



Staff Report

for the Board Meeting of April 28, 2021

TO: Board of Directors

FROM: Chip Close, Water Operations Manager
Aurora Tipton, Customer Service Administrator

DATE: April 13, 2021

SUBJECT: Liens for Delinquent Water Accounts

OPERATIONS

RECOMMENDATION:

Provide direction to staff regarding the collection of delinquent water accounts through the County tax roll process as has been past practice.

BACKGROUND:

On April 2, 2020, Governor Newsom enacted executive order N-42-20 as part of the state's response to the COVID-19 emergency. The executive order suspended the authority of water system providers from discontinuing residential water service for non-payment. The District, in an effort to abide by the governors E.O., enacted its own COVID-19 emergency via Resolution 2020-08, which suspended customer turn-offs and all delinquent fees for the duration of the emergency.

The result of prohibiting disconnection of water service based on lack of payment has led to a high number of delinquent accounts. As of the date of this report, the number of accounts with delinquent balances billed in 2020 is nearly double what we witnessed last year. Additionally, the delinquent balance due from 2020 is triple previous years. The details are provided in the budgetary impact section of this staff report.

Normally the District utilizes the authority provided by the CA Water Code to collect past due accounts via County tax roll. This authority is only available to the District if the balance due was billed in the prior year. Accounts delinquent beyond a year cannot be collected in this manner. This means the timing for collection on accounts that have become delinquent during the COVID-19 Pandemic is now.

There is nothing within the Governors Executive order or the Districts resolution that state that past due accounts would be forgiven. Therefore, staff is looking for direction from the board to continue with the past practice of collecting from the tax rolls via the lien process.

If Staff is directed to move forward, another round of notifications will be sent out that will detail the delinquent balance, notify when payment must be made to avoid tax roll collection, and provide information on payment options.

BUDGETARY IMPACT:

There are currently 1,262 delinquent accounts with a past due balance of \$305,518.64. This is a substantially higher total than in years past. The table below provides tax transfer history for the last 10 years.

TAX TRANSFER YEAR	PARCEL COUNT	DELINQUENT BALANCE
2021*	1,262	\$ 305,518.64
2020	777	\$ 95,953.73
2019	540	\$ 83,038.82
2018	523	\$ 97,795.82
2017	543	\$ 83,235.70
2016	517	\$ 70,572.90
2015	559	\$ 71,804.02
2014	582	\$ 89,539.66
2013	591	\$ 105,399.94
2012	624	\$ 106,230.88
2011	594	\$ 102,618.74

*2021 total not final