



County of Monterey

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

Board Report

File #: 23-549, Version: 1

Acting on behalf of County Service Area No. 75-Chualar:

- a. Set a Public Hearing on July 25, 2023, at 1:30 p.m., to hear the Report of 2022 Delinquent Fees for County Service Area No. 75-Chualar, 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, Finance and Parks to prepare a final Report of 2022 Delinquent Fees for County Service Area No. 75-Chualar; and
- c. Direct the Department of Public Works, Finance and Parks to publish a Notice of Public Hearing and mail it to the 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 on behalf of County Service Area No. 75-Chualar:

- a. Set a Public Hearing on July 25, 2023, at 1:30 p.m., to hear the Report of 2022 Delinquent Fees for County Service Area No. 75-Chualar, 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, Finance and Parks to prepare a final Report of 2022 Delinquent Fees for County Service Area No. 75-Chualar; and
- c. Direct the Department of Public Works, Finance and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than ten (10) days prior to the date of hearing.

SUMMARY:

The proposed action will set a Public Hearing to consider placing past due sanitation service charges for County Service Area No. 75-Chualar (CSA 75) on the property tax rolls 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:

CSA 75 is approximately 175 acres and serves the entire unincorporated area of Chualar, located approximately 10 miles southeast of Salinas along Highway 101. The CSA has 197 parcels, the majority of which are residential. The CSA provides for the operation and maintenance of sewage collection, disposal, and treatment services, streetlighting service, and storm and surface water drainage. Monterey One Water (M1W) acts as the billing agency for CSA 75 sanitation services.

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the tax rolls and provided instead for collection through a monthly billing system. On June 26, 2004, the Board of Supervisors adopted Ordinance No. 04225 establishing procedures for collection of delinquent fees for CSA 75. 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.

The Report of 2022 Delinquent Fees (Attachment A) lists property owners in CSA 75 that have accrued unpaid balances for calendar year 2022 on accounts for twenty 20 parcels, despite multiple billing notices. The proposed action will schedule the required hearing regarding for the 20 parcels with past due 2022 balances. On June 7, 2023, affected property owners were notified by letter that they have delinquent 2022 sewer accounts. If payments are not made, a second notification letter will be sent out on or before July 10, 2023. The letters will inform each property owner of the past due amount as of December 31, 2023, and the delinquent amount is subject to collection through placement of a lien on their property. Notices of the July 25, 2023, 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 ten 10 days prior to said hearing.

OTHER AGENCY INVOLVEMENT:

MIW acts as the billing agency for CSA 75. Placement of the liens on the property tax rolls is facilitated by the Treasurer-Tax Collector's Office.

FINANCING:

Collectively, past due amounts for calendar year 2022 for CSA 75 currently total \$17,961.56, including late fee, from 20 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 A. CSA 75's main revenue source comes from sewer fees with additional revenue allocated from a portion of the general property tax as well as investment income from the Unassigned Fund Balance. 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 2022 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 093 for CSA 75. The current past due amount is consistent with pre-Covid delinquent amounts. The current revenue budget is \$1,155,000 with revenue collected totaling \$1,392,634.54. The current expenditure budget is \$1,375,500 with year-to-date expenditure obligations totaling \$300,716. The fund balance is \$240,730. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2023-24 property tax rolls in December 2023 and April 2024. Delinquent payments may be made through the date of the public hearing.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and corresponding overdue payment penalties for 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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Reviewed by: Tom Moss, PG, QSD, Senior Water Resources Hydrologist

Approved by: Tom Bonigut, PE Assistant Director of Public Works, Facilities, and Parks

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

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

Attachment A - Report of 2022 Delinquent Fees-CSA 75 as of 6/2/2023

Attachment B - Notice of Public Hearing

Attachment C - CSA 75 Location Map