



CITY COUNCIL STAFF REPORT



May 28, 2024

ITEM TITLE

Sewer Service: Assess Delinquent Sewer Service Charges as Recorded Liens Upon the Respective Parcels of Land and Place Delinquent Charges on the Next Regular Property Tax Bill for Collection by the County Treasurer-Tax Collector

Report Number: 24-0153

Location: No specific geographic location

Department: Finance

G.C. § 84308: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (“CEQA”) State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Conduct the public hearing and adopt a resolution assessing certain delinquent sewer service charges as recorded liens upon the respective parcels of land and placement of delinquent charges on the next regular tax bill for collection by the County Treasurer-Tax Collector.

SUMMARY

To enhance collection efforts and safeguard the City’s interest in sewer service charges and related delinquent fees and ensure that collection efforts are directed toward the responsible property owner, the Finance Department is recommending the approval of placing property liens against affected parcels as a preliminary action to placing the delinquencies on county property tax rolls if they remain unpaid. Adopting this resolution will reduce uncollectible losses, ensure payments are received on a timelier basis, and ensure responsible parties meet their sewer service payment obligations.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with CEQA and has determined that the activity is not a project as defined under Section 15378 of the State CEQA Guidelines because the proposed activity consists of a governmental fiscal/administrative activity which does not result

in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

City residences and places of business benefit from the use of the City's wastewater system. The City ensures an equitable distribution of costs of complying with wastewater discharge requirements placed upon the City through interagency agreements and by state and federal regulatory bodies.

Chula Vista Municipal Code (CVMC) Section 13.14.150 allows delinquent sewer service charges to be assessed as recorded liens upon the affected properties and ultimately placed upon the county property tax bills on those parcels for collection by the County Treasurer-Tax Collector.

Staff submits accounts to the City Council on a biannual basis. The most recent public hearing on property liens was held in December 2023. A property lien resolution for delinquent sewer service charges, containing 214 accounts valued at \$67,000, was submitted and approved by the City Council.

Since the recent re-establishment of the property lien process, the City has been able to collect about \$246,000 of the \$271,000 delinquent sewer service charge fees placed on the County tax rolls. In accordance with the execution of the collection process described below, City staff is recommending the assessment of recorded liens upon the affected properties as allowed by the Municipal Code.

Collection Process

In the months leading up to this public hearing, City staff put into effect an informative process, in-line with the Municipal Code and collections best practices, to impose the recording of property liens upon affected parcels. Property owners have been notified of their delinquencies through a series of past-due notices sent by the Finance Department.

City staff notified property owners of the public hearing via public hearing notice letters, requesting them to pay the delinquent charges prior to transmittal of their delinquent account to the County Treasurer-Tax Collector to avoid a lien being placed on their property. Staff also published a public hearing notice in a locally circulated newspaper.

At the public hearing, a lien list is submitted by staff to the City Council, containing a list of accounts for related parcels and the most up to date delinquent amounts due for consideration, together with any objections or protests by interested parties, of approving the placement of property liens. Staff is recommending the City Council adopt a resolution assessing the lien of delinquent sewer accounts as submitted, and these charges be forwarded to the County Treasurer-Tax Collector and assessed as recorded liens on the respective parcels of land and ultimately placed on the next regular tax bill for collection.

Staff is submitting 245 delinquent accounts valued at \$98,000 for approval of collection through the lien process. Account status and property ownership have been verified by City staff through a third-party consultant, Spicer Consulting Services. City staff will continue to create payment arrangements as needed

and work with customers leading up to the lien recording submission date, to avoid submitting accounts resolved following the public hearing.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.). Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no current-year fiscal impact to the Sewer Service Fund as a result of this action.

ONGOING FISCAL IMPACT

Approval of this resolution supports the collection of delinquent sewer service charges through the County tax roll collection process. Collection of delinquent charges in the amount of \$98, 000 should occur within the 2024-25 fiscal year and will be incorporated into the annual budget process. All expenses associated with this action are funded by the City's sewer fund and all sewer service charges collected as a result of this action will be deposited into the City's sewer fund.

ATTACHMENTS

None.

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