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| AGENCY:        | City Council          |
| MEETING DATE:  | June 27, 2022         |
| DEPARTMENT:    | Finance               |
| PRESENTED BY:  | Isaac Whippy          |
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## AGENDA ITEM SUMMARY

**TITLE:**  
**Receive Report and Provide Direction to Staff Regarding Extending the June 30, 2022, Cut-off Date for Water Turn-offs for Balances over \$2,000**

**BACKGROUND**

In April 2020, Governor Gavin Newsom signed an executive order restricting water shutoffs to homes and small businesses while the state responded to the COVID-19 pandemic. This statewide moratorium has expired as of December 31, 2021.

On February 9, 2022, the Finance and Administration Committee held a regularly scheduled meeting to discuss delinquent accounts and the resumption of water shutoffs. It was the unanimous decision of the Committee Members to make a recommendation to the City Council to direct Staff to resume water shutoffs for delinquent accounts effective April 4, 2022.

On March 28, 2022, the City Council approved the recommence of water shutoffs in April 2022 for accounts with balances over \$2,000 only to allow low-income customers to apply for the [California Low Income Household Water Assistance Program \(LIHWAP\)](#) and reevaluate in June 2022. Unfortunately, as of the writing of this report, the Grant has not yet been rolled out, and there isn't a confirmed date when the funds will be disbursed.

**ANALYSIS:**

As of the last billing cycle, the total amount of past-due accounts was \$111,677 (131 accounts), with 53% or 74 accounts being over 120 days due, 14% or 18 accounts are over 90 days, and 35 accounts or 17 percent for 60 days past due and 17 percent are under 30 days. The 131 delinquent accounts comprise less than 4% of the total water customers.

| Billing Cycle | Amount Past Due | % of Past Due | # of Accounts |
|---------------|-----------------|---------------|---------------|
| Over 120 Days | \$ 58,677       | 53%           | 74            |
| Over 90 Days  | 15,199          | 14%           | 18            |
| Over 60 Days  | 18,468          | 17%           | 35            |
| Over 30 Days  | 19,334          | 17%           | 4             |
|               | \$ 111,677      |               | 131           |

Of the total delinquent accounts highlighted in the table above, customers with substantial balances will struggle to pay and are at a greater risk of being shut off. Most of these delinquent accounts are residential, with only two commercial accounts. The City's shutoff policy states that a 20 percent down payment is required to establish a 60-day payment plan.

| Range           | # of Accounts | Average Past Due |
|-----------------|---------------|------------------|
| \$2,000-\$5,000 | 8             | \$ 2,631         |
| \$1,000-\$2,000 | 39            | \$ 1,447         |
| \$500-\$1,000   | 26            | \$ 717           |
| Less than \$500 | 58            | \$ 247           |
|                 | <u>131</u>    |                  |

### Available Utility Assistance Programs

- In June 2021, the City successfully launched the Utility Assistance Program through Community Development Block Grants (CDBG), which provides up to \$500 towards utility bills for qualified accounts. The City has provided \$37,861 (70 accounts) of assistance to customers to date. The program has been extended through May 2023.
- The [State Water Resources Control Board](#) received federal funding to help reimburse water systems for revenues lost in unpaid bills through the pandemic. The City has already submitted the required information and has received funds for qualified Water accounts amounting to \$29,746, waived the required late fees of \$17,816, and past-due Wastewater funding of \$31,328. This additional funding has been applied to each eligible delinquent account to offset the past due amount owed.
- Furthermore, the City submitted an interest application to the California Department of Community Services & Development regarding the new [California Low Income Household Water Assistance Program \(LIHWAP\)](#). The program is designed to provide financial assistance (up to \$2,000) one-time credit to qualifying Californians to help manage their residential water utility costs. The Grant will be administered through the North Coast Energy Services in Ukiah, and there is still no definitive date when the Grant will be rolled out.

Finance staff will continue outreach efforts to these delinquent customers to ensure they are notified and given the option to make payment, apply for the available assistance programs, or make payment arrangements to avoid water turnoffs.

### **RECOMMENDED ACTION:**

Staff recommends continuing with the previous direction of water turnoffs for accounts with balances over \$2,000 only and extending the cut-off date from June 30, 2022, to August 31, 2022, to allow low-income customers to apply for the LIHWAP Grant.

**ALTERNATIVE ACTION(S):**

Provide other directions to Staff.

**FISCAL IMPACT:**

N/A.

**GREENHOUSE GAS EMISSIONS IMPACT:**

N/A.

**CONSISTENCY:**

Water shutoff policies are consistent with Chapter 14.04 of the Fort Bragg Municipal Code, Water Department, and Regulations.

**IMPLEMENTATION/TIMEFRAMES:**

The direction will be implemented on July 1, 2022.

**ATTACHMENTS:**

1. Water Shutoff Policy

**NOTIFICATION:**

None.