



# Finance Committee

Customer Billing Status Update

January 28, 2021



# Overview

- Status
- Customer Survey
- Marin Water COVID-19 Relief Program
- State and Federal Programs for assistance
- Next steps

# Status

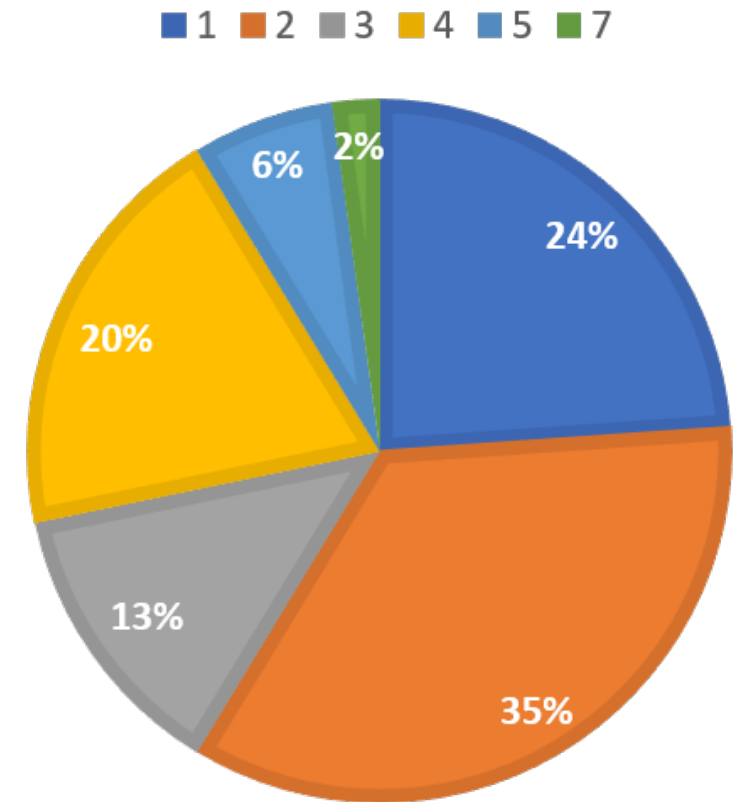
- Total Customer Accounts: 60,768
- Accounts delinquent by more than 30 days
  - Dec 2020: 10,297                      \$3.4 million
  - Dec 2019    6,849                      \$1.1 million
- 2020 Discount Program Participation
  - Low Income: 979
  - Medical Waivers: 351

# Customer Survey

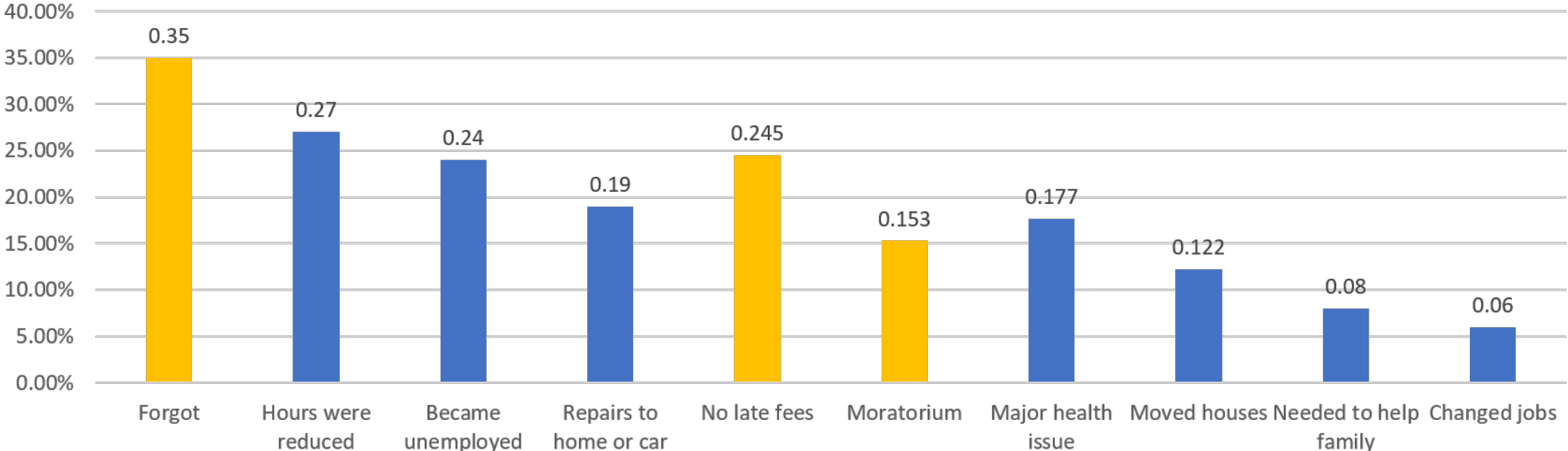
# Customer Survey Data

- Conducted by Wharton School, University of Pennsylvania
- Survey sent to 1,850 residential and business customers who have not paid their bills in more than 30 days
- Based on 70 residential customer responses
  - Gender breakdown even
  - Ages 29-84 (Average age: 53.4 years)
  - All respondents were residential customers
  - Most were 2-member households, followed by household sizes of 1, 4, and 3.

## HOUSEHOLD SIZE



# Reasons for Non-Payment

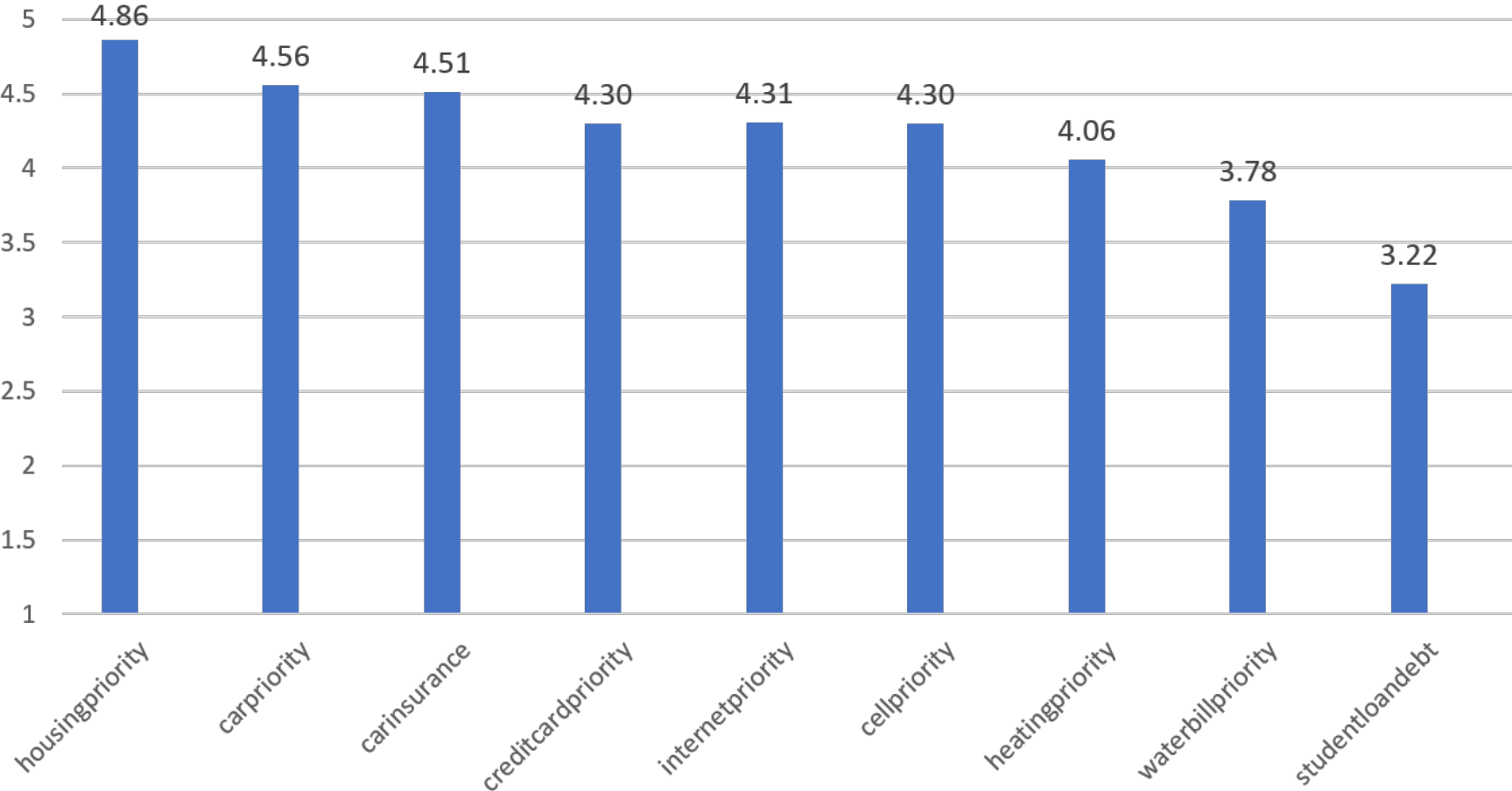


- 50% selected at least one program-related reason for non-payment
- 30% selected at least one economic reason for non-payment

# Reasons for Not Paying

- **Program-related: 50%** selected at least one program-related reason for non-payment
  - Those who forgot did not experience severe or minor shocks and tended to feel they do not owe much.
- **Minor shocks: 29%** experienced at least one minor shock
  - Hours reduced, moved houses, repair costs, helped family
- **Severe shocks: 25%** experienced at least one major shock
  - Unemployed, changed jobs, major health issue
  - Those experiencing major shock are aware of their debt and are more likely to see their bills as larger
  - The appeal of a payment plan is stronger among those who feel they owe more

# Bill Payment Priorities



Paying water bills were not a relatively high priority, slightly above student loan debt. Less than half of the respondents had student loan debt.



# Key Findings

- In the aggregate, many customers were unaware that they were in arrears: 69% did not believe their bills were overdue
- Water bills were a relatively low priority on their list of bills to pay; a lack of awareness may be a contributing factor
- Most report that if they have missed a payment, they have simply forgotten
- For those who report experiencing economic shocks (job loss, reduction in hours, etc.) there is a sense that their bills are large
- Those in the group experiencing economic shocks are receptive to a repayment plan

# Marin Water COVID-19 Relief Program

# Actions to date

- March 13, 2020 District suspends bill collection activity, including termination of service for non-payment
- April 2, 2020 Governor suspends water shutoffs
- May 5, 2020 Board takes action to alleviate financial stress for customers
  - Accelerates summer rate structure
  - Delay rate increase from July to January
  - Directs staff to investigate payment plans

# COVID-19 Relief Program

Provides for residential customers:

1. Extended repayment program
2. Bill subsidy for customers who meet criteria

Program would be effective for billing dates beginning March 1, 2020 until December 31, 2021 or rescission of County Order, whichever comes first

# COVID-19 Relief Program

## Proposed Extended Repayment Plans

- Two options to consider:
  1. Graduated term based on delinquency amount  
(example illustrated below)

▪ \$100 - \$1,000	2 Years
▪ \$1,001 - \$2,500	3 Years
▪ \$2,501 - \$4,000	4 Years
▪ \$4,001 +	5 Years
  2. Place everyone with past due bill on a 5-yr repayment plan
- With notification, customers would automatically be placed on payment plans
- Customer can elect to opt out

# COVID-19 Relief Program

## Bill subsidy for applicable customers

- Single family residence with current annual household income of 80% of Marin County HUD low income level
- Have been affected financially by COVID
- Customer would be required to simply attest to above circumstances
- Would reduce bill by waiving all fixed fees (service charge, watershed management fee and capital maintenance fee)
- The additional cost of this program would be funded from non-rate revenue

# State and Federal Program Update

# Federal Appropriations for Ratepayer Assistance

- The Consolidated Appropriations Act, 2021 (Dec 2020) is a \$2.3 trillion spending bill that combines \$900 billion in stimulus relief with a \$1.4 trillion omnibus spending bill for the 2021 federal fiscal year
- On January 5, 2021, the U.S. Department of the Treasury launched the \$25 billion Emergency Rental Assistance Program (ERAP) established by the Consolidated Appropriations Act, 2021. The ERAP assists households that are unable to pay rent and utilities due to the COVID-19 pandemic.
- ERAP eligibility may be limited to cities and counties, therefore MMWD is working with the County of Marin to collaborate on potential ratepayer assistance.



# American Rescue Plan

- Blueprint from President Biden for relief
- \$1.9T plan, offers \$5B for water and energy costs in arrears
- Plan faces uncertain path in Congress
- May include federal ban on service disconnects
- Eligibility of special districts unknown

## SB 222—(Dodd; Napa): Water Affordability Program

- Would offer \$43M, statewide, to 3,000 eligible water districts
- State Water Board would administer funding program
- Prospects for MMWD uncertain due to funding guidelines ( may be based on median household income versus individual household income)

## SB 223—(Dodd; Napa): Discontinuation of Service

- Updates policies on discontinuation of service for nonpayment.
- Would prohibit discontinuation during a state or local emergency.
- Prohibits discontinuation in cases posing threats to health.
- Requires more sharing of usage data with State for funding.

# Next Steps

- Continue and ramp-up communication plan to customers, with a focus on the district's COVID-19 Relief Program
- Reestablish bill reminders and late payment notices – with a clear message on the COVID-19 Relief Program and what is available to them (no reference to turning off water)
- Continue to track Local, State and Federal financial support programs to support our customers with their outstanding water bills