

HEBER PUBLIC UTILITY DISTRICT REPORT TO BOARD OF DIRECTORS

MEETING DATE: November 18, 2021

FROM: Laura Fischer, General Manager

SUBJECT: Authorize the Reinstatement of Delinquent and Service Disconnection Charges for Non-Payment Starting January 1, 2022

ISSUE: Shall the Heber Public Utility District Board of Directors Authorize the Reinstatement of Delinquent and Service Disconnection Charges for Non-Payment Starting January 1, 2022?

General Manager's Recommendation

Authorize the Reinstatement of Delinquent and Service Disconnection Charges for Non-Payment Starting January 1, 2022.

FISCAL IMPACT:

The HPUD should receive approximately \$40,300 in late fees and disconnection/reconnection fees for the last 6 months of FY 2021-22.

BACKGROUND:

In March 2020, Heber Public Utility District Board of Directors suspended late fees and shut offs for all customers due to the negative financial impacts of COVID-19.

With the Governor's action on June 15 to begin the safe reopening of California, as well as the local improving economy and unemployment rates, and recent federal and state COVID-19 assistance, Heber Public Utility District can reinstate late fees on the following dates:

- **January 1, 2022**– Reinstatement of delinquent charges (late fees)

This date allows us time to communicate with our customers regarding the reinstatement of late fees and the beginning of the disconnection for nonpayment process. You will recall that HPUD new policies regarding disconnection for nonpayment to meet the new California mandates on notifications and extension of shut off timelines. Customers needing more time to pay down past due balances may apply for a payment arrangement to breakup payments over a maximum of a 12 month period. Customers on payment arrangements who keep current by paying bills and deferred payments are not subject to late fees.

Certain customers may be eligible for financial assistance administered through Imperial County to help pay for past due water bills incurred during COVID-19.

CONCLUSION:

As the State of California has begun to re-open and as the Governor has allowed for the reinstatement of late fees and other fees including disconnection/reconnection fees, it is prudent that the HPUD begin to collect these fees starting January 1, 2022.

ALTERNATIVES:

- 1) Do not reinstate late fees and disconnection/reconnection fees.
- 2) Provide staff with alternate direction regarding reinstatement of fees.

Respectfully Submitted,

Laura Fischer, General Manager