County of Monterey

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

Board Report

File #: PCSD RES 24-001, **Version:** 1

Acting as the Board of Directors of the Pajaro County Sanitation District (PCSD), conduct a Public Hearing to:

a. Accept the report of delinquent sanitation fees from 82 parcels totaling $42,099, plus $4,920 processing costs as set forth in the "Report of 2023 Delinquent Fees-Pajaro County Sanitation District (PCSD)" (Report);
b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for the PCSD:
c. Adopt a Resolution to:
   i. Confirm the report of delinquent sanitation fees for the PCSD, as identified in the "Report of 2023 Delinquent Fees-PCSD", and
   ii. Authorize the delinquent fees from 82 parcels totaling $47,019, 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 PCSD:
a. Accept the report of delinquent sanitation fees from 82 parcels totaling $42,099, plus $4,920 processing costs as set forth in the "Report of 2023 Delinquent Fees-Pajaro County Sanitation District (PCSD)" (Report);
b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for the PCSD:
c. Adopt a Resolution to:
   i. Confirm the report of delinquent sanitation fees for the PCSD, as identified in the "Report of 2023 Delinquent Fees-PCSD", and
   ii. Authorize the delinquent fees from 82 parcels totaling $47,019, 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 May 21, 2024, the Board of Supervisors, acting as the Board of Directors for the PCSD, set June 11, 2024, as the date for a Public Hearing to consider placing past due sanitation service charges for the PCSD on the Property Tax Roll to facilitate collections. This matter has been properly noticed for the time and place to conduct such a hearing. Assessments from 82 parcels totaling $47,019, including lien transfer fees, 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, Las Lomas, and Bay Farms communities. Monterey One Water (M1W) currently acts as the billing agency for the PCSD. As of July 1, 2024, M1W will no longer provide billing/collection services for the PCSD.

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the Property Tax Roll and provided instead 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 PCSD through Property Tax Roll. The procedures include conducting a public hearing once a year to hear the Report of Delinquent Sanitation Fees and any protests or objections by property owners liable to be assessed delinquent fees.

For the calendar year 2023, 82 PCSD accounts have accrued unpaid balance despite multiple billing notices. The planned public hearing will consider placing these past due accounts on the Property Tax Roll to facilitate collection of unpaid balances.

On April 12, 2024, and May 6, 2024, 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, 2023, are subject to collection through a lien on their property. Notice of the June 11, 2024, public hearing was mailed, not less than 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 10 days prior to said hearing.

OTHER AGENCY INVOLVEMENT:
For Fiscal Year ending June 30, 2024, Monterey One Water (M1W) acts as the billing agency for the PCSD. The accounts and associated amounts listed in Attachment B are based on reports prepared by M1W. Placement of liens on the Property Tax Roll will be facilitated by the Treasurer-Tax Collector.

FINANCING:
Collectively, past due amounts for calendar year 2023 for PCSD currently total $42,099 from 82 parcels. Costs associated with processing the liens for these delinquent accounts, including data processing, accounting, noticing, and control procedures, are calculated at $60.00 per parcel for a total of $4,920. 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, for a total lien amount of $47,019. 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. Additional 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 2023 service charges and lien transfer fees collected will be deposited in Fund 151 for the PCSD. Collection of past due accounts is a part of doing business and as such, is accounted for when preparing the annual budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
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
X Administration
X Health & Human Services

_X_ Infrastructure
_X_ Public Safety

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Approved by: Enrique Saavedra, Chief of Public Works, Facilities and Parks
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The following attachments are on file with the Clerk of the Board:
Attachment A - Draft Resolution
Attachment B - Report of 2023 Delinquent Fees - PCSD
Attachment C - Notice of Public Hearing
Attachment D - Location Map