

The Department of Public Utilities and Capital Projects

City of Petersburg VIRGINIA



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Water Billing



***Facts,
Disconnected Accounts,
and
Recommendations***

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History



The City of Petersburg **has not disconnected** any water customers since **January 31, 2020**, which was **58 days prior to the Governor Northam's shelter in place order issued on March 30, 2020.**

The City of Petersburg currently has **3,210 delinquent accounts**, those **exceeding 90 days past due** which represent **\$3,249,791 in uncollected revenue.**

We continue to be very sensitive to the needs of our community during this pandemic and suspended our disconnection process.

History cont.



During the period of December 2015 to October 2016 the City of Petersburg **ceased** all delinquent disconnections, to include charging late fees and penalties.

By 2017, the City was determined to reduce the large number of delinquencies and began initiating a more aggressive disconnection plan for individuals that were well **over 90** days in delinquency status and had accumulated over **\$2,000** in debt from Utility Services.

History cont.



With the large volume of customers in this category a phased approach was implemented. Since 2017, the city has suspended **2,361** customers water services. This process resulted in many individuals working with the City to re-establish services though full payments and/or payment plans.

This process was crucial as the City is only a conduit to providing water, sewer and trash services. Each are purchased from other organizations by the City.

This also helped to address the previous deficits within the utility fund that had accumulated due to a decrease in payments and revenues collections.

Statistics



- a. There are approximately **12,850** active service addresses (individual property addresses).
- b. There are approximately **539** stormwater accounts.
- c. It has been determined that the **3,210** Delinquent accounts (**over 90 days late**) amounts to approximately **\$3,249,791**.
- d. The City purchases water wholesale from Appomattox River Water Authority (ARWA) at **\$97.60** per 100,000 gallons. Which equates to approximately **\$400,000** quarterly.
- e. During the period of July 1, 2019 to January 31, 2020, the City suspended water services at **731** individual property addresses. Since that time, the City has **not** initiated or executed any Delinquent disconnections.

Statistics cont.



- f. **320** customers reconnected services by submitting payment of delinquent balances.
- g. **147** customers started new services at the same property addresses that services were once suspended.
- h. **264** property addresses do not have a record reflecting reconnection or establishing a new service.
- i. The City's Utility Fund was budgeted at **\$14,722,754** in FY 20.
- g. The City charges a reconnection fee of **\$50.00** to each account that needs services restored.



- The City visited **264** addresses to verify the status of water services and conducted an Internal System Audit on the disconnected property addresses which we did not have a record reflecting reconnection or establishing a new service. Below are our findings:
 - **138** – water services are “On”
 - **46** – water services are “Off”
 - **78** – vacant properties
 - **2** – empty meter boxes

The City will continue to execute quarterly system audits to compare accuracy of customers’ accounts and field work.

Facts



- As standard practice, the Department of Social Services **does not** provide assistance with water services. Their Assistance programs are primarily focused on heating and cooling. However, consideration for assistance with water services are provided for citizens that are under the care of Social Services.

- Process for Disconnections:
 - The Office of Billing and Collections would generate a report in BAI (*the City's Financial Management System*) of delinquent accounts due to non-payment and/or broken payment agreement.

 - The Office of Billing and Collections would generate a work order to have services disconnected and the account status (BAI) would be changed from Active to Inactive.

 - The Public Utilities Department would receive the work order from the Billing and Collections and the customers' services would be disconnected.

Facts cont.



- Process for Reconnecting Services after Disconnection of Service:
 - The Office of Billing and Collections would receive a request to reactivate services from the customer.
 - The Customer would have to pay all delinquent balances and pay a new deposit to have services reconnected.
 - The Office of Billing and Collections would generate a work order to have the services reconnected and the account status would be changed from Inactive to Active.
 - The Public Utilities Department would receive the work order from Billing and Collections then the customers' services would be reconnected.

Recommendation



1. City Council temporarily suspend Section **114.150** of the City Code and adopt an Ordinance. This Ordinance will allow the City to establish and implement a process to re-establish services for customers that were previously suspended to remain in effective until the dissolution of the Executive Order by Governor Northam.

Recommendations cont.



2. City Council approves **one** of the below four options:

- a. **50%** of the delinquent amount paid and a payment agreement must be signed when the request to reconnect service has been requested. **50%** of the outstanding delinquent amount must be paid within 6 months in addition to the current utility bill.

Failure to comply with the payment terms will result in the disconnection of services at the dissolution of the Executive Order by Governor Northam.

- b. **25%** of the delinquent amount paid and a payment agreement must be signed when the request to reconnect service has been requested. **75%** of the outstanding delinquent amount must be paid within 6 months in addition to the current utility bill.

Failure to comply with the payment terms will result in the disconnection of services at the dissolution of the Executive Order by Governor Northam.

Recommendations cont.



- c. **0%** - reconnect water services for delinquent customer without deposit or reconnection fees. Services Connected with no payment agreement for the past due amount. City would be re-connecting services for accounts with delinquent balance with no option to collect on the delinquent balance.

If this option is chosen, numerous customers could decide not to submit payment for services. Although, highly unlikely; this is an option that must be explored. This could result in the collapse of the Utility Fund as the City would not be allowed to disconnect due to non-payment.

- d. Continue operating as we were, without initiating or executing any delinquent account disconnections.

Recommendations cont.



3. The City is not legally required to comply with the State Corporation Commission (SCC) Order 2020-3-16, moratorium on shut-offs. However, the City of Petersburg has chosen to extend a courtesy of temporarily suspending water service disconnected; as being implemented in other localities.

Plan Of Action (upon Council Approval)



- Public notification of the Delinquent Reconnection Plan.

- Send out letters to the customers in violation of Virginia Code §18.2-163. *Tampering with metering device; diverting service; civil liability. Which states the following:*
 - A. Any person who (i) tampers with any metering device incident to the facilities set forth in § 18.2-162, or otherwise intentionally prevents such a metering device from properly registering the degree, amount or quantity of service supplied, or (ii) diverts such service, except telephonic or electronic extension service not owned or controlled by any such company without authorization from the owner of the facility furnishing the service to the public, shall be guilty of a Class 1 misdemeanor. (.....)



- Customers in violation of Virginia Code §18.2-163. *Tampering with metering device; diverting service; civil liability;* will also have door tags placed at service address. This is to provide additional communication to the customer of the process to schedule an appointment to resolve their account.

Plan Of Action (upon Council Approval) cont.



- For all customers that are **not** in violation of Virginia Code §18.2-163. *Tampering with metering device; diverting service; civil liability:*
 - A contact phone line and email will be established which will be manned by City personnel at the City Hall Annex Building. This customer contact line and email will be open for two weeks beginning this month during the hours of **9:30 am – 3:30 pm**.
 - Customers will contact the City to inform representatives that they do not have water services.
 - The customers' information will be verified, payment terms will be established, and guidelines will be provided to the customer as to what are the next steps in the process.
 - Utilities staff will make a site visit to determine the needs to install a meter and reconnect services.

Questions

