



County of Monterey

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

Board Report

File #: RES 21-126, **Version:** 1

Conduct a Public Hearing to:

- a. Accept the report of delinquent sanitation fees from twenty-two (22) parcels totaling \$32,902.11, including late penalties;
- b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for County Service Area 75-Chualar;
- c. Adopt a resolution to:
 - i. Confirm the report of delinquent sanitation fees for County Service Area 75-Chualar, as identified in “Report of 2020 Delinquent Fees County Service Area 75-Chualar”; and
 - ii. Authorize the delinquent sanitation fees from twenty-two (22) parcels totaling \$32,902.11 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 on behalf of County Service Area No. 75-Chualar conduct a Public Hearing to:

- a. Accept the report of delinquent sanitation fees from twenty-two (22) parcels totaling \$32,902.11, including late penalties;
- b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for County Service Area 75 - Chualar;
- c. Adopt a resolution to:
 - i. Confirm the report of delinquent sanitation fees for County Service Area 75 - Chualar, as identified in “Report of 2020 Delinquent Fees County Service Area 75-Chualar”; and
 - ii. Authorize the delinquent sanitation fees from twenty-two (22) parcels totaling \$32,902.11 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 June 8, 2021, the Board of Supervisors set July 20, 2021, as the date for a Public Hearing to consider placing past due sanitation service charges for County Service Area 75-Chualar (CSA 75-Chualar) 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 twenty-two (22) parcels totaling \$32,902.11 will be in the form of a lien placed on the subject real properties until such time that the delinquent balance is paid in full.

DISCUSSION:

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 22, 2004, the Board of Supervisors adopted Ordinance No. 04225 establishing procedures for collection of delinquent fees for CSA 75-Chualar. The procedures include holding a Public Hearing once a year to hear the report of delinquent fees

and any protests or objections by property owners liable to be assessed for delinquent fees (Attachment B).

Certain property owners in CSA 75-Chualar have accrued unpaid balances for calendar year 2020 on accounts for twenty-two (22) parcels despite multiple billing notices. The proposed action will result in a Public Hearing to consider placing past due sanitation service charges for CSA 75-Chualar on the property tax rolls to facilitate collections regarding these twenty-two (22) accounts with past due balances.

On May 28, 2021 and June 25, 2021, affected property owners were notified by letter that they have delinquent accounts. The letter informed each property owner that past due amounts as of December 31, 2020 are subject to collection through a lien on their property. Notice of the July 20, 2021 public hearing was mailed, not less than ten (10) days prior to the hearing, to property owners listed in the Report. Also, a public hearing notice (Attachment C) was published in the Monterey County Weekly 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 CSA 75-Chualar. The accounts listed in Attachment B and the amounts due are based on reports provided by M1W. Placement of the liens on the property tax rolls will be facilitated by the Office of the Auditor-Controller.

FINANCING:

Collectively, past due amounts for calendar year 2020 for CSA 75-Chualar currently total \$32,902.11 from twenty-two (22) parcels. In accordance with the Monterey County Fee Schedule, Late Payment Penalties are assessed at 1.5% of past due amounts pursuant to California Health and Safety Code Section 5473. In accordance with Ordinance No. 04225, penalty fees are included in the total amount listed in Attachment B. CSA 75-Chualar's main revenue comes from sewer fees with additional revenue 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 calendar year 2020 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 093 for CSA 75. CSA 75 is in the fourth year of a five-year rate increase. The amount due is approximately three (3) times the amount as the prior year delinquent accounts of \$11,713 for 23 parcels. The current revenue budget is \$269,687 with revenue collected totaling \$131,353. The current expenditure budget is \$187,399 with year-to-date expenditure obligations totaling \$125,238. The fund balance is \$90,305. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2021-22 property tax rolls in December 2021 and April 2022. Delinquent payments can be made through the date of the public hearing.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and corresponding lien transfer fees for delinquent accounts contributes to the Board of Supervisors' strategic initiatives for Administration, Infrastructure and Health and Human Services by ensuring 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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(Attachments are on file with the Clerk of the Board)

Attachment A - Draft Resolution

Attachment B - Report of 2020 Delinquent Fees - CSA 75

Attachment C - Notice of Public Hearing

Attachment D - Location Map