

2025 Disconnection Program

Non-Payment

August 2024

The Sheboygan Water Utility currently utilizes disconnection of water service for non-payment as a form of collections. Disconnection of water service for non-payment is allowed under PSC 185.37 but is not required. Most class AB water utilities in the State of Wisconsin (about 66%) do not utilize disconnection of water service as a form of collection. These Utilities strictly collect past due balances through the tax roll per Wisconsin State Statute § 66.0809.

Over the past decade, The Sheboygan Water Utility made a strong effort to reduce the number of disconnections for non-payment. As part of this effort, the threshold for disconnection has changed from \$60.00 to \$300.00. The down payment requirement for Deferred Payment Agreements decreased from 50% to 25% of the outstanding balance. During COVID disconnection of water service was prohibited due to the public health emergency. The COVID era also prompted funding for those struggling to pay their water bills specifically through the Low-Income Household Water Assistance Program (LIHWAP). This funding was the first of its kind offered through the state to help with water bills. This funding was exhausted as of December 2023.

While changes to our program and temporary state funding helped reduce the number of disconnections per year, the process and the actual physical action of disconnecting water service still causes a number of concerns to customer and employee safety, negative customer/utility interactions, and a significant amount of labor for little return.

My recommendation is to cease the disconnection program for non-payment as a trial in 2025. The Utility can then use the year 2025 as a test year to gauge the need for the disconnection program. The Utility will continue to notify customers and landlords by mail of past due balances to encourage payment ahead of tax roll. Customers enrolled in e-statements will also continue to receive email notifications as reminders to pay their bills by the due date.

The amount of time the service techs used for non-payment disconnects (3 Techs x 4 hours per month x 8 months of the year= 96 hours a year) will be put towards the 20-year meter replacement program and radio read replacements. In 2025 we have 1,425 small meters to replace. This is a large number of small meters to be replaced. We also plan to replace 300 small meters due to lead service line replacements. The original radio read devices (Orions) are nearing the end of their useful life and we need to start replacing them ahead of failure.

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Select Utilities Without Disconnect Programs

2023	\$ Transferred to Tax Roll	\$ Operating Revenue	% of Revenue
Green Bay	\$ 469,467.97	\$ 24,142,969.00	2%
Madison	\$ 3,594,403.65	\$ 57,720,870.00	6%
Fond Du Lac	\$ 414,252.00	\$ 13,210,675.00	3%
Milwaukee*	\$ 7,885,015.00	\$ 105,078,145.00	8%
<i>Sheboygan</i>	\$ 97,881.00	\$ 10,423,636.00	<i>1%</i>

SWU Tax Roll History

	2018	2019	2020	2021	2022	2023
Number of Customer Letters Mailed	705	639	1497	1906	2112	2051
Number of Owner Letters Mailed	300	305	691	916	962	913
Dollars Subject to Tax Roll as of October 15	\$216,811.89	\$197,780.14	\$492,953.85	\$434,025.37	\$745,385.71	\$459,959.00
Dollars Subject to Tax Roll as of November 1	\$175,725.80	\$153,286.34	\$364,749.96	\$299,132.77	\$330,482.02	\$327,241.79
Dollars 10% Penalty	\$17,572.55	\$15,328.73	\$34,235.62	\$29,912.85	\$33,048.29	\$32,724.03
Total Outstanding Dollars as of November 15 w/Penalties	\$184,952.98	\$157,522.99	\$398,985.58	\$278,727.60	\$326,058.78	\$311,408.41
Total Outstanding Garbage/Recycling & Sewer Dollars w/Penalties as of November 15	\$120,443.37	\$107,799.01	\$249,164.95	\$190,473.28	\$223,400.69	\$213,527.43
Total Outstanding Water Dollars w/Penalties as of November 15	\$64,509.61	\$49,723.98	\$ 114,181.23	\$84,637.26	\$102,658.09	\$97,880.98
Total Outstanding Delinquent LSL Replacement Loans				\$3,616.33	\$21,847.85	\$9,418.56

*Added Recycling Fee Collections 01/01/2020

*No disconnections due to **pandemic** April 2020-April 2021

*Resumed Disconnection 4/2021 for \$300+ Balances

*2019 balances \$150+ Subject to Tax Roll

*2021 balances \$10+ Subject to Tax Roll