

## MEMORANDUM

Date: February 1, 2022  
To: Finance Committee  
From: Paula O'Keefe, Director of Administration  
Subject: Reinstatement of Water Shutoffs

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### RECOMMENDED ACTION

Approve the use of the updated payment installment agreements.

### BACKGROUND

There are nearly 2,750 water meters within the District. On April 2, 2020, the California Governor issued a moratorium on water utility shutoffs due to nonpayment via Executive Order N-42-20. This order included a requirement to unlock the water for occupied homes with the water currently shutoff.

### DISCUSSION

District Code, Chapter 14, addresses Water-related codes. Section 13.07 Disconnection, outlines the steps involved in shutting off a water meter when payment becomes delinquent. Prior to Executive Order N-42-20, the District office issues a ten-day letter when an account becomes more than 45-days delinquent. This letter outlines District Code and informs the customer of their rights and the planned action to be taken by the District when the bill is not paid. If the account continues to remain delinquent, the customer is sent a three-day warning to shut off water services. If the bill is not paid by 11:00 a.m. on the third day, Utility Staff are issued work orders to place a lock on the water meter. When the customer elects to turn the water back on, they are required to pay the entire amount due plus a reconnection fee of \$50.00 dollars. These payments often exceed six-hundred (\$600) dollars.

Executive Order N-42-40 expired December 31, 2021. To date, the District reflects over \$147,000 in outstanding utility payments for customers with a water meter. District staff are prepared to continue entering into pay agreements with customers who request payment deferrals to prevent potential lock-offs. We are estimating these payment agreements could be active for up to six-months for customers who have allowed their utility bills to lapse during the duration of the water shut-off moratorium.

As of today, there are no homes within the District that have the water locked-off, however there are several residents who have enrolled in payment agreements and have failed to meet their obligations. The District intends to begin initiating the water lock-off process beginning in February and would like to utilize the services of CB Merchant to collect unpaid customer debt. The revised payment installment agreement would allow the District to pursue collections from unpaid debt, in addition to water lock-offs.

At this time we are proposing to initiate lock-offs for accounts with a December 25<sup>th</sup>, 2021 due date.

Staff is working to provide a table outlining the details related to the amounts currently owed by residential and commercial customers.

### SUMMARY

Based on direction from the Finance Committee, staff is prepared to offer pay agreements to customers immediately following the meeting.