

# **Rialto City Council**

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## **Automatic Payment Plan Program for Water and Wastewater Customers**

## **Water Shutoff Moratorium**

***Presented by:  
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September 13, 2022***

# Background

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- March 2020 - City Council Declared a Local Emergency to the COVID-19 outbreak.
- April 2020 – Governor of California issued an emergency order establishing a moratorium on all water shut-offs.
- April 2020 – City Council adopted the moratorium on water shut-offs. Also stopped assessing late payment penalties and interest on water and sewer bills.

## Background (cont.)

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- The Governor of California issues another Executive Order that would allow the water shut-off moratorium to expire at the end of September 2021.
- SB 155 postponed the moratorium to expire at the end of December 2021, and longer if customers have been offered payment plans.
- March 8, 2022, City Council authorized Rialto Water Services and City staff to begin the implementation of an Automatic Payment Plan for accounts with water and wastewater arrearages that are 90 days and older.

# Background (cont.)

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- On August 9, 2022, City staff presented this item to City Council and requested to lift the moratorium effective January 1, 2023
- Several questions were asked requiring further review:
  1. Efforts in creating a bridge between CDBG-CV grant Program and Utility Customers.
  2. Reporting to include Residential and Commercial categories.
  3. How are other Agencies dealing with the Moratorium issue, specifically West Walley Water District.
  4. Delinquent sewer accounts shown at the May 25 Water Subcommittee and on August 9
  5. Inequities in tax roll process for sewer-only accounts

# Question 1 - Arrearage Assistance Programs – CDBG-CV

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## **Community Development Block Grant CARES (CDBG-CV)**

### **Fully Allocated (Future action to be recommended to reprogram funds)**

- ✓ RWS worked with the City to identify all the customers, Water and Sewer, that were in DAC census tract areas.
- ✓ Postcards were mailed out to 2000+ Residents notifying they can apply for CDBG-CV financial assistance.
- ✓ Qualifying residents received a maximum of \$2,000 per month for up to three months for rent or mortgage assistance, and/or a one-time utility to help renters and homeowners in the City.
- ✓ As of the end of August, \$542,000 was allocated to qualifying applicants and a remaining balance of \$218,000 is encumbered for 72 remaining open applications. There is a waiting list if additional funds are programmed.

# Other Arrearage Assistance Programs - LIHWAP

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## Low-Income Household Water Assistance Program (LIHWAP)

### NOW ACTIVE

- ✓ Program will disburse \$87 million starting 6/3/22 until funds run out or until 8/15/2023. Maximum disbursement per household is \$2,000.
- ✓ Disbursement covers water and wastewater past-due charges, current charges, late fees, wastewater collected on the tax roll, and remaining balances of customers on payment plans.
- ✓ Flyers were included as a bill insert to customers and information pertaining to LIHWAP was provided on the flyers that went out notifying customers about the payment plan.
- ✓ At this time, two applications have been forwarded to RWS/Veolia for determination of benefits (\$426.36 and \$1332.60). Payment is being processed.

## Question 2 and 5 - Automatic Payment Plans

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- *In order to maintain fairness to all customers Payment Plans have been extended to include Sewer-only customers in WVWD and FWC service areas.*
- Automatically enroll customers on a payment plan with past due amounts of 90 days or greater.
- 12-month payment plan.
- Customers have an opt-out provision by paying in full.
- Customers can apply any relief programs to their payment plans.
- Payment plan amount will be added to the monthly bill.

## Automatic Payment Plans (cont.)

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- RWS to monitor the payment plan program and report back to the City.
- Customer can request for a longer payment plan period.
- If customer choose not to participate in the payment plan and not pay their outstanding amounts, shut off process will begin, January 2023.



# Automatic Payment Plans To Date

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AUTOMATIC PAYMENT PLANS ISSUED			
Service	Account Type	Quantity	Amount
Sewer Only	Commercial	4	89,221.10
	Residential	225	115,644.07
Water & Sewer	Commercial	60	137,929.85
	Residential	1,031	1,468,372.64
Total		1,320	1,811,167.66

## Question 3 - What's Happening at West Valley Water District

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West Valley Water District is in the process of evaluating the moratorium on water shut-offs.

- Their arrearages grew to \$1.3M due to the COVID-19 pandemic with \$700,000 accounts 120 days past due.
- A payment plan program has been started and is available to all customers with a delinquent account of 30 days or more.
- Customers were notified of the payment plan via postcard and encouraged to request payment plans if account is 30 days+ delinquent.
- Payment plans are not automatic.

## Other Agency Response to the Moratorium on Shut-Offs

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The following neighboring agencies have all rescinded their respective water shut-off moratoriums:

- ✓ Cucamonga Valley Water District
- ✓ East Valley Water District
- ✓ Monte Vista Water District
- ✓ City of San Bernardino Municipal Water Department
- ✓ City of Colton is not experiencing the water shut-off issue because they have one combined utility bill for electricity, water, sewer, and trash.

## Question 4 – Numbers Presented at Prior Water Subcommittee Meeting

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- The charts presented at the Water Subcommittee meeting on May 25, 2022, reflected sewer-only Tax Roll accounts for consideration of annual tax roll lien process.
- The charts in the staff report on August 9, 2022, city Council meeting, represents combined water/sewer delinquent accounts.

## Question 5 – Fairness in Accommodating Sewer-Only Customers

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- Valid point made by City Council
- Sewer-only customers have not previously been offered an automatic payment plan.
- Given the service cannot be physically shut off, past practice has been to levy all delinquent sewer-only customers on the property tax roll.
- Commencing this year, with the City Council's action to exclude first-time delinquent sewer-only customers from the tax roll, Staff has coordinated with RWS to provide payment plans to these customers.

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# Questions