



CITY OF ANGELS PO Box 667, 200 Monte Verda St. Suite B, Angels Camp, CA 95222 P: (209) 736-2181

DATE: January 2, 2026
TO: City Council
FROM: Michelle Gonzalez, Finance Director
RE: **EXTENSION OF SUSPENSION OF LATE FEES AND WATER SHUTOFFS THROUGH MARCH 31, 2026 DUE TO UTILITY BILLING SYSTEM CONVERSION**

RECOMMENDATION:

Adopt Resolution No. 26-13 extending the temporary suspension of late fees and water shutoffs for delinquent water accounts through March 31, 2026, to support customers impacted by the City's water billing system conversion and the approximately two-month period in which bills were not issued.

BACKGROUND:

The City implemented a conversion to a new utility billing system to improve billing accuracy, customer service, and operational efficiency. During the transition, billing was temporarily paused while accounts and system data were migrated and validated. This resulted in a delay of approximately two months in issuing bills.

To reduce hardship on residents and ensure customers had sufficient time to adjust once billing resumed, the City temporarily suspended:

- Late fees for delinquent water accounts, and
- Water shutoffs related to non-payment.

With bills now being issued again, many customers are still catching up due to receiving larger balances than typical, or because they were unaware of accumulating charges during the pause.

DISCUSSION:

Extending the suspension through **March 31, 2026** will:

1. **Support Customer Stability**

Many customers experienced unexpectedly large balances and may need additional time to get current.

2. **Promote Equity During the Transition**

Since the City initiated the pause due to system conversion, extending relief helps ensure customers are not penalized for disruptions outside their control.





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3. Encourage Payment Plans and Compliance

Utility Billing staff can continue working with customers to establish payment plans and help households avoid escalating delinquency.

4. Maintain Public Trust During Conversion

Extending the policy demonstrates responsiveness to community needs while the City completes stabilization of billing operations.

Staff will continue customer outreach and emphasize payment plan options and billing support.

FINANCIAL IMPACT:

This action may result in:

- Temporary delay in late-fee revenue, and
- Potential delay in delinquency enforcement collections.

However, staff anticipates that providing additional time will increase overall account compliance and reduce administrative burden from customer disputes and hardship cases.

Late fee revenue is used to offset the cost of the Customer Assistance Program (CAP). However, non-rate revenues, such as interest earnings, may be used to offset this loss. Interest revenue has exceeded budget projections and is sufficient to cover the revenue reduction resulting from the suspension of late fees.

CONCLUSION

The utility billing system conversion resulted in an approximately two-month interruption in billing that has made it difficult for some customers to remain current on their water accounts. Extending the temporary suspension of late fees and water shutoffs through March 31, 2026 will provide customers additional time to catch up, establish payment plans, and return accounts to good standing without added penalties or the risk of service disconnection. This extension supports continued customer stability and equitable implementation during the transition period, while minimizing fiscal impacts through the use of available non-rate revenues. For these reasons, staff recommends adoption of Resolution No. 26-13.

ATTACHMENTS:

- Resolution No. 26-13

