



Monterey County

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

Board Report

Legistar File Number: PCSD RES 19-007

May 14, 2019

Introduced: 4/26/2019

Version: 1

Current Status: Agenda Ready

Matter Type: PCSD Resolution

Conduct a Public Hearing to:

- a. Accept the report of delinquent sanitation fees from sixty-six (66) parcels totaling \$29,530, plus \$3,960 processing costs;
- b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for the Pajaro County Sanitation District;
- c. Adopt a Resolution to:
 - i. Confirm the report of delinquent sanitation fees for the Pajaro County Sanitation District, as identified in "Report of 2018 Delinquent Fees Pajaro County Sanitation District", and
 - ii. Authorize the delinquent fees from sixty-six (66) parcels totaling \$33,490.00, including lien transfer fees, as set forth in the confirmed report to constitute special assessments against the respective parcels of land to be collected at the same time and in the same manner as ordinary County ad valorem property taxes are collected; and
- d. Authorize the Clerk of the Board to file a certified copy of the report with the Auditor-Controller.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District, conduct a Public Hearing to:

- a. Accept the report of delinquent sanitation fees from sixty-six (66) parcels totaling \$29,530, plus \$3,960 processing costs;
- b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for the Pajaro County Sanitation District;
- c. Adopt a Resolution to:
 - i. Confirm the report of delinquent sanitation fees for the Pajaro County Sanitation District, as identified in "Report of 2018 Delinquent Fees Pajaro County Sanitation District", and
 - ii. Authorize the delinquent fees from sixty-six (66) parcels totaling \$33,490.00, including lien transfer fees, as set forth in the confirmed report to constitute special assessments against the respective parcels of land to be collected at the same time and in the same manner as ordinary County ad valorem property taxes are collected; and
- d. Authorize the Clerk of the Board to file a certified copy of the report with the Auditor-Controller.

SUMMARY:

On April 23, 2019, the Board of Supervisors set May 14th as the date for 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 matter has been properly noticed for the time and place to hold such a hearing. Assessments from sixty-six (66) parcels totaling \$33,490.00 will be in the form of liens placed on the subject real properties 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 B).

Certain property owners in the PCSD have accrued unpaid balances for calendar 2018 on sixty-six (66) accounts despite multiple billing notices. The proposed action will result in a Public Hearing to consider placing past due sanitation service charges for the PCSD on the property tax rolls to facilitate collections for the sixty-six (66) accounts with past due balances.

On February 15, and April 10, 2019, affected property owners were notified by letter that they have delinquent accounts. The letter informed the property owners that the past due amounts, as of December 31, 2018, are subject to collection through a lien on their property. Notices of the May 14, 2019 public hearing will be mailed, not less than ten (10) days prior to the hearing, to property owners listed on the report. Also, a public hearing notice (Attachment C) will be published not less than ten (10) days prior to said hearing.

Staff will provide an updated Report on the date of the hearing as remittances are continuous.

OTHER AGENCY INVOLVEMENT:

Monterey One Water (M1W) acts as the billing agency for the PCSD. The accounts listed in Attachment B and the amounts due are based on a report by M1W. Placement of the liens on the property tax rolls will be facilitated by the Auditor-Controller's Office.

FINANCING:

Collectively, past due amount for calendar year 2018 for the PCSD total \$29,530 from sixty-six (66) parcels. Costs associated with processing the liens for the sixty-six (66) delinquent accounts, including data processing, accounting, noticing, and control procedures, is calculated at \$60 per parcel for a total of \$3,960. 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 \$33,490. The PCSD's main revenue comes from sewer fees with additional revenues allocated from a portion of the general property tax and investment income from the Unassigned Fund Balance. Additionally, revenue from the prior year's delinquent accounts are collected when property tax payments are made in December and April of the following year. All past due calendar year 2019 service charges and lien transfer fees collected will be deposited into Fund 151 for the PCSD. Collection of past due accounts are 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 \$31,533. The

current total lien amount of \$33,490 is approximately 6% more than previous years' average delinquent amount totals.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

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

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

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Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A - Resolution

Attachment B - Report of 2018 Delinquent Fees-PCSD

Attachment C - Notice of Public Hearing

Attachment D - Location Map

(Attachments on file with the Clerk of the Board)