



September 9, 2021

**TO:** LOCSD Board of Directors

**FROM:** Ron Munds, General Manager  
Margaret Falkner, Utility Systems Manager  
Alicia Zuniga, Utility Billing Specialist  
Laura Durban, Administrative Services Manager

**SUBJECT: Agenda Item 11F – 9/9/2021 Board Meeting**  
Approve the Recommendation to Write-Off Uncollectible Utility Charges and Late Fees in the amount of \$4,782.45

**President**  
Christine M. Womack

**Vice President**  
Matthew D. Fourcroy

**Directors**  
Charles L. Cesena  
Troy C. Gatchell  
Marshall E. Ochylski

**General Manager**  
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**District Accountant**  
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### **DESCRIPTION**

Review and approve the writing-off of 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 \$4,782.45.***

### **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 reimbursement from the County after receiving the property tax payment from the property owner.

Practices and procedures have been put into place last fiscal year to be able to collect on a majority of the delinquent accounts after being closed by a property owner. That said, there are still some unpaid delinquent bills since 2019 which coincides with the last time the District wrote-off uncollected charges.

The District has pursued collection of some of the attached delinquent accounts, in the amount of \$3,207.23, through a collection agency. If a collection is made, the District will reverse that portion of the Bad Debt at that time. Moving forward, staff is instituting control measures and procedures which will hopefully minimize the loss of revenue from final bill nonpayment in the future.

Staff is recommending that the District write-off the uncollected utility charges between 2019 and March 2021 since enough time has passed which makes the likelihood of collection very low. Attachment "A" shows the aging report by year from 2019 through March 2021 and the associated dollar amounts.

### **FINANCIAL IMPACT**

The financial impact to the District is \$4,782.45. Since a majority of the uncollectable revenue is from 2019 through 2021, there will be no direct impacts to Fund 500's cash flow or ability to pay for current operations.

Attachment

## 2020-2021 FY Write Off

Service ID	Acct #	Balance	Trans Date	Notes
05645	01479	\$ 29.95	1/28/14	BAD DEBT
08817	04728	\$ 101.67	7/2/19	BAD DEBT
06289	01728	\$ 63.67	7/15/19	BAD DEBT
05556	01454	\$ 167.25	10/2/19	BAD DEBT
08484	03976	\$ 0.81	12/19/19	BAD DEBT
01691	00056	\$ 148.52	2/28/20	BAD DEBT
06275	01722	\$ 119.08	3/27/20	BAD DEBT
08450	02289	\$ 59.50	4/2/20	BAD DEBT
02740	04617	\$ 198.41	4/6/20	BAD DEBT
05012	03997	\$ 157.75	4/27/20	BAD DEBT
02665	00435	\$ 152.63	7/15/20	BAD DEBT
04559	05260	\$ 95.70	9/1/20	BAD DEBT
14936	02720	\$ 70.00	9/29/20	BAD DEBT
08105	02205	\$ 199.53	11/13/20	BAD DEBT
02681	00442	\$ 6.46		BAD DEBT
03371	03683	\$ 1.17		BAD DEBT
02859	03758	\$ 0.02		BAD DEBT
04359	04758	\$ 2.35		BAD DEBT
06961	04832	\$ 0.75		BAD DEBT
<b>Bad Debit Total</b>		<b>\$ 1,575.22</b>		
06018	04510	\$ 107.67	10/31/19	COLLECTIONS- SENT
03959	05241	\$ 197.84	11/5/19	COLLECTIONS- SENT
06043	01633	\$ 357.41	3/12/21	COLLECTIONS- SENT
02963	00569	\$ 349.14	1/8/19	COLLECTIONS- SENT
14937	04734	\$ 1,071.78	7/2/19	COLLECTIONS- SENT
03281	00692	\$ 185.06	8/6/19	COLLECTIONS- SENT
09952	02680	\$ 175.08	9/5/19	COLLECTIONS- SENT
03303	04899	\$ 311.14	9/9/19	COLLECTIONS- SENT
07925	04948	\$ 127.86	10/31/19	COLLECTIONS- SENT
04826	05248	\$ 324.25	12/9/19	COLLECTIONS- SENT
<b>Collections Total</b>		<b>\$ 3,207.23</b>		
<b>Write Off Total</b>		<b>\$ 4,782.45</b>		