 |
| 119121006 | LOPEZ JAIME 12D WILLOW RD ROYAL OAKS CA 95076-5610 | \$153.63 | \$60.00 | \$213.63 |
| 119122013 | ARIAS AGUSTIN M & JAIME 395 BERRY RD WATSONVILLE CA 95076-5612 | \$140.64 | \$60.00 | \$200.64 |
| 119122016 | RODRIGUEZ GEORGE L & NANCY 383 BERRY RD WATSONVILLE CA 95076-5612 | \$583.13 | \$60.00 | \$643.13 |
| 119122033 | ZAMORA RUDY & PALOMA D 57 CRAZY HORSE CANYON RD SALINAS CA 93907-8410 | \$583.77 | \$60.00 | \$643.77 |
| 119122039 | WON SUN TR 398 BERRY RD WATSONVILLE CA 95076-5613UST | \$924.48 | \$60.00 | \$984.48 |
| 119151036 | PEREZ EVA 25 LAS LOMAS DRB WATSONVILLE CA 95076-5511 | \$583.80 | \$60.00 | \$643.80 |

| Parcel # | Account Owner Mailing Address | 2023 Past Due Amount | Lien Transfer Fee | Total Amount Due |
|-----------|--|-------------------------|-------------------------|------------------|
| 119152020 | YUSDIVIA HERNANDEZ 6 LAS LOMAS DR WATSONVILLE CA 95076-5512 | \$590.44 | \$60.00 | \$650.44 |
| 119153002 | IGLESIA ROCA FIRME INC PO BOX 2643 WATSONVILLE CA 95077-2643 | \$1,750.29 | \$60.00 | \$1,810.29 |
| 119161020 | LEAL JOSE & MARTINEZ ANA A 43 LAS LOMAS DR C WATSONVILLE CA 95076-5511 | \$194.52 | \$60.00 | \$254.52 |
| 119161021 | MARTINEZ RICARDO F ET AL 43 LAS LOMAS DR C ROYAL OAKS CA 95076-5511 | \$194.52 | \$60.00 | \$254.52 |
| 119161024 | SAMANO BENJAMIN S & ALICIA J PO BOX 2712 WATSONVILLE CA 95077-2712 | \$325.64 | \$60.00 | \$385.64 |
| 119162005 | GUTIERREZ MARIA E ET AL 21 MILLER RD WATSONVILLE CA 95076-5541 | \$545.81 | \$60.00 | \$605.81 |
| 119162028 | LOPEZ JOSE & AIDA 1978 MAIN ST ROYAL OAKS CA 95076-3066 | \$583.80 | \$60.00 | \$643.80 |
| 119171009 | SERRANO PEDRO & VASQUEZ S 130 LAS LOMAS DR WATSONVILLE CA 95076-5514 | \$113.40 | \$60.00 | \$173.40 |
| 119171020 | CERVANTES MIGUEL JR 20 GREGORY RD C ROYAL OAKS CA 95076-5510 | \$583.82 | \$60.00 | \$643.82 |
| 119171025 | CERVANTES RAY & ESTHER 12940 ROSE CT WATSONVILLE CA 95076-5454 | \$1,119.65 | \$60.00 | \$1,179.65 |
| 119181029 | FERNANDEZ DAVID 2830 EMMANUEL CT WATSONVILLE CA 95076-5550 | \$157.42 | \$60.00 | \$217.42 |
| 119182012 | GALLEGOS EDUARDO & MARTINEZ NA 43 MILLER RD ROYAL OAKS CA 95076-5528 | \$177.86 | \$60.00 | \$237.86 |
| 119182021 | PINEDO EVA 47 MILLER RD D WATSONVILLE CA 95076-5528 | \$579.17 | \$60.00 | \$639.17 |
| 119182025 | ZEPEDA MARIA G 51 MILLER RD WATSONVILLE CA 95076-5528 | \$364.88 | \$60.00 | \$424.88 |
| 119191010 | INIQUES JAMIE & VERONICA 7 GREGORY RD WATSONVILLE CA 95076-5509 | \$583.80 | \$60.00 | \$643.80 |

| Parcel # | Account Owner Mailing Address | 2023 Past Due Amount | Lien Transfer Fee | Total Amount Due |
|-----------|---|-------------------------|-------------------------|------------------|
| 119191012 | VERONICA POSADAS-ROC HERNANDEZ DIEGO P & ROCHA V 19B CAREY AVE FREEDOM CA 95019-3028 | \$170.82 | \$60.00 | \$230.82 |
| 119192001 | PEREZ ARMANDO M & LAURA 50 OVERPASS RD WATSONVILLE CA 95076-5556 | \$194.52 | \$60.00 | \$254.52 |
| 119201008 | RODRIGUEZ GILBERTO ET AL 35 OVERPASS RD WATSONVILLE CA 95076-5553 | \$583.82 | \$60.00 | \$643.82 |
| 119211025 | CORTEZ ISMAEL AR & MARIA L H 193 LAS LOMAS DR WATSONVILLE CA 95076-5562 | \$194.52 | \$60.00 | \$254.52 |
| 119211029 | MOYA ROBERTO & MONICA 177 LAS LOMAS DR WATSONVILLE CA 95076-5513 | \$153.63 | \$60.00 | \$213.63 |
| 119211031 | GARCIA JOSE I & FABIOLA A 181 LAS LOMAS DR WATSONVILLE CA 95076-5513 | \$583.79 | \$60.00 | \$643.79 |
| 119212001 | ACEVEDOA ROSA LAURA BAUTISTA 212 LAS LOMAS DR WATSONVILLE CA 95076-5516 | \$1,088.29 | \$60.00 | \$1,148.29 |
| 119212011 | COSIO ASENCION ET AL 3 OVERPASS RD WATSONVILLE CA 95076-5537 | \$579.28 | \$60.00 | \$639.28 |
| 119221010 | CABRERA BLANCA & SALVADOR 84 CLAUSEN RD WATSONVILLE CA 95076-5504 | \$583.21 | \$60.00 | \$643.21 |
| 119221011 | ZAMORA RODOLFO & MARIA 36 CLAUSEN RD WATSONVILLE CA 95076-5504 | \$1,167.38 | \$60.00 | \$1,227.38 |
| 119231009 | MORA STEVEN PO BOX 1480 CASTROVILLE CA 95012-1480EN | \$445.88 | \$60.00 | \$505.88 |
| 119241004 | ZAMORA ERNAN 235 LAS LOMAS DR WATSONVILLE CA 95076-5544 | \$583.76 | \$60.00 | \$643.76 |
| 119241018 | PARRA J TORRES 274 LAS LOMAS DR WATSONVILLE CA 95076-5524 | \$583.80 | \$60.00 | \$643.80 |
| 119242021 | DE LEON MARIA 12 BOLING RD B ROYAL OAKS CA 95076-5502 | \$579.28 | \$60.00 | \$639.28 |
| 119242022 | ALVAREZ ARMANDO O ET AL 12 BOLING RD B ROYAL OAKS CA 95076-5502 | \$236.08 | \$60.00 | \$296.08 |

| Parcel # | Account Owner Mailing Address | 2023 Past Due Amount | Lien Transfer Fee | Total Amount Due |
|---------------|---|-------------------------|-------------------------|------------------|
| 119251005 | BUGALSKI ROBERT A & BARBARA 185 LYNETTE DR APTOS CA 95003-3304 | \$325.64 | \$60.00 | \$385.64 |
| 119251018 | D ORSAY JANICE ET AL 337 LAS LOMAS DR WATSONVILLE CA 95076-5517 | \$680.83 | \$60.00 | \$740.83 |
| 119261017 | ZAMORA DAVID ZAMORA 79 BOLING RD WATSONVILLE CA 95076-5501 | \$579.31 | \$60.00 | \$639.31 |
| 119261026 | SHIMABUKURO MARY J 33 BOLING RD WATSONVILLE CA 95076-5501 | \$583.78 | \$60.00 | \$643.78 |
| 412081002 | SANCHEZ ANGELITA E 64 MILLER RD WATSONVILLE CA 95076-5518 | \$579.57 | \$60.00 | \$639.57 |
| 412081004 | MORALES VICTOR 58 MILLER RD WATSONVILLE CA 95076-5518 | \$321.25 | \$60.00 | \$381.25 |
| 412081009 | LOBATO MART 40 MILLER RD WATSONVILLE CA 95076-5518IN V | \$576.24 | \$60.00 | \$636.24 |
| 412141017 | MARTINEZ JU 89 SILL RD WATSONVILLE CA 95076-5431AN | \$626.68 | \$60.00 | \$686.68 |
| 412141044 | KUK MARIANO & KLUS NICOLETTE 3006 PARIS CT ROYAL OAKS CA 95076-5635 | \$194.52 | \$60.00 | \$254.52 |
| 412141053 | ENOMOTO GERALD F 521 JOYCE DR WATSONVILLE CA 95076-3569 | \$557.84 | \$60.00 | \$617.84 |
| TOTALS | | \$42,098.73 | \$4,920.00 | \$47,018.73 |

Attachment B

NOTICE OF PUBLIC HEARING
COUNTY OF MONTEREY
PAJARO COUNTY SANITATION DISTRICT

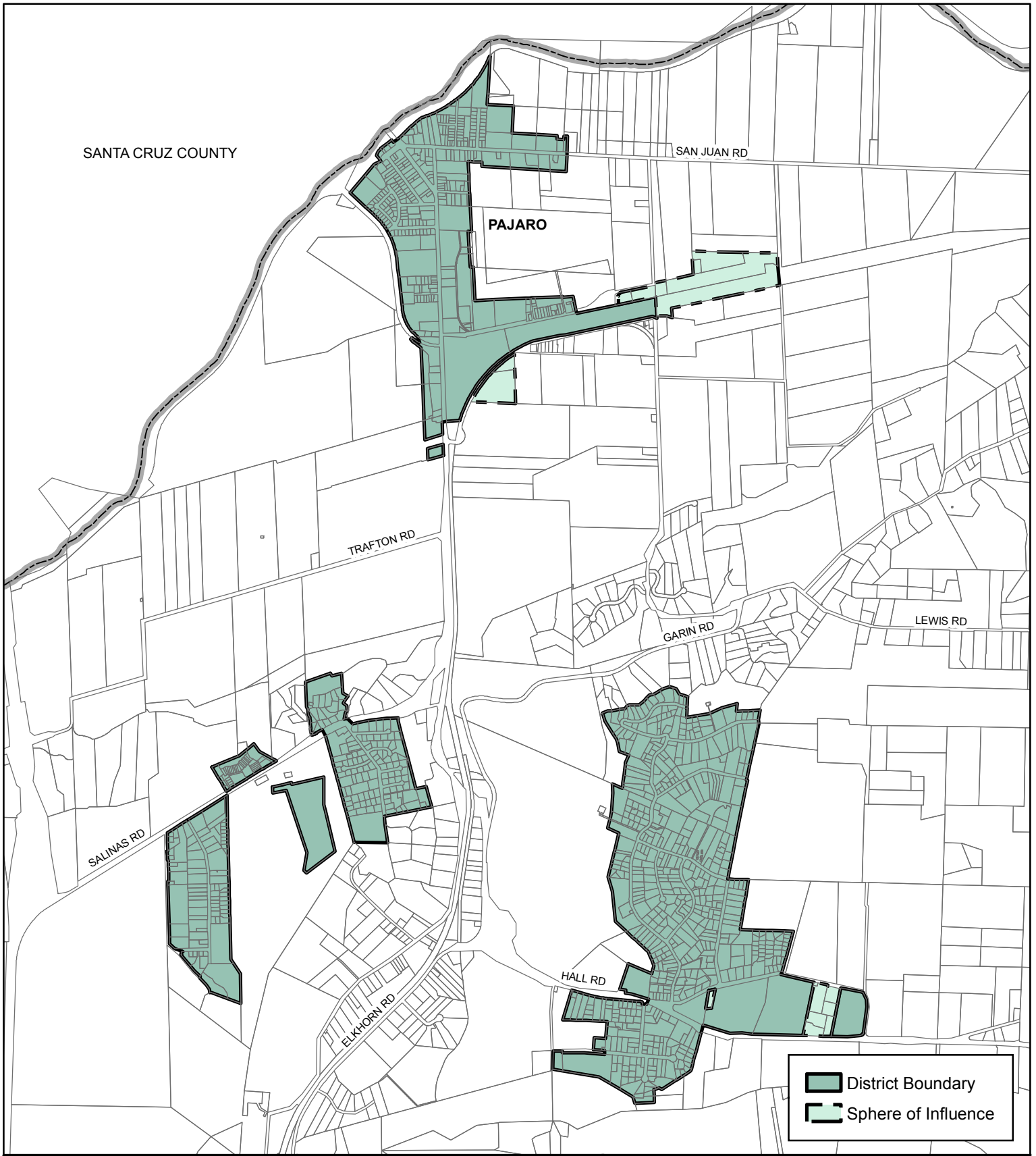
NOTICE IS HEREBY GIVEN that acting on behalf of the Pajaro County Sanitation District, the Board of Supervisors of the County of Monterey will hold a **Public Hearing** on **Tuesday, June 11, 2024, at 1:30 p.m.**, to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District and consider any protests and objections to the report by property owners liable to be assessed for delinquent fees for the Pajaro County Sanitation District.

NOTICE IS FURTHER GIVEN that the public hearing will be conducted in the Board of Supervisors Chambers, County of Monterey, Government Center, Administration Building, 168 West Alisal Street, 1st Floor, Salinas, California 93901, at which time and place any and all interested persons may appear and be heard thereon.

If you challenge this matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this public notice or in written correspondence delivered to the appropriate authority at or before the public hearing.

FOR ADDITIONAL INFORMATION, CONTACT: Lynette Redman, Management Analyst III, Public Works, Facilities and Parks, 1441 Schilling Place, 2nd Floor, Salinas, California 93901-4257; Telephone (831) 796-6038; E-Mail: redmanl@countyofmonterey.gov

Attachment C



SANTA CRUZ COUNTY

SAN JUAN RD

PAJARO

TRAFTON RD

GARIN RD

LEWIS RD

SALINAS RD

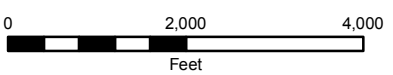
ELKHORN RD

HALL RD

District Boundary
 Sphere of Influence

LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369 132 W. Gabilan St., Suite 102
 Salinas, CA 93902 Salinas, CA 93901
 Telephone (831) 754-5838 FAX (831) 754-5831



COUNTY SANITATION DISTRICTS

**PAJARO COUNTY
 SANITATION DISTRICT**

(Last LAFCO-Approved Change: 03/26/2012)
 Map prepared: 05/02/2013



County of Monterey

Item No.3

Board Report

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

Legistar File Number: RES 24-075

May 21, 2024

Introduced: 4/22/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Board of Supervisors of the County of Monterey acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area pursuant to Proposition 218 requirements;
- b. Direct the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determine whether a majority protest exists;
- d. If a majority protest exists, no rate increase may be imposed;
- e. If no majority protest exists, adopt a resolution approving the proposed wastewater service rate increase; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

RECOMMENDATION:

It is recommended that the Board of Supervisors acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area pursuant to Proposition 218 requirements;
- b. Direct the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determine whether or not a majority protest exists;
- d. If a majority protest exists, no rate increase may be imposed;
- e. If no majority protest exists, adopt a resolution approving the proposed wastewater rate increase; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

SUMMARY/DISCUSSION:

The County-Owned PCSD wastewater collection system (PCSD System) is in northern unincorporated area of the County of Monterey. The PCSD System serves the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. It includes approximately 16.5 miles of gravity sewer pipe, six pump stations, and approximately 2.4 miles of force sewer main. There are approximately 1,047 sewer connections and 1,768 billing units. The PCSD System is a collection system only. Collected sewage is pumped to the City of Watsonville wastewater treatment plant for

treatment. A site location map is presented in Attachment A.

Wastewater service rates for the PCSD have not changed since 2007 and costs to operate and maintain the system have increased significantly since then. This has resulted in an inability of PCSD to generate sufficient revenues to offset operational and infrastructure costs. Thus, in Fall 2022, District staff initiated the process to increase sewer service rates for the PCSD System.

During the November 30, 2022, Budget Committee meeting, staff presented alternative customer service rates for the Committee's consideration which would go into effect on July 1, 2023. The Budget Committee recommended the rate study move forward assuming outstanding General Fund loans totaling \$1,941,661 would be forgiven, an additional \$2.1 million in capital improvement funding and up to \$3.5 million to supplement operating costs would be provided over the next 5 years.

During a Budget Committee meeting on March 29, 2023, staff recommended rate increases be postponed until July 1, 2024, to allow time for residents and businesses within the Community of Pajaro to recover from the devastating storms that occurred in March 2023; during an August 29, 2023, meeting, the Board formally approved postponing rate increases.

During a January 19, 2024, Board of Directors meeting, Staff presented three alternative single family residential rate increase scenarios. The first scenario contemplated a first-year single family residential rate increase from approximately \$30 to \$60/month for the first year with annual increases based on the consumer price index (CPI); the second scenario contemplated a rate increase from approximately \$30 to \$60/month for the first year with an annual increase of \$10/month for the next five years; and the third rate scenario was calculated assuming no County subsidy, resulting in a rate increase from approximately \$30 to \$129.46/month. The Board approved pursuing a hybrid of these scenarios: a single-family residential rate of \$60/month for the first year and annual increases thereafter of \$5/month plus an increase based on the CPI.

A Proposition 218-compliant rate study report has been prepared and is presented in Attachment B (the rate study report). A summary of proposed monthly rates detailed in the rate study report, is presented in Attachment C and a Notice of Public Hearing, mailed March 27, 2024, with Spanish translation, is presented in Attachment D. A Certificate of Clerk of the Board Statement of Protests, and a Resolution Establishing New Wastewater Rates are included as Attachments E and F, respectively.

The public hearing is being convened to hear objections to, or protests against, the proposed sewer service rate increases by property owners pursuant to Proposition 218 requirements. It was set by the Board of Directors on March 26, 2024. The Notice of Public Hearing (with proposed wastewater rates and Spanish translation) was mailed to property owners on March 28, 2024, and published in the Monterey County Weekly on April 4, 2024. Additionally, the Notice of Public Hearing was posted on the County of Monterey PWWP webpage. Copies of the Rate Study and Notice of Public Hearing with proposed wastewater rates were made available at the PWWP offices.

Prior to any Board action, four (4) community outreach events were held in the PCSD to inform property owners of the increase. The first community outreach event was held on November 7, 2023,

in Las Lomas, and the second on November 14th in Bay Farms. Subsequent meetings were convened in Pajaro and again in Las Lomas on January 24 and March 19, 2024, respectively. Rate increases, as presented in the rate study were explained and discussed, and information regarding the wastewater system, as well as the need to increase rates, was provided during the community outreach events.

The public hearing is mandated by the Proposition 218 Majority Protest Process. The proposed new rate structure will only be implemented if, upon the conclusion of the public hearing, a majority (50% plus one [1]) of written protests are received. Per Proposition 218, only one (1) written protest will be counted for each property for purposes of determining if there is a majority protest. To be counted, the protest must (1) be in writing; (2) state opposition to the proposed rate increase; (3) identify the parcel by assessor's parcel number or street address; (4) include the original signature(s) of the property owner(s) of record; and (5) be received before the conclusion of the Public Hearing on Tuesday, May 21, 2024.

Changes to Customer Billing Procedures

Currently, Monterey One Water (M1W) provides monthly billing services to PCSD customers. Beginning July 1, 2024, M1W will change its billing method from monthly invoicing to annual billing through the County property tax roll. Similarly, PCSD customers will no longer receive an invoice from M1W. As of July 1, 2024, if billing through the property tax roll is approved by the Board through a separate Board action, PCSD sewer charges will appear on the property owner's respective property tax bill. Wastewater service charges for the entire year will be billed in November, and at least half of the amount will be due by December 10th and the remainder will be due by April 10th. For example, for 1 EDU, the new rate will be \$60.00 per month; thus, \$720.00 will be billed in November 2024 and \$360.00 will be due on December 10, 2024, and the remaining \$360.00 will be due on April 10, 2025. Wastewater charges will increase in future years but will be billed similarly. Staff notes that 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 (<https://easysmartpay.net/monterey-ca>). This service is free of charge provided ACH (bank to bank) transfers are utilized.

OTHER AGENCY INVOLVEMENT:

This matter was presented to the Budget Committee on November 30, 2022, and on March 29, 2023. During the March 29, 2023, Budget Committee Meeting, the Committee discussed postponing implementation of new customer service rates to provide time for the Pajaro community to recover from the March 10, 2023, flood and to allow staff to conduct community meetings after the community has had time to recover. Staff presented three alternative single family residential rate increase scenarios at the January 19, 2024, Board of Directors meeting. Per Proposition 218 requirements, the public hearing was set by the Board of Directors on March 26, 2024.

FINANCING:

The plan to increase wastewater services rates supported by the Board of Directors on March 26th, 2024, includes General Fund loan forgiveness of \$1,941,661 and General Fund subsidies to the District for the foreseeable future to keep rates consistent with surrounding communities. Over the next five years, the General Fund subsidies are estimated to be \$1,409,300 (FY 2024-25),

\$1,357,350 (FY 2025-26), \$1,073,300 (FY 2026-27), \$954,400 (FY 2027-28) and \$1,183,400 (FY 2028-29). The FY 2024-25 Recommended Budget does not include the necessary subsidy of \$1,409,300 and would require the Board of Supervisors to identify a General Fund funding source. Potential funding sources for the Board's consideration include General Fund Unassigned Fund Balance and Contingencies.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the following Board of Supervisors Strategic Initiatives by providing the funds necessary to maintain the PCSD infrastructure and thereby enhancing public safety by minimizing sewer overflows.

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

Prepared by: J. Erich Rauber, PE, GE, Senior Civil Engineer

Reviewed by: Enrique Saavedra, PE, Chief of Public Works

Mary Grace Perry, Deputy County Counsel

Jessica Cordiero-Martinez, Finance Manager III

Trent Hill, Senior Administrative Analyst

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

Attachments:

Attachment A - Location Map

Attachment B - Rate Study Results Report

Attachment C - Summary of Proposed Wastewater Service Rate Increases

Attachment D - Notice of Public Hearing and Proposed Wastewater Rates mailed March 27, 2024, with Spanish translation

Attachment E - Certificate of Clerk of the Board Statement of Protests

Attachment F - Resolution Establishing New Wastewater Rates



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 24-075

May 21, 2024

Introduced: 4/22/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Board of Supervisors of the County of Monterey acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area pursuant to Proposition 218 requirements;
- b. Direct the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determine whether a majority protest exists;
- d. If a majority protest exists, no rate increase may be imposed;
- e. If no majority protest exists, adopt a resolution approving the proposed wastewater service rate increase; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

RECOMMENDATION:

It is recommended that the Board of Supervisors acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area pursuant to Proposition 218 requirements;
- b. Direct the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determine whether or not a majority protest exists;
- d. If a majority protest exists, no rate increase may be imposed;
- e. If no majority protest exists, adopt a resolution approving the proposed wastewater rate increase; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

SUMMARY/DISCUSSION:

The County-Owned PCSD wastewater collection system (PCSD System) is in northern unincorporated area of the County of Monterey. The PCSD System serves the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. It includes approximately 16.5 miles of gravity sewer pipe, six pump stations, and approximately 2.4 miles of force sewer main. There are approximately 1,047 sewer connections and 1,768 billing units. The PCSD System is a collection system only. Collected sewage is pumped to the City of Watsonville wastewater treatment plant for treatment. A site location map is presented in Attachment A.

Wastewater service rates for the PCSD have not changed since 2007 and costs to operate and maintain the system have increased significantly since then. This has resulted in an inability of PCSD to generate sufficient revenues to offset operational and infrastructure costs. Thus, in Fall 2022, District staff initiated the process to increase sewer service rates for the PCSD System.

During the November 30, 2022, Budget Committee meeting, staff presented alternative customer service rates for the Committee's consideration which would go into effect on July 1, 2023. The Budget Committee recommended the rate study move forward assuming outstanding General Fund loans totaling \$1,941,661 would be forgiven, an additional \$2.1 million in capital improvement funding and up to \$3.5 million to supplement operating costs would be provided over the next 5 years.

During a Budget Committee meeting on March 29, 2023, staff recommended rate increases be postponed until July 1, 2024, to allow time for residents and businesses within the Community of Pajaro to recover from the devastating storms that occurred in March 2023; during an August 29, 2023, meeting, the Board formally approved postponing rate increases.

During a January 19, 2024, Board of Directors meeting, Staff presented three alternative single family residential rate increase scenarios. The first scenario contemplated a first-year single family residential rate increase from approximately \$30 to \$60/month for the first year with annual increases based on the consumer price index (CPI); the second scenario contemplated a rate increase from approximately \$30 to \$60/month for the first year with an annual increase of \$10/month for the next five years; and the third rate scenario was calculated assuming no County subsidy, resulting in a rate increase from approximately \$30 to \$129.46/month. The Board approved pursuing a hybrid of these scenarios: a single-family residential rate of \$60/month for the first year and annual increases thereafter of \$5/month plus an increase based on the CPI.

A Proposition 218-compliant rate study report has been prepared and is presented in Attachment B (the rate study report). A summary of proposed monthly rates detailed in the rate study report, is presented in Attachment C and a Notice of Public Hearing, mailed March 27, 2024, with Spanish translation, is presented in Attachment D. A Certificate of Clerk of the Board Statement of Protests, and a Resolution Establishing New Wastewater Rates are included as Attachments E and F, respectively.

The public hearing is being convened to hear objections to, or protests against, the proposed sewer service rate increases by property owners pursuant to Proposition 218 requirements. It was set by the Board of Directors on March 26, 2024. The Notice of Public Hearing (with proposed wastewater rates and Spanish translation) was mailed to property owners on March 28, 2024, and published in the Monterey County Weekly on April 4, 2024. Additionally, the Notice of Public Hearing was posted on the County of Monterey PWWP webpage. Copies of the Rate Study and Notice of Public Hearing with proposed wastewater rates were made available at the PWWP offices.

Prior to any Board action, four (4) community outreach events were held in the PCSD to inform property owners of the increase. The first community outreach event was held on November 7,

2023, in Las Lomas, and the second on November 14th in Bay Farms. Subsequent meetings were convened in Pajaro and again in Las Lomas on January 24 and March 19, 2024, respectively. Rate increases, as presented in the rate study were explained and discussed, and information regarding the wastewater system, as well as the need to increase rates, was provided during the community outreach events.

The public hearing is mandated by the Proposition 218 Majority Protest Process. The proposed new rate structure will only be implemented if, upon the conclusion of the public hearing, a majority (50% plus one [1]) of written protests are received. Per Proposition 218, only one (1) written protest will be counted for each property for purposes of determining if there is a majority protest. To be counted, the protest must (1) be in writing; (2) state opposition to the proposed rate increase; (3) identify the parcel by assessor's parcel number or street address; (4) include the original signature(s) of the property owner(s) of record; and (5) be received before the conclusion of the Public Hearing on Tuesday, May 21, 2024.

Changes to Customer Billing Procedures

Currently, Monterey One Water (M1W) provides monthly billing services to PCSD customers. Beginning July 1, 2024, M1W will change its billing method from monthly invoicing to annual billing through the County property tax roll. Similarly, PCSD customers will no longer receive an invoice from M1W. As of July 1, 2024, if billing through the property tax roll is approved by the Board through a separate Board action, PCSD sewer charges will appear on the property owner's respective property tax bill. Wastewater service charges for the entire year will be billed in November, and at least half of the amount will be due by December 10th and the remainder will be due by April 10th. For example, for 1 EDU, the new rate will be \$60.00 per month; thus, \$720.00 will be billed in November 2024 and \$360.00 will be due on December 10, 2024, and the remaining \$360.00 will be due on April 10, 2025. Wastewater charges will increase in future years but will be billed similarly. Staff notes that 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 (<https://easysmartpay.net/monterey-ca>). This service is free of charge provided ACH (bank to bank) transfers are utilized.

OTHER AGENCY INVOLVEMENT:

This matter was presented to the Budget Committee on November 30, 2022, and on March 29, 2023. During the March 29, 2023, Budget Committee Meeting, the Committee discussed postponing implementation of new customer service rates to provide time for the Pajaro community to recover from the March 10, 2023, flood and to allow staff to conduct community meetings after the community has had time to recover. Staff presented three alternative single family residential rate increase scenarios at the January 19, 2024, Board of Directors meeting. Per Proposition 218 requirements, the public hearing was set by the Board of Directors on March 26, 2024.

FINANCING:

The plan to increase wastewater services rates supported by the Board of Directors on March 26th, 2024, includes General Fund loan forgiveness of \$1,941,661 and General Fund subsidies to the District for the foreseeable future to keep rates consistent with surrounding communities. Over the next five years, the General Fund subsidies are estimated to be \$1,409,300 (FY

Legistar File Number: RES 24-075

2024-25), \$1,357,350 (FY 2025-26), \$1,073,300 (FY 2026-27), \$954,400 (FY 2027-28) and \$1,183,400 (FY 2028-29). The FY 2024-25 Recommended Budget does not include the necessary subsidy of \$1,409,300 and would require the Board of Supervisors to identify a General Fund funding source. Potential funding sources for the Board’s consideration include General Fund Unassigned Fund Balance and Contingencies.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the following Board of Supervisors Strategic Initiatives by providing the funds necessary to maintain the PCSD infrastructure and thereby enhancing public safety by minimizing sewer overflows.

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

Prepared by: J. Erich Rauber, PE, GE, Senior Civil Engineer

Reviewed by: Enrique Saavedra, PE, Chief of Public Works
Mary Grace Perry, Deputy County Counsel
Jessica Cordiero-Martinez, Finance Manager III
Trent Hill, Senior Administrative Analyst

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

DocuSigned by:
Randell Ishii
202779208F234E3

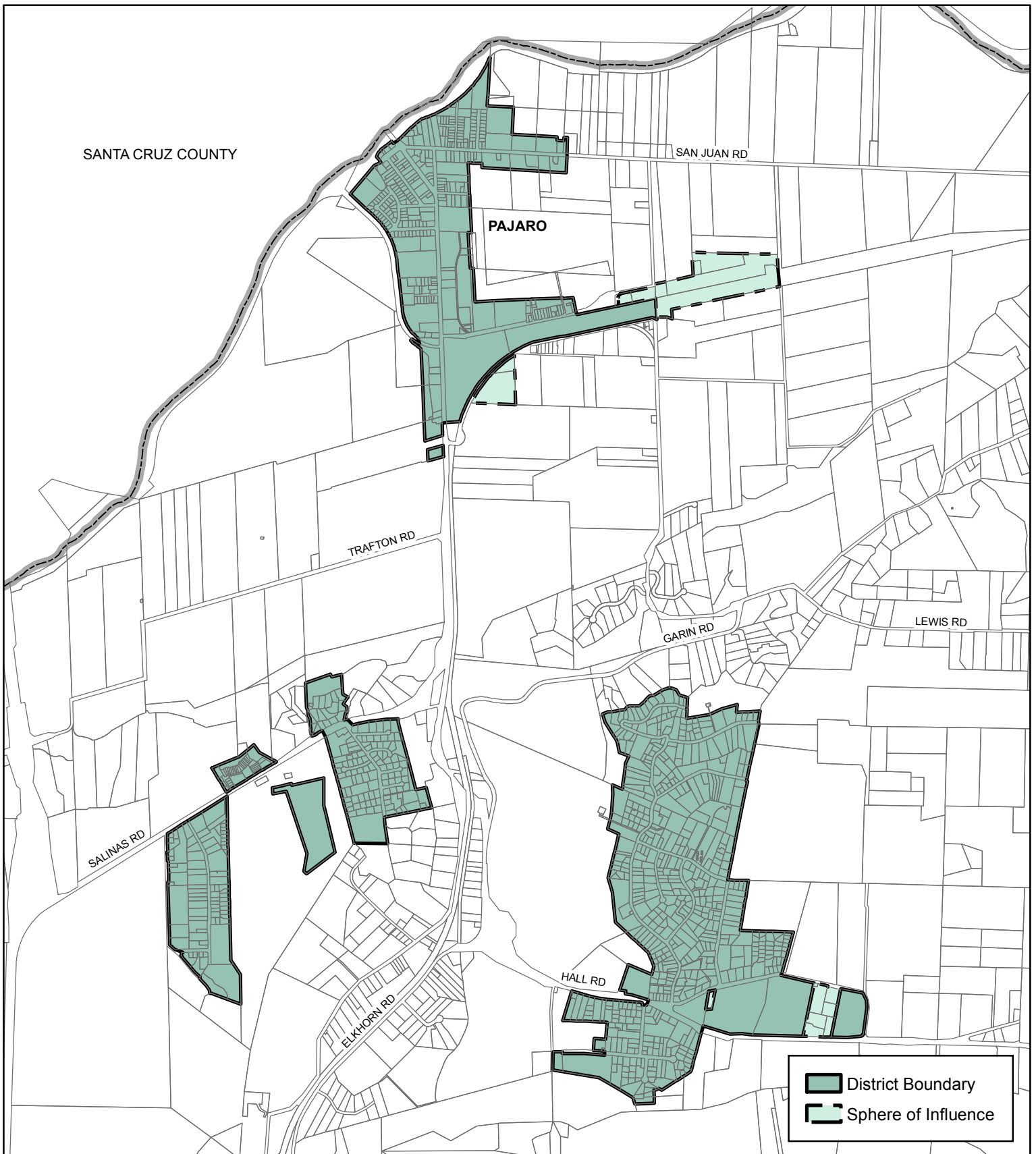
4/25/2024 11:58 AM PDT

Attachments:

- Attachment A - Location Map
- Attachment B - Rate Study Results Report
- Attachment C - Summary of Proposed Wastewater Service Rate Increases
- Attachment D - Notice of Public Hearing and Proposed Wastewater Rates mailed March 27, 2024, with Spanish translation
- Attachment E - Certificate of Clerk of the Board Statement of Protests
- Attachment F - Resolution Establishing New Wastewater Rates

Attachment A

Attachment A



SANTA CRUZ COUNTY

SAN JUAN RD

PAJARO

TRAFTON RD



GARIN RD

LEWIS RD

SALINAS RD

ELKHORN RD

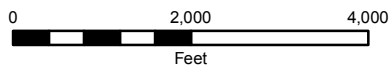
HALL RD

-  District Boundary
-  Sphere of Influence

LAFCO of Monterey County
LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan St., Suite 102
Salinas, CA 93901
FAX (831) 754-5831



COUNTY SANITATION DISTRICTS

**PAJARO COUNTY
SANITATION DISTRICT**

(Last LAFCO-Approved Change: 03/26/2012)
Map prepared: 05/02/2013

Attachment B

Attachment B

Summary of Proposed Wastewater Service Rate Increases

Wastewater Service Charges

| Classification | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2028 |
|----------------------|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Residential (\$/DU) | EDU Multiple | \$/mo | \$/mo | \$/mo | \$/mo | \$/mo |
| | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 | \$92.27 |
| Multifamily (\$/DU) | 0.80 | \$48.00 | \$54.08 | \$60.40 | \$66.97 | \$73.81 |
| Mobile Homes (\$/DU) | 0.70 | \$42.00 | \$47.32 | \$52.85 | \$58.60 | \$64.59 |
| Non-Residential | Strength Factor | \$/mo | \$/mo | \$/mo | \$/mo | \$/mo |
| Low Strength | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 | \$92.27 |
| High Strength | 1.56 | \$93.80 | \$105.67 | \$118.02 | \$130.87 | \$144.23 |

Notes:

1. An Equivalent Dwelling Unit (EDU) is defined as the flow and strength of a single-family residence consisting of 6 hundred cubic feet (HCF) of wastewater flow per month with Bio-chemical Oxygen Demand (BOD) strength of 250 milligrams per liter (mg/l) and Suspended Solids (SS) strength of 250 mg/l.
2. Low-Strength wastewater is defined as wastewater with a BOD and SS strength of less than or equal to 250 mg/l.
3. High-Strength wastewater is defined as wastewater with a BOD and SS strength of more than or 250 mg/l. and less than or equal to 600 mg/l.
4. For wastewater with a BOD and/or SS strength greater than or equal to 600 mg/l, the charge per EDU will be determined by the District Engineer and based on the actual strength of BOD and SS. (Charge = \$60 * (Flow HCF)/6 HCF * (0.5977 + (BOD mg/l)/250 BOD * 0.2073 + (SS mg/l)/250 mg/l * 0.1949).

Attachment C

Attachment F

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No. 24-0 _____

Adopt a Resolution to:

- a. Conduct a Public Hearing to accept protests against the proposed wastewater service fee increase by within the Pajaro County Sanitation District pursuant to Proposition 218 requirements;
- b. Direct Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determine if a majority protest exists;
- d. If a majority protest exists, no assessment may be imposed;
- e. If no majority protest exists, approve the proposed wastewater rate increase; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

WHEREAS, the Pajaro County Sanitation District (PCSD) provides wastewater services to properties located in the PCSD pursuant to Ordinance No. 5134, and as such wastewater charges are adjusted from time to time; and

WHEREAS, wastewater service rates have remained unchanged for over 15 years, resulting in an inability of the PCSD to generate sufficient revenues to fund operational and infrastructure costs; and

WHEREAS, a PCSD Rate Study was completed by Tuckfield & Associates in February 2024 (Rate Study). The Rate Study established new residential and commercial sewer rates for the next five (5) years needed to sustain wastewater operations, accomplish capital improvements, and establish reasonable reserves; and

WHEREAS, four (4) community outreach events were held in November and March 2024 to inform PCSD property owners of the proposed rate increases and implementation schedule, and answer questions posed by event participants.

WHEREAS, on March 26, 2024, the Board of Supervisors set a public hearing for May 21, 2024, at 1:30 p.m. to hear protests against the proposed increase to wastewater rates by property owners pursuant to Proposition 218 requirements; and

WHEREAS, PWWP staff was directed to mail a Notice of Public Hearing to property owners in the PCSD and publish the Notice of Public Hearing in the Monterey County Weekly not less than 45 (forty-five) days prior to the date of this public hearing; and

WHEREAS, the Notice of Public Hearing with proposed wastewater rates with a Spanish translation was mailed to property owners on March 28, 2024 and published in the Monterey County Weekly on April 4, 2024; and

WHEREAS, Notice of Public Hearing with proposed wastewater rates was posted on the County of Monterey Public Works, Facilities and Parks webpage; and

WHEREAS, such a Public Hearing was held on May 21, 2024, and the PCSD Board of Directors considered all protests related to the proposed increase in the wastewater service fees;

DECISION

NOW, THEREFORE BE IT RESOVLED, that the PCSD Board of Directors, does hereby find and determine as follows:

Section 1. The foregoing recitals are true and correct and incorporated herein by this reference.

Section 2. The PCSD Board of Directors has fully considered this matter and has:

- a. Reviewed the notice and the information submitted herewith regarding the proposed increase and the reasons for the increase in the sewer service fees; provided notice of the proposed fee increase to the record owners of the parcels to which the proposed fee increase would apply in accordance with Article XIII §D of the California Constitution;
- b. Heard and received all objections, protests, or other written communications from any owners of real property subject to the fee;
- c. Taken and received oral and documentary evidence pertaining to the proposed fee increase;
- d. Been fully informed of this matter;

Section 3. Written protests have not been received from property owners representing a majority of the parcels subject to the proposed fee increase;

Section 4. Proposed wastewater service fees will be billed beginning July 1, 2024;

Section 5. Based on these facts and circumstances presented and the information received during the public hearing, increases in wastewater rates are necessary and hereby adopted.

Section 6. New Monthly Wastewater Rates are increases are set forth below:

Wastewater Service Charges

| Classification | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2028 |
|----------------------|--------------------|--------------|--------------|--------------|--------------|--------------|
| Residential (\$/DU) | EDU Multiple | \$/mo | \$/mo | \$/mo | \$/mo | \$/mo |
| | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 | \$92.27 |
| Multifamily (\$/DU) | 0.80 | \$48.00 | \$54.08 | \$60.40 | \$66.97 | \$73.81 |
| Mobile Homes (\$/DU) | 0.70 | \$42.00 | \$47.32 | \$52.85 | \$58.60 | \$64.59 |
| Non-Residential | Strength Factor | \$/mo | \$/mo | \$/mo | \$/mo | \$/mo |
| | Low Strength | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 |
| | High Strength | 1.56 | \$93.80 | \$105.67 | \$118.02 | \$130.87 |
| | | | | \$130.87 | \$144.23 | |

Notes:

1. An Equivalent Dwelling Unit (EDU) is defined as the flow and strength of a single-family residence consisting of 6 hundred cubic feet (HCF) of wastewater flow per month with Bio-chemical Oxygen Demand (BOD) strength of 250 milligrams per liter (mg/l) and Suspended Solids (SS) strength of 250 mg/l.

2. Low-Strength wastewater is defined as wastewater with a BOD and SS strength of less than or equal to 250 mg/l.
3. High-Strength wastewater is defined as wastewater with a BOD and SS strength of more than or 250 mg/l. and less than or equal to 600 mg/l.
4. For wastewater with a BOD and/or SS strength greater than or equal to 600 mg/l, the charge per EDU will be determined by the District Engineer and based on the actual strength of BOD and SS. (Charge = \$60 * (Flow HCF)/6 HCF * (0.5977 + (BOD mg/l)/250 BOD * 0.2073 + (SS mg/l)/250 mg/l * 0.1949).

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the Pajaro County Sanitation District in and for the County of Monterey, as follows that said Board:

- a. Conducted a Public Hearing to accept protests against the proposed wastewater service fee increase by PCSD property owners pursuant to Proposition 218 requirements;
- b. Directed the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determined that (___) a majority protest exists (___) no majority protest exists;
- d. If a majority protest exists, said Board found that no assessment may be imposed;
- e. If no majority protest exists, said Board approved the proposed wastewater rate increase as set forth above and incorporated herein by this reference; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

PASSED AND ADOPTED on this _____ day of _____, 2024, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on May 21, 2024.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors,
County of Monterey, State of California

By _____
, Deputy

Attachment D

Proposition 218 Notification

**NOTICE OF PUBLIC HEARING
FOR AN INCREASE IN WASTEWATER SERVICE CHARGES
IN PAJARO COUNTY SANITATION DISTRICT**

**Hearing Date and Time:
May 21, 2024 at 1:30pm**

**Hearing Location:
Board of Supervisors Chambers, County of Monterey, Government Center
168 W. Alisal Street, 1st Floor
Salinas, CA 93901**

The Pajaro County Sanitation District (PCSD) system provides wastewater service to approximately 1,047 residential, commercial, institutional, and industrial wastewater connections within the PCSD. The PCSD is proposing a five (5) year wastewater rate program adjustment for wastewater customers which will be considered at a Public Hearing on **May 21, 2024, at 1:30 p.m.** to hear protests for and against proposed increase in wastewater service fees pursuant to Proposition 218 requirements. If approved, the rate adjustments will be collected on the property tax roll beginning with the 2024-25 Fiscal Year. You are receiving this notification in compliance with the California Constitution Article XIII D Section 6 (a) (Proposition 218) which requires that impacted property owners are mailed a notice of proposed rate changes at least 45 days prior to a public hearing.

Why are Wastewater Rate Increases Needed?

Wastewater service rates for the PCSD have remained unchanged for over 15 years. Rate increases are necessary to pay for the costs of providing wastewater collection and treatment, fund necessary repairs and equipment replacement costs, and provide for capital improvements to the wastewater collection system.

Proposed Wastewater Rate Increases

The PCSD is proposing to implement service charges at the rates shown below. The basis for the proposed rate increases is set forth in the Pajaro County Sanitation District Wastewater Rate Study, dated February 2024 (Rate Study) and prepared by the Tuckfield & Associates. The Rate Study is available for review online at: www.co.monterey.ca.us/home/showpublisheddocument/130082/638466118310400000 and in-person at the following Location:

County of Monterey
Public Works, Facilities and Parks Department
1441 Schilling Place South, 2nd Floor
Salinas, CA 93901-4527

Proposed rate increases will take effect on July 1, 2024, and will be collected on the property tax roll. The proposed rates are designed to recover the costs of providing service fairly and equitably to PCSD customers.

| Proposed Monthly Wastewater Charges by Classification | | | | | | |
|--|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Classification | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2029 |
| | EDU Multiple | \$/mo. | \$/mo. | \$/mo. | \$/mo. | \$/mo. |
| Residencial (\$/DU) | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 | \$92.27 |
| Multifamily (\$/DU) | 0.80 | \$48.00 | \$54.08 | \$60.40 | \$66.97 | \$73.81 |
| Moble Homes (\$/DU) | 0.70 | \$42.00 | \$47.32 | \$52.85 | \$58.60 | \$64.59 |
| Non-Residencial | Factor de Fuerza | | | | | |
| Low Strength | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 | \$92.27 |
| High Strength | 1.56 | \$93.80 | \$105.67 | \$118.02 | \$130.87 | \$144.23 |

How Can I have Input on the Proposed Wastewater Services Charge?

At the Public Hearing on **May 21, 2024**, the PCSD Board of Directors will consider adoption of the proposed sewer rate increases and will receive public comments as well as written protests by the property owners supporting or opposing the proposed rate increases. If written protests are submitted by more than 50% of the property owners of record prior to the conclusion of the public hearing, the Board of Directors will not increase the rates at this time as a matter of Law. Only one (1) protest will be counted for each property.

How Do I File a Written Protest?

If you oppose the proposed wastewater rate increase, Proposition 218 requires that your protest be submitted in writing to be counted, even if you plan to attend the Public Hearing. To be counted, the protest must (1) be in writing; (2) state opposition to the proposed rate increase; (3) identify the parcel by assessor's parcel number or street address; (4) include the original signature of all the property owners of record; and (5) be received before the conclusion of the Public Hearing that is scheduled for **Tuesday, May 21, 2024**.

Written protests may be submitted by mail or in person to:

Board of Directors
Pajaro County Sanitation District
Attn: Clerk of the Board
168 W. Alisal Street, 1st Floor
Salinas, California 93901

IF YOU CHALLENGE THIS MATTER IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS PUBLIC NOTICE IN WRITTEN CORRESPONDENCE DELIVERED TO THE APPROPRIATE AUTHORITY AT THE ABOVE ADDRESS AT OR BEFORE THE PUBLIC HEARING.

FOR ADDITIONAL INFORMATON CONTACT:

Lynette Redman, Management III – Special Districts
Monterey County Public Works, Facilities and Parks
1441 Schilling Place South, 2nd Floor
Salinas, California 93901-4527

Phone: 831-796-6038 | Fax: 831-755-4958

redmanl@co.monterey.ca.us

Notificación de Propuesta 218

AVISO DE AUDIENCIA PÚBLICA PARA UN AUMENTO EN LAS TARIFAS DE SERVICIO DE AGUAS RESIDUALES EN DISTRITO DE SANEAMIENTO DEL CONDADO DE PAJARO

Fecha y Hora de la Audiencia
21 de Mayo de 2024 1:30pm

Ubicación de la Audiencia:
Board of Supervisors Chambers, County of Monterey, Government Center
168 W. Alisal Street, 1st Floor
Salinas, CA 93901

El Distrito de Saneamiento del Condado de Pajaro (PCSD) brinda servicio de aguas residuales a aproximadamente 1,047 conexiones residenciales, comerciales, escolares e industriales dentro del PCSD. El PCSD está proponiendo un ajuste del programa de tarifas de aguas residuales de cinco (5) años para los clientes de aguas residuales, que se considerará en una Audiencia Pública el 21 de mayo de 2024, a la 1:30 p.m. para escuchar protestas contra el aumento propuesto de las tarifas de servicio de aguas residuales por parte de los propietarios de propiedades según los requisitos de la Proposición 218. Si se aprueba, los ajustes de aguas residuales se cobrarán en los Impuestos a la Propiedad a partir del Año Fiscal 2024-25. Usted está recibiendo esta notificación en cumplimiento de la Constitución de California, Artículo XIII D Sección 6 (a) (Proposición 218), que requiere que todos los propietarios de propiedades afectados reciban por correo un aviso de cambios propuestos en las tarifas al menos 45 días antes de una audiencia pública.

¿Por qué se necesitan aumentos en las tarifas de aguas residuales?

Las tarifas de servicio de aguas residuales para el PCSD no han cambiado en más de 15 años. Los aumentos de tarifas son necesarios para pagar los costos de proporcionar recolección y tratamiento de aguas residuales, financiar reparaciones necesarias y costos de reemplazo de equipos, y proporcionar mejoras de capital al sistema de recolección de aguas residuales.

Propuesta de Aumento de Tarifas de Aguas Residuales

El PCSD propone implementar cargos de servicio en las tarifas mostradas abajo. La base para calcular los aumentos de tarifas propuestos se establece en el Estudio de Tarifas de Aguas Residuales del Distrito de Saneamiento del Condado de Pajaro, febrero 2024 (Rate Study) preparado por el Tuckfield & Associates, está disponible para su revisión en línea en: www.co.monterey.ca.us/home/showpublisheddocument/130082/638466118310400000 y en persona en la siguiente ubicación:

County of Monterey
Public Works, Facilities and Parks Department
1441 Schilling Place South, 2nd Floor
Salinas, CA 93901-4527

Los aumentos de tarifas propuestos entrarán en vigor el 1 de julio de 2024 y se recolectarán en los impuestos a la propiedad. Las tarifas propuestas están diseñadas para recuperar los costos de proporcionar el servicio de manera justa y equitativa a los clientes del PCSD.

Tarifas Mensuales Propuestas de Aguas Residuales por Clasificación

| Tarifas Mensuales Propuestas de Aguas Residuales por Clasificación | | | | | | |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Clasificación | | 1 de Julio de 2024 | 1 de Julio de 2025 | 1 de Julio de 2026 | 1 de Julio de 2027 | 1 de Julio de 2029 |
| | EDU Multiple | \$/mes | \$/mes | \$/mes | \$/mes | \$/mes |
| Residencial (\$/DU) | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 | \$92.27 |
| Multifamiliar (\$/DU) | 0.80 | \$48.00 | \$54.08 | \$60.40 | \$66.97 | \$73.81 |
| Casas Móviles (\$/DU) | 0.70 | \$42.00 | \$47.32 | \$52.85 | \$58.60 | \$64.59 |
| No Residencial | Factor de Fuerza | | | | | |
| Baja Fuerza | 1.00 | \$60.00 | \$67.60 | \$75.50 | \$83.72 | \$92.27 |
| Alta Fuerza | 1.56 | \$93.80 | \$105.67 | \$118.02 | \$130.87 | \$144.23 |

¿Cómo puedo dar mi opinión sobre el Cargo Propuesto por Servicios de Aguas Residuales?

En la Audiencia Pública del 21 de mayo de 2024, la Junta de Supervisores considerará la adopción de los aumentos propuestos en las tarifas de alcantarillado y recibirá comentarios del público, así como protestas escritas de los propietarios de propiedades que apoyen u opongan los aumentos propuestos en las tarifas. Si se presentan protestas por escrito de más del 50% de los propietarios de propiedades registradas antes de la conclusión de la audiencia pública, la Junta de Supervisores no aumentará las tarifas en este momento según la ley. Solo se contará una (1) protesta por cada propiedad.

¿Cómo Presento una Protesta Escrita?

Si se opone al aumento propuesto de tarifas de aguas residuales, la Proposición 218 requiere que su protesta se presente por escrito para ser contada, incluso si planea asistir a la Audiencia Pública. Para ser contada, la protesta debe (1) estar por escrito; (2) manifestar oposición al aumento propuesto de tarifas; (3) identificar la parcela por número de parcela del asesor o dirección; (4) incluir la firma original de todos los propietarios de propiedades registrados; (5) recibirse antes de la conclusión de la Audiencia Pública el martes 21 de mayo de 2024.

Las protestas escritas pueden enviarse por correo o en persona a:

Board of Directors
Pajaro County Sanitation District
Attn: Clerk of the Board
168 W. Alisal Street, 1st Floor
Salinas, California 93901

SI DESAFÍA ESTE ASUNTO EN EL TRIBUNAL, ES POSIBLE QUE SE LE LIMITE A PLANTAR SOLO AQUELLOS ASUNTOS QUE PLANTEÓ EN LA AUDIENCIA PÚBLICA DESCRITA EN ESTE AVISO PÚBLICO EN CORRESPONDENCIA ESCRITA ENVIADA A LA AUTORIDAD CORRESPONDIENTE EN LA DIRECCIÓN ANTERIOR EN O ANTES DE LA AUDIENCIA PÚBLICA.

PARA INFORMACIÓN ADICIONAL COMUNICARSE A:

Lynette Redman, Management III – Special Districts
Monterey County Public Works, Facilities and Parks
1441 Schilling Place South, 2nd Floor
Salinas, California 93901-4527

Phone: 831-796-6038 | Fax: 831-755-4958

redman@co.monterey.ca.us

Attachment E

Attachment E

CERTIFICATION OF CLERK OF THE BOARD
AND STATEMENT OF NEGATIVE PROTESTS SUBMITTED

STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

The Clerk of the Board of the County of Monterey, DOES HEREBY CERTIFY that pursuant to the provisions of Article XIII D of the Constitution of the State of California and the Proposition 218 Omnibus Implementation Act (Government Code section 53750 et seq.), I did tabulate the negative protests timely submitted in the Proposition 218 proceedings pertaining to the proposed Pajaro County Sanitation District Wastewater Rate Increase.

I FURTHER CERTIFY that this Statement of Negative Protests Received shows the negative protests received against the proposed wastewater increase.

| | |
|--|-----|
| Negative Protests Necessary for Majority (50% + one [1]) | 579 |
| Negative Protests Received | |

This certification is executed this _____ day of _____, 2024, in Salinas, California.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Valerie Ralph
Clerk of the Board of Supervisors
County of Monterey, State of California

By:_____



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 24-075

May 21, 2024

Introduced: 4/22/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Board of Supervisors of the County of Monterey acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area pursuant to Proposition 218 requirements;
- b. Direct the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determine whether a majority protest exists;
- d. If a majority protest exists, no rate increase may be imposed;
- e. If no majority protest exists, adopt a resolution approving the proposed wastewater service rate increase; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

RECOMMENDATION:

It is recommended that the Board of Supervisors acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Conduct a Public Hearing to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area pursuant to Proposition 218 requirements;
- b. Direct the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing;
- c. Determine whether or not a majority protest exists;
- d. If a majority protest exists, no rate increase may be imposed;
- e. If no majority protest exists, adopt a resolution approving the proposed wastewater rate increase; and
- f. Recommend a \$1,409,300 funding source for the Fiscal Year 2024-25 General Fund subsidy required based on the proposed wastewater rate structure.

SUMMARY/DISCUSSION:

The County-Owned PCSD wastewater collection system (PCSD System) is in northern unincorporated area of the County of Monterey. The PCSD System serves the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. It includes approximately 16.5 miles of gravity sewer pipe, six pump stations, and approximately 2.4 miles of force sewer main. There are approximately 1,047 sewer connections and 1,768 billing units. The PCSD System is a collection system only. Collected sewage is pumped to the City of Watsonville wastewater treatment plant for treatment. A site location map is presented in Attachment A.

Wastewater service rates for the PCSD have not changed since 2007 and costs to operate and maintain the system have increased significantly since then. This has resulted in an inability of PCSD to generate sufficient revenues to offset operational and infrastructure costs. Thus, in Fall 2022, District staff initiated the process to increase sewer service rates for the PCSD System.

During the November 30, 2022, Budget Committee meeting, staff presented alternative customer service rates for the Committee's consideration which would go into effect on July 1, 2023. The Budget Committee recommended the rate study move forward assuming outstanding General Fund loans totaling \$1,941,661 would be forgiven, an additional \$2.1 million in capital improvement funding and up to \$3.5 million to supplement operating costs would be provided over the next 5 years.

During a Budget Committee meeting on March 29, 2023, staff recommended rate increases be postponed until July 1, 2024, to allow time for residents and businesses within the Community of Pajaro to recover from the devastating storms that occurred in March 2023; during an August 29, 2023, meeting, the Board formally approved postponing rate increases.

During a January 19, 2024, Board of Directors meeting, Staff presented three alternative single family residential rate increase scenarios. The first scenario contemplated a first-year single family residential rate increase from approximately \$30 to \$60/month for the first year with annual increases based on the consumer price index (CPI); the second scenario contemplated a rate increase from approximately \$30 to \$60/month for the first year with an annual increase of \$10/month for the next five years; and the third rate scenario was calculated assuming no County subsidy, resulting in a rate increase from approximately \$30 to \$129.46/month. The Board approved pursuing a hybrid of these scenarios: a single-family residential rate of \$60/month for the first year and annual increases thereafter of \$5/month plus an increase based on the CPI.

A Proposition 218-compliant rate study report has been prepared and is presented in Attachment B (the rate study report). A summary of proposed monthly rates detailed in the rate study report, is presented in Attachment C and a Notice of Public Hearing, mailed March 27, 2024, with Spanish translation, is presented in Attachment D. A Certificate of Clerk of the Board Statement of Protests, and a Resolution Establishing New Wastewater Rates are included as Attachments E and F, respectively.

The public hearing is being convened to hear objections to, or protests against, the proposed sewer service rate increases by property owners pursuant to Proposition 218 requirements. It was set by the Board of Directors on March 26, 2024. The Notice of Public Hearing (with proposed wastewater rates and Spanish translation) was mailed to property owners on March 28, 2024, and published in the Monterey County Weekly on April 4, 2024. Additionally, the Notice of Public Hearing was posted on the County of Monterey PWWP webpage. Copies of the Rate Study and Notice of Public Hearing with proposed wastewater rates were made available at the PWWP offices.

Prior to any Board action, four (4) community outreach events were held in the PCSD to inform property owners of the increase. The first community outreach event was held on November 7,

2023, in Las Lomas, and the second on November 14th in Bay Farms. Subsequent meetings were convened in Pajaro and again in Las Lomas on January 24 and March 19, 2024, respectively. Rate increases, as presented in the rate study were explained and discussed, and information regarding the wastewater system, as well as the need to increase rates, was provided during the community outreach events.

The public hearing is mandated by the Proposition 218 Majority Protest Process. The proposed new rate structure will only be implemented if, upon the conclusion of the public hearing, a majority (50% plus one [1]) of written protests are received. Per Proposition 218, only one (1) written protest will be counted for each property for purposes of determining if there is a majority protest. To be counted, the protest must (1) be in writing; (2) state opposition to the proposed rate increase; (3) identify the parcel by assessor's parcel number or street address; (4) include the original signature(s) of the property owner(s) of record; and (5) be received before the conclusion of the Public Hearing on Tuesday, May 21, 2024.

Changes to Customer Billing Procedures

Currently, Monterey One Water (M1W) provides monthly billing services to PCSD customers. Beginning July 1, 2024, M1W will change its billing method from monthly invoicing to annual billing through the County property tax roll. Similarly, PCSD customers will no longer receive an invoice from M1W. As of July 1, 2024, if billing through the property tax roll is approved by the Board through a separate Board action, PCSD sewer charges will appear on the property owner's respective property tax bill. Wastewater service charges for the entire year will be billed in November, and at least half of the amount will be due by December 10th and the remainder will be due by April 10th. For example, for 1 EDU, the new rate will be \$60.00 per month; thus, \$720.00 will be billed in November 2024 and \$360.00 will be due on December 10, 2024, and the remaining \$360.00 will be due on April 10, 2025. Wastewater charges will increase in future years but will be billed similarly. Staff notes that 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 (<https://easysmartpay.net/monterey-ca>). This service is free of charge provided ACH (bank to bank) transfers are utilized.

OTHER AGENCY INVOLVEMENT:

This matter was presented to the Budget Committee on November 30, 2022, and on March 29, 2023. During the March 29, 2023, Budget Committee Meeting, the Committee discussed postponing implementation of new customer service rates to provide time for the Pajaro community to recover from the March 10, 2023, flood and to allow staff to conduct community meetings after the community has had time to recover. Staff presented three alternative single family residential rate increase scenarios at the January 19, 2024, Board of Directors meeting. Per Proposition 218 requirements, the public hearing was set by the Board of Directors on March 26, 2024.

FINANCING:

The plan to increase wastewater services rates supported by the Board of Directors on March 26th, 2024, includes General Fund loan forgiveness of \$1,941,661 and General Fund subsidies to the District for the foreseeable future to keep rates consistent with surrounding communities. Over the next five years, the General Fund subsidies are estimated to be \$1,409,300 (FY

Legistar File Number: RES 24-075

2024-25), \$1,357,350 (FY 2025-26), \$1,073,300 (FY 2026-27), \$954,400 (FY 2027-28) and \$1,183,400 (FY 2028-29). The FY 2024-25 Recommended Budget does not include the necessary subsidy of \$1,409,300 and would require the Board of Supervisors to identify a General Fund funding source. Potential funding sources for the Board’s consideration include General Fund Unassigned Fund Balance and Contingencies.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the following Board of Supervisors Strategic Initiatives by providing the funds necessary to maintain the PCSD infrastructure and thereby enhancing public safety by minimizing sewer overflows.

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

Prepared by: J. Erich Rauber, PE, GE, Senior Civil Engineer

Reviewed by: Enrique Saavedra, PE, Chief of Public Works
Mary Grace Perry, Deputy County Counsel
Jessica Cordiero-Martinez, Finance Manager III
Trent Hill, Senior Administrative Analyst

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

DocuSigned by:
Randell Ishii
202779208F234E3

4/25/2024 11:58 AM PDT

Attachments:

- Attachment A - Location Map
- Attachment B - Rate Study Results Report
- Attachment C - Summary of Proposed Wastewater Service Rate Increases
- Attachment D - Notice of Public Hearing and Proposed Wastewater Rates mailed March 27, 2024, with Spanish translation
- Attachment E - Certificate of Clerk of the Board Statement of Protests
- Attachment F - Resolution Establishing New Wastewater Rates



County of Monterey

Item No.

Board Report

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

Legistar File Number: PCSD 24-004

May 21, 2024

Introduced: 5/10/2024

Current Status: Agenda Ready

Version: 1

Matter Type: PCSD General

Acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, and consider any protests and objections to the Report by property owners liable to be assessed for delinquent fees;
- b. Direct the Department of Public Works, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, and consider any protests and objections to the Report by property owners liable to be assessed for delinquent fees;
- b. Direct the Department of Public Works, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

SUMMARY:

The proposed actions will set a Public Hearing to consider placing past due sanitation service charges for the Pajaro County Sanitation District (PCSD) on the Property Tax Roll to facilitate collections. This assessment will be in the form of a lien placed on the property owner's real property until such time that the delinquent balance is paid in full.

DISCUSSION:

PCSD provides wastewater collection services to 1,047 customers in the Pajaro, Las Lomas, and Bay Farms communities. Monterey One Water (M1W) currently acts as the billing agency for the PCSD. As of July 1, 2024, M1W will no longer provide billing/collection services for the PCSD.

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the Property Tax Roll and provided instead for collection through a monthly billing system. On June 9, 2007, the Board of Supervisors adopted Ordinance No. 05054 establishing procedures for collection of delinquent fees for PCSD through the Property Tax Roll. The procedures

include holding a public hearing once a year to hear the Report of Delinquent Sanitation Fees and any protests or objections by property owners liable to be assessed for delinquent fees.

The Report of 2023 Delinquent Fees (Attachment A) lists property owners within the PCSD that have accrued unpaid balances for calendar year 2023 on accounts for 82 parcels, despite multiple billing notices. The proposed action will schedule the required hearing for the 82 parcels with past due 2023 balances. On April 12, 2024, affected property owners were notified by letter that they have delinquent 2023 sewer accounts. If payments were not made, a second notification letter was sent out on or before May 6, 2024. The letters informed each property owner of the past due amount as of December 31, 2023, and that the delinquent amount is subject to collection through placement of a lien on their property. Notices of the June 11, 2024, public hearing will be mailed not less than 10 days prior to the hearing to property owners listed in the Report. The public hearing notice (Attachment B) will be published in the Monterey County Weekly not less than 10 days prior to said hearing.

OTHER AGENCY INVOLVEMENT:

For Fiscal Year Ending June 30, 2024, M1W is the billing agency for the PCSD. M1W notified PWFP that it will no longer act as the billing agency as of July 1, 2024. A proposed ordinance to change the billing method to collect sewer charges through the Property Tax Roll is pending for adoption on May 21, 2024. Placement of the liens on the Property Tax Roll is completed by the Office of the Treasurer-Tax Collector.

FINANCING:

Collectively, past due amounts for calendar year 2023 for PCSD currently total \$42,099 from 82 parcels. Costs associated with processing the liens for the delinquent accounts, including data processing, accounting, noticing, and control procedures, are calculated at \$60 per parcel for a total of \$4,920. In accordance with Ordinance No. 05054, the processing costs will be added as lien transfer fees to the delinquent amount on a per parcel basis prior to forwarding the accounts to the Treasurer-Tax Collector, for a total lien amount of \$47,019. PCSD's main revenue is generated from sewer fees, with additional revenues allocated from a portion of the general property tax. 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 2023 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 151 for PCSD. The current past due amount is consistent with previous annual past due amounts. The PCSD current revenue budget is \$5,268,926 year-to-date revenue collected totaling \$866,170. The current expenditure budget is \$7,586,167 with year-to-date expenditures totaling \$3,377,011. The budget reflects funding from Federal Aid and State Disaster Relief funds. The estimated ending fund balance for FY24 is \$607,001. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2024-25 Property Tax Roll in December 2024 and April 2025. Delinquent payments may be made through the date of the public hearing.

Legistar File Number: PCSD 24-004

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and lien transfer fees for delinquent accounts ensure continued cash flow to fund maintenance and operations. Responsible fiscal management ensures that sewer infrastructure needs are met and improves public health and safety.

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

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

Reviewed by: Tom Moss, PG, QSD, Senior Water Resources Hydrologist

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

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

DocuSigned by:
Randy Ishii
C09779208FE94F3...

5/13/2024 | 4:33 PM PDT

Attachments:

Attachment A - Report of 2023 Delinquent Fees

Attachment B - Notice of Public Hearing

Attachment C - Location Map



County of Monterey

Item No.

Board Report

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

Legistar File Number: ORD 24-014

May 21, 2024

Introduced: 5/9/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Ordinance

Adopt an ordinance amending Section 16 of Pajaro County Sanitation District (PCSD) Ordinance No. 05054 to provide for the collection of sewer charges through the County of Monterey Property Tax Roll.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District (PCSD), adopt an ordinance to amend Section 16 of PCSD Ordinance No. 05054 to provide for the collection of sewer service charges through the Property Tax Roll of the County of Monterey.

SUMMARY/DISCUSSION:

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

The PCSD currently contracts with Monterey One Water (M1W) to provide sewer billing and collection services for PCSD customers. On November 16, 2023, M1W notified the County of Monterey Department of Public Works, Facilities and Parks (PWFP) that beginning with Fiscal Year 2024-25, M1W will cease providing this service to the PCSD. Therefore, PWFP staff recommends that the Board adopt an ordinance to amend Section 16 of PCSD Ordinance No 05054 to allow 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 service charges to cover the costs of providing wastewater collection services to PCSD customers.

The PCSD provides services to the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. PWFP currently manages the PCSD 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/PCSD has been utilizing this method to collect on delinquent PCSD accounts since on or about 2010.

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 the PCSD sewer service charges.

If PCSD does not provide for billing through the Property Tax Roll, PWFP will need to bill customers directly. To undertake this responsibility in-house would require an additional Accounting Technician

Legistar File Number: ORD 24-014

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 the three sanitation districts (Pajaro County Sanitation District, Boronda County Sanitation District and County Service Area 75-Chualar). Alternatively, PWFP could outsource the monthly billing, at a cost of \$12,200-18,400 annually, plus an initial implementation fee. Such a service 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.

OTHER AGENCY INVOLVEMENT

The Office of the County Counsel has approved the ordinance as to form and the County Administrative Office supports the recommendation.

FINANCING:

M1W water currently charges the PCSD \$14,804 annually for sewer services billing and collection services which will cease when their billing and collection services stop 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 service 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 ¼ of 1 percent of revenue collected on the County Property Tax Roll. The estimated 2024-25 revenue from PCSD billing is \$1,324,000, resulting in an estimated annual charge by the Auditor-Controller’s Office of \$3,310.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support 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 & Parks

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

DocuSigned by:
Randell Ishii
5/13/2024 | 10:42 AM PDT

Attachments:

Attachment A - Ordinance

Attachment B - Location Map