



Board Report

File #: 20-205, **Version:** 1

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

- a. Set a Public Hearing on May 19, 2020, at 1:30 p.m., to hear the Report of 2019 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 Resource Management Agency to prepare a final Report of 2019 Delinquent Fees for County Service Area No. 75-Chualar; and
- c. Direct the Resource Management Agency 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 May 19, 2019, at 1:30 p.m., to hear the Report of 2019 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 Resource Management Agency (RMA) to prepare a final Report of 2019 Delinquent Fees for County Service Area No. 75-Chualar; and
- c. Direct the Resource Management Agency 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 a service area of approximately 175 acres and serves the entire unincorporated area of Chualar, located approximately ten miles southeast of Salinas along Highway 101. The CSA contains 197 parcels, the majority 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 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 2019 Delinquent Fees (Attachment A) lists property owners in CSA 75 that have accrued unpaid account balances for calendar year 2019 for 23 parcels, despite multiple billing notices. The proposed action will schedule the required hearing regarding the 24 parcels with past due 2019 balances. On March 25, and April 17, 2019, affected property owners will be notified by letter that they have delinquent 2019 accounts.

The letters will inform each property owner of the past due amount as of December 31, 2019, and the delinquent amount is subject to collection through placement of a lien on their property. Notice of the May 19, 2020 public hearing will be mailed not less than ten (10) days prior to the hearing to property owners listed in the Report. A 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:

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

FINANCING:

Currently, the collective past due amount for CSA 75 calendar year 2019 totals \$11,713 from twenty-three (23) 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 are collected when property tax payments are made in December and April of the following year. All calendar year 2019 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 093 for CSA 75. Past due amounts are a normal part of doing business and, as such, are accounted for when preparing the annual budget. The nominal delinquent amount is not likely to impact the current year's budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and corresponding late payment penalties for delinquent accounts ensures continued cashflow to fund maintenance and repairs. Responsible fiscal management allows for adequate management of sewer infrastructure needs and improves public health and safety.

Economic Development

X Administration

X Health & Human Services

X Infrastructure

X Public Safety

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

Attachments:

Attachment A-Report of 2019 Delinquent Fees-CSA 75 as of 2/26/20

Attachment B-Notice of Public Hearing

Attachment C-Location Map

(Attachments are on file with the Clerk of the Board)