



County of Monterey

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

Board Report

File #: 19-0243, **Version:** 1

Acting as the Board of Directors for County Service Area No. 75-Chualar:

- a. Set a Public Hearing on May 14, 2019, at 10:30 a.m., to hear the Report of 2018 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 2018 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 as the Board of Directors for County Service Area No. 75-Chualar:

- a. Set a Public Hearing on May 14, 2019, at 10:30 a.m., to hear the Report of 2018 Delinquent Fees for County Service Area 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 2018 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 actions will result in 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 owners' 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 ten miles southeast of Salinas along Highway 101. The CSA serves 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 instead provided 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 2018 Delinquent Fees (Attachment A) lists property owners in CSA 75 that have accrued unpaid balances for calendar year 2018 on accounts for fifteen (15) parcels, despite multiple billing notices. The proposed action will schedule the required hearing for the fifteen (15) accounts with past due 2018 balances.

On February 15, and April 8, 2019, affected property owners were notified by letter that they have delinquent 2018 accounts. The letter informed each property owner of the past due amount, as of December 31, 2018, and that the delinquent amount is subject to collection through placement of a lien on their property. Notices of the May 14, 2019 public hearing will be mailed, not less than ten (10) days prior to the hearing, to property owners listed in the Report. Also, 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 acts as the billing agency for CSA 75. Placement of the liens on the property tax rolls will be facilitated by the Office of the Treasurer-Tax Collector.

FINANCING:

Collectively, past due amounts for calendar year 2018 for CSA 75 currently total \$4,826.09 from fifteen (15) 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 comes from sewer fees with additional revenue allocated from a portion of the general property tax and 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 2018 past due service charges and penalty 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 CSA 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 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
☒ Administration
☒ Health & Human Services
☒ Infrastructure
☒ Public Safety

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

Attachments:

Attachment A - Report of 2018 Delinquent Fees-CSA 75 as of 4/8/19

Attachment B - Notice of Public Hearing

Attachment C - Location Map

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