

**CITIZENS' WATER ADVISORY COMMITTEE
(CWAC)
Finance Subcommittee**



Thursday, January 21, 2021 2:00 p.m.

Virtual Meeting via MS Teams

Legal Action Report and Meeting Minutes

1. Roll Call

The meeting was called to order by Finance Subcommittee Chair Steven Washburn at 2:00 p.m. Those present and absent were:

Members Present:

Steven Washburn, Chair	Representative, City Manager
Mark Stratton	Representative, City Manager
Mark Taylor	Representative, City Manager
Rory Juneman	Representative, City Manager
George White	Representative, Ward 4

Members Absent:

2. Announcements – Member Taylor shared he would be leaving the meeting early, about 3:45 p.m.

3. Call to Audience – None

4. Review of December 17, 2020, Legal Action Report and Meeting Minutes – Member Stratton moved to approve the minutes; Member White seconded the motion. The Minutes and Legal Action Report were approved by a voice vote of 5-0.

5. Delinquency Process Update –The item was reviewed by Karen Tenace and Raftelis. Those items discussed were:

- Continued discussion from 9/17/2020 & 11/19/2020 meetings
- Brief Review
 - Policy Considerations & Discussion Item
 - Designing a process that balances the need to:
 - Collect on the amount due from ratepayers to sustain utility operations
 - Provide a fair and equitable process for those in delinquency status
 - Leverage leading practice during configuration of a new system
 - Review of the current status
 - Policy Process Considerations
 - Should Tucson Water customers be notified sooner regarding delinquency status
 - What should that notification look like, and when should it

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- occur?
- Should delinquency thresholds be charged?
- Should penalties be a flat fee or a % of the balance due?
- Staff Recommendation Version 2
 - The customer is notified early and often regarding the potential of late fees and service charges associated with delinquent accounts.
 - All communications include options for assistance (e.g., Low-Income Program and Payment Plans).
 - The utility leverages the new CIS (Customer Information System) to send *electronic* communications to customers regarding past due balances.
 - Late fees apply to all delinquent accounts on a % basis in lieu of the flat fee. No minimum threshold applies.
 - A minimum threshold does apply before the utility rolls a truck to turn off an account.
 - The Tucson Code and policy build flexibility to adjust the timing of the turn-offs as needed (e.g., COVID, heat advisory).
- Late Fees and Methodologies
 - Per Raftelis (rate consultant), there is little guidance on how late fees should be determined.
 - 2018 AMWA Insights Survey (Raftelis)
 - Late Fee %'s range from .5% to 15%
 - The majority of utilities are between 1% and 5%
 - Some utilities use .7671% / 28-day cycle (10% annual rate) which generally ties to state statutes (ARS 44-1201)

6. Future Agenda Items and Meeting Times –

7. **Adjournment** – The meeting adjourned at 2:44 p.m.