



County of Monterey

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

Board Report

File #: RES 22-139, **Version:** 1

Conduct a Public Hearing to:

- a. Accept the report of delinquent sanitation fees from twenty (20) parcels totaling \$19,355.58, including late penalties as set forth in the "Report of 2021 Delinquent Fees County Service Area 75-Chualar" (Report);
- 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 the "Report of 2021 Delinquent Fees County Service Area 75-Chualar": and
 - ii. Authorize the delinquent sanitation fees from twenty (20) parcels totaling \$19,355.58 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 twenty (20) parcels totaling \$19,355.58, including late penalties as set forth in the "Report of 2021 Delinquent Fees County Service Area 75-Chualar" (Report).
- 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 the "Report of 2021 Delinquent Fees County Service Area 75-Chualar": and
 - ii. Authorize the delinquent sanitation fees from twenty (20) parcels totaling \$19,355.58 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.

SUMMARY:

On July 12, 2022, the Board of Supervisors set July 26, 2022, 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 hold such a hearing. Assessments from twenty (20) parcels totaling \$19,355.58 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 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 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.

Certain property owners in CSA 75-Chualar have accrued unpaid balances for calendar year 2021 on accounts for twenty (20) parcels despite multiple billing notices. If approved as recommended, the proposed actions will result in the placement of past due sanitation service charges for CSA 75-Chualar on the property tax roll to facilitate collections regarding these twenty (20) accounts with past due balances.

On June 13, 2022, and July 11, 2022, affected property owners were notified by letter notices that they have delinquent accounts. The letter notices informed each property owner that past due amounts as of December 31, 2021, are subject to collection through a lien on their property. Notice of the July 26, 2022 public hearing was mailed, not less than ten (10) days prior to the hearing, to property owners listed in the Report. Also, a notice of public hearing (Attachment C) was published in the Monterey County Weekly not less than ten (10) days prior to said hearing.

OTHER AGENCY INVOLVEMENT:

Monterey One Water (M1W) acts as the billing agency for CSA 75-Chualar. 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 2021 for CSA 75 currently total \$19,355.58 from 20 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, late penalty fees are included in the total amount listed in Attachment B. The main revenue source for CSA 75 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 2021 past due account balances and late penalty and lien transfer fees collected will be deposited to Fund 093 for CSA 75. CSA 75 is in the fifth year of a five-year rate increase. The amount due is greatly reduced from last year's total delinquent accounts of \$32,901.11, which was likely related to the Covid-19 pandemic. The current revenue budget is \$213,361 with revenue collected totaling \$215,087. The current expenditure budget is \$185,926 with year-to-date expenditure obligations totaling \$140,730. The fund balance is \$178,259. The current budget can accommodate this decrease in revenue until the past due accounts can be collected on the FY 2022-23 property tax roll in December 2022 and April 2023. Delinquent payments may also 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: Tom Bonigut, PE Assistant Director of Public Works, Facilities and Parks

Approved by: Randy 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 - Resolution - CSA 75 Chualar

Attachment B - 2021 Delinquent Fee Report - CSA 75 Chualar

Attachment C - Notice of Public Hearing - CSA 75 Chualar

Attachment D - Location Map - CSA 75 Chualar