



# RESTART UTILITY BILL REPAYMENT PROGRAM

## Riverside Public Utilities

**City Council**  
May 17, 2022

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## BACKGROUND

1. COVID-19 Local Emergency Declared
  - a. City Declared an Emergency on March 17, 2020
  - b. Included direction to suspend utility shutoffs for all customers from the start of the statewide emergency for non-payment (effective, March 1, 2020)
  - c. The City cannot waive any payments
2. City Council on May 5, 2020
  - a. Approved ERAP for residential customers who had lost jobs or had wages reduced
  - b. Approved the concept of the Restart Program
3. City Council on October 6, 2020
  - a. Approved an increase in the ERAP customer credit from \$250 to \$400
  - b. Approved the Restart Program, and associated agreements <sup>2</sup>



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## BACKGROUND

4. July 12, 2021 - the Board of Public Utilities approved the Restart program updates including:
  - a. Repayment contracts for commercial customers only
  - b. Options for non-equal repayment schedules
5. August 3, 2021- City Council tabled the Restart Program discussion
  - a. At the meeting, it was discussed that in July 2021, the CA Legislature passed nearly \$2 billion in funding to address statewide energy, water, and wastewater utility arrearages
  - b. Staff reported an estimated total delinquency of \$26,322,826



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## PANDEMIC IMPACT

1. Duration of the impacts from the COVID-19 Pandemic have been prolonged
2. City has experienced significant increases in customer accounts receivable
  - a. A/R increased by 59% or \$18 million from March 2020 to March 31, 2022
  - b. During the same period, delinquent accounts receivable has increased 488% or \$24 million
3. City Council's delay to resume utility shut-offs allowed for customers to receive state funding for arrearages



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## CALIFORNIA ARREARAGE PAYMENT PROGRAMS

1. California Arrearage Payment Program (**CAPP**), administered by the California Department of Community Services & Development for funding **electric** utility customer arrearages.
2. On December 16, 2021, the following CAPP benefits were applied for RPU customers:

Account Type	Number Of Accounts	CAPP Benefit
Residential	11,148	\$8,707,442
Low Income Residential	775	495,449
Commercial	676	1,873,165
<b>Total</b>	<b>12,599</b>	<b>\$11,076,056</b>



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## CALIFORNIA ARREARAGE PAYMENT PROGRAMS

1. California Water and Wastewater Arrearage Management Program (**CWWAPP**) is for **water**/wastewater utility customer arrearages. The State Water Resources Control Board is administering these programs.
2. On December 22, 2021, the following CWWAPP Drinking Water benefits were applied for RPU customers:

Account Type	Number Of Accounts	CWWAPP Benefit
Residential	4,264	\$1,757,642
Commercial	126	123,160
Administrative Costs 3%		63,440
<b>Total</b>	<b>4,390</b>	<b>\$1,944,242</b>



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## CALIFORNIA ARREARAGE PAYMENT PROGRAMS

1. California Water and Wastewater Arrearage Management Program (**CWWAPP**) is for water/**wastewater** utility customer arrearages. The State Water Resources Control Board is administering these programs.
2. On February 9, 2022, RPU applied for the following CWWAPP benefits on behalf of wastewater customers:

Account Type	Number Of Accounts	CWWAPP Benefit
Residential	8,132	\$2,443,484
Commercial	99	108,053
Administrative Costs 3%		76,546
<b>Total</b>	<b>8,231</b>	<b>\$2,628,083</b>



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## CALIFORNIA ARREARAGE PAYMENT PROGRAMS

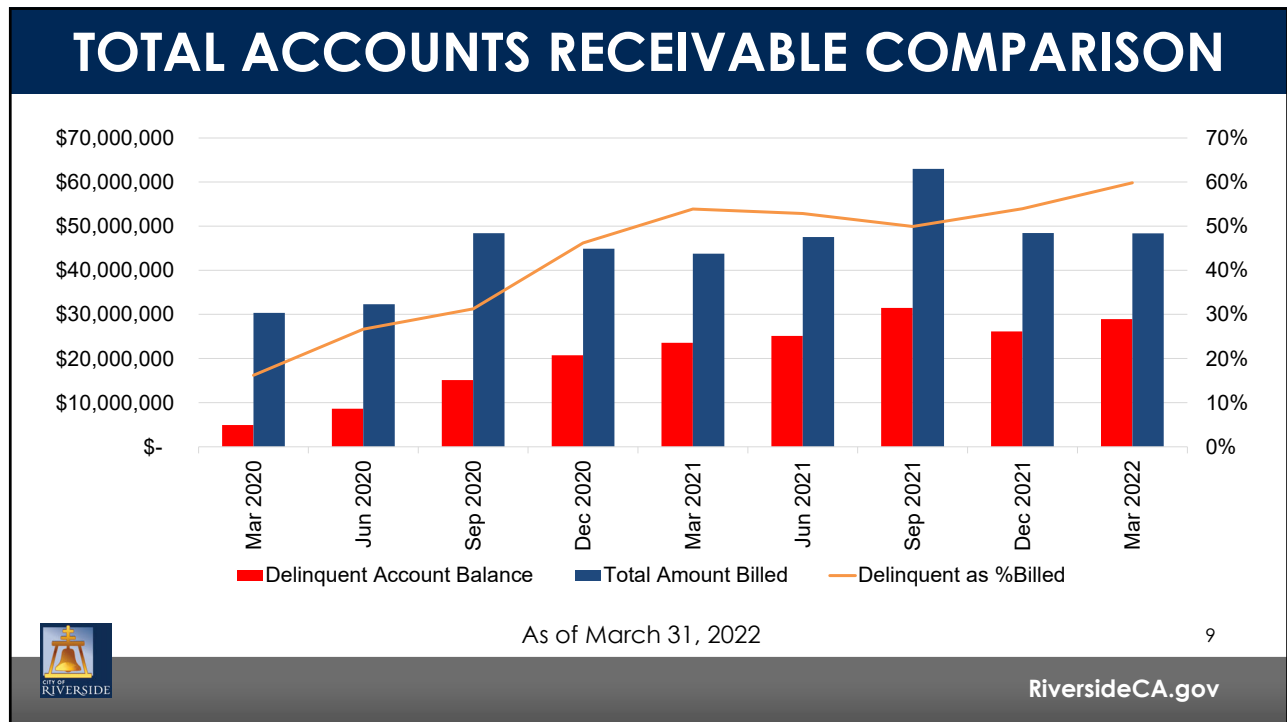
1. The California Low-Income Household Water Assistance Program (**LIHWAP**) is administered by the California Department of Community Services & Development and is expect to start accepting applications in May 2022
2. This program provides financial assistance to low-income customers where qualified. Low-income households can apply to their Local Service Provider to receive a one-time credit (up to \$2,000) on their water or wastewater bill
3. The Local Service Provider for RPU customer is Community Action Partnership of Riverside County.
4. RPU is participating in program to ensure access for our customers.



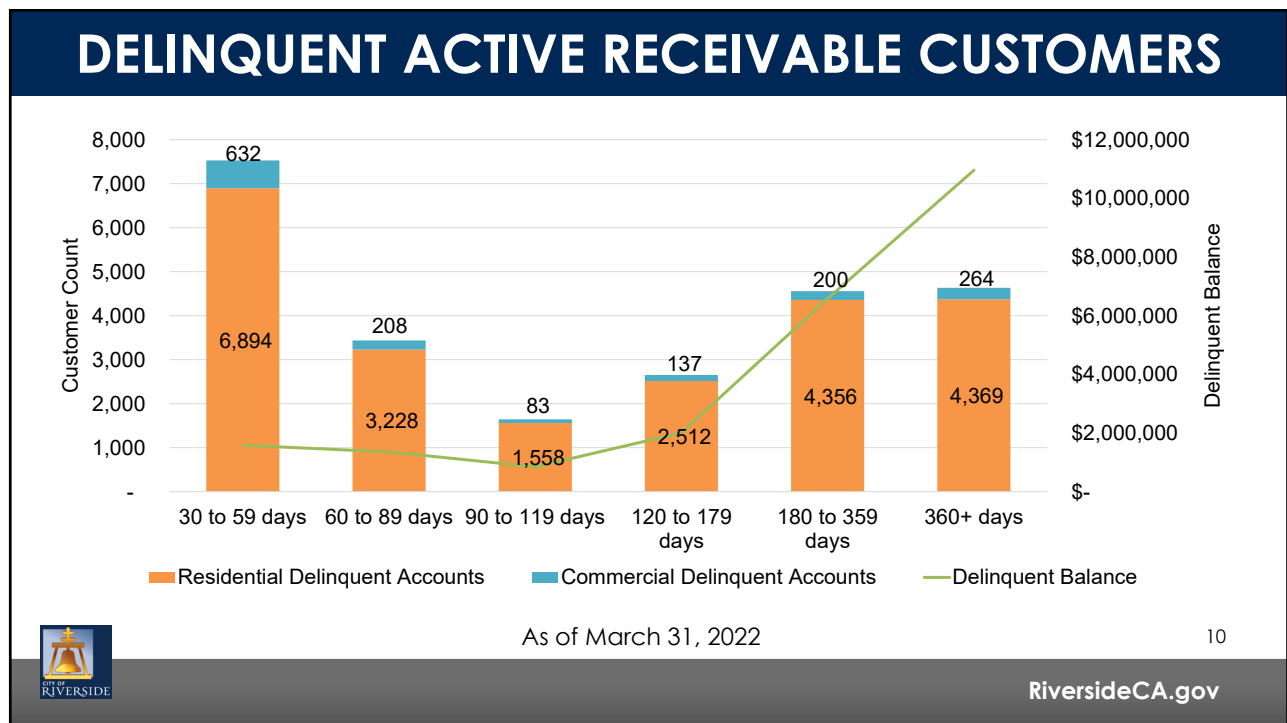
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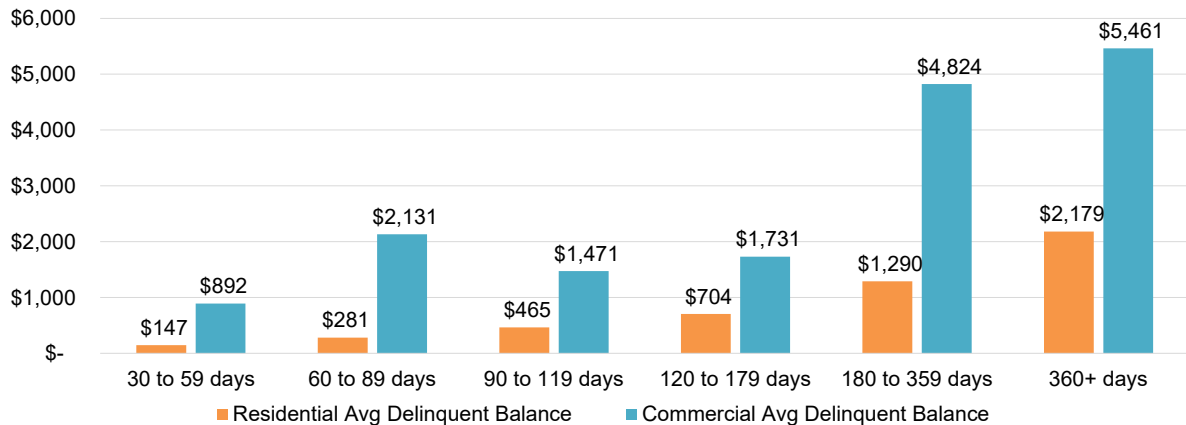
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## AVERAGE ACCOUNT DELINQUENT BALANCE

BASED ON THE OLDEST UNPAID BILL



As of March 31, 2022

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## CURRENT CUSTOMER BENEFIT PROGRAMS

1. **SHARE** Sharing Households Assist Riverside Energy Program - an income-qualified program and provides emergency/deposit and monthly bill credit assistance.
2. **ERAP** Emergency Recovery Assistance Program - established in response to COVID-19, provides \$400 bill credit assistance for residential customers whose incomes have been negatively impacted due to the pandemic.
3. **ERA** Emergency Rental Assistance Program - established through US Treasury funding to assist in paying past due rent and utilities to low-income residents (80% of area median income) whose incomes were negatively affected due to the pandemic. Program funds were exhausted April 16, 2021, now administered through United Lift.



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## RESTART REPAYMENT PROGRAM PURPOSE

1. Customers that are currently unable to pay their monthly utility bills due to COVID-19 continue to receive utility services
2. Restart Repayment Program establishes the process to help customers repay their bills as the economy recovers from the pandemic



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## RESTART – NO COST OR PENALTY

As of October 6, 2020

The program will be offered at no additional cost to the customer and will ensure a customer's credit is not negatively impacted by late bill payment. Restart agreements will be at no additional cost and no interest.

Recommendation

NO changes



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## RESTART – DELAY TO START REPAYMENTS

### As of October 6, 2020

RPU shall provide customers with a **6-month** delay before their first payment towards their outstanding balance is due. Customers may sign up for this program from the time that City Council approves the agreement through two months after RPU resumes utility disconnections.

### Recommended Update

RPU customers be provided with a **60-day** delay from the end of the March 2020 Local Emergency Declaration to sign up for the program.



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## RESTART – REPAYMENT AGREEMENTS

### As of October 6, 2020

Customers will enter into agreements with RPU to repay unpaid balances on their accounts. This **repayment agreement will be a standardized formal agreement for commercial customers and a standardized letter agreement for residential customers.** Having a standardized repayment agreement process will streamline the process both for RPU and City staff as well as for the customers.

### Recommended Update

All **residential** payment arrangements to be conducted via the current **administrative process.**

All **commercial** payment arrangements to include the Board of Public Utilities and City Council approved **standard agreement.**



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## RESTART – REPAYMENT TIMELINE

### As of October 6, 2020

Customers will be provided **12-months** to repay their outstanding bill balance. Twelve **equal monthly payments** will be established for the customers. Customers may repay their outstanding balances early. For the agreement to remain valid and for the customer to avoid disconnection, customers must pay their monthly utility bills plus the agreed upon monthly payment.

### Recommended Update

Customers will be provided **up to 18 months** from the City Council directive to City Manager to reverse the March 17, 2020 suspension of discontinuing utility service for non-payment to repay their outstanding bill balance. Regular, equal monthly payments will be established however **a customer may request an alternative “ramp up” schedule.** Customers may repay their outstanding balances early. For the repayment agreement to remain valid and for the customer to avoid utility disconnection, customers must make on time payments for the current monthly utility bills plus the agreed upon amount for the past due balance.



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## RESTART - DOWN PAYMENTS

### Additional staff recommendation:

Customers requesting enrollment in the Restart Utility Bill Repayment Program delinquent repayment plan provide a down payment of 10% of the outstanding utility account balance to enroll in the program.

*Note: Low-income qualified customers are eligible to enroll in the SHARE program and upon approval for SHARE may be eligible for a \$250 emergency deposit credit.*



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## RESTART – ELIGIBILITY DATES

Additional Staff recommendation:

The program is for delinquent utility bill amounts as defined in the March 2020 Local Emergency Declaration. Any additional account delinquency amounts outside of this defined period of the Local Emergency are not eligible for the Restart Program.



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## STRATEGIC PLAN ALIGNMENT



### Economic Opportunity

**Goal 3.4** to implement policies and programs that promote growth and ensure equitable opportunities for all.

### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &amp; Resiliency



Equity



Innovation



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## RECOMMENDATIONS

That the City Council:

1. Approve the Public Utilities Restart Utility Bill Repayment Program for customers who were unable to pay their Riverside Public Utilities bills due to the ongoing COVID-19 pandemic; and
2. Direct the City Manager to reverse the March 17, 2020 suspension of discontinuing water electric, sewer and refuse utility service for non-payment.



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