



PAYMENT ASSISTANCE PROGRAM & DISCONNECTION DISCUSSION

Goal:
Feedback on
Policy Development

VARIETY OF TANGLED TOPICS

**ACCESS AND
AFFORDABILITY**



**WATER
DISCONNECTIONS**



**PAYMENT
ASSISTANCE
PROGRAM**



**TAX
CERTIFICATIONS**



SAINT PAUL REGIONAL WATER SERVICES
ACCESS & AFFORDABILITY
ROADMAP
 2024-2030

Increase Capital Budget to Meet Infrastructure Needs

Develop detailed 10-Year Capital Improvement Plan and support for associated rate impacts.

Increase Water Works Contribution from SPRWS

Commit to contribution from antennae leases equal to 0.5% of revenue generated from the sale of water to retail customers.

Allow for Water Works Contributions from Others

Reaffirm ability to solicit, accept, and utilize contributions from customers or others.

Develop Water Shut Off Policy

Finalize decision to NOT return to water shut offs due to non-payment for residential and medical properties.

2025
-
2029

Increase Assistance Program Contributions from Others

Utilize new materials and outreach approaches to request and obtain contributions from customers, visitors, companies etc. Attempt other fundraising opportunities.

Advocate for Ongoing Funding

Advocate for State and/or Federal funding to support assistance programs into the future.

Conduct Thorough Rate Study in 2025

Evaluate rate structure alternatives and select one that better supports conservation and affordability.

Implement New Rate Structure in 2026

Begin to use new rate structure aimed at minimizing costs associated with water used for basic needs and encouraging conservation efforts.

Revamp Water Works Program Structure

New matching requirement, application process and branding materials will help to increase participation and program success.

2024

Continue to Roll Out AMI

Increase # of customers on AMI by 25% annually through installation of collectors and replacement of registers to assist in leak auditing.

Continue Toilet Replacement Program

Partner with Metropolitan Council to continue pursuit and use of grant funding to replace inefficient toilets in low income homes.

Explore Opportunities for Expansion

Work with local stakeholders to evaluate the potential for expansion, its impact on current customers, and the potential benefit for other Minnesotans.

Encourage Collaboration on Access and Affordability Efforts

Work to obtain partnership from the Metropolitan Council and PW for assistance program funding and customer education opportunities.

Establish Program for Internal Plumbing Repairs

Partner with the Plumber's Union to establish a resource that low income customer's can utilize when facing internal plumbing issues.

Transition from Quarterly to Monthly Billing

Upon complete rollout of AMI, transition all customers over to monthly billing.

2030



PAYMENT ASSISTANCE PROGRAM

2025 Program Budget

- Funding increased to \$375K for 2025 (\$100k in 2024)
- Benchmark 0.5% of all revenue generated from the sale of water to retail customers

Revised Program Structure

- ****NEW**** Require quarterly contribution from customers
- ****NEW**** Increase program awareness and marketing
 - Website, Bills, Events, Campaigns etc.
- ****NEW**** Removes requirement that account must be delinquent, with a past due amount of at least \$150.00
- ****NEW**** Name?? - TBD
 - Drops of Support?
 - Ripple Effect Assistance Program?
- ****KEEP**** Assistance program income guidelines
- ****KEEP**** Grant up to \$300 per 12-month period in 2025



THE CASE FOR INCREASED AND SPREAD-OUT ASSISTANCE

STATS

Accounts that received assistance in 2023

- LIHWAP & Water Works
- 948 Accounts - \$507,510

Accounts that received assistance and were STILL CERTIFIED at year end:

- 341 Accounts - \$185,480
- 36% of those who received assistance

Customer Assistance Provided



HOW TO MAKE BILLS AFFORDABLE ALL YEAR

- SPRWS average annual bill in 2025: \$452.50
 - \$113/quarter. \$37/month.
- Drinking water represents about 50% of total bill.
 - Total estimated bill for 2025: ~\$900
- Maximum Water Works assistance: \$300.00
 - $\$300/\$452 = 66\%$ Reduction on Drinking Water
- Require that customer pay 2/3 of bill to receive 1/3 in assistance.
 - Help as least 1,250 customers (\$375k/\$300)
- \$900/year = \$225/quarter
 - Q1: \$150.00 Customer payment + \$75 Assistance
 - Q2: \$150.00 Customer payment + \$75 Assistance
 - Q3: \$150.00 Customer payment + \$75 Assistance
 - Q4: \$150.00 Customer payment + \$75 Assistance



POTENTIALS FOR FURTHER IMPROVEMENTS IN THE FUTURE

1

Increase total assistance amount per customer from the current amount of \$300. This could allow for 50/50 match opposed to 66/33 split and retain year-round support.

Unless we increase total available assistance available, this results in less customers helped.

2

Outreach/events to increase funding.

Potential need to partner with or start a non-profit.

3

Ongoing advocacy for state/federal support.

4

Re-evaluate what we charge for our billing services to organizations such as Saint Paul Public Works to include amount to be contributed to assistance program to offset their portion of the total bill.

CERTIFICATION TO PROPERTY TAXES Due To Non-Payment

Certifications Continue to Increase:

2024 estimated certification: \$4.0M

Assessments Are Effective in Collection (Although Delayed):

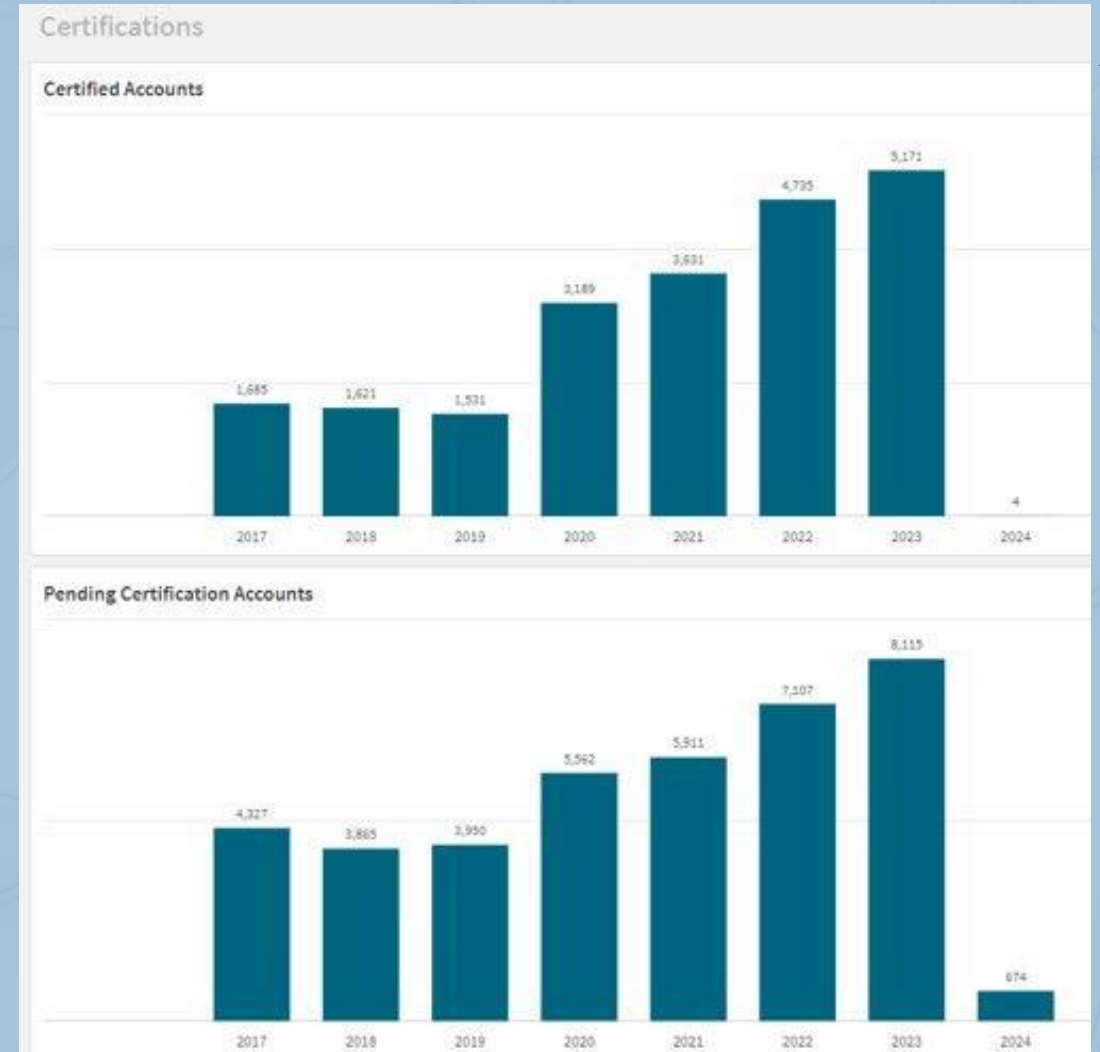
Collected \$2,159,690.91 of \$2,457,930.23 (88%) from 2022

Assessments by EOY 2023

- Late fee and certification fee revenue continue to recover liabilities associated with tax certifications

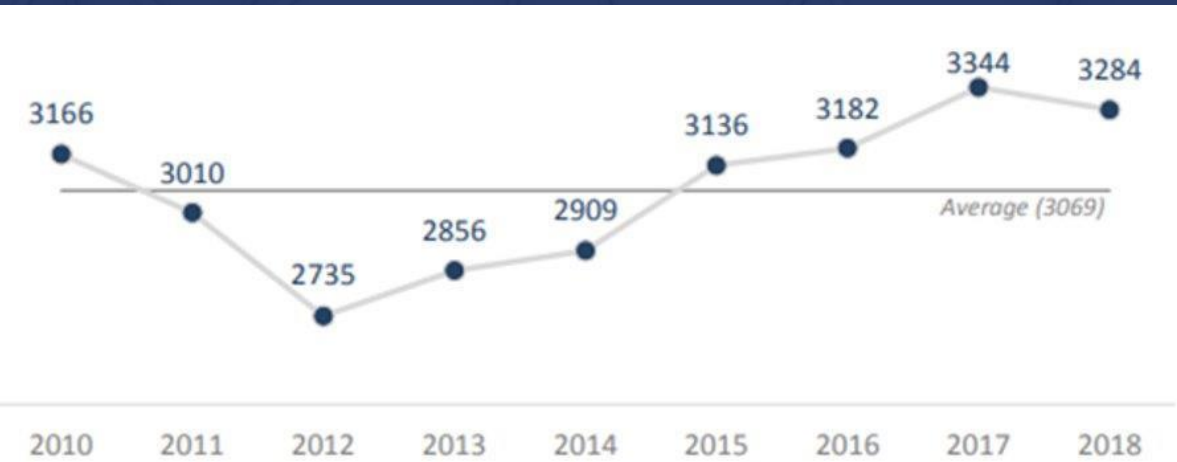
Water Disconnections More Effective but Problematic

98% collection within days of disconnection



WATER DISCONNECTIONS

- About 3,000/year
- Of these, about a third were repeats – the same customer shut off again.
- Doesn't help with affordability- just forces the payment issue.



Year	Total Shutoffs	Repeat Offender Shutoffs	RO Shutoff / Total Shutoff %	RO Accts (Approximate)
2010	3166	1135	36%	462
2011	3010	1056	35%	442
2012	2735	890	33%	376
2013	2856	1007	35%	411
2014	2909	1010	35%	419
2015	3136	1225	39%	501
2016	3182	1310	41%	524
2017	3344	1388	42%	545
2018	3284	1351	41%	534



COST ANALYSIS

Water Disconnections

QUANTITATIVE ANALYSIS	2025
ESTIMATED RECURRING COSTS OF CONDUCTING SHUT OFFS (SPRWS)	
Distribution Staff Costs (Includes Fringe) 2 – WUWII (Shut off Truck) 0.5 – CDW (Notifier/Placarding) 0.5 – WUWII (Turn on Truck Days) 0.4 – WUWII (Turn on Truck Evening) 0.125 – WDSII (Water Distribution Supervisor II)	\$ 398,057.51
Overhead	\$ 70,736.41
Vehicles - 2.5 Trucks	\$ 55,381.04
Customer Service Processing 0.5 CSR – (Shut off List Management) 0.33 CSR – (Call Management from S/O) 0.17 CSR – (Cashiering Needs from S/O)	\$ 89,161.80
Maintenance Activities Generated by Shut Offs 10% Stop Box Repair Needed (300/3000) - \$727 each 1.3% Broken Tee Repair Needed (40/3000) - \$2,481 each	\$ 369,886.44
Mailings	\$ 1,600.00
TOTAL RECURRING COSTS (SPRWS)	\$ 984,823.20

Prior to the COVID moratorium on disconnections, SPRWS was conducting about 3,000 disconnections/year.

An analysis of related costs shows a cost of about \$350/disconnection conducted.

Other "Costs":

- Employee injuries
- Public perception

ARE THERE SOME DISCONNECTIONS THAT MAKE MORE SENSE THAN OTHERS?

Accounts certified over \$1000:
660 accounts

Median Total Amount: \$163

Multi Family Units & Institutional Customers
(Apartments, Condos, Nursing Homes, Churches,
Community Facilities, Townhomes,
Duplex/Triplexes)

- Total: 218 (\$698,397)

Single Family Residential Customers

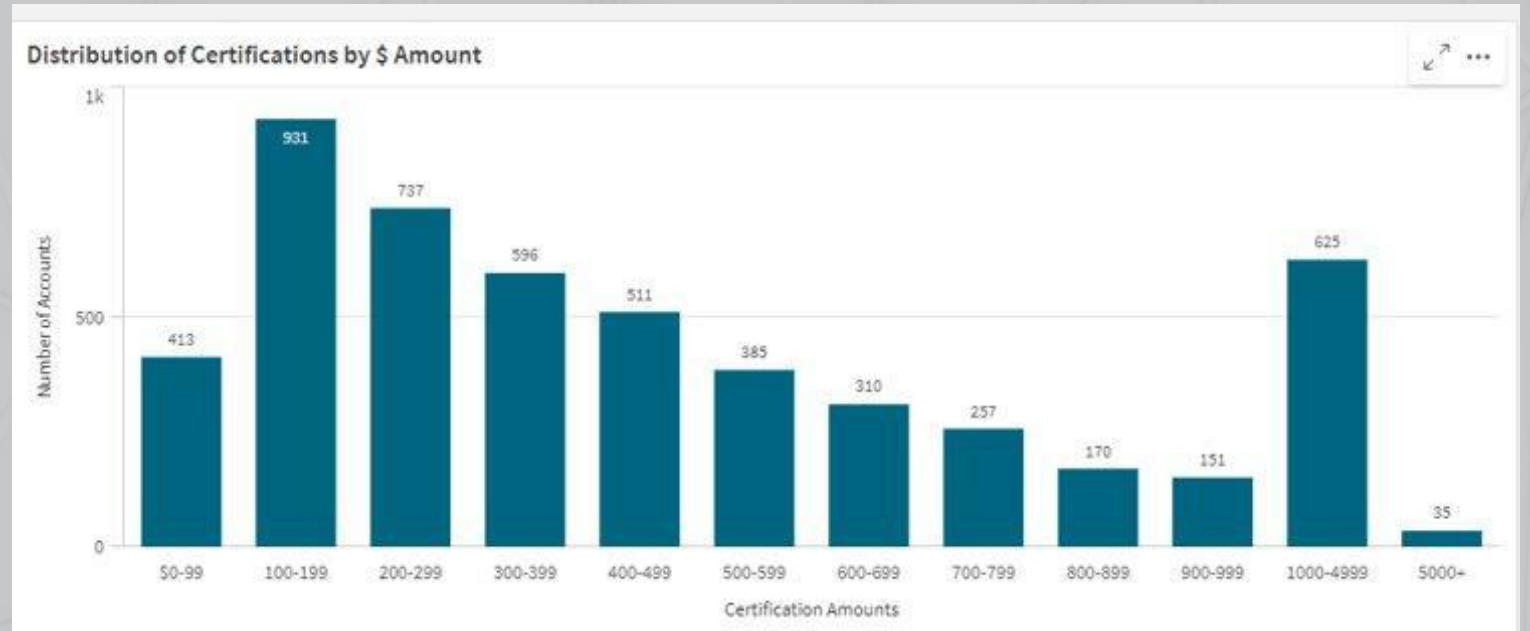
- Total: 337 (\$491,817)

Commercial/Industrial Customers

- Total: 29 (\$132,554)

Miscellaneous/Others

- Total: 76 (\$144,634)





QUESTIONS & FEEDBACK