



April 12, 2021

Mayor Victor Gordo
Pasadena City Council
VIA EMAIL

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2021 APR 12 PM 1:19
CITY CLERK
CITY OF PASADENA

RE: Item 13: Utility Payment Arrearages

Dear Mayor Gordo and City Council Members,

Thank you for considering ways to deal with the lapsed utility payments that have been such a financial burden on your Department of Water and Power. This is an important topic and one that deserves serious and thoughtful deliberations.

With that in mind I would like to make a couple of suggestions:

1. If you are going to set a repayment period, please make it reasonable. The recommendation you have is for a 12-month repayment schedule. For many residents and businesses, especially locally owned small businesses that is not enough time. Imagine you are a small business that has had virtually no income over the past 12 months and have \$500 per month in unpaid utilities. That is \$6000 that would have to be paid off at \$500 per month, doubling the utility bill. That is the case for every business that is in arrears at this point. Asking for a 12-month repayment will double their bill at the same time they will be paying back landlords for unpaid rent and struggling to lure customers back. A more reasonable time frame would be 36 to 48 months. That would make ongoing bill payment and repayment possible.
2. I appreciate that you want to provide assistance to a subset of those tenants in arrears with residential utility payment support. You might also consider rewarding those who have been able to continue their payments. More equitable would be to rebate something to every customer, not just those identified as low-income who are in arrears. If you do move forward, consider something similar for business customers.
3. Delay shut offs at least until 2022. How is a business supposed to even attempt to pay back bills with income beginning at zero and slowly rebuilding through the remainder of 2021 and 2022?
4. Perhaps it would make sense for someone to do a drive-by survey of those businesses in arrears to determine if the property is still being used.

Thank you for considering these questions and addressing our concerns. You do not want to make repayment so onerous for a business owner that they decide to close because of the overwhelming prospect of repaying all the debts incurred over the past 12 months.

Sincerely,


Paul Little
President and Chief Executive Officer

Cc: G. Bawa

04/12/2021
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