



COLLECTION BUSINESS PLAN: CHANGES TO SHUT OFF PROCESS

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TOPICS TO COVER

**WATER
DISCONNECTIONS**



**TAX
CERTIFICATIONS**



CERTIFICATION TO PROPERTY TAXES Due To Non-Payment

Certifications Continue to Increase:

2024 Estimated Certification: \$4.0M

2024 Actual Certification: \$4.1M

Assessments Are Effective in Collection (Although Delayed):

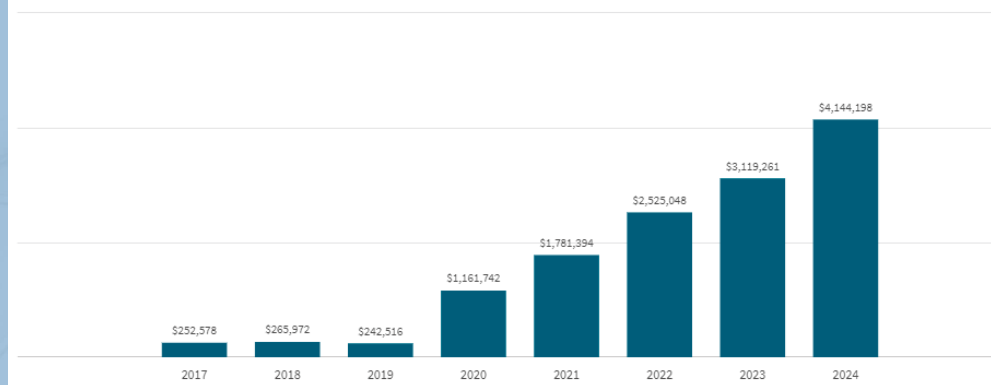
Collected \$2,159,690.91 of \$2,457,930.23 (88%) from 2022 Assessments by EOY 2023.

Revenue generated from Late Fees and Certification Fees continue to recover liabilities associated with tax certifications

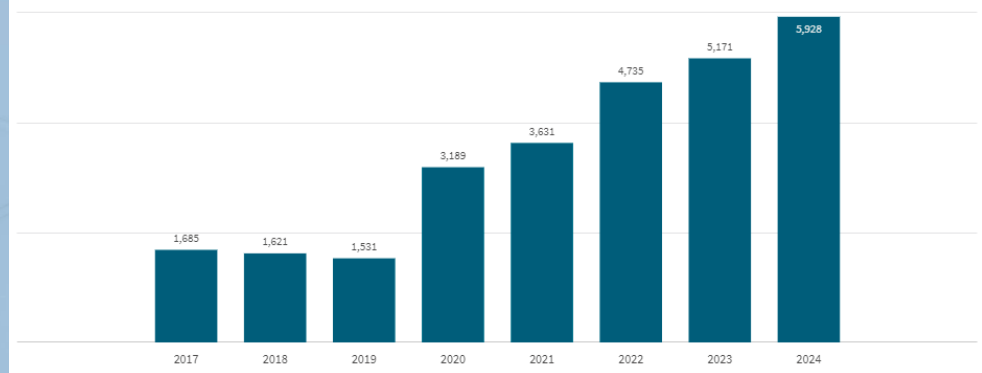
Water Disconnections More Effective but Problematic

98% collection within days of disconnection

Certified Amounts



Certified Accounts



WHO IS BEING CERTIFIED?

Accounts certified over \$1000:
990 accounts (51% of certified totals)

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

- Total: 292 - \$965,334 (45%)

Single Family Residential Customers

- Total: 619 - \$944,431 (44%)

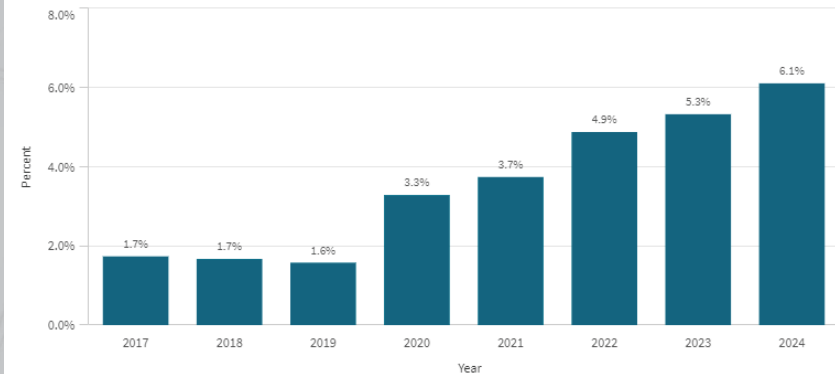
Commercial/Industrial Customers

- Total: 35 - \$168,390 (8%)

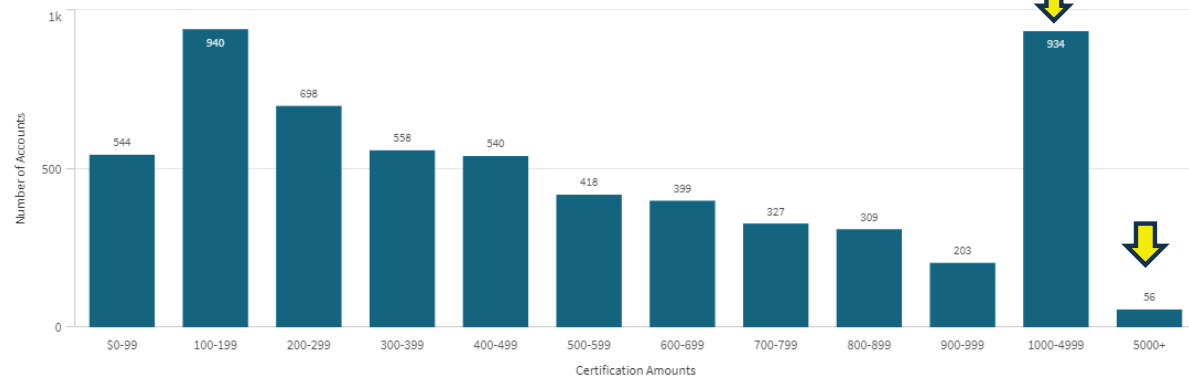
Miscellaneous/Others

- Total: 19 - \$51,780 (3%)

Percent of Accounts Certified



Distribution of Certified Arrears by \$ Amount



A DEEPER DIVE INTO THE TOP 50 ACCOUNTS

Certification Greater Than \$5000

56 Accounts - \$689,320 (17%)

56 Accounts - 1% of Total Accounts Certified.

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

- 42 Accounts (75%)
- 19 Accounts Low Income Rentals (45%)

2024 Tax Status (Year 1)

- \$2,493,374 Due
- \$2,099,762 Paid
- 84% Collection Rate



WATER DISCONNECTIONS

- About 3,000/year
- Of these, about a third were repeats – the same customer shut off again.
- Late fees did not result in changing customer habits.
- 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



LATE FEES REVENUES

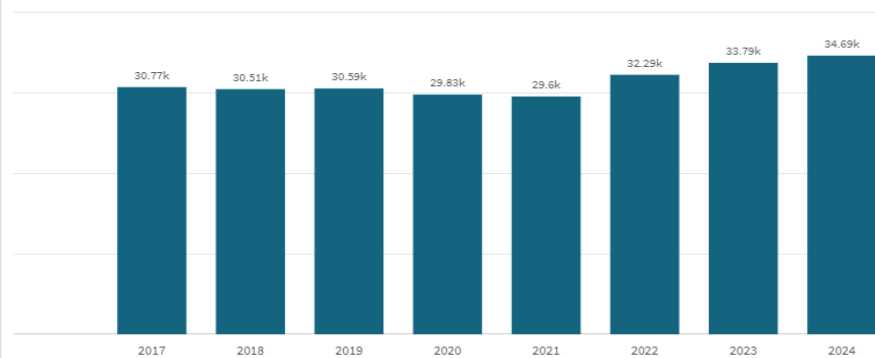
2024 Actual Certification: \$4.1M (Deferred Revenue)

2024 Late Fee Total: \$976K (Revenue)

Late Fee Amounts



Number of Late Fees



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
- Social Costs



STAFF RECOMENDATION

- 1. Staff is seeking to amend the Collection Process Business Plan by suspending the shut off process for delinquent accounts.**
- 2. On an annual basis, staff will evaluate the effectiveness of the tax certification process in securing revenue from water bills for future evaluation.**