



Local Agency Workshop

May 8, 2019

Senate Bill 998- Disconnection of Residential Water Service

Group Discussion Topic: 116980(a)(1)(A) No disconnections of residential water service for nonpayment until account is 60 days delinquent.

The group discussed the length of their existing delinquency process (ranging from 42-52 days) and the additional time that the “60 day clock” could add to their process. Most in attendance stated they would consider a bill delinquent the day after the due date of that bill though some agencies stated they would maintain bills are due upon receipt. The group discussed the need for additional notifications with the added time in the delinquency process, and some are exploring avenues to have a third party deliver the notifications.

Regional Consensus: The delinquent “60 Day Clock” should start the day after the bill is due.

Group Discussion Topic: 116910(a) Verification of financial eligibility, medical certification, and customer agrees to amortization plan to be eligible for longer term payment assistance.

The group shared their current capability of offering low income assistance and the avenues by which they are verifying a customer’s financial eligibility to qualify for assistance. Most that do have a current program shared that customer eligibility is handled internally and will continue to be done this way when SB998 goes into effect, and those that don’t have a current program in place agreed this is the route they will go as well. No agencies are pursuing a third party option for financial verifications. Requiring documentation for financial or medical certification was discussed as a risk, but the group agreed this documentation could be promptly destroyed after review, i.e. for the medical certification from a physician.

Regional consensus: Allow customers to declare income on a web form or in person and attach medical documentation. Once reviewed and approved, customer is notified about an amortization plan. Customer’s eligibility should be event based for the duration of the amortization plan. After the amortization ends, customer would need to recertify if longer term repayment was needed in the future.

Group Discussion Topic: 11910(D)(2): Customer repayment option of past due charges up to 12 months. Are balance based guidelines necessary?

The group agreed that without some sort of guardrails around repayment time frames, we could easily see 12 months becoming the default for a longer term repayment schedule. A longer term payment schedule could range from a few months, to as much as 12 months. A best practice was discussed to require an initial payment on the past due balance to restart the “60 day clock” as soon as possible if that payment is not made. While many agencies have either an in-house team or a secondary collections company in place to pursue uncollectable debt, some agencies are sending their uncollectable debt to the property tax rolls or the Franchise Tax Board.

Regional consensus: Set amortization guidelines linking the amount of a customer’s past due balance to a time frame (ex: A customer with a past due balance of \$250- \$500 should receive 6 monthly installments, etc.). Consider sending uncollectable debt to the tax rolls if not already pursuing this option.

Other Conditions Discussion Topics:

The group discussed preventing a shut off while a bill is being appealed (**116908(b)**). Some agencies discussed limiting the amount of times a customer could appeal their bill to 1-2 occurrences per year, but had not yet set a time frame to respond to an appeal. Most agreed the customer would need to call and initiate the appeal, and the appeal would be reviewed on the supervisory/management level with an established response time for customers.

The group discussed standardizing the fees for reconnection at \$50 and afterhours fee at \$150 for all customers, not just those that qualified under SB998 financial parameters (**116914(a)(1)**). For those agencies that were currently lower than the set rate of \$50 for reconnection and \$150 for an afterhours charge, they will leave their fees as they are.

The group discussed owner to tenant transfers under the bill parameters and there were some discrepancies in how the group felt agencies should/could comply (**116916(a-c)**). Please review with your legal team to ensure your understanding of this section is clear and your agency is prepared to be compliant with taking new signups meeting this criteria.

The group discussed waiving a security deposit if the customer could produce proof of good payment history with their previous water utility (**116916(d)**). The consensus was while some agencies will continue to do credit checks and assess deposits based on those outcomes, that they would consider waiving the deposit if proof of good payment could be produced.