

March 16, 2022

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Mail Stop 160

Attention: Councilmember Nury Martinez, Chairperson - Ad Hoc Committee on COVID-19
Recovery and Neighborhood Investment

Honorable Members:

Subject: Presentation to Council File No. CF 21-0540 - Utility Debt Relief/Late Fee and
Penalty Waiver/Shutoff Moratorium/Low-Income Customers/American Rescue
Plan/Los Angeles Department of Water and Power/Bill Stabilization
Programs/COVID-19 Pandemic

The enclosed presentation was provided in Committee in response to the subject referenced
motion requesting the Los Angeles Department of Water and Power to report relative to the
utility debt incurred during the COVID-19 pandemic and the implementation of long-term
affordability strategies.

If you have any questions or if further information is required, please call me at
(213) 367-1338, or have your staff contact Ms. Leilani Johnson Kowal, Interim Director of
Legislative and Intergovernmental Affairs, at (213) 367-3023.

Sincerely,



Martin L. Adams
General Manager and Chief Engineer

LJK:nsh

c/enc: Councilmember Marqueece Harris-Dawson, Vice-Chair, Ad Hoc Committee on COVID-
19 Recovery and Neighborhood Investment
Councilmember Curren D. Price, Jr., Member, Ad Hoc Committee on COVID-19
Recovery and Neighborhood Investment
Councilmember Gilbert A. Cedillo, Member, Ad Hoc Committee on COVID-19 Recovery
and Neighborhood Investment
Councilmember Mitch O'Farrell, Member, Ad Hoc Committee on COVID-19 Recovery
and Neighborhood Investment
Mr. Eric Villanueva, Office of the City Clerk
Ms. Leilani Johnson Kowal

Agenda Item 4:

Council File 21-0540

Los Angeles Department of Water and Power report relative to the utility debt incurred during the COVID-19 pandemic and the implementation of long-term affordability strategies.



Los Angeles
Department of
Water & Power

**Update on Customer Assistance
and State Relief Funds to
LA City Council
Ad Hoc Committee on COVID-19
Recovery and Neighborhood
Investment**

**Presented by George Rofail,
Director of Customer Service and
Interim AGM for Customer Experience**

February 22, 2022

\$275M in State relief helped 247k LADWP customers who have fallen behind, averaging \$1,100 per account

Mar 2020 to Jun 2021


Eligible time period

 **Power**

 **\$201M**
Residential relief received

 **235K**
LADWP residential customers

 **Water**

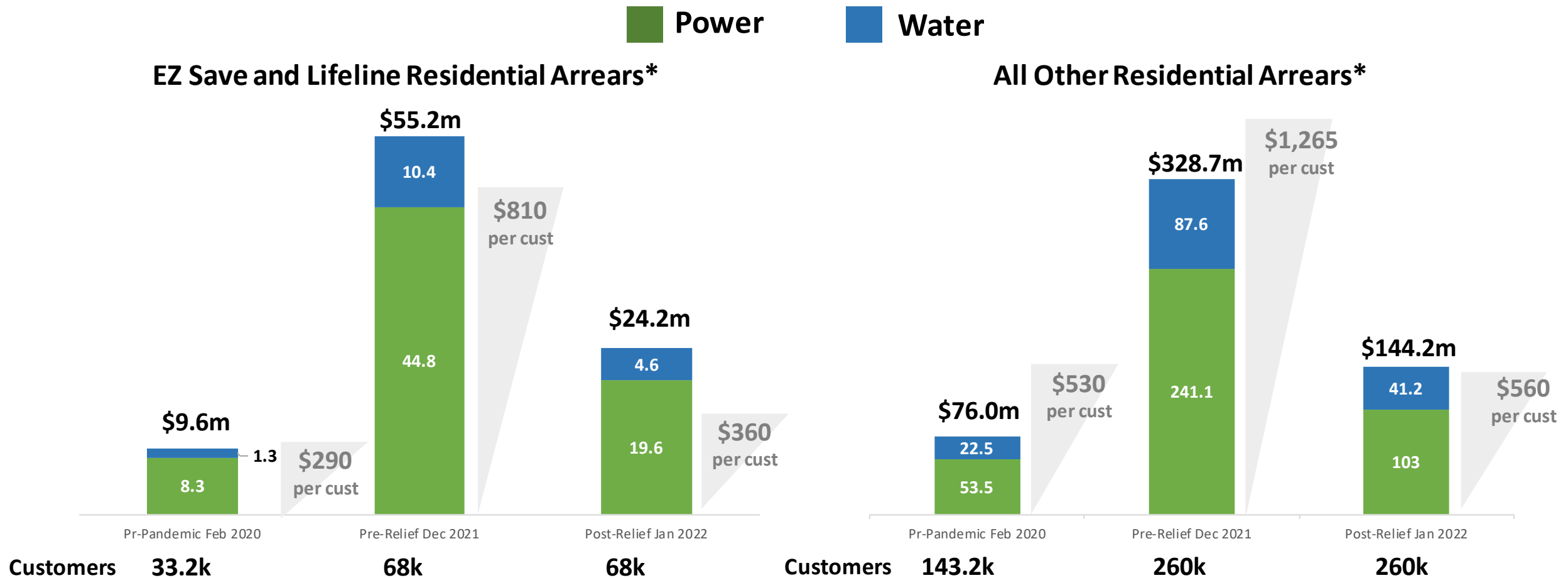
 **\$64M**
Residential relief approved

58K
LADWP residential water customers

 **\$10M**
Commercial relief approved

4.6K
LADWP commercial water customers³

State relief reduced power and water bills by over 55%, with income qualified customers having average arrears of \$360



* Active residential customers arrears greater than 60 days

While the primary focus was on the implementation of the State relief funds, a number of additional critical customer support initiatives were implemented over the past six months

Language Support	September 2021 – available support with 240+ languages
EZ Save Streamlining	November 2021 – 89% reduction in application declinations 55% increase in new applications
Extended Payment Arrangements	November 2021 – 3 years for residential /4 years for low income, and no down payments
Housing is Key Integration	January 2022 – integration with State for handling of utility payments through rent relief program
CBO Outreach Workshops	February 2022 – review of outreach toolkits and program support check-in's
Customer Consultations	February 2022 – customer service offering to provide detailed account review and program applicability

LADWP teams are actively working to implement and support new programs and improved services to assist customers

CWWAPP Wastewater Relief Application

February 2022 – In coordination with LASAN, submitting application for ~\$60m

Customer Connections

February 2022 – Direct customer research study focused on improving program delivery to income qualified customers

City Agency Partnerships

In progress – identify methods to streamline program applications and outreach efforts, and to address participation barriers

LIHEAP and LIHWAP

On-going – LIHEAP referrals and outreach efforts
May 2022 – tentative State launch of LIWHAP

LADWP Cares Outreach

On going – sustained effort to increase customer program /service awareness, and address eligibility misinformation

Collections Moratorium Expiration

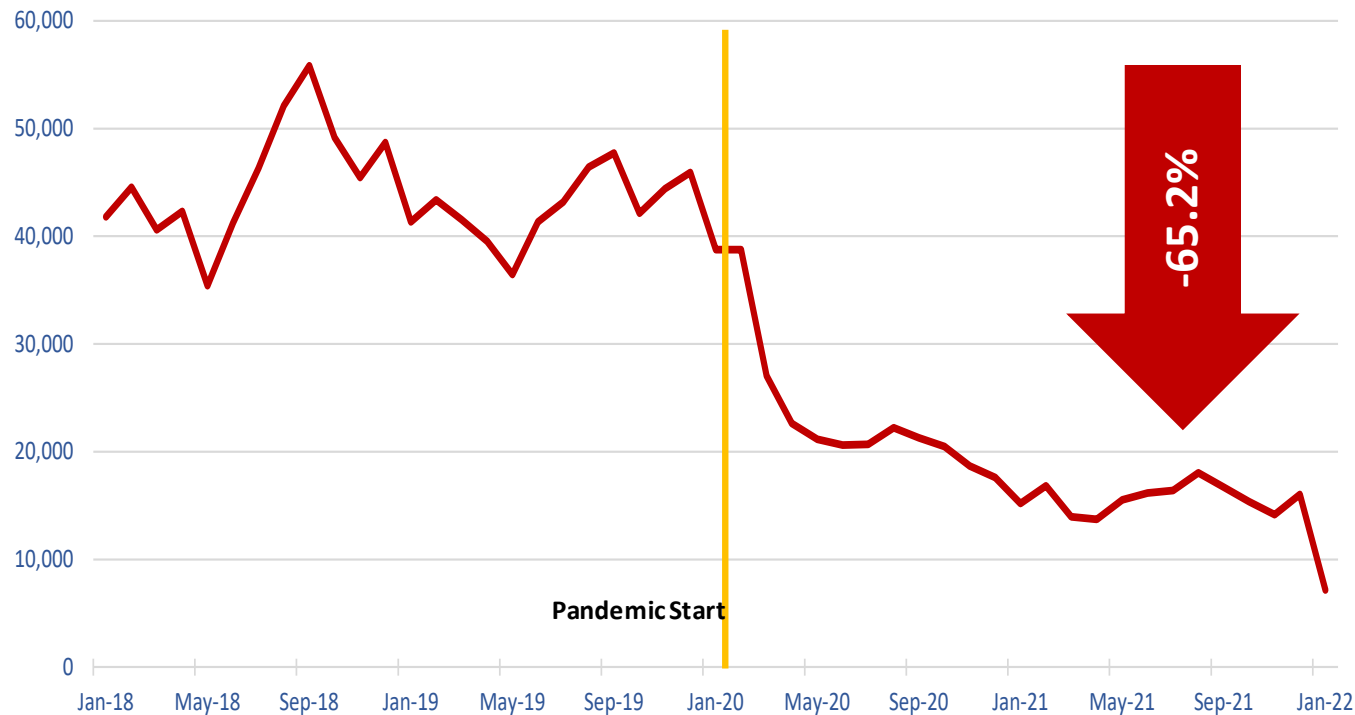
April 2022 – collections resumption

Level Pay

July 2022 – monthly set amount for arrears and future charges

Re-engaging with our customers and assisting with the different program offerings is our current priority

Payment Arrangements and Plans Initiated



LIHEAP

2018 Referrals

18.8k

2019 Referrals

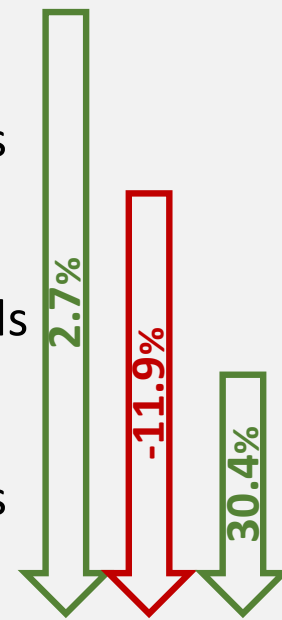
21.9k

2020^A Referrals

14.8k

2021 Referrals

19.3k



LI / LL Enrollment

2018

229.4k

2019

213.5k

2020

213.4k

2021

219.0k

+/- 7%

We launched a comprehensive campaign to help our customers take advantage of our programs, as well as apply for federal funding

Federal Funding

- Up to \$4,000: Low Income Home Energy Assistance Program
- Up to \$2,000: Low Income Household Water Assistance Program
- Utility relief (Housing Is Key)



Our message to our customers: LADWP Cares

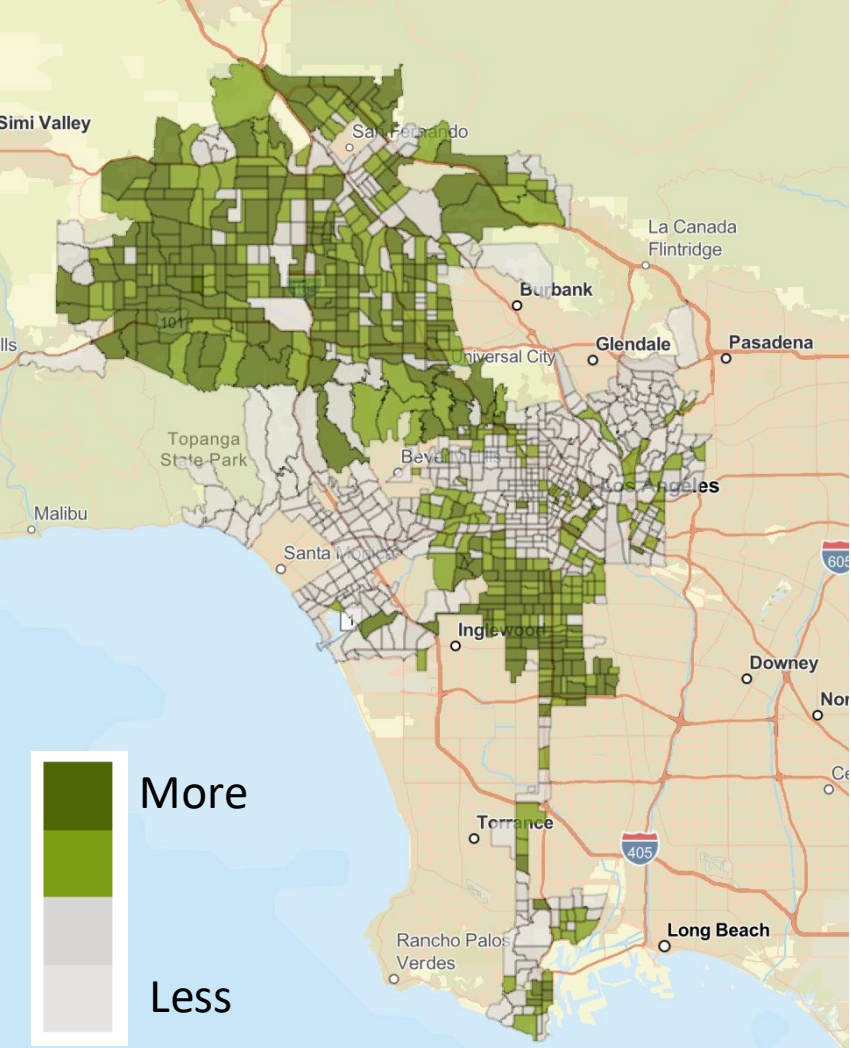
By uplifting all of our
customers, we are helping to
build a stronger Los Angeles



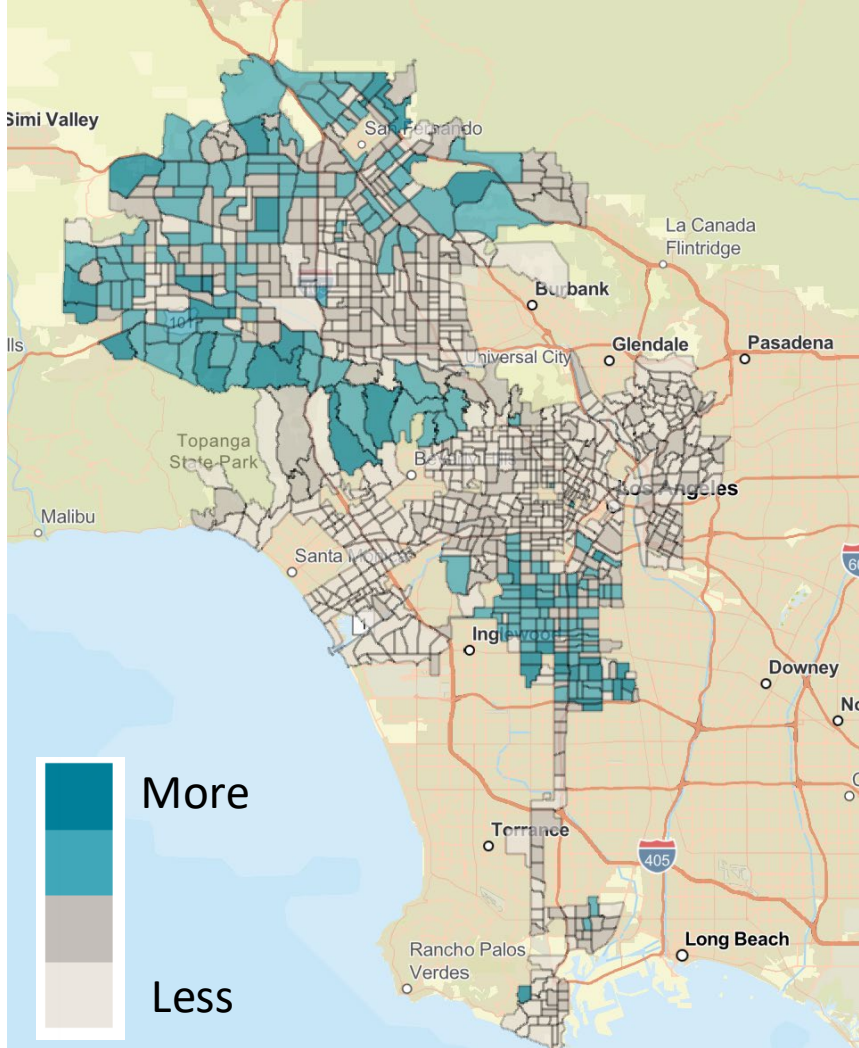
Appendix

Distribution of Residential CAPP and CWWAPP by census tract

Active Residential CAPP Total Funding by Census Tract



Active Residential CWWAPP Total Funding by Census Tract

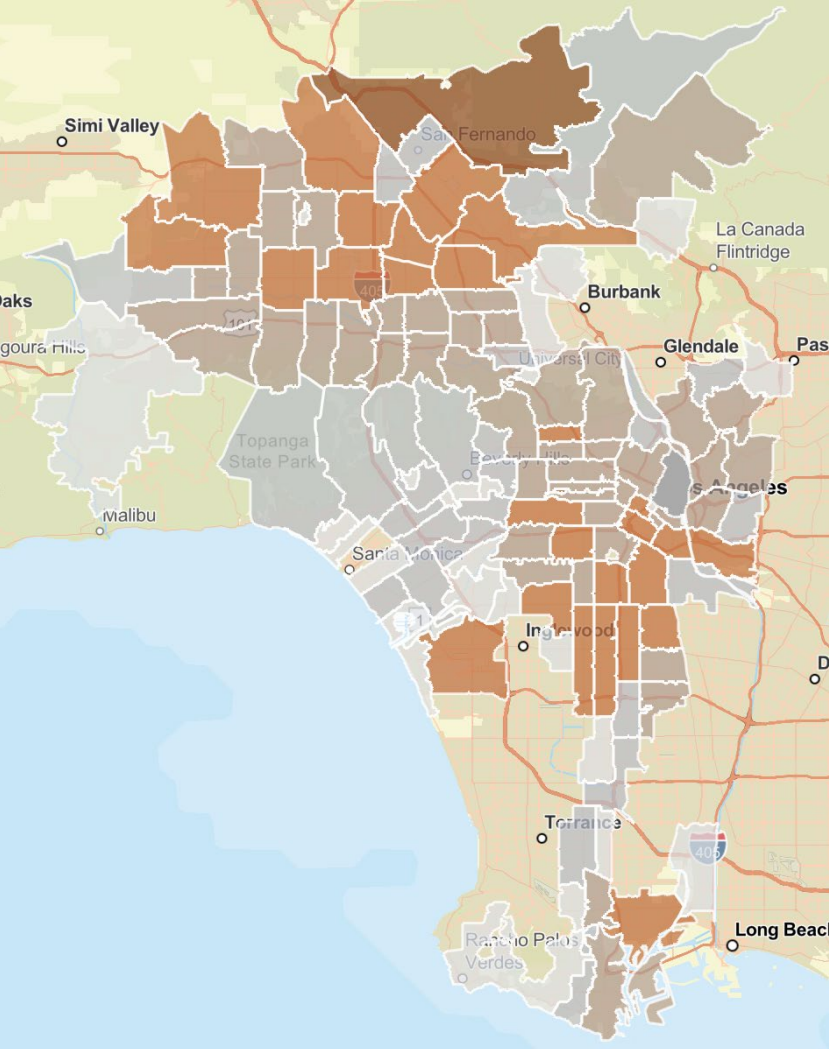
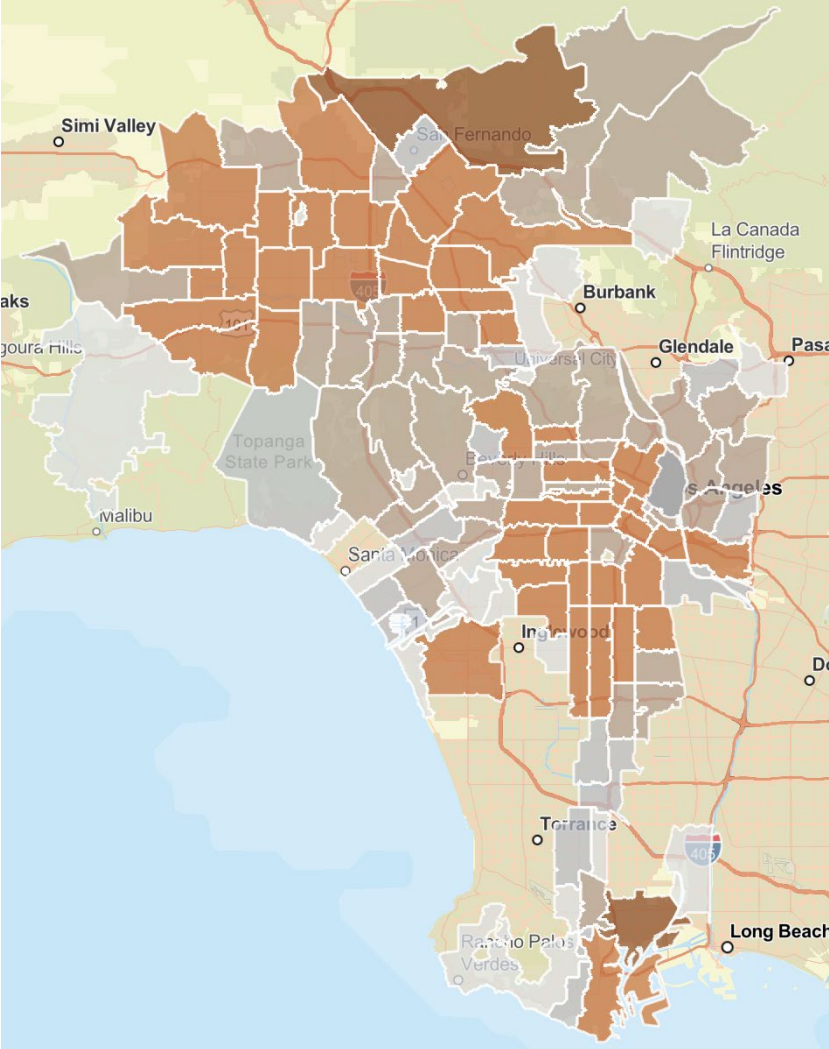
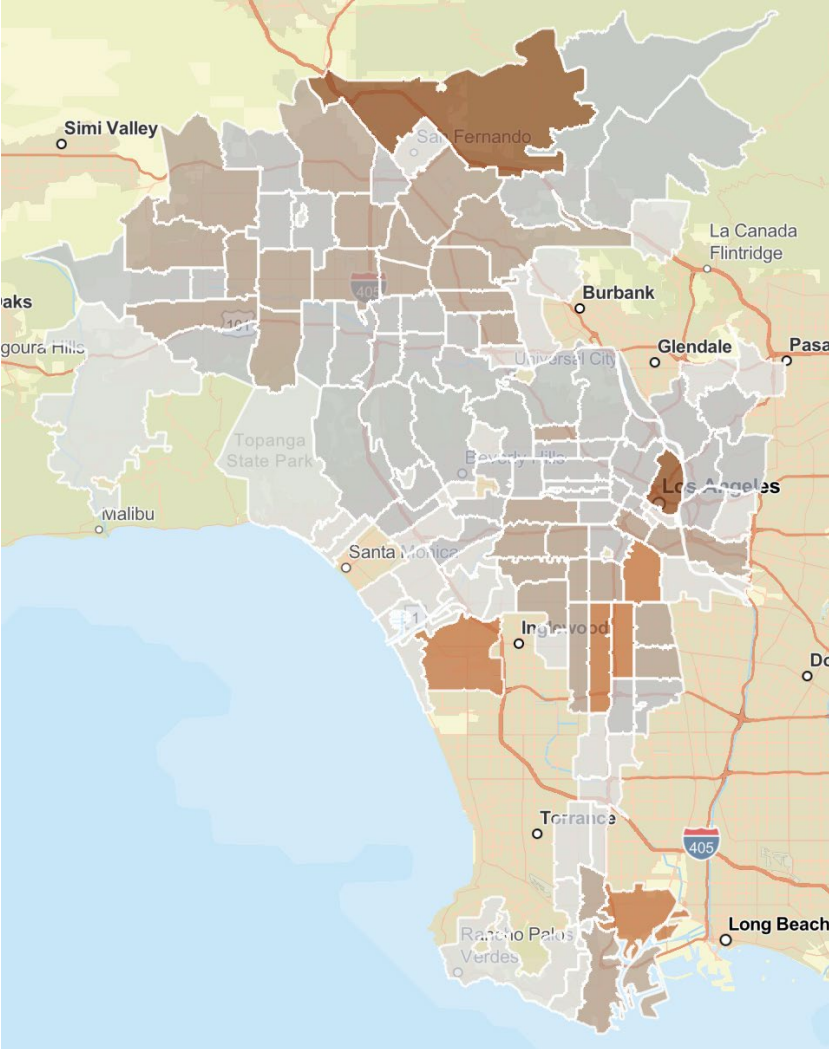


Arrears, over 60 days, distribution by zip code

Feb 2020

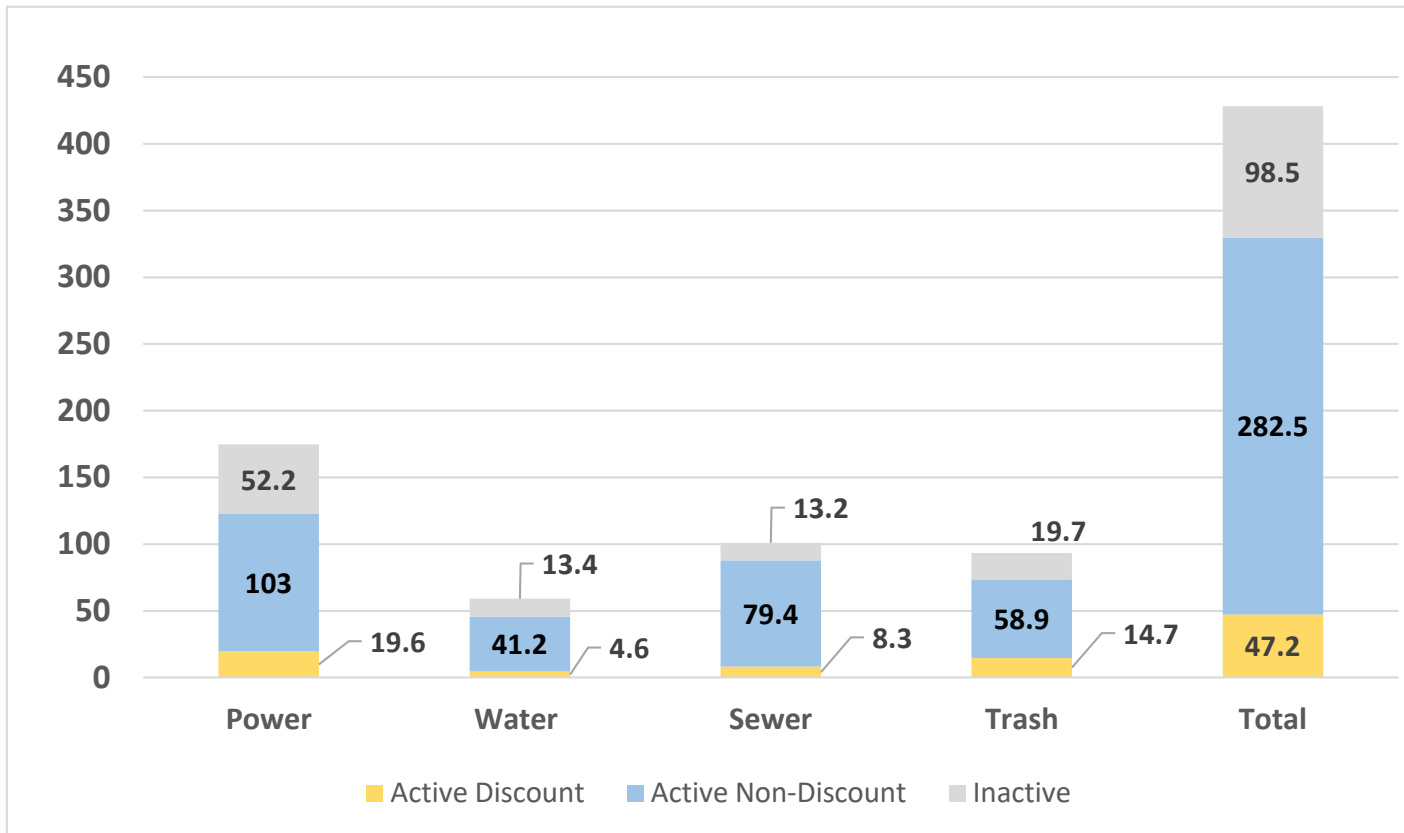
Dec 2021

Jan 2022

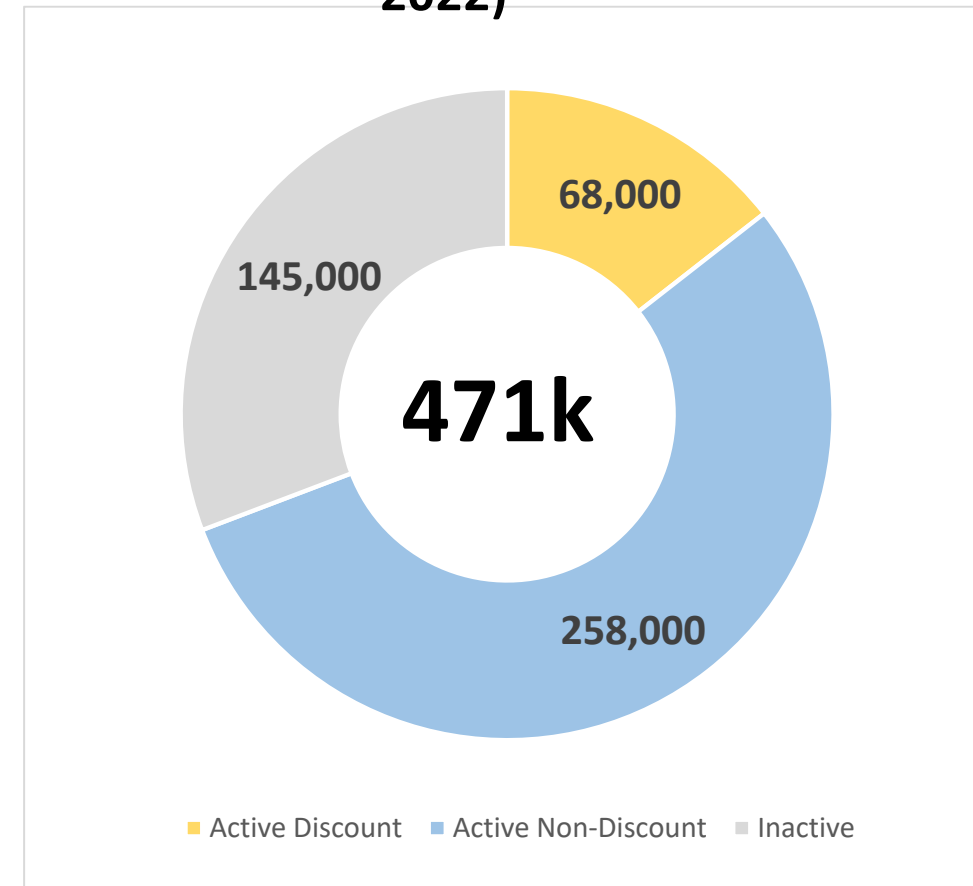


With the \$275m in State relief for water and power, active residential customers now have ~\$330m in arrears (61+ days) from before and after the designated relief period

**Residential Arrears (in \$ millions)
as of January 31, 2022**



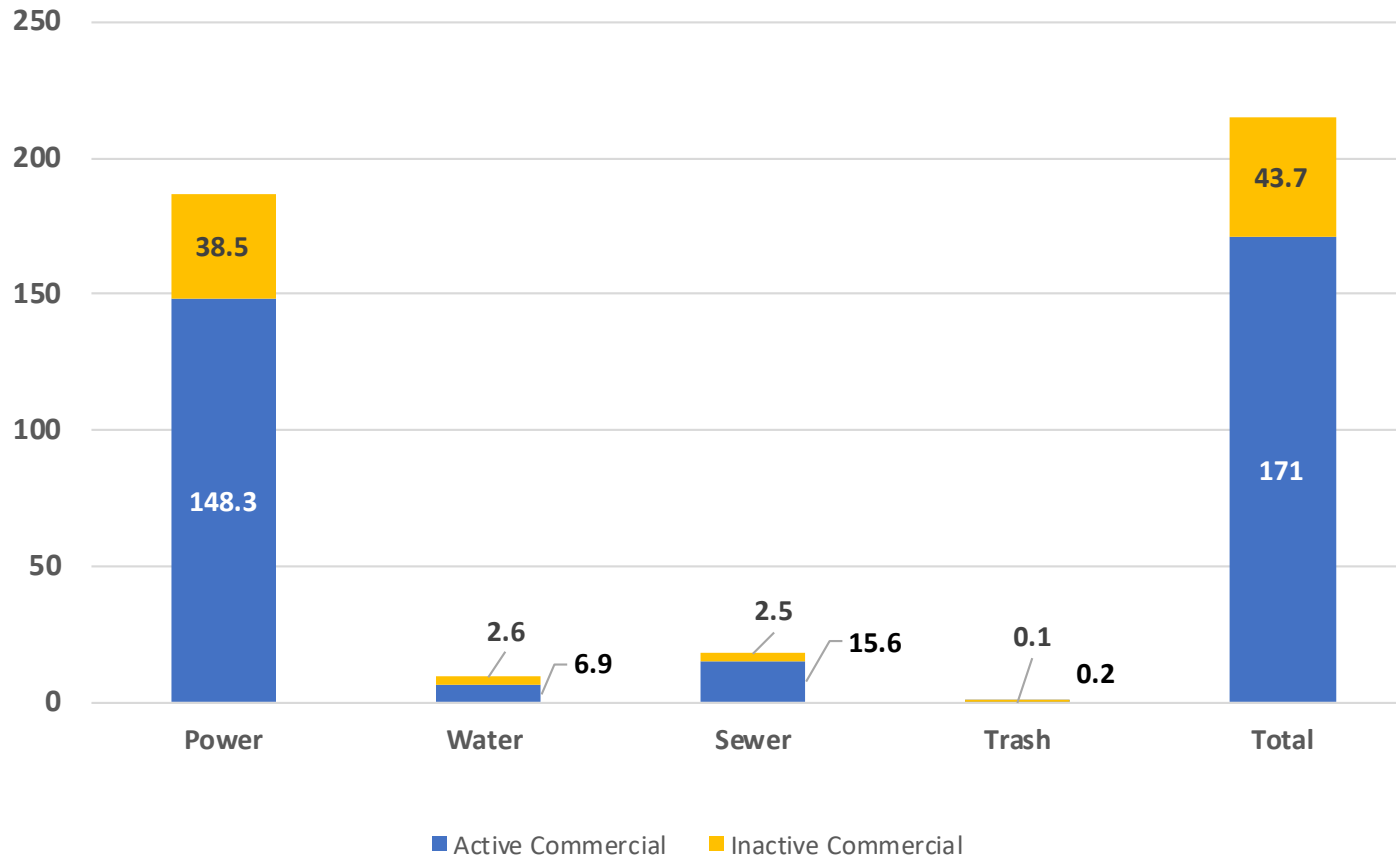
Number of residential accounts in arrears 61+ days (as of January 31, 2022)*



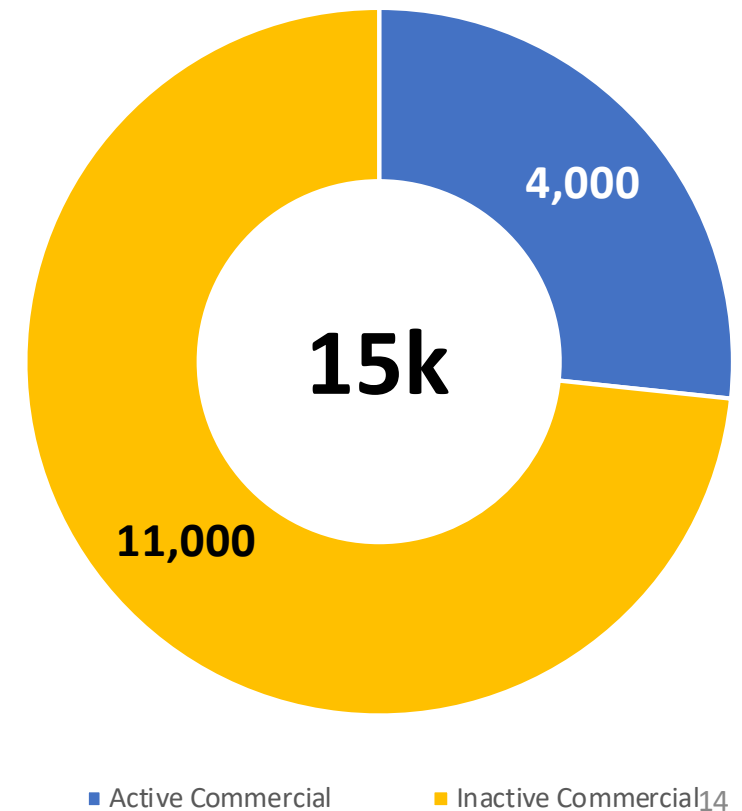
a. Arrearages up to 4 years old; b. Trash includes payment arrangements, SRF, and BIF arrearages (if applicable)

With the \$8.4m in State relief for water and power, active commercial customers now have ~170m in arrears (61+ days) from before and after the designated relief period

**Commercial Arrears (in \$ millions)
as of January 31, 2022**

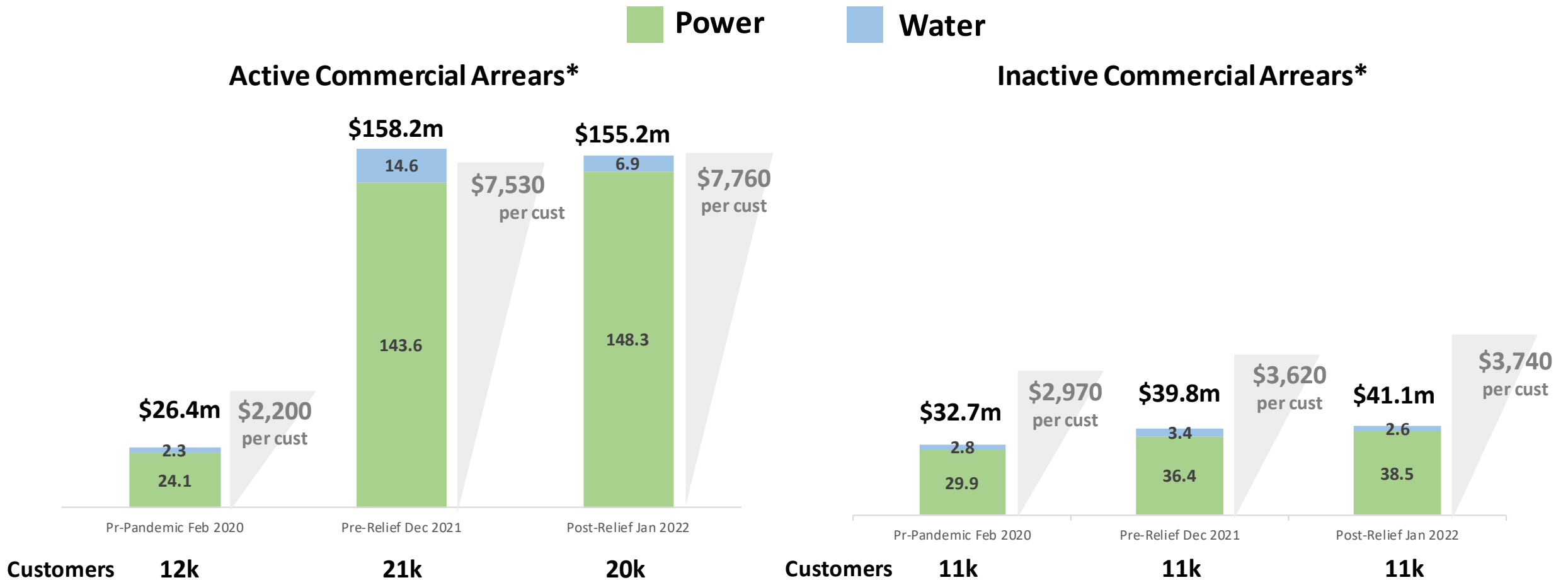


**Number of commercial accounts in
arrears 61+ days (as of January 31,
2022)***



a. Arrearages up to 4 years old; b. Trash includes payment arrangements, SRF, and BIF arrearages (if applicable)

For active commercial customers, State relief reduced power and water bills by 5%, with customers having average arrears of over \$7,700



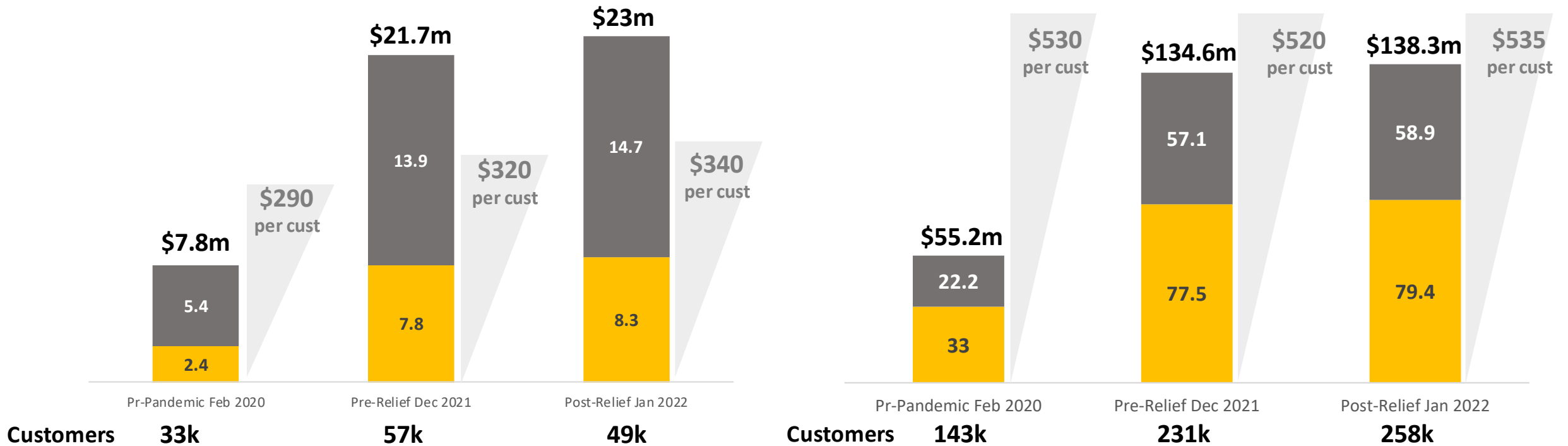
* Commercial customer arrears greater than 60 days

Customers are also dealing with sewer and trash arrears. Further state relief is expected to help with sewer arrears.

■ Sewer ■ Trash

EZ Save and Lifeline Residential *

All Other Residential *



* Active residential customers arrears greater than 60 days

Customer Connections Program will launch on February 22nd

Low Income Customer Connections Program: Improve our understanding of our Low income customers, and identify ways to improve our programs and efforts

Customers	EZ Save (Low Income Discount) & Lifeline
Size	~95,000 customers
Eligibility	<\$500 balance (Power and Water)
Compensation	One time \$150 bill credit (Power and Water)
Budget	~\$15M
Timing	Feb 22 through Jun 30, 2022

Research Focus

15 Questions

<10 Minutes to Complete

- Communication and service channel preferences
- Language preferences
- Demographics
- Program participation hurdles and barriers

Customer Connections Program participation access

Lessons learned incorporated to eliminate application hurdles and maximize customer participation

Outreach	Mail, eMail, Phone, Service Centers, CBO partners
Language	English and Spanish for e-mail and mail, All languages through Contact and Service Centers
Survey Channels	Online, Mail, By Phone, In Person
Validation Requirements	Account Number and Zip Code
Documentation	None
Credit Processing	Apply continuously rather than in one batch at program end

We have also improved two key financial assistance programs to support customers

Streamlined Enrollment Process for the EZ Save (Low Income) Discount Program

Making the process easier and more accessible

Available Nov 1, 2021

-
- Proof of income documents no longer required
 - New audit process to maintain the integrity of the program
 - Increased targeted outreach

Extended Payment Arrangements

No fee options with greater flexibility

Available Nov 1, 2021

-
- 48 months for discount customers (double the length of previous terms)
 - 36 months for all others (triple the length of previous terms)
 - Down payment no longer required

We are also working on a level pay program to make bills more consistent and predictable

Level Pay

Fixed monthly payments to make bills more predictable and easier to manage

Launches July 2022

- Fixed monthly payment based on past usage
- Smooths out fluctuations in bills
- Monthly amount annually adjusted to account for past usage changes, no lump sum true ups
- Includes any arrears