

# Dire Results In Davenport Tax Strike

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Some 50 Davenport residents were told the cold, hard facts Wednesday night: refusing to pay taxes for their sewer maintenance district will only lead to an increased tax rate — and possible loss of property by auction.

Seaside District Supervisor Phil Harry led the discussion at Pacific Union Elementary School that included explanations of the problem by the county auditor and public works representatives.

There was no consensus or vote on what the Davenport residents wanted to do about the situation. Suggestions ranged

from attempting to pay off sewer plant bonds immediately to buying more equipment to upgrade the plant.

Property owners of the 70 parcels in the district were slapped with a \$9 tax rate per \$100 assessed valuation this fiscal year to pay for operation and the fixed assets in the plant.

That alone nearly doubled their tax rate, since they are charged about a \$10 rate for all other county services.

In addition, they are charged a flat \$4.75 monthly user fee (\$57 a year), about one-third of which goes to pay off a \$17,500 bond for plant construction. The federal government put up a similar amount for the plant.

Auditor Art Merrill explained that the "delinquency factor" in the December first installment of taxes was about 80 per cent for the district. He said if that continues for the April second installment, the county would be forced to recognize the high delinquency rate, which normally is about 6 per cent.

He said previously that the result would be to increase the sewer district tax rate about three times, to \$25 per \$100 assessed valuation. Merrill continued that this spiral would continue for five years, and at that time the property could be sold to the "highest bidder" in an auction for the amount of delinquent taxes.

Merrill said he was concerned the enormous 80 per cent delinquency factor would place the 20 per cent who had paid their first installment in a position of not being able to pay taxes at a \$25 tax rate too.

The auditor added that costs for this first year of operating the sewer plant were overestimated, and pointed out that a \$2,500 comminutor (sludge grinder) didn't have to be purchased. Therefore, he said if no emergencies came up, the district would have enough funds left over from this fiscal year to eliminate any district tax rate for 1972-73. Merrill guessed that a tax rate of \$3 to \$4 would then be instituted for the district in 1973-74.

Gene DeLucchi of the public works department answered a series of questions. He frankly stated that a mistake was made and not enough time was spent in the formative stages of the district.

He said the interest on the 40-year, \$17,500 bond would be \$22,511, and added there was no guarantee that the State Water Quality Control Board would look on the plant as being sufficient in five years — let alone

40 years. He continued the federal grant for the plant was approved on the basis that economic development would take place in Davenport, but that hasn't been the case and anticipated revenues haven't been realized.

DeLucchi and Public Works Director Don Porath admitted the district, and all other sewer operations, were at the mercy of the state.

Harry pointed out that this year's tax rate was established and couldn't be changed. DeLucchi said the county was trying to cut costs in operation of the plant, and that resident David Boye would be acting as maintenance man for the plant on a six-month trial basis, which is expected to cut maintenance costs in half. Otherwise a county employee would have to make trips to the plant.

Erminio Orlando said he wanted to pay off his bond obligation right now. When he

said it would cost only \$360, a woman in the crowd replied, "Heck, that's only the price for a good TV."

Merrill, however, cautioned the group that the bonds couldn't be paid off on an individual basis, but would have to be retired in full at one time.

Ed Hanna, executive officer of the Local Agency Formation Commission, said it was possible for Davenport residents to set up their own districts and run them, but not much enthusiasm was evident for that idea.

Other questions were raised on hookup charges, electrical costs and plant operations by Elio Orlando, Francis and Alvin Gregory and Junior Olimpio.

Harry said he didn't expect residents to make a decision on what to do Wednesday night, but wanted them to be aware of the gloomy consequences if they don't pay their taxes by the second installment.

## County Wary Of Costs For Old Palomar Site