



June 4, 2020

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager
Jose Acosta, Utility Systems Manager
Alicia Zuniga, Utility Billing Specialist
Laura Durban, Administrative Services Manager

SUBJECT: **Agenda Item 6E – 6/4/2020 Board Meeting**
Approve the Recommendation to Write-Off Uncollectible Utility Charges and Late Fees in the amount of \$7,845.01.

President
Charles L. Cesena

Vice President
Christine M. Womack

Directors
Matthew D. Fourcroy
Vicki L. Milledge
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DESCRIPTION

Review and approve the writing-off the unpaid service charges and late fees specified in Attachment "A".

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the recommendation to write-Off Uncollectible Utility Charges and Late Fees in the amount of \$7,845.01.

DISCUSSION

Annually, the Board approves collection of delinquent utility bills on property tax bills in accordance with Government Code Section 61115(b). The property lien notification process typically occurs in the May-June time period for accounts with bills over 120 days past due. After approval by the Board, a lien for the amounts due are recorded to the properties in July and the District receives imbursement from the County after receiving the property tax payment from the property owner.

When reviewing past practices for analyzing customer billing aging reports, it became apparent that there have been no set procedures to collect delinquent bills when an account is closed by a property owner, usually when they have sold the property. This has resulted in some delinquent bills being unpaid since as far back as 2013 which coincides with the last time the District wrote-off uncollected charges. It appears the reason for the large number of final bills in 2013 was a result of when the District changed utility billing systems and data from the old system was imported into the current billing system. All the carryover data was dated 2013 which means some of the bills with this date may be much older.

Staff is recommending that the District write-off the uncollected utility charges between 2013 and 2018 since so much time has passed which makes the

likelihood of collection very low. Attachment "A" shows the aging report by year from 2013 through 2018 and the associated dollar amounts.

Historically, it appears the District has not pursued collection of these delinquent accounts through a collection agency or other means since the annual amounts, since 2013, are relatively low in comparison to annual revenues. Moving forward, staff is instituting control measures and procedures which will hopefully minimize the loss of revenue from final bill nonpayment in the future.

FINANCIAL IMPACT

The financial impact to the District is \$7,845.01. Since a majority of the uncollectable revenue is from 2013, there will be no direct impacts to Fund 500's cash flow or ability to pay for current operations.

Attachment

Attachment A

Acct	Serv ID	Total Bal	Final Billing
03216	14965	\$ 10.83	4/19/13
03027	09875	\$ 13.02	4/19/13
03236	07757	\$ 16.14	4/19/13
03156	07786	\$ 17.50	4/19/13
03204	05058	\$ 17.50	4/19/13
02802	03006	\$ 18.75	4/19/13
03174	02656	\$ 19.50	4/19/13
02932	07998	\$ 19.95	4/19/13
03222	05791	\$ 20.81	4/19/13
03081	01615	\$ 21.25	4/19/13
03117	09544	\$ 21.92	4/19/13
02804	03025	\$ 23.73	4/19/13
03219	03610	\$ 26.70	4/19/13
02964	09549	\$ 34.09	4/19/13
02926	07876	\$ 35.00	4/19/13
03016	02969	\$ 35.00	4/19/13
02850	04429	\$ 35.05	4/19/13
02949	08720	\$ 39.42	4/19/13
03106	04152	\$ 40.16	4/19/13
02889	06263	\$ 41.24	4/19/13
03171	03401	\$ 41.36	4/19/13
03169	06012	\$ 42.97	4/19/13
02844	04272	\$ 43.15	4/19/13
03075	02728	\$ 45.42	4/19/13
03113	02446	\$ 47.15	4/19/13
02815	03316	\$ 48.01	4/19/13
03161	06691	\$ 48.78	4/19/13
03043	04757	\$ 49.98	4/19/13
03138	09310	\$ 50.25	4/19/13
02898	06737	\$ 50.65	4/19/13
03165	02937	\$ 52.50	4/19/13
02795	02851	\$ 55.00	4/19/13
03047	02553	\$ 59.05	4/19/13
03134	05559	\$ 59.25	4/19/13
02836	03998	\$ 60.48	4/19/13
03218	08041	\$ 60.71	4/19/13
03136	03238	\$ 62.35	4/19/13
03185	06733	\$ 63.22	4/19/13
03214	09347	\$ 65.86	4/19/13
02779	02247	\$ 66.08	4/19/13
03072	04939	\$ 66.31	4/19/13
02753	01564	\$ 73.00	4/19/13
03220	03571	\$ 74.89	4/19/13
03149	02518	\$ 81.00	4/19/13
03183	03555	\$ 86.93	4/19/13
03143	14958	\$ 91.79	4/19/13
03203	08041	\$ 95.33	4/19/13
03147	03202	\$ 95.89	4/19/13
04728	08817	\$ 101.67	4/19/13
03215	04694	\$ 104.78	4/19/13
03193	03775	\$ 117.01	4/19/13
03167	02508	\$ 118.75	4/19/13
03196	04694	\$ 170.00	4/19/13
03205	08337	\$ 178.53	4/19/13
02992	02693	\$ 199.53	4/19/13
03175	04372	\$ 201.65	4/19/13
03152	03314	\$ 208.00	4/19/13
03155	06733	\$ 219.66	4/19/13
03150	06294	\$ 275.33	4/19/13
03191	03670	\$ 389.36	4/19/13
03173	02887	\$ 1,094.51	4/19/13
02984	05440	\$ 10.58	5/19/13
03052	06477	\$ 310.44	5/19/13
03233	06313	\$ 111.30	7/9/13
03109	09785	\$ 63.20	8/9/13
03217	03297	\$ 111.65	8/19/13
02281	08429	\$ 43.63	11/1/13
02691	09986	\$ 42.03	12/3/13
03210	07786	\$ 57.00	4/19/13
00374	02502	\$ 69.63	12/13/13
		\$ 6,443.16	2013 TOTAL

Acct	Serv ID	Total Bal	Final Billing
01479	05645	\$ 29.95	1/28/14
01463	05586	\$ 133.71	3/24/14
01110	04419	\$ 44.91	4/16/14
00400	02571	\$ 10.00	4/21/14
01032	04180	\$ 17.96	5/9/14
00812	03571	\$ 133.41	5/14/14
02582	09593	\$ 110.61	7/3/14
01988	07305	\$ 29.04	10/17/14
		\$ 509.59	2014 TOTAL

00182	02015	\$ 31.27	2/18/15
04540	02859	\$ 62.13	3/2/15
03844	05440	\$ 27.77	4/1/15
03715	04757	\$ 26.43	9/14/15
00468	02734	\$ 44.91	12/22/15
		\$ 192.51	2015 TOTAL

04683	06884	\$ 149.29	10/7/16
		\$ 149.29	2016 TOTAL

00018	02372	\$ 58.91	2/24/17
00504	02827	\$ 59.12	4/3/17
00622	03087	\$ 167.93	6/9/17
00456	08115	\$ 20.15	7/7/17
		\$ 306.11	2017 TOTAL

02185	08054	\$ 179.35	3/21/18
01252	04844	\$ 65.00	4/9/18
		\$ 244.35	2018 TOTAL

Annual Summary	
Year	\$
2013	\$6,443.16
2014	\$509.59
2015	\$192.51
2016	\$149.29
2017	\$306.11
2018	\$244.35
Total	\$7,845.01