Drinking Water Arrearage Survey Results

September 16, 2021

Division of Drinking Water
Needs Analysis Unit
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<tbody>
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2. Estimating Arrearages for Non-Responders (Slide 52)

3. Program Funding Allocation (Slide 63)
About the Drinking Water Arrearage Survey

• In July 2021 the State Water Board received $985 million for a Water and Wastewater Arrearage Payment Program.
  • The Program prioritizes meeting drinking water arrearage needs first, followed by wastewater if sufficient funds are available.

• Legislation required the State Water Board to survey community water systems (CWSs) to determine statewide arrearage needs and use this information to determine an allocation formula.

• The State Water Board launched the Drinking Water Arrearage Survey on August 11, 2021 to collect this information.
Drinking Water Arrearage Survey Outreach

• Open to **2,871 (44)** Community Water Systems for **30 days**.

• State Water Board emailed CWS contacts 6 times about the survey through listserv and hosted 3 informational webinars and 1 Q&A session.

• Direct outreach to systems was conducted by:
  • 2 DDW Arrearage Units & All District Staff
  • LPA Staff
  • 3 Technical Assistance Organizations

• Approximately **2,504 (87%)** systems contacted directly (phone or email). Not 100% because staff did not reach out to systems that had completed survey or systems that don’t charge for water.
Drinking Water Arrearage Survey Technical Assistance

• The State Water Board approved a total of 93 technical assistance requests (28 were received 9/7 through 9/10).

• Of the 93 technical assistance requests, 88 (95%) had surveys submitted by the deadline.

• There were 5 that unfortunately did not submit the survey. Of the five systems that didn’t submit, only 1 system charges for water.
Summary of Drinking Water Arrearage Survey Results

**PARTICIPATION**
- CWS Completed Survey: 2,293 out of 2,844 (80.62%)
- CWS Completed Survey that Charge for Water: 1,845 out of 2,128 (86.70%)
- CWS Non-Responders that Charge for Water: 283 out of 2,128 (13.30%)

**ARRERAGES**
- Total Reported Arrearages: $315,400,661
- Total Reported Late Fees: $16,009,161
- Estimated Arrearages for Non-Responders: $8,320,000
- Total Estimated Need with Admin Costs (late fees excluded): $333,186,952
Drinking Water Arrearage Survey Analysis

For the purpose of the analysis, there were a handful of survey responders and non-responders that DDW staff are reaching out to in order to address data inconsistencies.

- 10 systems responded to the survey and were excluded from the analysis due to data inconsistencies.

- 11 systems did not respond to the survey, but may be included in future analysis after outreach concludes.
1. SURVEY RESULTS FROM REPORTERS
Contents

• Survey Participation (Slide 11)

• Reported Accounts in Arrears (Slide 17)

• Reported Arrearages – Excluding Late Fees (Slide 23)

• Reported Arrearages – Including Late Fees (Slide 28)

• Payment Plans & Shut-Off Protection (Slide 33)

• Available Documentation & Arrearage Reporting Information (Slide 37)

• Reported Revenue Loss (Slide 48)
Survey Participation
Survey Completion: CWSs that Charge for Water

- **Charges for Water**: 74.8% (2,128 CWSs)
- **Does Not Charge for Water**: 23.8% (676 CWSs)
- **Unknown**: 1.4% (40 CWSs)

- **Responded to Survey**: 86.7% (1,845 CWSs)
- **Non-Responders**: 13.3% (283 CWSs)

**Total CWSs**: 2,844

**2,128 CWSs that Charge for Water**
Survey Completion: Population of CWSs that Charge for Water

Responded to Survey
97.5%
38.3 million people

Non-Responders
2.5%
1.0 million people

2,128 CWSs that Charge for Water
CWSs (that charge for water) Survey Responders by Population Served

Population Served in Millions

- **10,001+**: 31.9 Responded to Survey, 0.5 Non-Responders
- **3,301 - 10,000**: 3.9 Responded to Survey, 0.2 Non-Responders
- **501 - 3,300**: 1.8 Responded to Survey, 0.1 Non-Responders
- **0 - 500**: 0.7 Responded to Survey, 0.1 Non-Responders

Systems by Number of Service Connections
Approximately 45 community water systems are not included due to insufficient location data.
Survey Responders that Charge for Water: Number of Aggregated Survey Responses

Responders 86.7% 1,845 CWSs

Non-Responders 13.3% 283 CWSs

Aggregated Responses:
• 36 responses
• 8 average aggregate
• 58 CWS maximum reported aggregated response

Non-Aggregated 73% 1,809 CWSs

Aggregated 14% 295 CWSs
Reported Accounts in Arrears
Survey Responders that Charge for Water & Reported Arrearages

- Responders: 87% (1,845 CWSs)
  - Non-Responders: 13% (283 CWSs)

- Arrearages: 50% (921 CWSs)
  - No Arrearages: 50% (924 CWSs)
Survey Responders that Charge for Water & Reported Arrearages

- **Systems with Arrearages**
- **Systems without Arrearages**
- **Non-Responders**

Systems by Number of Service Connections:

- **10,001+**:
  - Systems with Arrearages: 9
  - Systems without Arrearages: 8
  - Non-Responders: 207

- **3,301 - 10,000**:
  - Systems with Arrearages: 15
  - Systems without Arrearages: 13
  - Non-Responders: 152

- **501 - 3,300**:
  - Systems with Arrearages: 113
  - Systems without Arrearages: 29
  - Non-Responders: 238

- **0 - 500**:
  - Systems with Arrearages: 324
  - Systems without Arrearages: 787
  - Non-Responders: 233
Approximately 45 community water systems are not included due to insufficient location data.
## Reported Residential Accounts in Arrears

### Total Residential Accounts

- **Total Residential Accounts with Arrears:** 648,123 (28%)
- **Total Reported Residential Accounts Without Arrears:** 1,655,999 (72%)

### Systems by Number of Service Connections

<table>
<thead>
<tr>
<th>Service Connections</th>
<th>Residential Accounts with Arrears</th>
<th>Residential Accounts with No Arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>478,792 (30%)</td>
<td></td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>229,051 (74%)</td>
<td>80,108 (26%)</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>226,251 (73%)</td>
<td>82,354 (27%)</td>
</tr>
<tr>
<td>0 - 500</td>
<td>101,616 (94%)</td>
<td>6,869 (6%)</td>
</tr>
</tbody>
</table>
Reported **Commercial** Accounts in Arrears

**Total Commercial Accounts with Arrears:** 45,755 (22%)

**Total Reported Commercial Accounts Without Arrears:** 159,341 (78%)

Systems by Number of Service Connections

- **10,001+**
  - Commercial Accounts in Arrears: 34,415 (29%)
  - Commercial Accounts with No Arrears: 0

- **3,301 - 10,000**
  - Commercial Accounts in Arrears: 22,054 (84%)
  - Commercial Accounts with No Arrears: 4,186 (16%)

- **501 - 3,300**
  - Commercial Accounts in Arrears: 44,429 (87%)
  - Commercial Accounts with No Arrears: 6,571 (13%)

- **0 - 500**
  - Commercial Accounts in Arrears: 8,111 (93%)
  - Commercial Accounts with No Arrears: 583 (7%)
Reported Arrearages Excluding Late Fees
Survey Responders that Charge for Water:
Total Residential & Commercial Arrearages (late fees excluded)

Commercial:
$42,817,626 (14%)
45,755 (7%) Accounts in Arrears

Residential:
$272,583,036 (86%)
648,123 (8%) Accounts in Arrears

Total:
$315,400,661
693,878 Accounts
Survey Responders that Charge for Water:
Total Residential & Commercial Arrearages Reported by System Size
(late fees excluded)

- **Total Residential**: $272,583,036
- **Total Commercial**: $42,817,626

### Systems by Number of Service Connections

- **10,001+**
  - Residential: $20,399,496
  - Commercial: $8,146,286

- **3,001 - 10,000**
  - Residential: $2,440,823

- **501 - 3,300**
  - Commercial: $2,440,823

- **0 - 500**
  - Residential: $20,399,496

- **Aggregated Reporters**: $47,028,081

- **Total Residential**: $237,385,975
- **Total Commercial**: $50,000,000
- **Total Reported Arrearages**: $300,493,975

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California Water Boards
Average Total Arrearage per Account for Reporters

Average Reported Arrearages per Account

- 10,001+: $521
- 3,301 - 10,000: $261
- 501 - 3,300: $290
- 0 - 500: $373
- Aggregated Reporters: $374

Systems by Number of Service Connections
Survey Responders that Charge for Water:
Total Residential & Commercial Accounts with Arrearages Over/Under $600 by Number of Service Connections (late fees excluded)

- Total Residential & Commercial Accounts: 513,207
- Accounts with Arrears Under $600: 394,454
- Accounts with Arrears Over $600: 118,753

Systems by Number of Service Connections:
- 10,001+: Total: 513,207
- 3,301 - 10,000: Total: 84,294
- 501 - 3,300: Total: 88,925
- 0 - 500: Total: 7,452

- Total Over $600: 148,767
- Total Under $600: 545,111
Survey Responders that Charge for Water:
Total Residential & Commercial Arrearages Over/Under $600 by Number of Service Connections (late fees excluded)

Total Arrears Under $600: $20.4
Total Arrears Over $600: $8.2
Total $2.5
Total Over $600: $214,022,370
Total Under $600: $101,378,291
Reported Arrearages Including Late Fees
Survey Responders:
Total Residential & Commercial Arrearages (late fees included)

Total: $331,410,362
359,420 Accounts

- Residential: $285,591,366 (86%)
  648,123 (8%) Accounts in Arrears
- Commercial: $45,818,996 (14%)
  45,755 (7%) Accounts in Arrears

Residential Late Fees: 4%
Commercial Late Fees: 1%
Residential Arrears: 82%
Commercial Arrears: 13%
Survey Responders:
Total Residential & Commercial Arrearages with Late Fees

- **Total Residential Arrearages**: $272,583,036
- **Total Residential Late Fees**: $13,008,330
- **Total Commercial Arrearages**: $42,817,626
- **Total Commercial Late Fees**: $3,001,371
Survey Responders: Proportion of Total Residential & Commercial Late Fees to Reported Arrearages

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>Proportion of Late Fees to Reported Arrearages</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>2.44%</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>16.36%</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>12.34%</td>
</tr>
<tr>
<td>0 - 500</td>
<td>10.58%</td>
</tr>
<tr>
<td>Aggregated Reporters</td>
<td>11.82%</td>
</tr>
</tbody>
</table>

California Water Boards
### Survey Responders:
#### Proportion Range of Total Late Fees to Reported Arrearages

<table>
<thead>
<tr>
<th>Avg. Late Fee</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.30%</td>
<td>0.3 – 2,812.50%</td>
</tr>
<tr>
<td><strong>After filtering out over 100%</strong></td>
<td></td>
</tr>
<tr>
<td>25.55%</td>
<td>0.3 - 100%</td>
</tr>
</tbody>
</table>
Payment Plans & Shut-Off Protection
Survey Responders that Charge for Water & Reported Arrearages:
Number of Systems that Offer Residential Payment Plans

- 201 (97%) systems do not offer residential payment plans.
- 34 (2%) systems offer residential payment plans.

Bar chart showing the number of systems by the number of service connections:
- 6 systems with 10,001+ service connections.
- 2 systems with 3,301 - 10,000 service connections.
- 13 systems with 501 - 3,300 service connections.
- 291 systems with 0 - 500 service connections.
Survey Responders that Charge for Water & Reported Arrearages: Number of Systems that Offer Commercial Payment Plans

<table>
<thead>
<tr>
<th>Systems that Don't Offer Commercial Payment Plans</th>
<th>Systems that Offer Commercial Payment Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 500</td>
<td>136 (95%)</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>146 (88%)</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>9 (93%)</td>
</tr>
<tr>
<td>10,001+</td>
<td>12 (94%)</td>
</tr>
</tbody>
</table>

Systems by Number of Service Connections

CWSs that Charge for Water

- 192 (94%)
- 119 (93%)
- 146 (88%)
- 136 (95%)
### Survey Responders that Charge for Water & Reported Arrearages:

Number of Systems that **Extended Shut-Off Protection to Additional Commercial Customers**

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>Systems that Extended Shut-Off Protection</th>
<th>Systems that Did Not Extend Shut-Off Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>200 (98%)</td>
<td></td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>124 (97%)</td>
<td></td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>150 (91%)</td>
<td></td>
</tr>
<tr>
<td>0 - 500</td>
<td>141 (98%)</td>
<td></td>
</tr>
</tbody>
</table>

- CWSs that Charge for Water
- Systems by Number of Service Connections
Available Documentation & Arrearage Reporting Information
Survey Responders: The Types of Residential Accounting Systems Used by Water Systems with Arrears

- **Electronic Database**
- **Spreadsheet**
- **Paper Files**
- **No System**

The graph shows the number of water systems (CWSs) that charge for water by number of service connections, categorized as:

- **10,001+**
- **3,301 - 10,000**
- **501 - 3,300**
- **0 - 500**

The numbers of systems using different accounting methods are indicated by the bars on the graph.
Survey Responders: The Types of Commercial Accounting Systems Used by Water Systems with Arrears

- **Electronic Database**
- **Spreadsheet**
- **Paper Files**
- **No System**

Systems by Number of Service Connections:
- 10,001+: 8 systems
- 3,301 - 10,000: 4 systems
- 501 - 3,300: 3 systems
- 0 - 500: 6 systems
Survey Responders: Systems that Charge for Other Services on Residential Bills

<table>
<thead>
<tr>
<th>Number of Service Connections</th>
<th>Systems that DON’T have Other charges on their bills</th>
<th>Systems that can Distinguish Drinking Water Arrears</th>
<th>Systems that Cannot</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>27</td>
<td>87</td>
<td>77</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>22</td>
<td>55</td>
<td>74</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>16</td>
<td>70</td>
<td>211</td>
</tr>
<tr>
<td>0 - 500</td>
<td>10</td>
<td>46</td>
<td>955</td>
</tr>
</tbody>
</table>
Survey Responders: Systems that Charge for Other Services on **Commercial** Bills

- **Systems that DO have Other Charges on their Bills**
- **Systems that DON’T have Other charges on their bills**

The diagram shows the number of CWSs that charge for water and the number of systems by number of service connections, distinguishing between those that can and cannot distinguish drinking water arrears. The bars indicate the distribution across different size categories of water systems.
Survey Responders: Can Provide Evidence for Reported Residential Accounts in Arrears

Systems by Number of Service Connections

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>3301 - 10,000</td>
<td>0</td>
<td>94 (100%)</td>
</tr>
<tr>
<td>501 - 3300</td>
<td>4</td>
<td>146 (99%)</td>
</tr>
<tr>
<td>0 - 500</td>
<td>203 (99%)</td>
<td>2</td>
</tr>
</tbody>
</table>
Survey Responders:
Can Provide Evidence for Reported Commercial Accounts in Arrears

CWSs that Charge for Water Systems by Number of Service Connections

- 10,001+: 201 (99%)
- 3,301 - 10,000: 128 (100%)
- 501 - 3,300: 163 (99%)
- 0 - 500: 141 (98%)
Survey Responders: Can Provide Evidence for Reported Residential Arrearages Amounts
Survey Responders: Can Provide Evidence for Reported Commercial Arrearages Amounts

CWSs that Charge for Water

Systems by Number of Service Connections

<table>
<thead>
<tr>
<th>Category</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>163</td>
<td>2</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>103</td>
<td>0</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>108</td>
<td>2</td>
</tr>
<tr>
<td>0 - 500</td>
<td>45</td>
<td>2</td>
</tr>
</tbody>
</table>

Survey Responders: Can Provide Evidence for Reported Commercial Arrearages Amounts
Survey Responders: The Amount of Time Needed to Provide Spreadsheet of Residential Customers in Arrears

![Bar chart showing the amount of time needed to provide spreadsheet of residential customers in arrears by number of service connections.]

- **10,001+** systems:
  - 4 systems with information not available.
  - 10 systems with time ranging from 0 to 500 days.

- **3,301 - 10,000** systems:
  - 7 systems with time ranging from 0 to 500 days.
  - 4 systems with time ranging from 501 to 3,300 days.

- **501 - 3,300** systems:
  - 9 systems with time ranging from 0 to 500 days.
  - 30 systems with time ranging from 501 to 3,300 days.

- **0 - 500** systems:
  - 11 systems with time ranging from 0 to 500 days.
  - 103 systems with time ranging from 501 to 3,300 days.
  - 24 systems with time exceeding 3,300 days.

- **Not applicable** systems:
  - 4 systems with time ranging from 0 to 500 days.

Legend:
- Green: No, Information Not Available
- Red: With Assistance
- Yellow: Month +
- Blue: 2 - 3 Weeks
- Black: 1 Week
Survey Responders:
The Amount of Time Needed to Provide Spreadsheet of Commercial Customers in Arrears

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>WSSs that Charge for Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>90</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>66</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>64</td>
</tr>
<tr>
<td>0 - 500</td>
<td>82</td>
</tr>
</tbody>
</table>

- No, Information Not Available: 11
- With Assistance: 3
- Month +: 6
- 2 - 3 Weeks: 6
- 1 Week: 12

CWSs that Charge for Water Options:
- No, Information Not Available
- With Assistance
- Month +
- 2 - 3 Weeks
- 1 Week
Reported Revenue Loss
Survey Responders that Charge for Water: CWSs that Reported Revenue Loss During the COVID-19 Pandemic

No Revenue Loss | Revenue Loss
---|---
10,001+ | 80 (4%) | 136 (7%)
3,301 - 10,000 | 72 (4%) | 95 (5%)
501 - 3,300 | 219 (12%) | 132 (7%)
0 - 500 | 951 (52%) | 160 (9%)
Survey Responders:
CWSs that Reported Revenue Loss During the COVID-19 Pandemic

Systems by Number of Service Connections

- Don't Charge: No Revenue Loss
- Don't Charge: Revenue Loss
- Charge for Water: No Revenue Loss
- Charge for Water: Revenue Loss
Survey Responders: Total Reported Revenue Loss During the COVID-19 Pandemic

Total Reported Revenue Loss: $424,666,904

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>Charges for Water</th>
<th>Does Not Charge for Water</th>
<th>Revenue Loss (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>$210.4</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>$26.5</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>$14.2</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>0 - 500</td>
<td>$2.3</td>
<td>$40.2</td>
<td>$131</td>
</tr>
<tr>
<td>Aggregated Reporters</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>
Survey Responders that Charge for Water:
Revenue Loss After the Removal of Total Reported Arrearages

Total:
$69,195,752

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>Revenue Loss After the Removal of Total Arrearages</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>-$26.9</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>$6.3</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>$6.1</td>
</tr>
<tr>
<td>0 - 500</td>
<td>$0.1</td>
</tr>
<tr>
<td>Aggregated Reporters</td>
<td>$131</td>
</tr>
</tbody>
</table>
2. ESTIMATING ARREARAGES FOR NON-REPORTERS
Survey Responders that Charge for Water & Reported Arrearages

- Non-Responders that is Unknown: 1% (27 CWSs)
- Non-Responders that Don't Charge: 10% (241 CWSs)
- Non-Responders that Charge for Water: 12% (283 CWSs)
- Responders: 77% (1,845 CWSs)
- Arrearages Unknown
- No Arrearages: 50% (924 CWSs)
Survey Completion: Population of CWSs that Charge for Water

- Responded to Survey: 97.5% (38.3 million people)
- Non-Responders: 2.5% (1.0 million people)
- Arrearages Unknown

2,128 CWSs that Charge for Water
CWS (that charge for water) Survey Non-Responders by Population Served

Population Served

Systems by Number of Service Connections

- 10,001+
  - Responded to Survey: 31.9
  - Non-Responders: 0.5

- 3,301 - 10,000
  - Responded to Survey: 3.9
  - Non-Responders: 0.2

- 501 - 3,300
  - Responded to Survey: 1.8
  - Non-Responders: 0.1

- 0 - 500
  - Responded to Survey: 0.7
  - Non-Responders: 0.1
Approximately 45 community water systems are not included due to insufficient location data.
Survey Non-Responders that Charge for Water: Total Residential & Commercial Accounts

- **Commercial**: 748,406
- **Residential**: 243,004
  - Residential Accounts Reported: 17,011
  - Commercial Accounts Reported: 748,406
  - Residential Accounts NOT Reported: 9,226,874
  - Commercial Accounts NOT Reported: 260,015

TOTAL

- **Residential Accounts Reported**: 9,975,280
- **Commercial Accounts Reported**: 243,004
- **Residential Accounts NOT Reported**: 9,226,874
- **Commercial Accounts NOT Reported**: 260,015
Disadvantaged Community Status of Non-Responders that Charge for Water

- SDAC (36%)
- DAC (25%)
- Non-DAC (39%)

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>CWSs that Charge for Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 500</td>
<td>85, 53, 88</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>9, 10, 10</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>5, 4, 4</td>
</tr>
<tr>
<td>10,001+</td>
<td>2, 6</td>
</tr>
</tbody>
</table>
SAFER Status of Non-Responders that Charge for Water

Systems by Number of Service Connections

- Human Right to Water (HR2W): 36 (14%)
- At-Risk: 37 (14%)
- Potentially At-Risk: 46 (18%)
- Not At-Risk: 141 (54%)
Methodology for Estimating Arrearages for Non-Reporters

• Used statistical modeling to determine if there is a strong correlation between arrearages and the following metrics:
  • Median household income
  • Number of service connections
  • Population served
  • Average annual residential drinking water rates for 6 HCF
  • Annual revenues

• Modeling indicated the strongest correlation is with “Number of service connections.”

• Staff used the average proportion of accounts in arrears per service connection bucket of water systems and the average arrears per account to estimate arrearages for non-reporters.
Proportion of Residential and Commercial Service Connections in Arrears

- Proportion of Total Connections in Arrears
  - Systems by Number of Service Connections
    - 10,001+: 7.4%
    - 3,301 - 10,000: 9.6%
    - 501 - 3,300: 6.2%
    - 0 - 500: 5.0%
    - Aggregated Reporters: 6.4%
**Estimated Non-Reporter Service Connections in Arrears**

- **Estimated Service Connections in Arrears**: 122,544
- **Not In Arrears**: 56,507
- **Total Estimated Non-Reporter Accounts in Arrears**: 20,895

<table>
<thead>
<tr>
<th>Systems by Number of Service Connections</th>
<th>0 - 500</th>
<th>501 - 3,300</th>
<th>3,301 - 10,000</th>
<th>10,001+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Service Connections</td>
<td>37,415</td>
<td>46,613</td>
<td>56,507</td>
<td>9,841</td>
</tr>
</tbody>
</table>
Average Total Arrearage per Account for Reporters

Systems by Number of Service Connections

<table>
<thead>
<tr>
<th>Number of Service Connections</th>
<th>Average Reported Arrearages per Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001+</td>
<td>$521</td>
</tr>
<tr>
<td>3,301 - 10,000</td>
<td>$261</td>
</tr>
<tr>
<td>501 - 3,300</td>
<td>$290</td>
</tr>
<tr>
<td>0 - 500</td>
<td>$373</td>
</tr>
<tr>
<td>Aggregated Reporters</td>
<td>$374</td>
</tr>
</tbody>
</table>
Total Estimated Non-Reporter Arrearages is Approximately: $8,320,000
3. PROGRAM FUNDING ALLOCATION
Estimated Total Statewide Arrearage Needs for Reporters and Non-Reporters

Estimated Total Arrearage Needs: $323,724,933.82

Systems by Number of Service Connections:

- 10,001+ Reporters: $5,127,224
- 3,301 - 10,000 Systems: $20,834,502
- 501 - 3,300 Systems: $8,146,286
- 0 - 500 Systems: $2,440,823
- Aggregated Reporters: $45,700,924

Estimated Total Arrearage Needs for Reporters: $238,278,126

Estimated Arrearages for Non-Reporters: $8,146,286

Calculated by: $323,724,933.82 - $245,417,747 = $78,307,186
"Estimated Total Statewide Arrearage Needs for Reporters and Non-Reporters with Administrative Costs Added

- **Reported Arrearages**
- **Estimated Arrearages for Non-Reporters**
- **Estimated Administrative Costs**

**Estimated Total Arrearage Needs:** $333,186,952

- $250,553,694 (Reported Arrearages)
- $23,034,600 (Estimated Arrearages for Non-Reporters)
- $9,278,400 (Estimated Administrative Costs)
- $3,248,307

**Systems by Number of Service Connections**

- **10,001+**
- **3,301 - 10,000**
- **501 - 3,300**
- **0 - 500**
- **Aggregated Reporters**

- $47,071,952
Estimated Total Statewide Arrearage Needs for Reporters and Non-Reporters with Late Fees and Administrative Costs Added

### Systems by Number of Service Connections

- **Reported Arrearages**: $256,373,773
- **Estimated Arrearages for Non-Reporters**: $26,443,913
- **Late Fees**: $10,283,875
- **Estimated Administrative Costs**: $3,489,344

**Estimated Total Arrearage Needs:** $349,065,489
Program Website:
https://www.waterboards.ca.gov/arrearage_payment_program