

FAQs: Late Fee Assessment Resumes 9/1/2021

- Late fee collections on outstanding balances will resume beginning September 1, 2021.
- In July 2021 – in response to the economy rebounding after COVID-19 restrictions were rescinded – EMWD’s Board of Directors approved the reinstatement of late fee assessments on accounts effective September 1, 2021.
- EMWD waived the \$25 late fee for delinquent customers from 05/01/2020 through 09/01/2021.
- EMWD is committed to continue working with customers who have outstanding balances.

Q: Why did EMWD decide to start charging late fees when I just read that you have strong financial reserves?

- Rates and fees are designed to recover the cost of services while reserves are established for long-term infrastructure needs, emergency repairs, and debt repayment.
- Delinquent accounts create an operational challenge for EMWD, with increased costs associated with collection efforts.
- Late fees are collected to ensure that all EMWD ratepayers – many of whom are current on their accounts – are not burdened with additional costs associated with past due accounts,

Q: I thought that the Executive Order/shut off moratorium didn’t allow you to charge late fees?

- In 2020, California Governor Gavin Newsom signed an Executive Order prohibiting utilities from shutting off service to customers during the ongoing pandemic.
 - That Executive Order expires on September 30, 2021.
 - The Executive Order only prohibited services from being shut off for non-payment.
 - The Executive Order does not pardon customers of their responsibilities of paying for water and wastewater services, nor does it prevent agencies from assessing late fees on those past due balances.
 - Many customers now have significant past due balances that will be due when the Executive Order is lifted.
- EMWD is committed to continue working with customers who have outstanding balances to prevent services being shut off when the moratorium expires.
 - EMWD offers a variety of payment assistance programs to help customers manage their past due accounts.
 - Customers on a payment plan will be required to make monthly payments in addition to the current monthly balance accrued each month.
 - Customers must stay current on both the payment arrangement and current bill to avoid a late fee assessment after September 1, 2021. <https://www.emwd.org/post/delinquency-timeline>



Q: I was under the impression that my utility bills were going to be forgiven, and that EMWD was no longer assessing late fees?

- As a government agency, EMWD is unable to ask other ratepayers to subsidize the past-due balances of delinquent customers and is unable to waive the past-due balance.
- EMWD must comply with Proposition 218, which requires that customers only be charged for costs of service.

Q: I am still experiencing financial hardship so why are you starting to charge late fees?

- EMWD has a variety of customer assistance programs available for those who may face financial challenges. More information about these programs is available on our website at <https://www.emwd.org/payment-assistance-programs>
- Through our partnership with the United Way of the Inland Valleys, EMWD is committed to helping those in need with the Help2Others Customer Assistance Program which provides a \$200 bill credit for low-income, residential customers whose EMWD accounts are currently past due. Customers can apply at <https://www.emwd.org/help2others>

Q: Can the late fee be reversed?

- EMWD is committed to working with its customers and proactive communication is key. Our customer service staff can waive late fees on a case-by-case basis, provided the customer has shown a good faith effort to historically pay their bills on time.

Q: What is going to happen if I don't pay the late fee?

- When late fees are incurred, they are part of a customers' balance due. Customers with significant past-due balances may be subjected to shut off for nonpayment when the Governor's order is lifted, which is currently scheduled for September 30, 2021.
- Delinquent accounts balances may also be placed into a collections account, or on their property tax bill.

Q: Why are the late fees so high?

- EMWD's late fee amount was set to recover the costs associated with collection efforts for delinquent accounts, which includes additional billing notices and payment reminders such as door hangers.