

## **CITY OF ESCONDIDO UTILITY BILLING PAST DUE & SHUT OFF SUMMARY FEBRUARY 2023**

### Background

On March 4, 2020, at the outset of the COVID-19 pandemic, Governor Newsom enacted Stay-At-Home Orders for those not providing essential services to slow the spread of the virus. Additionally, Governor Newsom issued Executive Order N-42-20 prohibiting the discontinuation of water service due to non-payment indefinitely. In compliance with this order and recognizing the financial hardship that Escondido residents faced, the City suspended all past due fees and disconnections for non-payment for water and wastewater utilities.

The stay at home order was rescinded and the Governor signed into law SB 155 which lifted the prohibition on the disconnection of water service effective December 31, 2021.

### State Water Resources Control Board Funding

On January 12, 2022, City Council approved the City's participation in the "California Water and Wastewater Arrearage Program" which provided funds from the State Water Resources Control Board to water and wastewater utility customers to address past-due bills (arrearages) accumulated from March 4, 2020, through June 15, 2021. Escondido customers received \$609,112.62 for 525 Water customers and \$134,809.79 for 272 Wastewater customers.

### California Department of Community Services and Development Funding

The California Department of Community Services and Development (CSD) is also administering the Low-Income Household Water Assistance Program (LIHWAP) which began in May 2022. As of January 2023, the program has assisted 24 customers with water bills totaling \$35,183.97. The CSD is currently evaluating the program requirements and may modify the program eligibility to expand the Low-Income Household Water Assistance Program (LIHWAP) to both households seeking financial assistance for water and/or wastewater bills that have an arrearage, as well as those who are current on their bill.

### Past Due Status as of February 2023 and Recommendation

The City of Escondido is now the final agency in the County to resume past due and shut off procedures for utility customers. There are currently over 900 customers that are past due on utility bills totaling approximately \$1.5 million.

All past due fees and disconnections for non-payment of water and wastewater utilities have been suspended since March 2020. However, the past due debt has been reported on each bill received by the customer. In addition, the City has mailed Notification Letters to past due customers to share the Debt Relief programs that may be available to them.

Staff are recommending that the City resume disconnections for non-payment of utility bills this month, February 2023. By resuming the standard billing and shut off process, customers who are past due on debt will receive a Past Due Letter 25 days after their next bill is received, a notice on their door 70 days after their bill due date, and then the shut off notice 10 days later.

To restart the shut off process, staff will be mailing the attached notice to all past due customers. The notification letter provides contact information for the local agency currently administering the LIHWAP program. All past due customers will be offered a payment plan with the City to assist residents with their bill payments. All prior penalties and interest will be waived; however, the 10% late fee will be reinstated for past due billed charges on a go forward basis (not applicable to the debt from COVID through January 2023).