



Board Report

File #: ORD 24-012, **Version:** 1

Introduce, waive reading, and set a public hearing for May 21, 2024, at 10:30 a.m. as the date and time to consider adoption of an ordinance to amend Section 16 of the Boronda County Sanitation District (BCSD) Ordinance No. 5134 to provide for the collection of sewer service charges through the Property Tax Roll of the County of Monterey.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Boronda County Sanitation District (BCSD), introduce, waive reading, and set a public hearing for May 21, 2024, at 10:30 a.m. as the date and time to consider adoption of an ordinance to amend Section 16 of BCSD Ordinance No. 5134 to provide for the collection of sewer charges through the Property Tax Roll of the County of Monterey.

SUMMARY/DISCUSSION:

The Boronda County Sanitation District (BCSD) currently contracts with Monterey One Water (M1W) to provide sewer billing and collection services to BCSD customers. M1W recently notified the County of Monterey that beginning in Fiscal Year 2024-25, they will cease providing this service to the BCSD. Therefore, PWFP staff recommends that the Board introduce, waive reading and set a public hearing for May 12 to amend Section 16 of the BCSD Code to allow for the collection of sewer service charges through the Property Tax Roll of the County of Monterey pursuant to California Health and Safety Code Section 5470 *et. seq.* in order to collect service charges to cover the costs of providing wastewater collection services to BCSD customers.

The BCSD provides sanitation collection services to the community of Boronda. The County of Monterey County Department of Public Works, Facilities and Parks (PWFP) currently manages the BCSD and does not currently have the capability to provide in-house billing services. It has been determined that the least costly and most efficient method of collecting the sewer service charges is by placing these property related fees and charges on the Property Tax Roll beginning with the FY 2024-25 tax year. The County/BCSD has been utilizing this method to collect on delinquent BCSD accounts since on or about 2010.

In addition, the County of Monterey and the Treasurer-Tax Collector have authorized Easy Smart Pay, a third-party vendor, to provide a monthly payment option for the payment of property taxes which will include the BCSD sewer service charges.

If BCSD does not enroll into this service, the district will need to bill customers directly. To undertake this responsibility in-house would require an additional Accounting Technician position at a cost of \$124,500 annually, one-time software costs estimated between \$10,000-\$20,000 and ongoing software maintenance costs. These costs could be shared between the three sanitation districts (Pajaro, Boronda and Chualar). Alternatively, PWFP could outsource the monthly billing, at a cost of \$4,500-\$7,700 annually, plus an initial implementation fee. Such a service will take time to procure and contract and will cost more than the proposed

ordinance allowing charges to be included on the Property Tax Roll.

FINANCING:

If the ordinance is adopted, the cost associated with this change will be minimal. The Auditor-Controller's office charges $\frac{1}{4}$ of 1 percent of revenue collected on the County Property Tax Roll. The estimated 2024-25 revenue from the BCSD sanitation billing is \$175,800, resulting in an estimated charge by the Auditor-Controller of \$440. There would also be nominal staff time to prepare the necessary annual Board of Directors report to all the BCSD to collection annual sewer charged through the Property Tax Roll. This is the least expensive option for BCSD.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors' Strategic Initiatives for Administration. Having the mechanism in place to collect fees, ensures the County the ability to pay for expenses.

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

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Attachments:

Attachment A - Ordinance

Attachment B - Location Map