



# Monterey County

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## Board Report

Legistar File Number: 18-510

May 15, 2018

**Introduced:** 5/2/2018

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** General Agenda Item

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

- a. Set a Public Hearing on June 26, 2018, at 1:30 p.m. to hear the Report of Delinquent Fees 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;
- b. Direct Resource Management Agency (RMA) to prepare a final Report of Delinquent Fees; and
- c. Direct Resource Management Agency to mail the Notice of Public Hearing to property owners listed in the report not less than ten (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 26, 2018, at 1:30 p.m. to hear the Report of Delinquent Fees 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;
- b. Direct Resource Management Agency (RMA) to prepare a final Report of Delinquent Fees; and
- c. Direct Resource Management Agency to mail the Notice of Public Hearing to property owners listed in the report not less than ten (10) days prior to the date of hearing.

### SUMMARY:

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

### DISCUSSION:

The PCSD provides wastewater collection services to 1,047 customers in the Pajaro and Las Lomas communities. Monterey One Water (M1W) acts as the billing agency for the PCSD.

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the tax rolls and instead provided 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 the PCSD. The procedures include holding a public hearing once a year to hear the Report of Delinquent Sanitation Fees (Report) and any protests or objections by property owners liable to be assessed for delinquent fees (Attachment A).

Certain property owners in the PCSD have accrued unpaid balances for calendar year 2017 on accounts for seventy-seven (77) parcels despite multiple billing notices. The proposed action would

schedule the required hearing for the seventy-seven (77) accounts with past due balances.

On February 12, 2018 and again on March 30, 2018, property owners were notified by letter that they have delinquent accounts. The letter informed the property owners their past due amounts, as of December 31, 2017, are subject to collection through a lien on their property. Notices of the June 26, 2018 hearing will be mailed, not less than ten (10) days prior to the hearing, to property owners listed in the Report. Notice of hearing will be published in the Monterey County Weekly not less than ten (10) days prior to said hearing.

OTHER AGENCY INVOLVEMENT:

Monterey One Water (M1W) acts as the billing agency for the PCSD. Placement of the liens on the property tax rolls will be done by the Treasurer-Tax Collector's Office.

FINANCING:

Collectively, past due amounts for calendar year 2017 for the PCSD total \$36,117.35 from seventy-seven (77) parcels. Costs associated with processing the liens for the seventy-seven (77) delinquent accounts, including data processing, accounting, noticing, and control procedures, is calculated at \$60 per parcel for a total of \$4,620. 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's office, for a total lien amount of \$40,737.35. The main revenue for the PCSD comes 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 past due calendar year 2017 service charges and lien transfer fees collected will be deposited into Fund 151 for the PCSD. Collection of past due amounts is a normal part of doing business and, as such, is accounted for when preparing the annual budget. The average annual delinquent amount total, including lien fees, over the last five years is \$41,600. The current total lien amount is consistent with previous years' delinquent amount totals.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

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

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

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Approved by: Carl P. Holm, AICP, Resource Management Agency Director

Attachments:

Attachment A - Notice of Public Hearing

Attachment B - Draft Delinquent Fees Report for the PCSD

Attachment C - Location Map

(Attachments on file with the Clerk of the Board)