

**CITY OF SAN ANTONIO
Finance Department
Interdepartmental Correspondence**

TO: Mayor and City Council

FROM: Ben Gorzell Jr., CPA, Public Utilities Supervisor and Stacey L. Isenberg, CPA, Interim Chief Financial Officer/Corporate Support Director, San Antonio Water System

THROUGH: J. Rolando Bono, Interim City Manager

COPIES: Melissa Byrne Vossmer, Assistant City Manager; Milo Nitschke, Director, Finance Department; Andrew Martin, City Attorney; Dennis Campa, Director Of Community Initiatives; File

SUBJECT: Proposed Ordinance Amending Chapter 34 of the City Code Allowing Qualified Disabled Citizens an Extended Period of Time Prior to the Imposition of a Penalty for Late Payment for Services Provided by the San Antonio Water System

DATE: October 14, 2004

SUMMARY AND RECOMMENDATION

This ordinance will amend Chapter 34 of the City Code allowing qualified disabled residential customers, who receive Federal Supplemental Security Income (SSI), an additional ten (10) days to make payment prior to the imposition of a penalty for late payment.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

In the 75th Texas Legislative Session, the Texas Legislature passed legislation that required electric, gas, water, or telephone utilities to delay without penalty the payment date of a bill until the 25th day after the date the bill is issued for all citizens sixty (60) years of age or older. This law became effective September 1, 1997.

Currently, Chapter 34 of the City Code establishes a late payment penalty in the amount of five (5) percent of the net charges for a specific month's bill. This penalty is added to the current charges owing if full payment for such charges is not made to the system on or before fifteen (15) days from the date of the mailing of the bill. Currently, this penalty provision does not apply to residential customers classified as senior citizens which are customers sixty (60) years of age or older.

A request was submitted to the SAWS' Board of Trustees to consider that disabled citizens also be extended the additional time to make payment before a late payment penalty would be applied. There are disabled citizens in the City of San Antonio who are receiving Supplemental Security Income (SSI) benefits from the Federal Government and the timing of receipt of these benefits is generally on the 1st of every month. Depending on a customer's billing cycle and individual circumstances, the timing on the receipt of their benefits at the beginning of the month may make it difficult to meet SAWS' billing due dates. These same timing conditions exist for

many senior citizens on a fixed income and as such resulted in the additional time currently being provided for seniors to make payment.

Supplemental Security Income (SSI) is a Federal income supplement program funded by general tax revenues (not Social Security taxes). It is a monthly cash benefit for citizens who are age 65 or older, or blind, or have a disability and have little or no income. It provides cash to meet basic needs for food, clothing and shelter.

To assist the customer in better matching the receipt of their SSI benefit and the payment of utility bills, SAWS proposes an amendment to Chapter 34 of the City Code that will allow an extension of an additional ten (10) days for a total of twenty-five (25) days to qualifying disabled residential customers. This extension will provide an extension of time for qualifying disabled citizens to pay their SAWS utility bill thereby decreasing the possibility that qualified disabled customers would be subject to a penalty for late payment due to the timing on the receipt of their SSI benefit.

In an effort to make the registration process as easy as possible for citizens, SAWS will work with the local Social Security Administration (SSA) office. In order to apply for the payment extension, a disabled citizen must submit a completed application, which will be provided by SAWS, along with proof of receipt of SSI benefits. If the customer cannot locate proof of SSI benefits, a "Consent for Release of Information" form will be provided by SAWS. This form will enable SAWS to request verification of SSI benefits from the Social Security Administration, on behalf of the applicant. Once SSA verifies that the individual receives SSI benefits, the administration will send the verified form back to SAWS. SAWS will then verify that the applicant is the primary utility account holder, and the registration process will be complete. All participants will be re-certified on an annual basis.

Additionally, on March 1, 2004, City Public Service (CPS) implemented a similar payment extension program for disabled customers who receive SSI benefits. Working together, SAWS and CPS will allow qualifying citizens to register at one of the utilities yet take advantage of the extension for both utilities as long as the customer is the primary account holder.

FISCAL IMPACT

CPS has a current enrollment of 139 customers since the program was implemented on March 1st. If SAWS sees similar enrollment numbers, the total estimated revenue loss for the first year of implementation would be approximately \$600.

SUPPLEMENTARY COMMENTS

The disclosure requirements of the City's Ethics Ordinance are not applicable. The SAWS Board of Trustees approved this amendment on August 17, 2004.

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COORDINATION

This item has been coordinated with the local Social Security Administration office, the Department of Community Initiatives, the City Attorney's Office and City Public Service.

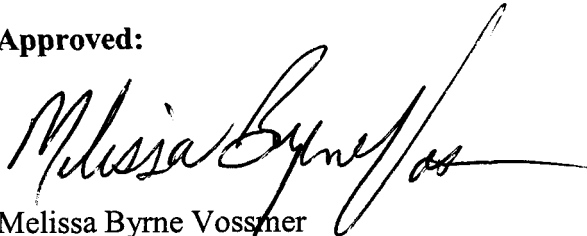


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