



## STAFF REPORT

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**MEETING DATE:** February 22, 2023

**PRESENTER:** Josefina Alvarez, Interim Finance Director

**SUBJECT:** : Update on Utility Account Delinquencies with Possible Direction to Staff (JA)

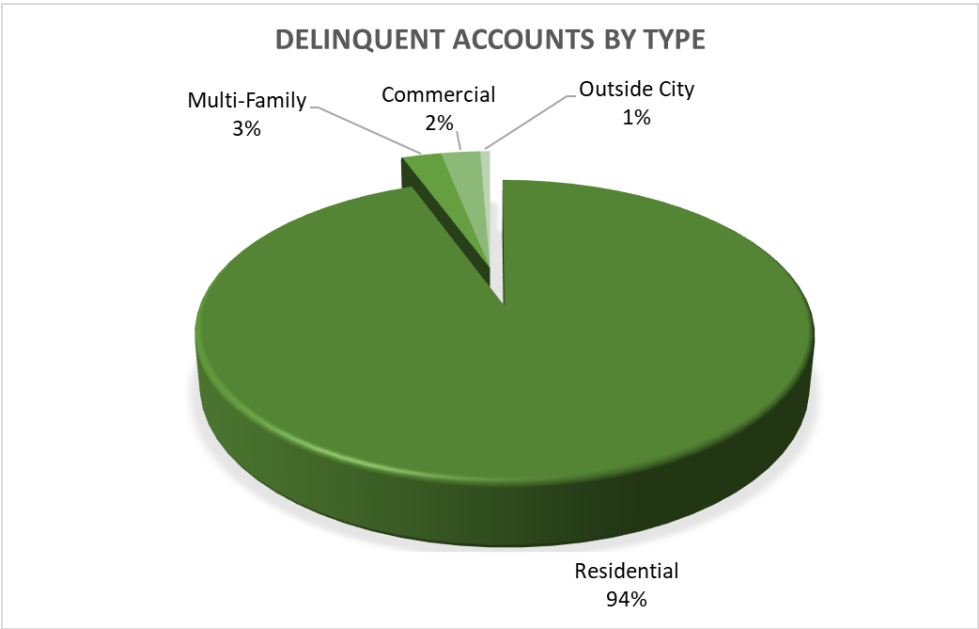
**RECOMMENDATION:** Receive report on utility account delinquencies and provide direction to staff if any.

**EXECUTIVE SUMMARY:** During the COVID-19 State of Emergency the City placed its process for water delinquent accounts on hold. As the State of Emergency ended on February 28, 2023, the City of Kerman will resume the process for addressing delinquent water accounts.

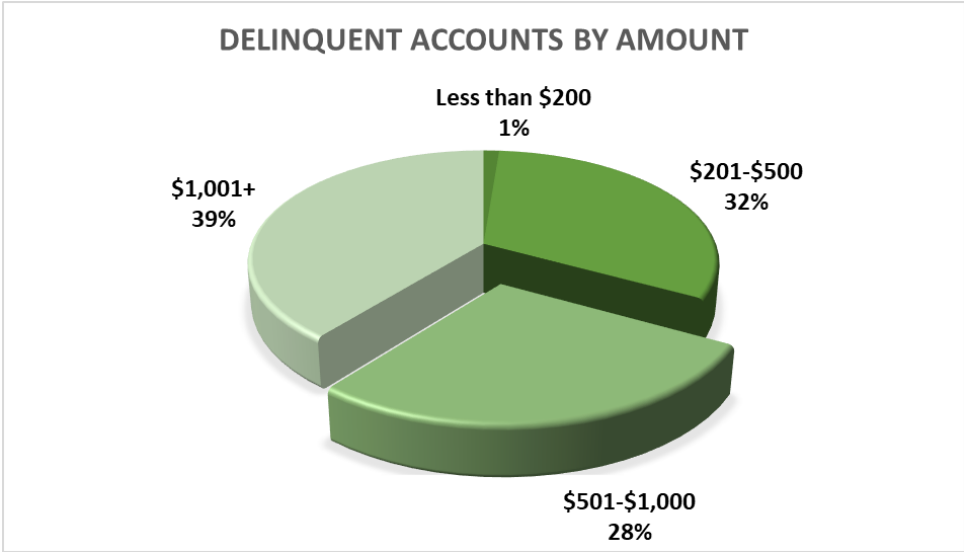
In January 2020, the City adopted Kerman Municipal Code Section 13.04.091 and Resolution No. 20-04 adopting a policy to comply with SB 998 to assist residential water users who lose access to water service due to their inability to pay. Staff will resume the process set forth in the City's Policy to address delinquent accounts. Staff will be doing multiple forms of outreach to our residents to ensure that if they have any financial difficulties, a payment plan is set in place, per the City's Policy. They will be encouraged to contact the Low Income Household Water Assistance Program (LIHWAP), a low income household assistance program that helps utility customers with their utility bill. Staff will be sending a general notice of intent to proceed with collection of delinquent accounts in April. In May, a detailed notice to those customers that are more than 60 days past due will be mailed and in June a doorhanger will be hung at each address that is 60 days or more as required by the City Policy.

Staff mailed out a notice in the March utility bill which stated that penalties would resume if the past due balance is not paid by April 30, 2023. Staff included the LIHWAP phone number and a direct contact to City staff to set up payment plans. Staff has already received multiple phone calls from residents that would like to set up payments plans for their past due balances.

A report was generated on February 24, 2023, which included 322 past due accounts with 60 days or more past due (per SB998 guidelines) with a total past due of \$366,041.29. There was a total of 304 residential accounts or 94.41%, 8 multi-family accounts or 2.48%, 8 commercial accounts or 2.48% and 2 accounts outside City Limits or 0.62%.



From the 322 delinquent accounts, 4 accounts owe \$200 or less, 102 accounts owe \$201-\$500, 90 accounts owe \$501-\$1,000 and 126 accounts owe \$1,001 or more.



Staff would like to address any commercial accounts that are delinquent first and then periodically shut off quadrants as time permits. Water disconnections would occur Monday-Thursday from 8:00am-12:00pm and water connections would occur the same day payment is received from 1:00pm-5:00pm.

**FISCAL IMPACT:** Increase in Enterprise Fund revenues.