

April 3, 2025

The Honorable City Council
Office of the City Clerk
c/o Petty F. Santos
Room 360, City Hall

Honorable Members:

Subject: Council File No. 25-0006-S20 – Special Motion 20 / Water Utility Bill Charges Waiver / Water Tier Reduction / Sanitation Service Charges Removal / Rate Payers / Destroyed or Damaged Properties / Burn Zones / 2025 Windstorm and Wildfire Recovery

SUMMARY

This report provides the Los Angeles Department of Water and Power's (LADWP) response to a request to delay, defer, and/or waive water bill charges for those customers whose homes or businesses were destroyed or substantially damaged by the January 2025 wildfires. Additionally, the motion requests that LADWP reduce water tier bill charges for consumption during the billing cycles of the January 2025 fires in Los Angeles for properties in the fire zone upon request by the customer.

RECOMMENDATION

That the City Council receive and file this report.

BACKGROUND

On January 7, 2025, a Declaration of Local Emergency was issued by the Office of the Mayor due to the development of a windstorm with gusts exceeding 100 miles per hour and extreme fire danger conditions, including active fires in the Pacific Palisades and Hollywood areas. An updated Declaration was issued on January 13, 2025, after the extensive damage caused by the Palisades Fire and other fires in the City. By the date of containment on February 20, 2025, the Palisades Fire had affected more than 27,000 acres. In addition to the loss of more than 5,000 homes and businesses, City infrastructure including parks, a library, a recreation center, retaining structures, and others were damaged or destroyed by the fires or were otherwise impacted.

On January 14, 2025, the City Council adopted Special Motion 25-0006-S20, which included a request that LADWP consider utility bill alternatives similar to those adopted by the Los Angeles County Office of Public Works following the 2018 Woosley Fire.

DISCUSSION

LADWP bills residential customers every two months for electric and water usage. In most cases, electric charges are billed based on kilowatt-hour (kWh) usage at the standard tiered rate unless the customer selects a time-of-use tiered rate. Water charges are billed in tiered amounts based on the number of hundred cubic feet (HCF) units. One HCF equals 748 gallons. Usage is determined by the electric- and water meter reads taken by LADWP employees.

As a result of the January 2025 fires, LADWP implemented a temporary policy for those affected by the wildfires. LADWP used the closest meter read obtained for billing prior to January 7, 2025, as the final meter read for these closing bills. This policy applies to customers whose homes were confirmed as destroyed or who requested to turn off their service due to the fires. As a result, no customer whose home was destroyed will be billed for any consumption that occurred on or after January 7, 2025.

The LADWP closing bill applies to both LADWP and Los Angeles Sanitation & Environment (LASAN) charges for these specific customers.

In addition, while awaiting final confirmation of damaged and destroyed properties, LADWP temporarily paused billing and meter reading activity in the Palisades area. Customers in the Palisades area have not received a bill for any consumption after January 7, 2025, unless they relocated their service to another area within the LADWP service territory.

LADWP will work with customers whose water usage was impacted by the fire and who still have an active water service in the Palisades area. Additionally, LADWP will apply a one-time \$50 credit to all customers who were affected by the Do Not Drink Advisory (Advisory) and were advised to flush their faucets to ensure that water was fresh and clear at their property service line when the Advisory was lifted.

Finally, LADWP is working with the City Attorney's Office to clarify the rules regarding solar credits for those who participate in the Net Energy Metering (NEM) program. This program allows customers with renewable energy systems to receive credits for excess electricity sent to the grid, offsetting their energy costs. A verbal report on that matter will be provided in committee at a later date or in writing if preferred.

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FISCAL IMPACT

Receiving and filing this report has no fiscal impact. This report describes the billing activities taken by LADWP's Customer Service Division for customers directly impacted by the January 2025 fires.

If you have any questions or if further information is required, please contact Mr. Paul Habib, Director of Legislative and Intergovernmental Affairs at (213) 367-3846.

Sincerely,



Janisse Quiñones

Chief Executive Officer and Chief Engineer

PH:fc

c: Councilmember Traci Park, Ad Hoc Wildfire Recovery Committee
Mr. Luis Gutierrez, Office of the Mayor
Mr. Paul Habib