

**FY 2021-2022 Virginia Beach Budget  
Response to Council Questions**

**Question Number:** 62

**Question:** Do you have the number of accounts the moratorium covers? When does it expire? What standard will we be using to turn the water back on?

**Date Requested:** 4/14/2021

**Requested By:** Councilmember Moss

**Department:** Public Utilities

**Response:** The moratorium suspends disconnection of residential customer accounts for non-payment of bills or fees until the Governor determines that the economic and public health conditions have improved such that the prohibition does not need to be in place, or until at least 60 days after such declared state of emergency ends, whichever is sooner. The legislation does provide for exemptions of the moratorium if the utility's financial impact of the moratorium meets certain criteria. Utilities may apply for an exemption from the moratorium if the accounts receivable (AR) arrearage exceeds 1% of the utility's annual operating revenue. Currently, Virginia Beach Public Utilities has a past due AR of 6.0% of annual operating revenues; active accounts AR arrearages are 3.7%.

**Summary of Water and Sewer Enterprise Fund Accounts Receivable Arrearages**

			<b>Active Accounts</b>		<b>Arrearage as %</b>
30-59 Days	60-89 Days	90+ Days	<b>Cumulative Total</b>	W&S FY 21 Annual Operating Revenues	<b>Operating Revenues</b>
1,549,041.43	849,919.72	2,621,593.73	<b>5,020,554.88</b>	137,280,868	<b>3.7%</b>

			<b>Active and Inactive Accounts</b>		<b>Arrearage as %</b>
30-59 Days	60-89 Days	90+ Days	<b>Cumulative Total</b>	W&S FY 21 Annual Operating Revenues	<b>Operating Revenues</b>
1,574,140.78	877,294.66	5,833,381.57	<b>8,284,817.01</b>	137,280,868	<b>6.0%</b>

Virginia Beach Public Utilities has approximately 135,000 active water accounts, with nearly 125,000 of those being classified as residential. We currently have 41,842 active accounts that are "past due" of 30+ days beyond the bill date; 23,565 of those are residential accounts.

Under normal circumstances, customers would go through the following steps before being eligible for service disconnection for non-payment:

<b>Active Accounts:</b>	<b>Days from the Bill Date:</b>
Bill Due Date	Day 21
Delinquent Notice ("Red" Ink Notice)	Day 75
Outbound Delinquent Call	Day 85
Service Disconnection	Day 90

**Question Number:** 62 (cont.)

Customers have continued to receive their City Services Bills monthly with current charges and full account balance information; and we have continued to send delinquent notices to ensure timely communication with customers about past due balances. We also plan to notify customers well in advance of resuming delinquent service disconnections, including bill messages, notices in the Pipeline, press releases, and postings on our website and social media. It should be noted we suspended delinquent service disconnections for about seven months after the 5/31 tragedy to address organizational recovery needs. As part of the planning process to resume delinquent service disconnections, we sent customers letters outlining the respective balances owed and an itemized list of charges. This initiative worked well to provide detailed information and advanced notice to customers about balances owed and resources for assistance at that time. Consequently, we intend to use this same communication strategy prior to reinitiating disconnections for non-payment. Our preliminary plans are to resume service disconnections later this year so that federal CARES assistance, which expires in December, is available to customers in need.

When water service is disconnected for non-payment, the customer will be required to pay the full delinquent amount (charges > 90 days) or enroll in a payment plan prior to water service being restored.