



Board Report

File #: PCSD 24-004, **Version:** 1

Acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, 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, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District:

- a. Set a Public Hearing on June 11, 2024, at 1:30 p.m., to hear the Report of 2023 Delinquent Fees for the Pajaro County Sanitation District, 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, Facilities and Parks to prepare a final Report of 2023 Delinquent Fees for the Pajaro County Sanitation District; and
- c. Direct the Department of Public Works, Facilities and Parks to publish a Notice of Public Hearing and mail it to the property owners listed in the report not less than 10 days prior to the date of hearing.

SUMMARY:

The proposed actions will set a Public Hearing to consider placing past due sanitation service charges for the Pajaro County Sanitation District (PCSD) on the Property Tax Roll 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:

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 the Property Tax Roll. The procedures include holding 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 for delinquent fees.

The Report of 2023 Delinquent Fees (Attachment A) lists property owners within the PCSD that have accrued unpaid balances for calendar year 2023 on accounts for 82 parcels, despite multiple billing notices. The proposed action will schedule the required hearing for the 82 parcels with past due 2023 balances. On April 12, 2024, affected property owners were notified by letter that they have delinquent 2023 sewer accounts. If

payments were not made, a second notification letter was sent out on or before May 6, 2024. The letters informed each property owner of the past due amount as of December 31, 2023, and that the delinquent amount is subject to collection through placement of a lien on their property. Notices of the June 11, 2024, 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 10 days prior to said hearing.

OTHER AGENCY INVOLVEMENT:

For Fiscal Year Ending June 30, 2024, M1W is the billing agency for the PCSD. M1W notified PWF that it will no longer act as the billing agency as of July 1, 2024. A proposed ordinance to change the billing method to collect sewer charges through the Property Tax Roll is pending for adoption on May 21, 2024. Placement of the liens on the Property Tax Roll is completed by the Office of 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 the delinquent accounts, including data processing, accounting, noticing, and control procedures, are calculated at \$60 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 is generated from sewer fees, with additional revenues allocated from a portion of the general property tax. 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 2023 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 151 for PCSD. The current past due amount is consistent with previous annual past due amounts. The PCSD current revenue budget is \$5,268,926 year-to-date revenue collected totaling \$866,170. The current expenditure budget is \$7,586,167 with year-to-date expenditures totaling \$3,377,011. The budget reflects funding from Federal Aid and State Disaster Relief funds. The estimated ending fund balance for FY24 is \$607,001. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2024-25 Property Tax Roll in December 2024 and April 2025. Delinquent payments may be made through the date of the public hearing.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The collection of past due amounts and lien transfer fees for delinquent accounts ensure continued cash flow to fund maintenance and operations. Responsible fiscal management ensures that sewer infrastructure needs are met and improves public health and safety.

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

Prepared by: Lynette Redman, Management Analyst III (831) 796-6038

Reviewed by: Tom Moss, PG, QSD, Senior Water Resources Hydrologist

Approved by: Enrique Saavedra, PE, Chief of Public Works, Facilities, and Parks

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

Attachments:

Attachment A - Report of 2023 Delinquent Fees

Attachment B - Notice of Public Hearing

Attachment C - Location Map