California Water Association

CPUC Low Income Oversight Board

March 11, 2021, 1pm-3pm

DRAFT COVID-19 Emergency Customer Protections Transition Plan

Introductions

Liberty Utilities	Ed Jackson (Presenter) and Alison Vai
California Water Service	Greg Milleman and Yvonne Kingman
Golden State Water	Jon Pierotti and Regina Cullado
San Jose Water	John Tang (Presenter)
California American Water	Wes Owens
San Gabriel Valley Water	Joel Reiker
Suburban Water Systems	Bob Kelly
Alco Water	Tom Adcock
Del Oro Water	Janice Hanna (Presenter)
E. Pasadena Water	Lawrence Morales
Bakman Water	Shay Bakman and Terra Brusseau
California Water Association	Jennifer Capitolo, Lori Dolqueist, and Willis Hon

*Great Oaks is unable to attend today and has met with the LIOB Chair prior to the meeting to discuss their plan.

Presentation Overview

1. Overview of California Water Association
2. Background on Water Utility Industry
3. SB 998 & Governor’s Executive Order
4. Class A DRAFT ME&O Plan (John Tang)
5. Class B DRAFT ME&O Plan (Janice Hanna)
6. Questions/Answers

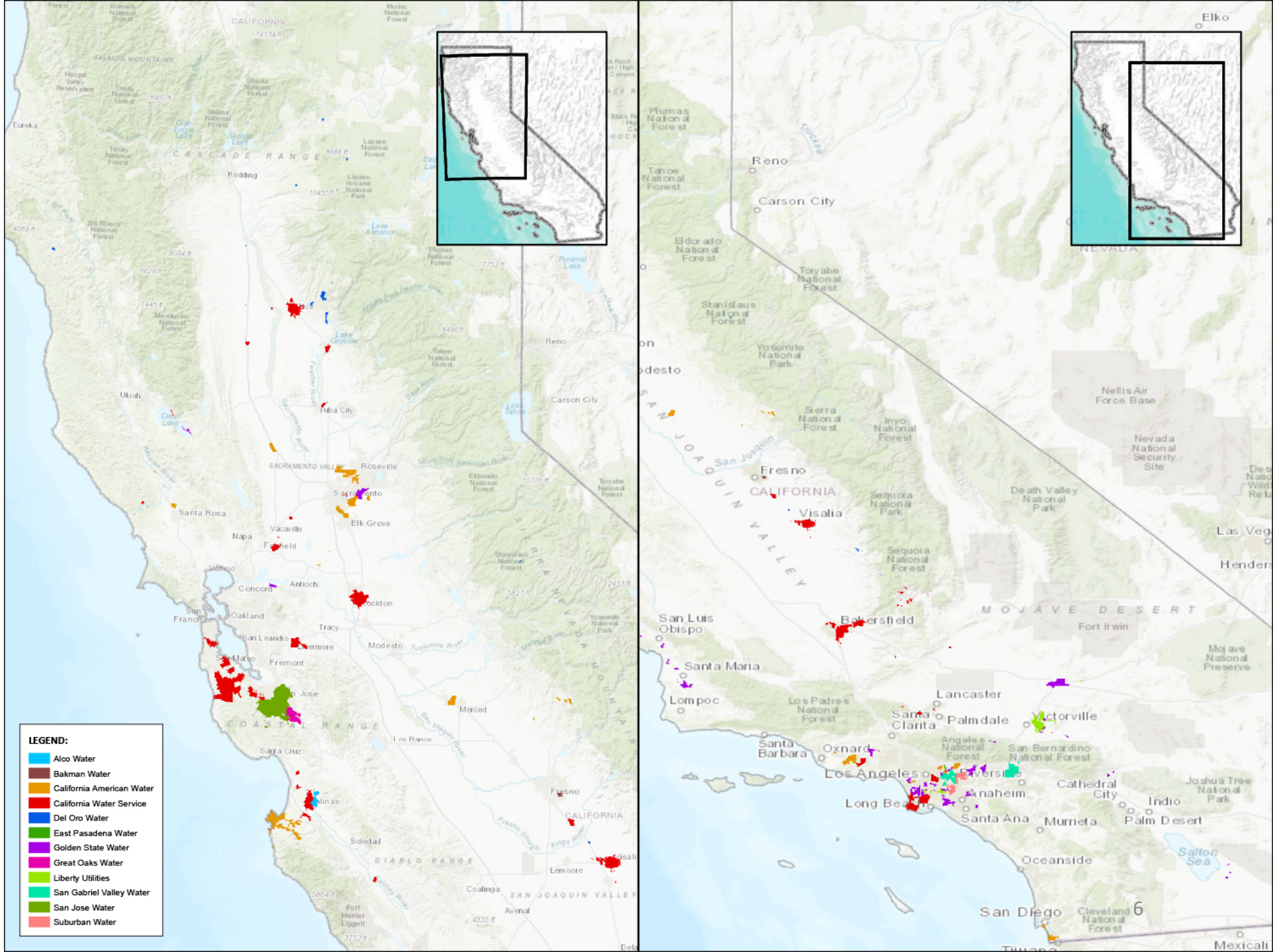
California Water Association

- Statewide association of water utilities regulated by CPUC
- Represents water utilities before CPUC, Legislature, Governor's Office, State Water Resources Control Board, Department of Water Resources, other state agencies, and multiple industry groups (e.g. ACWA, AWWA, CMUA)
- Educates and encourages best practices in water utility industry
- Serves as spokesperson on behalf of regulated water utility industry
- Provides regulatory assistance to small companies

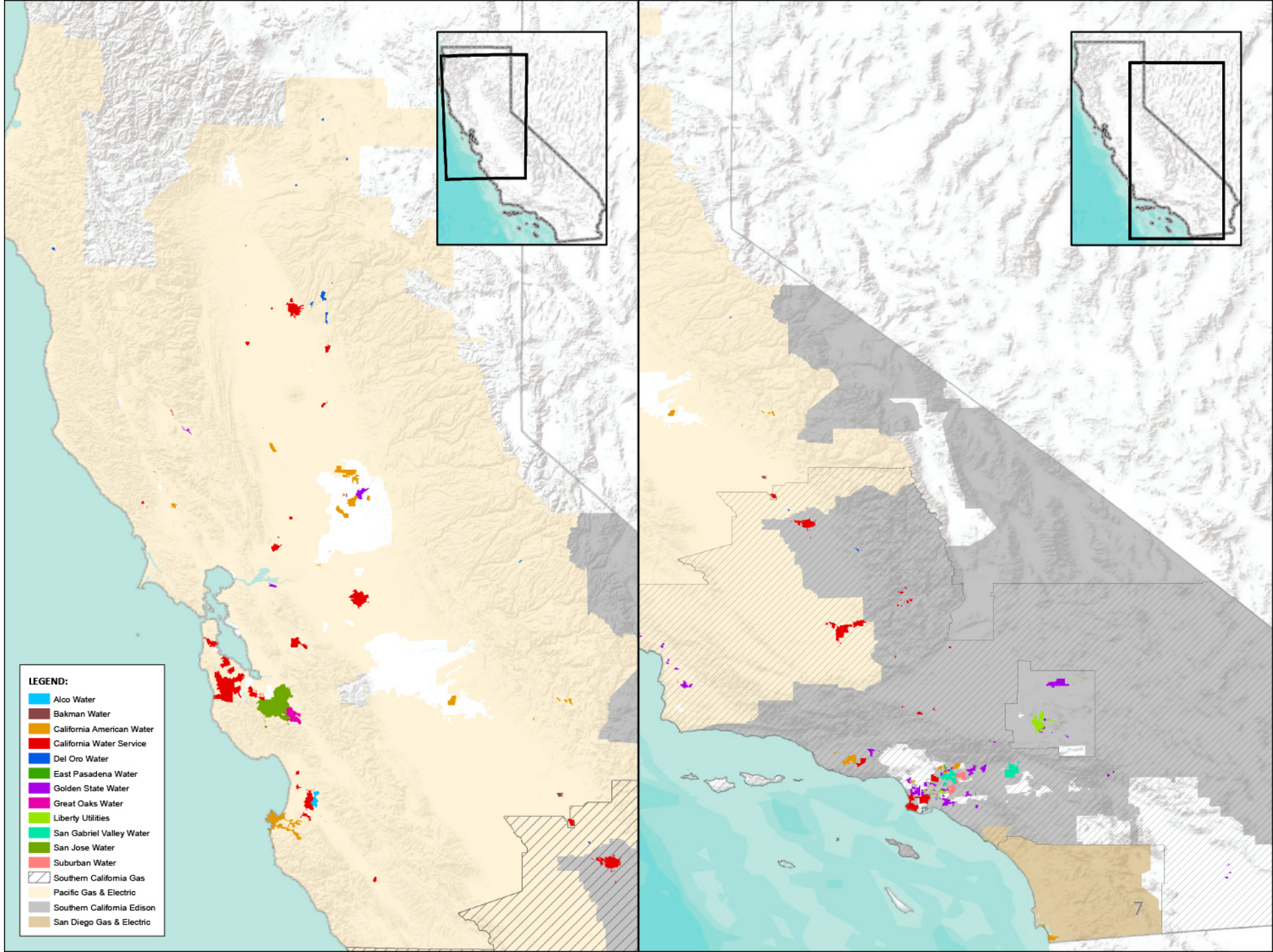
Water Utility Overview

- 91 regulated public water utilities
  - 9 Class A (>10,000 service connections)
  - 4 Class B (9,999 -2,000 service connections)
  - 78 Class C and Class D (13-1,999 service connections)
- 1.5 million connections
- 6 million customers served
- Dually regulated by CPUC and State Water Board

CPUC-Regulated Water Utilities



CPUC-Regulated Energy Utilities with CPUC Water Utilities



Water Utility Programs for Low-Income Customers

- All large (Class A) water utilities offer Customer Assistance Programs (CAP) to assist their low-income customers
- More than 294,000 residential water customers served by CPUC-regulated water utilities are participating in CAP, a 13.9% increase since March
- Water utilities implement ongoing programs to educate customers about CAP and other programs that support low-income customers
- Utility customers in CARE program are enrolled automatically in water utility CAP program through a bi-yearly data exchange program with energy utilities
- Water utilities partner with local businesses to offer community-based 3rd-party payment sites
- Other community based programs include:
  - Operation Gobble
  - Charitable contributions
  - Scholarship programs
  - Employee volunteer events
  - Conservation outreach and education

Residential Customer Water Utility Arrearage Summary

	Customer Enrolled in the Customer Assistance Program (Low Income)				Customers Not Enrolled in the Customer Assistance Program			
	Total Number in Arrearage	Total Amount of Arrearage	Average Arrearage	Median Arrearage	Total Number in Arrearage	Total Amount of Arrearage	Average Arrearage	Median Arrearage
Cal Water	10,411	$2,989,707	$287	$186	14,788	$4,957,349	$332	$201
Golden State	2,361	$725,139	$307	$122	11,428	$5,097,161	$446	$158
San Jose	2,168	$ 1,024,668	$358	$230	6,668	$3,148,223	$ 391	$ 241
Cal American	1,517	$725,572	$478	$275	5,501	$2,943,383	$535	$260
San Gabriel	2,397	$845,877	$352	$235	1,531	$679,230	$388	$240
Suburban	676	$116,324	$172	$87	5,004	$786,638	$157	$55
Liberty (Park)	1,057	$425,057	$402	$297	1,158	$479,675	$414	$291
Liberty (AV)	296	$84,250	$285	$180	1,194	$368,359	$309	$198
Great Oaks	381	$29,626	$77	$59	1,172	$123,425	$105	$85
Alco	Not Applicable	Not Applicable	Not Applicable	Not Applicable	211	$45,014	$213	$-
Del Oro	Not Applicable	Not Applicable	Not Applicable	Not Applicable	181	$24,866	$137	$-
E. Pasadena	Not Applicable	Not Applicable	Not Applicable	Not Applicable	73	$37,497	$514	$-
Bakman	Not Applicable	Not Applicable	Not Applicable	Not Applicable	186	$35,702	$192	$-

*Based on 90+ days past due **Great Oaks and Liberty bill on a bi-monthly basis ***Suburban begins counting days past due 19 days after the bill is mailed.

M-4849 & CPUC-Regulated Water Utilities

- CWA helped facilitate coordinated approach across water utility industry in developing transition plans
- CWA engaged consultant to assist Class A and Class B companies in developing robust, cost-effective, and meaningful ME&O Plan
- There are many other factors to consider for water utilities, including: SB 998, Governor's Executive Order, State Water Board, pending State Legislation and federal funding for ratepayer assistance

California Water Association

SB 998 (Dodd) The Water Shutoff Protection Act of 2018

- In 2018, Governor signed Senate Bill 998 to establish set of customer protections aimed to limit disconnections for non-payment for water service
- Act applies consistently to water agencies regulated by CPUC as well as public agencies, special districts and mutual water companies
- CPUC-regulated water utilities worked proactively with CPUC's Water Division to develop tariffs that incorporate Act's customer protections (tariffs approved March 2020)
- Act establishes minimum waiting periods and stringent notice requirements before residential customer may be disconnected for non-payment

Governor Newsom's Executive Order N-42-20

- Commission Resolution M-4842 and Governor's Executive Order (EO) independently prohibited urban and community water systems from disconnecting certain residential and small business customers for non-payment

- Executive Order and Commission's resolution differ in number of ways; notably, EO does not include express end date, but instead is intended to be in place until lifted in subsequent executive order

- Accordingly, water utilities will not be authorized to discontinue service due to non-payment while EO is in place, regardless of Commission's action

State Water Resources Control Board's COVID Survey

- On January 19, 2021, State Water Board announced results of surveys it has been conducting on COVID-19 financial impact on water systems and their customers
- Survey found California residents owe an estimated $600 million in unpaid drinking water bills
- State Water Board indicated that it "will be exploring all avenues to help systems and households recover from the impacts of this pandemic"

SB 222 (Dodd) & SB 223 (Dodd)

- In current legislative session, California Legislature will be considering two recently introduced bills addressing financial impacts of COVID-19 pandemic on customers
- Senate Bill 222 (Dodd, 2021) would establish Water Affordability Assistance Fund to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California
- Senate Bill 223 (Dodd, 2021) would expand and refine customer protections previously mandated in SB 998, including requiring water utilities to offer prescribed Arrearage Management Program for water utility customers

Federal Stimulus Funding for COVID Impacts

- In December 2020, federal government included $638 million for a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program
- Latest stimulus bill includes another $500 million for this program
- To access federal aid, State must develop a mechanism for distributing funding; CWA is engaged with policymakers to ensure quick and efficient distribution of these funds to California's low-income residents, whether their water providers be public agencies, mutual water companies or CPUC-regulated utilities

Class A Water Utility DRAFT Transition Plan

John Tang, San Jose Water

- CPUC-regulated water utilities are committed to working with all of our customers through transition period

- Given lack of an end date for EO, Class A CPUC-regulated water utilities are currently undertaking several ME&O strategies, including:
  - Reaching out to customers with past-due balances to discuss options, including enrolling customers in CAP programs
  - Offering and encouraging customers to enroll in payment plans

- CPUC-regulated water utilities will implement robust ME&O program, if sufficient time is given before EO is lifted

Class A DRAFT ME&O Comparison Chart: Page 1

California Water Service

525,000 Connections
24% Customers on CAP
21 Districts

- Phone Calls
- Bill Inserts/Onserts
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Emails or Direct Mail
- Website
- Social Media
- News Releases
- Virtual Community Meetings
- Direct Contact at Customer Residence
- Advertising
- CBO Partnerships

*Materials will be translated into multiple languages.

Golden State Water

260,000 Connections
16% Customers on CAP
7 Districts

- Incoming Phone Calls
- Outbound Calls
- Bill Inserts/Mail
- Customer Ambassadors/ Employees
- Email/Direct Mail
- Website
- Social Media
- News Release/Media Advisory
- Customer Portal
- Customer Email/e-Newsletter
- Stakeholder Communications
- CBO Partnerships

*Materials will be translated into multiple languages.

San Jose Water

226,000 Connections
12% Customers on CAP
1 District

- Phone Calls
- Bill Inserts
- Customer Service Talking Points
- Automated Phone Messages
- Office Signage
- Direct Mail
- Website
- Social Media
- Press Releases
- Virtual Community Meetings
- Digital Ad Campaign
- CBO Partnerships

*Materials will be translated into multiple languages.

California American Water

192,000 Connections
12% Customers on CAP
3 Districts

- Phone Calls
- Bill Inserts and Messaging
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Emails or Direct Mail
- Website
- Social Media
- News Releases
- Virtual Community Meetings
- Direct Customer Contact
- Advertising
- CBO Partnerships

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*Percentage of customers enrolled in the Customer Assistance Program based on the total number of residential customers.

Class A DRAFT ME&O Comparison Chart: Page 2

San Gabriel Valley Water

97,000 Connections
55% Customers on CAP
2 Districts

- Phone Calls
- Bill Inserts
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Direct Mail
- Social Media
- News Releases
- Door Hangers
- Advertising
- CBO Partnerships

*Materials will be translated into multiple languages.

Suburban Water Systems

76,000 Connections
13% Customers on CAP
1 District

- Phone Calls
- Bill Inserts
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Emails or Direct Mail
- Website
- Social Media
- News Releases
- Virtual Community Meetings
- Direct Contact at Customer Residence
- Advertising
- CBO Partnerships

*Materials will be translated into multiple languages.

Liberty Utilities

53,000 Connections
20% Customers on CAP
2 Districts

- Phone Calls
- Bill Inserts
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Emails or Direct Mail
- Website
- Social Media
- News Releases
- Virtual Community Meetings
- Direct Contact at Customer Residence
- Advertising
- CBO Partnerships

*Materials will be translated into multiple languages.

Great Oaks Water

22,000 Connections
11% Customers on CAP
1 District

- Telephone Communications
- Bill Inserts
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Email Communications
- Mailed and Posted Notices
- Website Messaging and Alerts
- Bill Language
- Direct Customer Contact
- CBO Partnerships

*Materials will be translated into multiple languages.

Class B Water Utility DRAFT Transition Plan

Janice Hanna, Del Oro Water

- CPUC-regulated water utilities are committed to working with all of our customers through transition period

- Currently, Class B CPUC-regulated water utilities are:
  - Reaching out to customers with past-due balances to discuss options
  - Offering and encouraging customers to enroll in payment plans

- At this time, Class B companies do not offer Customer Assistance Programs, but a statewide Low-Income Assistance Program, as proposed in SB 222, could make program feasible for smaller utilities

- To reduce costs to customers for ME&O campaign, CWA has engaged consultant to assist all four Class B companies, as well as very small Class C and D companies, as necessary

Class B DRAFT ME&O Comparison Chart

Alco Water

9,000 Connections

- Bill Inserts and/or Messages
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Phone Calls
- Emails or Direct Mail
- Direct Contact at Customer Residence
- CBO Partnerships

*Materials will be translated into multiple languages.

Del Oro Water

6,000 Connections

- Bill Inserts and/or Messages
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Phone Calls
- Emails or Direct Mail
- Direct Contact at Customer Residence
- CBO Partnerships

*Materials will be translated into multiple languages.

East Pasadena Water

3,000 Connections

- Bill Inserts and/or Messages
- Customer Service Talking Points and Training
- Automated Phone Message Prompt
- Office Signage
- Phone Calls
- Emails or Direct Mail
- Direct Contact at Customer Residence
- CBO Partnerships

*Materials will be translated into multiple languages.

Bakman Water

2,500 Connections

- Bill Inserts and/or Messages
- Customer Service Talking Points and Training
- Office Signage
- Phone Calls
- Emails or Direct Mail
- Direct Contact at Customer Residence
- CBO Partnerships

*Materials will be translated into multiple languages.

Sample Bill Insert

Emergency Water Bill Relief is About to End

During the coronavirus emergency, [Insert Your Utility] stopped issuing late fees and disconnecting customers for non-payment. **This temporary emergency assistance is ending on [insert date].**

We Want to Help

If you are struggling to pay your water bill because of the coronavirus emergency, please contact us to discuss how we can help.

Bill Management Programs

Customers are responsible for paying past-due water bills. We can work with you to resolve unpaid bills and help make sure your water service continues.

Conservation Can Make a Difference

Taking simple steps to conserve water can add up to big savings that could save you money on your water bill. Here are two easy steps to reduce your water use:

- **Find and fix household leaks:** Those little drips can add up quick. Fix dripping faucets and showerheads, and leaking or running toilets to save every drop.
- **Use less water in your yard:** Reduce sprinkler run times by two minutes, and make sure sprinklers water your yard and not the sidewalk.

We value our customers and community. To find out how we can help your family, contact our Customer Service team at [insert your contact information].

[Insert logo and contact information]

Sample Flyer

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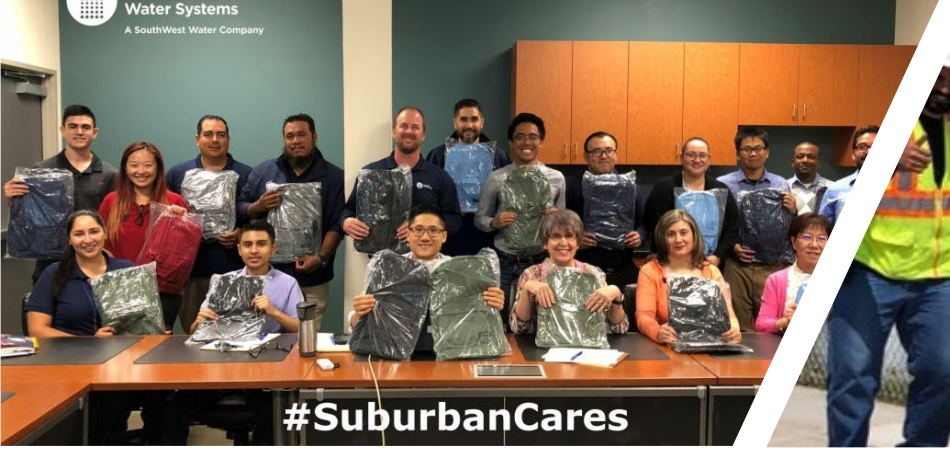
Water Systems
A SouthWest Water Company
#SuburbanCares

Merced Career

Q&A

Rebuilding Together
Silicon Valley
2019