

# SWEETWATER AUTHORITY

Finance and Administration Committee

February 5, 2024



## Consideration to Establish a 12-month Moratorium on Late Fees and Discontinuation of Water Service for Non-Payment for Customers Impacted by Local Flooding

### RECOMMENDATION

Staff recommends that the Governing Board establish a 12-month Moratorium on Late Fees and Discontinuation of Water Service for Non-Payment for Customers Impacted by Local Flooding

On January 22, 2024, San Diego County experienced significant rainfall and extensive flooding. The areas of west Chula Vista, National City, and Bonita (County of San Diego) experienced unprecedented flood damage. These areas are mostly within Sweetwater Authority's (Authority) service area. Staff anticipates additional damage may occur over the next month due to projected rainfall in the region.

To assist customers who were impacted due to flooding damage from the storms, staff is proposing a twelve-month moratorium on late fees and discontinuation of water service for non-payment. Customers impacted by these floods are urged to call Customer Service immediately to discuss their account needs and the best options for their account. In addition, the Authority's website will have an online form to apply for this first come, first serve benefit. The moratorium will allow impacted residents to focus on recovery purposes and allow sufficient time to access potential assistance programs.

Only accounts located in areas identified as impacted by the corresponding cities or County would be eligible. Any other accounts would require verification by Authority staff.

### FISCAL IMPACT

The FY 2023-24 Budget for Revenue line item 4211 – Reconnection Fees estimates the fee revenue generated with the discontinuation of water service process. The moratorium will have a minimal impact on this revenue budget as the number of customers is small, and it is not certain that all affected customers will enter the discontinuation process. According to Chula Vista and National City staff, the number of families affected is below 300. The actual number of accounts will be identified through quarterly reports. In addition, the moratorium continues to require affected customers pay all water service charges. However, those payments will be delayed and reported to the Board on the Delayed Revenue Dashboard. Delayed revenue is expected to be less than \$300,000 if all affected customers were to take advantage of the moratorium.

### NEXT STEPS

1. Establish a 12-month Moratorium on Late Fees and Discontinuation of Water Service for Non-Payment for Customers Impacted by Local Flooding
2. Other direction as determined by the Governing Board.

**Staff Contact:**

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**SUPPORTING INFORMATION**

**Strategic Plan**

Strategic Plan Goal No. 6: Administrative Effectiveness (AE) - Provide efficient and effective administrative systems and procedures in accordance with best management practices.

- Objective AE1: Maintain a ready state of Emergency preparedness, response, and recovery, capable of effectively responding to emergencies as they arise (Source: America's Water Infrastructure Act of 2018).

**Past Board Actions**

May 13, 2020	The Governing Board adopted Resolution 20-10, Amending and Restating Resolution 20-07, Declaring an Emergency Due to the COVID-19 Health Pandemic.
April 22, 2020	The Governing Board directed staff to extend the Declaration of an Emergency Due to the COVID-19 Health Pandemic until May 15, 2020; and that an amendment to Resolution 20-07 be brought back to the Board for consideration to amend and include language proposed by Director Calderon-Scott.
March 25, 2020	The Governing Board adopted Resolution 20-07 – Declaring an Emergency Due to the COVID-19 Pandemic, until April 30, 2020, and directed this resolution be brought back to the Governing Board for review at its last meeting in April.