

OTAY WATER DISTRICT
FINANCE AND ADMINISTRATION
COMMITTEE MEETING
and
SPECIAL MEETING OF THE BOARD OF DIRECTORS

BY TELECONFERENCE

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

TUESDAY
August 17, 2021
12:00 P.M.

This is a District Committee meeting. This meeting is being posted as a special meeting in order to comply with the Brown Act (Government Code Section §54954.2) in the event that a quorum of the Board is present. Items will be deliberated, however, no formal board actions will be taken at this meeting. The committee makes recommendations to the full board for its consideration and formal action.

AGENDA

1. ROLL CALL
2. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE COMMITTEE ON ANY SUBJECT MATTER WITHIN THE COMMITTEE'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

This meeting is being held via teleconference. Members of the public may submit their comments on agendized and non-agendized items by either of the following two methods:

- a) No later than a half hour before the start of the meeting, complete and submit a [Request to Speak Form](#). Your request to speak will be acknowledged during the "Public Participation" portion of the meeting when the committee will hear your public comment. When called to speak, please state your Name and the City in which you reside. You will be provided three minutes to speak.

OR

- b) No later than a half hour before the start of the meeting, email your comment to BoardSecretary@otaywater.gov and it will be read aloud during the "Public Participation" portion of the meeting. Please provide your Name and the City in which you reside, with your comment. Your comment must not take more than three minutes to read.

The District's meeting is live streamed. Information on how to watch and listen to the District's meeting can be found at this link: <https://otaywater.gov/board-of-directors/agenda-and-minutes/committee-meetings/>

DISCUSSION ITEMS

- 3. APPROVE THE REINSTATEMENT TO DISCONNECT WATER SERVICE FOR NON-PAYMENT WHEN EXECUTIVE ORDER N-42-20 EXPIRES, OR WHEN ANY NEW POTENTIAL EXECUTIVE ORDER EXTENDING THE CURRENT BAN ON DISCONNECTION OF WATER SERVICE EXPIRES (CAREY) [5 minutes]

- 4. ADJOURNMENT

BOARD MEMBERS ATTENDING:
Mark Robak, Chair
Jose Lopez

All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

The Agenda, and any attachments containing written information, are available at the District's website at www.otaywater.gov. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available by contacting the District Secretary at (619) 670-2253.

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2253 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on August 13, 2021, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on August 13, 2021.

/s/ Tita Ramos-Krogman, District Secretary



AGENDA ITEM 3

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 1, 2021
SUBMITTED BY:	Andrea Carey Customer Service Manager	PROJECT:	DIV. NO. All
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> Jose Martinez, General Manager		
SUBJECT:	Approve the Reinstatement to Disconnect Water Service for Non-payment when Executive Order N-42-20 Expires, or when any new Potential Executive Order Extending the Current Ban on Disconnection of Water Service Expires.		

GENERAL MANAGER'S RECOMMENDATION:

That the Board approve the reinstatement to disconnect water service for non-payment when Executive Order N-42-20 expires, or when any new potential executive order extending the current ban on disconnection of water service expires.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To authorize the District to once again disconnect water service for non-payment when Executive Order N-42-20 expires, or when any new potential executive order extending the current ban on disconnection of water service expires.

ANALYSIS:

On March 4, 2020, Governor Gavin Newsom declared a state of emergency in California due to the Novel Coronavirus (COVID-19) health emergency. On March 16, 2020, the District voluntarily stopped its practice of disconnecting customers for non-payment. On April 2, 2020, Governor Newsom signed Executive Order N-42-20 suspending the ability of California water utilities to disconnect residential or small business water services for non-payment. On June 11, 2021,

Governor Newsom issued Executive Order N-08-21 which provided end dates for many of the executive orders created during the COVID-19 emergency. Per Executive Order N-08-21, the disconnection moratorium is currently set to expire on September 30, 2021. In anticipation of this date, staff is requesting that the Board reinstate disconnection for non-payment when Executive Order N-42-20 expires.

Reinstating Disconnection

Prior to March 2020, an average of 200 meters were disconnected (locked) each month for non-payment. Customers whose service is locked for non-payment must be over 60 days delinquent. As part of the District's process, delinquent customers are provided multiple past due notifications via mail, email, and text prior to their water meter being locked.

As of July 26, 2021, a total of 1,084 customers would meet the criteria to be locked due to non-payment. Based on the large number of lockable accounts and recognizing the financial impact COVID-19 has had on some individuals, staff would recommend modifying current locking procedures for the first three to four months to keep the process manageable and give customers time to contact the District for extended payment arrangements.

Since May 2020, the District has made repeated attempts to contact our delinquent customers via email, phone, and mail. We have urged these customers to call the District to establish payment arrangements. While the reinstatement of penalties has increased the number of customers with payment arrangements from 16 to 100, many of our delinquent customers continue to be nonresponsive throughout the pandemic. Disconnection of water service would require these customers to begin communicating with the District in order to restore service.

Customers who enter into long-term payment arrangements and continue to keep their payment commitments will not be locked or assessed late penalties. In addition, customers who show they have applied for an assistance program will be given an extension.

If Executive Order N-42-20 expires on September 30th, as expected, beginning in October, staff would contact the customers that are most delinquent (greater than six months) using the District's standard delinquency process. These customers would be given 10 days to contact the District to enter into a payment arrangement agreement for their delinquent balance or provide a hardship explanation. The actual locking of meters would begin no sooner than October 18, 2021. Should the disconnection moratorium be extended past September 30th, the Board's approval of this item to reinstate the disconnection process would go into effect on the date that Executive Order N-42-20 expires, or when any new executive order extending the current ban on locking were to expire.

It is important to note that the burden of unpaid water bills is absorbed by the remaining customer base and locking customers for non-payment is the District's most effective means of limiting that burden. The District has been understanding of customers personal situations and will continue to be understanding. There are currently funding assistance programs available for tenants in need and there is discussion that there may be assistance for owners in the current State budget. The District continues to publicize any assistance programs available and staff routinely refers eligible customers to these programs.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The District's lockable delinquent balance is approximately \$500,000. Reinstating disconnection for non-payment will greatly reduce the risk of loss for these unpaid balances.

STRATEGIC GOAL:

Commitment to customer-centered service while ensuring the District's continued financial health.

LEGAL IMPACT:

None.

Attachments:

A) Committee Action



ATTACHMENT A

SUBJECT/PROJECT:	Approve the Reinstatement to Disconnect Water Service for Non-payment when Executive Order N-42-20 Expires, or when any new Potential Executive Order Extending the Current Ban on Disconnection of Water Service Expires.
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COMMITTEE ACTION: