



# **SB 998**

# **WATER SHUTOFF PROTECTION**

# **ACT**

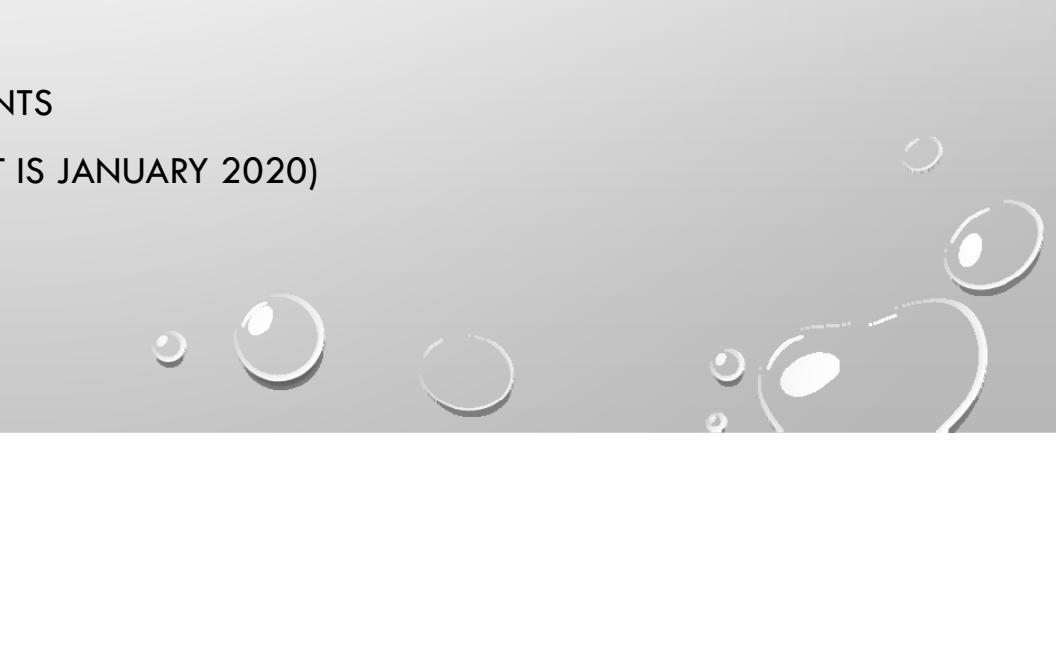
BUDGET & FINANCE COMMITTEE MEETING

10/1/2019





# WHAT IS SB 998?

- **PURPOSE:**
    - ONE-SIZE-FITS-ALL, STATEWIDE PROGRAM, FOR PROCEDURAL REQUIREMENTS ON DELINQUENT WATER CUSTOMERS, BEFORE THE DISCONTINUANCE OF WATER SERVICE
  - **REQUIREMENTS:**
    - ADOPTION AND POSTING OF WRITTEN POLICIES, OFFERING TRANSLATION IN MULTIPLE LANGUAGES
    - NEW OR EXPANDED PROCEDURAL REQUIREMENTS
    - IMPLEMENTED FEBRUARY 1, 2020 (OUR TARGET IS JANUARY 2020)
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# WRITTEN POLICY REQUIREMENTS

- WRITTEN POLICY ON DISCONTINUATION OF SERVICE FOR NONPAYMENT AVAILABLE ON THE WEB SITE
- POLICY MUST BE AVAILABLE IN ENGLISH, SPANISH, CHINESE, TAGALOG, VIETNAMESE, KOREAN AND ANY OTHER LANGUAGE SPOKEN BY 10% OF THE SERVICE AREA.
  - *CAN BE WRITTEN TO BE MADE AVAILABLE BY REQUEST*
- POLICY MUST CONTAIN:
  - PLAN FOR DEFERRED OR REDUCED PAYMENTS (*REDUCED PAYMENTS NOT APPLICABLE TO SLVWD*)
  - ALTERNATIVE PAYMENT SCHEDULES
  - FORMAL MECHANISM TO CONTEST AND APPEAL BILL
- NOTICE MUST BE AT LEAST 7 DAYS PRIOR TO PROPOSED TERMINATION (*10 DAYS IF POSSIBLE OWNER/TENANT ACCOUNT*)
- OTHER SPECIAL REQUIREMENTS IF LESS THAN 200% FEDERAL POVERTY LEVEL, PRIMARY CARE PHYSICIAN MEDICAL NEED – CAN RESTRICT ABILITY TO SHUT OFF AND AMOUNT OF PENALTIES IMPOSED

# NEW POLICY REQUIREMENTS

## CURRENT POLICY


- BILLS ARE DUE 21 DAYS AFTER BILL DATE
- PAST DUE PROCESS DOES NOT BEGIN UNTIL NEXT MONTHS BILL DUE DATE
  - INITIAL IVR REMINDER VIA PHONE/TEXT/EMAIL (FREE)
  - PHYSICAL TAGS (\$25 PENALTY)
  - TURN OFF (\$40 PENALTY) – NO AFTER HOUR TURN ON
- EXAMPLE: 8/5 BILL DUE 8/26, SHOWS AS PAST DUE ON 9/5 BILL, NEEDS TO BE PAID BY 9/26 OR IT WILL RECEIVE A PAST DUE TAG ON TH/FRI. SUBJECT TO TURN OFF FOLLOWING TUES.
  - TYPICALLY IS 35-40 DAYS FROM ORIGINAL BILL DUE DATE

## NEW SB 998 REQUIREMENTS

- CANNOT BE TURNED OFF UNTIL ACCOUNT IS AT LEAST 60 DAYS PAST DUE
- MUST OFFER DEFERRED OR AMORTIZATION OF PAST DUE BALANCE
- AFTER HOUR TURN ON REQUIREMENT
  - CAN LIMIT TURN ON FEES TO \$50 REGULAR HOURS
  - LIMIT TO \$150 FOR AFTER HOUR TURN ON
- POLICY AVAILABLE IN AT LEAST 6 LANGUAGES
- NOTICE TO MAILING AND SERVICE ADDRESS (IF DIFFERENT)
- ANNUAL REPORTING TO STATE WATER RESOURCES CONTROL BOARD
- **CURRENT IVR NOTICES WOULD QUALIFY AS NOTICE**



## WHAT DOES THIS MEAN?

- CUSTOMERS HAVE POTENTIAL TO BE OVER 3 BILLS BEHIND, WHICH CAN BECOME OVERWHELMING
  - IVR NOTICES CAN BECOME THE FORMAL NOTICE – *CAN GAIN EFFICIENCIES*
    - ADDED COMPLEXITY IS IF MAILING AND PHYSICAL ADDRESS ARE DIFFERENT
    - WHAT ABOUT FEES? (IVR COSTS \$0.30 PER NOTICE)
  - THE CAVEATS ADD COMPLEXITY– BEST TO ADOPT THE MOST UNIVERSAL APPLICATION
  - WRITTEN POLICIES AND PROCEDURES WILL NEED SIGNIFICANT UPDATING
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# ITEMS TO DISCUSS – BOARD ACTION

- WHEN TO APPLY A PAST DUE FEE?
  - AFTER THE 21 DAY DUE DATE? (RECOMMENDED)
    - HOW MUCH: FIXED AMOUNT OR % BASED?
    - ESTABLISH POLICY FOR WAIVER OF LATE FEE
- WHEN TO SEND IVR NOTICES?
  - SEND ONE PRIOR TO REGULAR BILL DUE DATE FOR FREE? – COULD GET TRICKY WITH AUTO PAY?
    - SHOULD BE WRITTEN THAT CUSTOMER IS RESPONSIBLE FOR PROVIDING THE DISTRICT CURRENT CONTACT INFORMATION VIA THE IVR FORM
  - “GOOD FAITH EFFORT” SEND ANOTHER NOTICE 48 HRS – THIS WOULD BE IN ADDITION TO THE OFFICIAL PAST DUE NOTICE
- SMALL ACCOUNT BALANCE: SET LOW AMOUNT THAT WILL NOT RECEIVE A PENALTY
  - EXAMPLE WOULD BE ONE MONTH OF THE BASIC FEE (SOMETHING THAT CAN FOLLOW POLICY WITHOUT BEING UPDATED CONSTANTLY)
- TURN-OFF FEES: RECOMMEND LEAVING THE \$40 DURING NORMAL BUSINESS HOURS, \$100 FOR AFTER HOUR TURNS.
- POLICY AROUND CUSTOMERS THAT HAVE HISTORICAL FAILED PAYMENT ARRANGEMENTS
- BETTER POLICIES AROUND OWNER/TENANT RELATIONSHIP

# ITEMS TO DISCUSS – INTERNAL PROCEDURES

- BILL CHANGES – PAST DUE BALANCE BLURB WILL NEED TO BE CHANGED
  - IDENTIFY THERE IS A PAST DUE BALANCE AND POINT PEOPLE TO THE POLICY
  - DATES AND AMOUNTS WILL NO LONGER BE ABLE TO BE DISPLAYED CLEARLY SINCE IT IS SPANNING OVER 3 BILLS
- SELECT DATES TO START DISCONTINUOUS NOTICES – RECOMMEND STARTING ~50 DAYS PAST DUE
  - 5<sup>TH</sup> BILLS – NOTICES GO OUT ~50 DAYS ON 15<sup>TH</sup>, WITH 30<sup>TH</sup> FINAL DUE DATE
  - 20<sup>TH</sup> BILLS – NOTICES GO OUT ~50 DAYS 30<sup>TH</sup>, WITH 15<sup>TH</sup> FINAL DUE DATE
  - **CURRENT PROCESS IS ~35 DAYS PAST DUE DATE, NEW PROCESS WOULD BE ~65 DAYS**

# PROCESS COMPARISON

## CURRENT PROCESS

- 4/5 BILL, 4/26 DUE DATE
- 5/5 BILL SHOWING PAST DUE BALANCE DUE 5/26
- IVR NOTICE 5/28 (NO PENALTY)
- 5/30 TAGS (\$25 PENALTY) DUE 6/3
- IVR NOTICE 6/3 (NO PENALTY) FINAL DUE TODAY
- 6/4 TURN-OFFS (\$40 PENALTY)
  - **OVERALL 39 DAYS FROM DUE DATE TO TURN OFF**

## PROPOSED

- 4/5 BILL, 4/26 DUE DATE
  - PAST DUE (\$25 PENALTY) AFTER 5PM ON 4/26
  - IVR COURTESY NOTICE AT LEAST 48 HRS IN ADVANCE
- 5/5 BILL SHOWING PAST DUE BALANCE AND LATE PENALTY
- 6/15 FORMAL NOTICE (NO PENALTY) DUE 6/30/19 (OR NEXT BUSINESS DAY)
- 48 HR COURTESY NOTICE (NO PENALTY)
- 7/1 (OR NEXT BUSINESS DAY) TURN-OFF (\$40 PENALTY)
- **OVERALL 66 DAYS FROM DUE DATE TO TURN OFF**



# ADDITIONAL SUPPORT

## Current Bill Examples

	# Units Consumed			
	1	4	6	10
Basic Fee	\$ 30.24	\$ 30.24	\$ 30.24	\$ 30.24
Consumption Fee	\$ 10.83	\$ 43.32	\$ 64.98	\$ 108.30
<b>Total Bill</b>	<b>\$ 41.07</b>	<b>\$ 73.56</b>	<b>\$ 95.22</b>	<b>\$ 138.54</b>

## Late Fee Examples

If \$10 late fee	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
% of Bill	24%	14%	11%	7%
If 5% of Bill	\$ 2.05	\$ 3.68	\$ 4.76	\$ 6.93
If 10% of Bill	\$ 4.11	\$ 7.36	\$ 9.52	\$ 13.85

# ADDITIONAL SUPPORT

## CUSTOMER SERVICE DEPT SUMMARY

*These statistics are meant to show some of the trends and fluctuations in utility billing related items. Management will use these to look for abnormalities or seasonal trends that can impact staff time. For example, the cut in/out process is typically correlated to the real estate market.*

Monthly Stats:	Aug-19	Jul-19	Jun-19	May-19	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18
Cut In/Outs	83	142	97	105	83	60	38	58	34
Tags	184	169	95	256	95	238	124	210	157
Turn-offs	38	23	21	30	35	19	34	38	25

*These statistics were initially used to help show growth of online use with Springbrook. These will become even more meaningful as the District does a push to encourage people to save time and money by signing up online to pay bills and e-bills.*

## Online / Going Green [1]

*As of 9/10/2019*

Online Sign-ups	4,439	4,414	4,334	4,293	4,240	4,184	4,120	4,078	4,033
E-Bills	1,697	1,686	1,624	1,590	1,522	1,413	1,378	1,356	1,326
Auto Pay	2,778	2,707	2,518	2,551	2,725	2,706	2,659	2,716	2,673

\* Due to timing, had abnormal tag periods