



County of Monterey

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

Board Report

File #: RES 24-103, Version: 1

Conduct a Public Hearing to:

- a. Accept the report of delinquent sanitation fees from 21 parcels totaling \$15,713, including late penalties,
- b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for County Service Area 75-Chualar;
- c. Adopt a resolution to:
 - i. Confirm the report of delinquent sanitation fees for County Service Area 75-Chualar, as identified in “Report of 2023 Delinquent Fees County Service Area 75-Chualar”; and
 - ii. Authorize the delinquent sanitation fees from 21 parcels totaling \$15,713 including late penalty 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 on behalf of County Service Area No. 75-Chualar conduct a public hearing to:

- a. Accept the report of delinquent sanitation fees from 21 parcels totaling \$15,713, including late penalties,
- b. Consider any protests and objections to the report by property owners liable to be assessed for delinquent sanitation fees for County Service Area 75-Chualar;
- c. Adopt a resolution to:
 - i. Confirm the report of delinquent sanitation fees for County Service Area 75-Chualar, as identified in “Report of 2023 Delinquent Fees County Service Area 75-Chualar”; and
 - ii. Authorize the delinquent sanitation fees from 21 parcels totaling \$15,713 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 set June 11, 2024, as the date for a Public Hearing to consider placing past due sanitation service charges for County Service Area 75-Chualar (CSA 75) 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 21 parcels totaling \$15,713 will be in the form of a lien placed on the subject real properties until such time that the delinquent balance is paid in full.

DISCUSSION:

In 1999, the Board of Supervisors adopted ordinances removing sanitation service charges from the Property Tax Roll and instead, provided for collection through a monthly billing system. On June 22, 2004, the Board of Supervisors adopted Ordinance No. 04225 establishing procedures for collection of delinquent fees for CSA 75 -Chualar. The procedures include conducting 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 (Attachment B).

Certain property owners in CSA 75-Chualar have accrued unpaid balances for calendar year 2023 on accounts

for 21 parcels despite multiple billing notices. The proposed action will result in a Public Hearing to consider placing past due sanitation service charges for CSA 75-Chualar on the Property Tax Roll to facilitate collections regarding 21 accounts with past due 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:

Monterey One Water (M1W) acts as the billing agency for CSA 75-Chualar. The accounts and associated amounts listed in Attachment B are based on reports prepared by M1W. Placement of the liens on the Property Tax Roll is facilitated by the Treasurer-Tax Collector's Office.

FINANCING:

Collectively, past due amounts for calendar year 2023 for CSA 75 currently total \$15,713 from 21 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 2023 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 previous annual past due amounts. The CSA 75 current revenue budget is \$1,239,337 with revenue collected totaling \$276,818. The current expenditure budget is \$2,455,434 with year-to-date expenditure obligations totaling \$1,305,895. The budget reflects funding from Fiscal Year 2023 Flood CDAA in the amount of \$975,585. The fund balance is \$491,062. 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 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 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

Approved by: Randell 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 - Draft Resolution

Attachment B - Report of 2023 Delinquent Fees-CSA 75 Chualar

Attachment C - Notice of Public Hearing

Attachment D - CSA 75 Location Map