



Memorandum

TO: CITY COUNCIL

FROM: Councilmember Sylvia Arenas
Councilmember Raul Peralez

SUBJECT: SEE BELOW

DATE: 11/12/2021

Approved

Date 11/12/2021

SUBJECT: MUNICIPAL WATER BILLING AND CUSTOMER SERVICE AUDIT REPORT

RECOMMENDATION

1. Direct the City Manager to develop a robust Low Income Household Water Assistance Program that is optimized to provide maximum relief to our hardest hit communities to the full extent possible by current state law, including, but not limited to:
 - a. Make the Low Income or Vulnerable designations form multilingual and available on Muni Water's homepage to submit (virtually, through mail, or in person) prior to Notice of Public Hearing for Proposed Rate Increases
 - b. Ensure all notices sent to customers are multilingual, including information about available financial assistance programs.
 - c. Utilize Customer Contact Center to inform customers of, not only alternative payment plans, but available financial assistance programs
 - d. Create a process to enroll Muni Water customers into the Low Income Household Water Assistance program for existing customers in San Jose Clean Energy's Low-Income Home Energy Assistance Program, San Jose's rental relief program, and – if possible -- PG&E's low-income program.
 - e. Utilize effective means of direct communication, including exploring the use of multilingual texting as part of outreach for Muni Water's low-income program, including potentially utilizing texting systems outside of what is currently procured or available to Muni Water.
 - f. Utilize libraries in Muni Water's service area as satellite offices for Low Income Household Water Assistance Program enrollment, as well as existing rental assistance program locations currently serving Muni Water families, and explore any other opportunity to use existing resources to lower the burden on families to make it easier to join the Low Income Household Water Assistance Program.

- g. Before water shutoffs physically occur in any Muni Water zone, ensure that the Low Income Household Water Assistance Program enrollment is a reasonable ratio for census data of low income families in that zone.
 2. Update the Council on progress toward federal utility debt relief funding in a report to Council before the beginning of the next budget cycle and direct the City Manager to build anticipated federal relief into 2022-2023 Water Rate planning.
 3. Direct the City Manager to return to Council with updates on plans to quickly build out a Low Income Household Water Assistance Program, as well as plans to substantially upgrade the online payment and customer platform for Muni Water Customers in line with Recommendation 6 in the City Auditor's Report.

BACKGROUND

San Jose's Municipal Water System provides a high quality of service at affordable rates for 26,000 rate payers in Evergreen, Edenvale, parts of East San Jose, Coyote Valley, North San Jose, and Alviso. Muni Water consistently provides services that meet our community's highest expectation and at rates that are consistently among the lowest in our region. It is a gem.

However, as a City, we have under-resourced efforts to modernize the service, and we have failed to provide the full support of our city government to Muni Water customers. With the moratorium on water shutoffs ending on December 31, 2021 and Valley Water's projected 10% rate increase over the next 10 years, communities hardest hit by the pandemic will ultimately pay the price as they face potential water shutoffs, on top of struggling to pay rent and keep a roof over their heads.

The Municipal Water Billing and Customer Service Audit Report demonstrated that we must take every step possible to ensure that our low-income residents and communities hardest hit by the pandemic are being prioritized and advocated for before they have to face any additional burdens prior to any water shutoffs or rate increases. For example, there are currently **zero** Muni Water customers that are enrolled under Low Income and Vulnerable designations -- due to the difficult process to apply to the hard to access and English-only form. This has resulted in low-income households and immigrant families missing out on relief options that they were not informed of.

In order to ensure that low-income families avoid water shutoffs to the greatest extent possible, we must develop a robust Low Income Household Water Assistance Program that is optimized to provide maximum relief to our hardest hit communities including, but not limited to, ensuring that all language translations are consistent on crucial notices and forms, leveraging the City's existing efforts (San Jose Clean Energy's Low-Income Home Energy Assistance Program, San Jose's Rental Relief Program, etc.) to enroll customers into the Low Income Household Water Assistance program, and more. With upcoming federal and state funding, financial assistance is anticipated to become available to low-income families in the upcoming months.

The pandemic has resulted in low-income households facing unaffordable rent, water, and utility bills. Now more than ever, it is vital that we alleviate their financial burdens by filling the gaps currently in our Municipal Water System so that our communities hardest hit by the pandemic are aware of all options and financial assistance relief available to them. The last thing on their

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minds should be the threat of their water being shutoff and the fear of whether they could afford to provide drinking water and showers for their children and families.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.