

Utility Payments on the San Bernardino County Tax Roll

Public Works

Public Works Committee Meeting

May 6th, 2025

Chris Alanis, Public Works Project Manager



Agenda



1. Background on Current Billing
2. Current Bill Overview
3. Tax Roll Billing Proposal & Background
4. Agencies that Currently Utilize Tax Roll Billing
5. What Accounts would the Proposed Change Apply to?
6. Proposed Changes/Improvements
7. How changes will reflect on your San Bernardino County Tax Roll
8. Why the City is Proposing these Changes to Billing
9. State Law and Delinquencies
10. Bad Debt Collection & Revenue Protection
11. How will residents see these savings & changes?
12. Opt-Out and Options
13. Staff Recommendation

Background on Current Billing



- Customers receive their utility bill based on below:
 - The City sends six water bills per year to our residents.
 - The City sends six sewer bills per year to our residents
 - The City sends six trash bills per year through our designated trash hauler

18 total bills are sent per year to our residents.

Current Bill Overview



CITY OF UPLAND
460 N EUCLID AVENUE
UPLAND, CA 91786-4732

Billing Inquiries: (909) 931-4150
Office Hours: 8:00 AM - 5:00 PM MON-THURS
Website: www.uplandca.gov

Account Number	Service Address	Billing Period
123-4567.89	123 S EASY ST	12/24/24-02/20/25

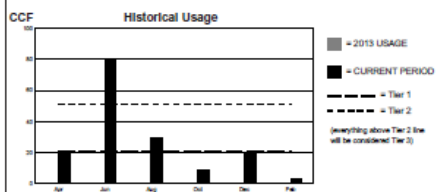
BILLING DATE: 03/11/25
DUE DATE: 04/07/25

Water & Sewer

Exciting News!

You can now renew your pet license online.

When you receive your renewal letter in the mail, simply scan the QR code or visit www.uplandca.gov/apps/330/cases to access the online renewal service.



CURRENT PERIOD (2025)				
PREVIOUS READING	CURRENT READING	GALLONS USED*	SERVICE DAYS	DAILY USAGE (GAL)
12/23/24	02/20/25	5965	59	38.03
SAME PERIOD LAST YEAR (2024)				
PREVIOUS READING	CURRENT READING	GALLONS USED*	SERVICE DAYS	DAILY USAGE (GAL)
01/02/24	02/26/24	8,977	55	163.22
DIFFERENCE		-6,732	4	
% CHANGE		-75.00%		-76.70%

*UNIT CONVERSION TO GALLONS: 1 unit = 1 HCF or 748.1 gallons

SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

MAKE CHECKS PAYABLE TO:



CITY OF UPLAND
460 N EUCLID AVENUE
UPLAND, CA 91786-4732
(909) 931-4150

ACCOUNT NUMBER: 123-4567.89
SERVICE ADDRESS: 123 S EASY ST

CUSTOMER NAME:

UPL03112B 8446 1 AV 0.545
7000008606 00.0024.0293 8446/1

JOHN DOE
123 S EASY ST
UPLAND CA 91786-6642

CURRENT CHARGES	DUE 04/07/25	72.25
TOTAL AMOUNT DUE		72.25
AMOUNT ENCLOSED \$		

PLEASE REMIT TO:

CITY OF UPLAND
PO BOX 101115
PASADENA, CA 91189-0005

Trash

CITY OF UPLAND
c/o Burtec Waste Industries, Inc.
9820 Cherry Avenue
Fontana, CA 92335
(909) 949-0500

Burtec Customer
12345 Anystreet
Anytown, CA 12345

Customer Number	XXXXXXXXXX
Invoice Number	XXXXXXX
Statement Date	07/01/23
Service Period	July - Aug 2023

Date	Quantity	Description	Charges	Credits	Totals
07/01/23	1	Total Previous Balance			0.00
		Other Charges and Payments			
		Current Charges			
		For Service at: 12345 Anystreet Trash Service	0.00		
		Total Amount Due On Receipt			0.00

SAMPLE

Holiday Schedule - Our offices will be closed September 4, in observance of the Labor Day holiday. Your collection service will be delayed one day for the remainder of this week.

Customer Service Hours are Monday - Friday, 8:00 AM to 5:00 PM. For your convenience, you can pay this invoice online. Please go to www.burtec.com and click on OnlineBillPay. Payments may also be made in person at our Customer Service Office. Please contact Customer Service at (909) 949-0500 for assistance.

PLEASE MAIL ALL OTHER WRITTEN CORRESPONDENCE TO: BURTEC WASTE INDUSTRIES - ATTN: CUSTOMER SERVICE • 9820 CHERRY AVE., FONTANA, CALIFORNIA 92335

PLEASE DETACH ABOVE PORTION AND RETURN WITH PAYMENT - DO NOT SEND CASH - PLEASE MAKE CHECKS PAYABLE TO "CITY OF UPLAND"

CITY OF UPLAND
c/o Burtec Waste Industries, Inc.
9820 Cherry Avenue
Fontana, CA 92335
(909) 949-0500

Customer Number	XXXXXXXXXX
Service Period	July - Aug 2023
Due By	Upon Receipt
Total Due	\$XX.XX

Enter Amount Paid: \$

* Please note - to assure proper credit to your account
write your account number on your check
Please Make Check Payable to: "CITY OF UPLAND"
Please Do Not Send Cash

CITY OF UPLAND
Burtec Waste Industries, Inc.
9820 Cherry Avenue
Fontana, CA 92335

CITY OF UPLAND
P.O. Box 5909
Buena Park, CA 90622-5905

Tax Roll Billing Proposal & Background



The City of Upland is requesting for consideration that the Utility Bills be placed on the San Bernardino County tax rolls:

- Placing utility charges on the San Bernardino County tax rolls means that all charges will be grouped into a more efficient bill twice per year vs. 18 different bills.
- Most Importantly, the City of Upland retains full control over rate setting, any future rate increases, and the policies governing utility services. Local Control is always best!
- Transitioning to tax roll billing does not shift control to the County—it simply utilizes an existing, proven industry-wide “best practice” for revenue collection.
- Overall, placing utilities on the County tax rolls provides a streamlined and responsible solution that improves efficiency while maintaining local authority, accountability and ensuring other rate payers aren’t affected.

Agencies that Currently Utilize Tax Roll Billing



- Adelanto (Solid waste and recycling)
- Bakersfield (Refuse and recycling rates)
- Chino Hills (Sewer charges for sewer-only accounts)
- Chula Vista (Sewer services – for some customers)
- El Cajon (Sewer service charges)
- Fontana (Sewer, trash and recycling services)
- Highland (Solid waste program fee)
- Kelowna (Sewer services – for sewer-only customers)
- Lancaster (Sewer service charges)
- Lindsay (Delinquent water, sewer, and refuse charges)
- Livermore (Sewer service charges)
- Monterrey (Wastewater treatment charges)
- Newport Beach (Sewer and recycling fees for some properties)
- Palm Desert (Solid waste and recycling services)
- Placentia (Solid waste and recycling services)
- Redwood City (Sewer service charges for certain customers)
- Rialto (Sewer and Trash)
- San Bruno (Sewer service charges)
- San Jose (Solid Waste)
- San Mateo (Sewer service charges for certain customers)
- Simi Valley (Sewer service charges)
- West Hollywood (Direct benefit assessments – e.g., sewer, solid waste)
- Yucaipa (Solid waste collection service charges)

What Accounts would the Proposed Change Apply to?



This transition affects residential property owners only, and for many, the change will be seamless.

A residential customer is defined as

- Single family homes
- Condos
- Single family home with ADUs
- Not Commercial or industrial customers

What Accounts would the Proposed Change Apply to?



This transition affects residential property owners only, and for many, the change will be seamless.

- According to the National Association of Realtors, approximately 78% of homeowners have their property taxes paid through impound accounts (i.e., mortgage escrow), meaning utility charges will be automatically included in their mortgage payments.
- This change does not include commercial accounts, as these customers have fluctuating usage-based billing that requires ongoing adjustments and individualized tracking.

Proposed Changes/Improvements



If approved, The City of Upland will place all residential solid waste, sewer, and storm drain charges on the San Bernardino County property tax rolls beginning July 1st, 2025.

- Under this new system, utility charges will be collected twice per year—a reduction from the current six billing cycles. Property owners will see these charges included on their property tax bill, which is issued in two installments.
- Residents will benefit from fewer bills each year, and those with mortgage impound accounts will likely not see any noticeable change, as these charges will be included in their regular escrow payments.

How changes will reflect on your San Bernardino County Tax Roll

Ensen Mason CPA, CFA
AUDITOR-CONTROLLER/
TREASURER/TAX COLLECTOR
2024
FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025

PROPERTY ADDRESS:
Protected per CA Govt.
OWNERS (S) OF RECORD:
AS OF JAN 01, 2024

LEGAL DESCRIPTION:
ALLEN SUB LOT XXX O G L LOT XX BLK 2

PARCEL NUMBER: XXXXXXXXXX
BILL NUMBER: XXXXXXXXXX
TAX RATE AREA: 00000001
TOTAL TAX RATE: 0.012598

PROPERTY ASSESSMENT

DESCRIPTION	Net Values
LAND	161,751.00
IMPROVEMENTS / FIXTURES	325,846.00
IMPROVEMENT PENALTY	0.00
PERSONAL PROPERTY	0.00
PERSONAL PROPERTY PENALTY	0.00
HOMEOWNERS EXEMPTION	7,000.00
VETERAN'S EXEMPTION	
OTHER EXEMPTIONS	
NET VALUE	484,597.00

TAX DISTRIBUTION

SERVICE AGENCY	CONTACT #	AMOUNT
GENERAL TAX LEVY		4,846.97
CHAFFEY COLLEGE BOND	(909) 652 - 6161	48.46
UPLAND UNIFIED SCHOOL BOND	(909) 985 - 1864	207.45
SCHOOL BONDS		0.00
SCHOOL STATE REPAYMENT		0.00
*SBCOFIRE WEST VALLEY	(909) 387 - 5947	177.01
*MOSQUITO/VECTOR ASMT #2	(800) 273 - 5167	15.59
CHINO BASIN WTR DEBT SERV		0.00
METRO WATER ORIG DEBT SVC	(866) 807 - 6864	33.92
*METRO WATER-WATER STBY	(866) 807 - 6864	7.59
UPLAND STORM DRAIN UTILITY SERVICE	(909) 931 - 4150	\$10.80
UPLAND SEWER SERVICE CHARGES	(909) 931 - 4150	\$444.84
UPLAND-BURRTEC TRASH SERVICE	(800) 949 - 0500	\$404.40

IMPORTANT MESSAGE:
Para información de su factura de impuestos de propiedad en español, por favor visite www.sanbernadinoassessor.com o llame al (909) 387-8336.

TAX DISTRIBUTION

SERVICE AGENCY	CONTACT #	AMOUNT
GENERAL TAX LEVY		4,846.97
CHAFFEY COLLEGE BOND	(909) 652 - 6161	48.46
UPLAND UNIFIED SCHOOL BOND	(909) 985 - 1864	207.45
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Why the City is Proposing these Changes to Billing



Why the City is Proposing these Changes to Billing?



The City of Upland is considering placing residential utility charges on the San Bernardino County property tax roll to improve service delivery, operational efficiency, and reduce impacts to on time rate payers. The key reasons for this transition include:

- Go Green Initiatives
- Bad Debt Collection & Revenue Protection
- Cost Reduction, Efficiency, and Transparency



Why are we considering this move? Cont.

Go Green Initiatives

Green Practices



Supporting Upland's Tree City USA Commitment

Moving to tax roll billing supports environmentally sustainable practices by reducing the need for paper bills, envelopes, and postage. It also decreases the City's carbon footprint by minimizing printing, mailing, and fuel usage associated with traditional billing methods.

As a proud Tree City USA community, the City of Upland is committed to protecting and enhancing our urban forest and promoting sustainable practices. By transitioning to tax roll billing, we have the opportunity to significantly reduce paper waste and support environmental stewardship.

- Currently, each utility bill uses approximately 2 sheets of paper, and residents receive 6 bills per year (each bill). With roughly 25,000 residential accounts, switching to tax roll billing will eliminate the need for about 600,000 sheets of paper annually. According to the EPA, it takes approximately 8,333 sheets of paper to equal one tree.
- By eliminating these bills:
- 72 trees will be saved each year
- Over the next 20 years, more than 1440 trees will be preserved

This change reflects our continued commitment to green practices and sustainability—one more way Upland is protecting the environment while improving service for residents.



Why are we considering this move?

To Improve Bad Debt Collection,
Provide Revenue Protection and
Reduce Fiscal Impacts to Compliant Ratepayers

Why are we considering this move?



Bad Debt Collection & Revenue Protection

Placing charges on the tax roll greatly improves the City's ability to collect on delinquent accounts. Property tax payments are enforceable and tied to the property, ensuring that unpaid utility charges are recovered through the County's existing collection mechanisms. This helps reduce the City's exposure to write-offs and ensures fairness in cost recovery across all customers.

Revenue protection is a critical component of the City's Capital Improvement strategy. It ensures the long-term financial stability of enterprise-funded infrastructure—such as water, sewer, and solid waste—by safeguarding against revenue loss due to delinquency, system inefficiencies, or billing gaps.

By protecting the revenue stream, the City maintains its ability to fund essential capital projects, improve aging infrastructure, and meet regulatory compliance without shifting undue burden to compliant ratepayers.

Utility Bill Recovery Process Prior to Recent CA State Actions



Disconnection of Services
Lien Process for Non- Payment
Forced Eviction

Timeline of Legislative Impacts / Response



February 1, 2020:	CA Senate Bill 998 went into effect
March 11, 2020:	COVID shutdown
April 2, 2020:	Governor Newsom issued Executive Order No. N-42-20
July 27, 2020:	City Council approved delinquent utility accounts liens
July 26, 2021:	City Council approved delinquent utility accounts liens
Dec 31, 2021:	Executive Order No. N-42-20 ended
August 8, 2022:	City Council approved delinquent utility accounts liens
May 5, 2023:	COVID officially ended
July 24, 2023:	City Council approved delinquent utility accounts liens
Nov 27, 2023:	City Council adopted Upland's SB 998 Policy
January 1, 2024:	CA Senate Bill 998 Policy took effect
July 22, 2024:	City Council approved delinquent utility accounts liens
January 2, 2025:	Delinquent notices went out to account holders and property owners
April 8, 2025:	Public Works Committee – staff recommended sewer and trash billing via property tax roll
May 6, 2025:	Public Works Committee Meeting

Utility Bill Enforcement Prior to Recent CA State Actions



- Prior to SB 998, the City of Upland primarily relied on water shutoffs as the main enforcement mechanism to collect payment on delinquent utility accounts.
- That changed with the passage of the Water Shutoff Protection Act which imposed strict requirements on when and how water service could be discontinued for residential accounts.
- SB 998, took effect for Upland and all urban water suppliers on February 1, 2020.

Question: How did CA State Senate Bill 998 and other State actions affect the City's ability to collect unpaid bills?

Answer: It eliminated local control and increased delinquencies substantially



Utility Bill Delinquency Prior to Recent CA State Senate Bill 998 Actions

Sent to Lien	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Sewer	2 delinquent accts (\$1,017.52)	3 delinquent accts (\$1,193.77)	3 delinquent accts (\$1,335.82)	3 delinquent accts (\$1,158.27)
Trash	1 delinquent accts (\$291.69)	1 delinquent accts (\$301.72)	2 delinquent accts (\$391.44)	2 delinquent accts (\$373.80)
% of Utility Billing	0.00%	0.00%	0.00%	0.00%



Utility Bill Delinquency after Senate Bill 998

Over 400 Accounts Delinquent

\$392,507 Sewer

\$530,178 Trash

\$ 922,685 Total Delinquency

Delinquent Account Lifecycle Trash Billing to Tax Roll

Delinquency Cutoff
(June 2024)

Lien List Finalized
(July 2024)

Submitted to County
(August 10, 2024)

Charges Appears on Tax Bill
(Fall 2024)



The average time until unpaid bill is received by the City is 406 days

If no pay in July 2024 we miss cutoff, not placed on lien list until July 2025.
The non pay period would be 771 Days



CA SENATE BILL 998 IMPACTS US ALL



- Utility enterprise only collects revenue on paid bills
 - Impacts to service delivery of capital projects
 - We first provide legal and safety services
 - Then construction projects
- Potential impacts to General Fund
- Increased admin time, reprographic, 3rd party costs

Construction projects continue to be kicked down the road

2026 Projects
that will be impacted

19th Street Reconstruction (Mountain to Euclid)
Grove Avenue Rehab (Foothill to 15th Street)
Mountain Avenue Rehab (20th to 23rd)
1st Avenue Rehabilitation ("A" St. to "D" St.)
Randy St. Neighborhood Rehabilitation (Randy St., Fairwood Wy., Terry Wy., Tyler Wy., and Silverwood Ave.)



Cost Reduction, Efficiency, and Transparency

Cost Reduction, Efficiency, and Transparency



Cost Reduction, Efficiency, and Transparency

1. Tax roll billing significantly simplifies the utility billing process for both the City and its residents.
2. It reduces the number of bills issued from six per year to two, aligning with property tax payments.
3. This system improves transparency by clearly itemizing utility charges on property tax bills and cuts administrative costs related to printing, mailing, and processing.
4. It also reduces customer confusion by creating a more efficient, streamlined billing experience.
5. City Maintains Control. Residents choose options with an Opt-out process.
6. Most importantly. It's cheaper!

Will this increase my costs?



TAX ROLL BILLING

- **Eliminates Monthly Billing Costs**
No printing, postage, or processing fees associated with traditional monthly bills.
- **Reduces Staff Time & Overhead**
Fewer staff resources needed for invoicing, collections, and account maintenance.
- **Improves Collection Rate**
Charges are secured via property taxes, reducing late or unpaid accounts.
- **No Cost for Delinquency Management**
No need for shutoff notices, service interruptions, or payment plans.
- **Shared Cost Through County System**
Tax roll charges are bundled with property tax bills, spreading costs over more accounts.
- **Reduced Capital Revenue Risk**
Ensures predictable cash flow—critical for infrastructure planning.
- **Paperless System Reduces Environmental & Material Costs**
Supports sustainability goals by eliminating paper invoices.

No!

There will be a savings!



**How will residents
see these savings?**



How will residents see these savings & changes?

- Based upon the analysis of the proposed change in administrative billing process, there is an annual savings of approximately \$225,000.
- Staff is recommending that these proposed savings are passed on directly to residents.
- This equates to \$14.04 per household per year for trash and sewer.
- Your water bill will be reduced by \$10.80 as a result of placing the Storm Drain Fee on the Tax Roll.



How will residents see this reduction reflected?

Trash and Sewer:

- Year 1

Each residential account will receive a direct rebate check in the mail in the amount of \$14.04, representing a one-time reimbursement of savings. This check will be sent to resident's homes in July 2025

- All Future Years

Beginning in the second year, and for every year thereafter, the savings will be applied as a rate reduction, offsetting future cost increases.



How will residents see this reduction reflected?

Storm Drain:

The storm drain fee is included within your current water bill.

The current amount per month charged for storm drain billing equals 90 cents (\$0.90).

This amount would be removed from your current water bill.

This change would be reflected in future water bills beginning July 1st, 2025.



Where will I see this reduction in Storm Drain Administrative Billing Fees?

CITY OF UPLAND
460 N EUCLID AVENUE
UPLAND, CA 91786-4732
Billing Inquiries: (909) 931-4150
Office Hours: 8:00 AM - 6:00 PM MON-THURS
Website: www.uplandca.gov

Account Number: 123-4567 89 Service Address: 123 S EASY ST Billing Period: 12/24/24-02/25/25

BILLING DATE: 03/11/25
DUE DATE: 04/07/25

Exciting News!
You can now renew your pet license online.

Historical Usage

Period	Usage
12/23/24	5965
02/20/25	5968
02/23/24	5965
02/26/24	5977

Current Period Usage

Category	Usage
Water	72.25
Standby Service	65.26
Sewer	6.99

Current Activity Detail

Category	Usage	Rate	Amount
Water	Meter #94761439		72.25
Standby Service Tier 1	3.00 Units @ 2.33		6.99
Storm Drain Fee Credit			-0.90
CURRENT CHARGES			71.35

MAKE CHECKS PAYABLE TO:
CITY OF UPLAND
460 N EUCLID AVENUE
UPLAND, CA 91786-4732
(909) 931-4150

ACCOUNT NUMBER: 123-4567 89
SERVICE ADDRESS: 123 S EASY ST

PLEASE REMIT TO:
CITY OF UPLAND
PO BOX 10119
PASADENA, CA 91189-0005

CURRENT ACTIVITY DETAIL			
WATER	Meter #94761439		72.25
Standby Service Tier 1			65.26
	3.00Units @ 2.33		6.99
Storm Drain Fee Credit			-0.90
CURRENT CHARGES			71.35

BILLING BREAKDOWN



What will my updated property tax bill look like?

Ensen Mason CPA, CFA
AUDITOR-CONTROLLER/
TREASURER/TAX COLLECTOR
2024
PROPERTY ADDRESS:
Protected per CA Govt.
OWNER(S) OF RECORD:
AS OF JAN 01, 2024
LEGAL DESCRIPTION:
ALLENS SUB LOT XXX G C LOT XX BLK Z

FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025

FIRST INSTALLMENT DUE	SECOND INSTALLMENT DUE
11-01-2024	02-01-2025
2,668.52	2,668.47

TOTAL TAXES DUE > 5,336.99

AMOUNT DUE AFTER DELINQUENT FIRST INSTALLMENT 12-15-2024 9,935.57
AMOUNT DUE AFTER DELINQUENT SECOND INSTALLMENT 04-10-2025 2,945.32

MAKE CHECKS PAYABLE TO: SBC Tax Collector
<https://www.mytaxcollector.com>
Tell us what you think!
<https://MyTaxCollector.com/Survey>
Thank you!

PARCEL NUMBER	BILL NUMBER	TAX RATE AREA	TOTAL TAX RATE
XXXXXXXXXXXX	XXXXXXXXXX	000009001	0.010598

PROPERTY ASSESSMENT

DESCRIPTION	Net Values
LAND	181,751.00
IMPROVEMENTS / FIXTURES	325,946.00
IMPROVEMENT PENALTY	0.00
PERSONAL PROPERTY	0.00
PERSONAL PROPERTY PENALTY	0.00
HOMEOWNERS EXEMPTION	7,000.00
VETERANS' EXEMPTION	
OTHER EXEMPTIONS	
NET VALUE	494,697.00

TAX DISTRIBUTION

SERVICE AGENCY	CONTACT #	AMOUNT
GENERAL TAX LEVY		4,846.97
CHAFFEY COLLEGE BOND	(909) 652 - 6161	48.46
UPLAND UNIFIED SCHOOL BOND	(909) 985 - 1864	207.45
SCHOOL BONDS		0.00
SCHOOL STATE REPAYMENT		0.00
*SBCOFIRE WEST VALLEY	(909) 387 - 5947	177.01
*MOSQUITO/VECTOR ASMT #2	(800) 273 - 5167	15.59
CHINO BASIN WTR DEBT SERV		0.00
METRO WATER ORIG DEBT SVC	(866) 807 - 6864	33.92
*METRO WATER-WATER STBY	(866) 807 - 6864	7.59
UPLAND STORM DRAIN UTILITY SERVICE	(909) 931 - 4150	\$10.80
UPLAND SEWER SERVICE CHARGES	(909) 931 - 4150	\$444.84
UPLAND TRASH SERVICE CHARGE	(909) 949 - 0500	\$404.40

IMPORTANT MESSAGE:

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TAX DISTRIBUTION

SERVICE AGENCY	CONTACT #	AMOUNT
GENERAL TAX LEVY		4,846.97
CHAFFEY COLLEGE BOND	(909) 652 - 6161	48.46
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SCHOOL BONDS		0.00
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What is an Opt-Out Program?



An Opt-Out Program allows residents to opt out of automatic utility billing through their property tax bill and instead receive direct, standalone bills (e.g., monthly or quarterly invoices).

- The Opt-Out Program gives residents a choice to be billed separately for services like sewer.
- Residents who opt out will:
- Not see charges on their tax bill
- Receive a direct invoice for utility services
- Pay a processing/admin fee (e.g., \$35/year) to cover billing costs
- Eligibility requirements apply (e.g., no defaults or multiple late payments).
- If a resident fails to meet conditions, they are returned to automatic property tax billing

Storm Drain Opt-Out?



Why Storm Drain Is Not Eligible for Opt-Out

- Storm drain fees must be separated from the water bill due to upcoming MS4 compliance and audit tracking requirements.
- Creating a stand-alone storm drain bill is cost-prohibitive:
- Estimated annual billing cost: \$35 per account
- Actual storm drain service cost: only \$10.80 per year
- Conclusion: Charging residents ~\$35 to collect \$10.80 is not financially viable or justifiable.

Sewer Opt-Out?



Sewer Service Opt-out Pilot Program – May Make Sense

- The average annual sewer bill is approximately \$400 per residential account.
- Estimated cost of opt-out billing: \$35 per year per participant*
- Cost covers direct billing system, customer service, and collections.
- Financially justified for those who prefer monthly or quarterly direct billing over tax roll.
- Conditions for eligibility:
- Must maintain good payment history: more than two late payments or any default disqualifies participation.
- Residents will be re-enrolled in property tax billing if disqualified.

**This is based upon 250 participants. Any less or more would alter the opt-out fee.*

Trash Opt-Out?



Trash Service Opt-out Pilot Program – May Make Sense

- The average annual Trash bill is approximately \$450 per residential account.
- Cost covers direct billing system, customer service, and collections.
- Financially justified for those who prefer monthly or quarterly direct billing over tax roll.
- Conditions for eligibility:
- Must maintain good payment history: more than two late payments or any default disqualifies participation.
- Residents will be re-enrolled in property tax billing if disqualified.

What are our options?

“Do Nothing” Scenario

- Maintaining the status quo keeps billing and collection rates unchanged. However, our current lien process takes approximately 406 days to recover unpaid funds. As a result, delinquent balances accumulate, and capital improvement projects are delayed due to the lack of timely revenue.
- Every 5 years Bad Debt is reviewed and could be placed on good paying account holder's backs. This causes rates to go up to cover these bad debts costs.



What are our options?

Place Billing on Tax Roll w/ or without Opt-Out options

- Placing utility billing and collection on the County property tax roll offers the City of Upland significant advantages:
- The approach streamlines administrative operations, lowers billing and collection costs.
- The City maintains all control of the billing program. Rate increase still goes thru 218 process by the City.
- It improves revenue collection by ensuring higher and more timely payments.
- Provides predictable cash flow to support capital improvement projects.
- It ensures legal compliance with state laws requiring continuous service and eliminates the need for shutoffs as a collection tool.
- Overall, this method offers a more efficient, transparent, and financially sustainable solution for utility revenue management.



Recommended Action

In summary, transitioning to tax roll billing supports the City's goals of operational efficiency, fiscal responsibility, and environmental stewardship while maintaining local control and improving the customer experience.

The Public Works Committee is asked to review and discuss with the Public Works Team. Then provide a report to the City Council.



