

City of Sacramento

Legislation Text

File #: 2019-01006, **Version:** 1

Title:

Delinquent Utility Service Charges - Special Assessment (Noticed 07/12/2019 & 07/17/2019)

File ID: 2019-01006

Location: Citywide

Recommendation:

Conduct a public hearing on the report of delinquent utility service charges and upon conclusion, adopt a Resolution adopting the report and imposing special assessment levies against the properties to which the services were rendered.

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Presenter: Fadi Geagea, Billing Services Manager, (916) 808-4928; Department of Utilities

Attachments:

- 1-Description/Analysis
- 2-Table 1
- 3-Table 2
- 4-Resolution
- 5-Exhibit A

Description/Analysis

Issue Detail: On an annual basis, in accordance with Section 13.12.100 of the City Code, the Department of Utilities brings forward customers' utility accounts with delinquent utility service charges and recommends that the City Council adopt a resolution placing a special assessment levy upon the properties for which services were provided. The special assessment levy secures the debt and collection of unpaid delinquent utility service fees and penalties.

Policy Considerations: Imposing a special assessment levy for delinquent utility service charges is

in accordance with Sacramento City Code, Section 13.12.090. Property owners have received the required notice and opportunity to protest the charges. All protested charges were reviewed for accuracy and a decision was made to remove the charges or continue with the special assessment. A hearing with an independent Hearing Officer (see Tables 1 and 2) was available for property owners requesting a hearing in accordance with Sacramento City Code, Section 13.12.100, and this report of delinquent utility service charges includes any revisions made by the Hearing Officer. Three property owners requested or attended a hearing to protest the assessment for their property.

The City Code requires the City Council to hold a public hearing on this report of delinquent utility service charges and consider any objections or protests, provided that only those property owners who filed a timely objection or protest and appeared before the Hearing Officer are permitted to have their objection or protest considered by the City Council. At the conclusion of the hearing, staff recommends that the City Council adopt a Resolution adopting this report and confirming these special assessments, with or without modifications.

Economic Impacts: None.

Environmental Considerations: The activity described is not a project pursuant to the California Environmental Quality Act (CEQA). CEQA Guidelines Section 15378(b)(4). The authorization of special assessments is a governmental fiscal activity that does not constitute a project and is not subject to CEQA. CEQA Guidelines Section 15060(c)(3).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: These delinquent utility charges are for services that the City provided to the property owners through approximately February 2019. Payment for services through imposition of a special assessment for delinquent utility service charges is now being pursued consistent with Sacramento City Code.

Financial Considerations: Adoption of the Resolution will enable the Department of Utilities to recover unpaid charges for services provided via a special assessment levy. As of June 27, 2019, the total unpaid cost for utility service charges owed is \$5,124,147.99.

All of the costs to send notices to property owners, review and respond to disputes, schedule and conduct hearings, and mail the Hearing Officer's final decision for the hearings held are included in the Department of Utilities' operating budget and no additional funding is being requested.

Local Business Enterprise (LBE): Not applicable.

Background: On an annual basis, a special assessment notice is sent to all property owners with utility service charges that are 45 days or more delinquent. The special assessment notice advises the customer that the portion of their balance that is greater than 45 days past due will be imposed as a special assessment levy on their property if not paid in full. Properties for which the delinquent amount is paid prior to the Council hearing date are removed from the special assessment process. Customers are also advised of the opportunity to protest the delinquent charges, as provided under the City Code.

Any property owner who does not submit a protest or request a hearing waives his/her right to protest. After the hearing, and after any adjustments and payments are made, the remaining balance is presented to City Council at a public hearing for approval of a special assessment levy in July.

The delinquent charges owed, and the properties to which such charges apply, are set forth in Exhibit A to the Resolution attached to this report. As required under applicable provisions of the City Code and/or State law, all property owners were noticed of the unpaid delinquent amounts. Protesting property owners were provided both an opportunity to resolve the issue with City staff and appear before an independent Hearing Officer, followed by the opportunity to present their protest to the City Council at this public hearing.

Each property owner who both disputed the special assessment and requested a hearing has received a decision notice from the Hearing Officer. As noted above, three property owners requested a hearing for three properties.