



**CITY OF MARTINEZ**

**CITY COUNCIL  
June 18, 2014**

**TO:** Mayor and City Council  
**FROM:** Michael Chandler, Senior Management Analyst  
Kristine Sosa, Accountant  
**SUBJECT:** Water Regulations Lifeline Rate Amendment  
**DATE:** June 12, 2014

**RECOMMENDATION:**

Adopt a resolution amending Section 2.12, Lifeline Rate, for Martinez Water System – Regulation Governing Water Service.

**BACKGROUND:**

The City has had a “Lifeline Rate” discount program for customers of the Martinez Water System since 1989. Section 2.12 of the Water Regulations, which addresses the Lifeline Rate, was last amended in 2007. At that time, the lifeline rate was increased to 50% off the cost of a 5/8” meter. This rate is equivalent to a \$26.36 discount per two-month billing cycle based on current rates. Additionally, the following criteria were established to determine eligibility in the program:

- Be disabled as established by the Social Security Administration Supplemental Income Program; and/or
- Have an annual household income below the poverty level set by HUD for Contra Costa County based on the number of dependents; and
- Be an occupant of a single family dwelling served by a water meter smaller than 1”; and
- File needed information with the City Finance Department annually.

The General Fund provides the subsidy for the Lifeline Rate program. The program currently has 159 customers enrolled, which represents a Fiscal Year 2013-14 General Fund subsidy of \$19,069.10 through the most recent (May 19<sup>th</sup>) bill run. Changes are recommended to the program for a number of reasons as summarized below.

- Expand the program to include eligible single family residences with water meters of up to 1”, instead of *smaller than 1”*, due to County Fire standardized fire service requirements.
- Establish an average water consumption limit for the preceding 12-month period of no greater than 24 units per billing cycle for a family of four, plus additional 6 units/person for all additional persons or family members residing in the household.
- Clarify the income limits as a household with an annual income below the “very low” limits of 50% of the median income as set by the U.S. Department of Housing and Urban Development (HUD) for Contra Costa County based on the number of persons in the household.

- Clarify the types of documentation required to establish eligibility (e.g. Social Security benefit documents or other proof of government assistance).
- Establish June 30<sup>th</sup> of the year following enrollment in the Lifeline Rate program as the date by which annual certification will occur.

A representative sample of similar lifeline rate programs in the area is attached for reference as Exhibit A.

**FISCAL IMPACT:**

To be determined. It is anticipated that additional customers will qualify for the Lifeline Rate program based on the expansion to include 1” water meters and the removal of various other requirements of eligibility. However, some customers may be determined ineligible for the program due to insufficient proof of low income status as required by this amendment.

**ACTION:**

Motion to adopt a resolution amending Section 2.12, Lifeline Rate, for Martinez Water System – Regulation Governing Water Service.

Attachments:

Resolution

Exhibit A – Area Lifeline Survey

**APPROVED BY:**

  
Interim City Manager

RESOLUTION NO. -14

AMENDING SECTION 2.12, LIFELINE RATE, FOR THE  
MARTINEZ WATER SYSTEM - REGULATIONS GOVERNING WATER SERVICE

WHEREAS, Section 2 of the City of Martinez Water Regulations governs Application and Requirements for Service; and

WHEREAS, Section 2.12 of the City of Martinez Water Regulations governs the Lifeline Rate program for qualified customers; and

WHEREAS, the eligibility requirements and qualification procedures for the Lifeline Rate are in need of update to ensure those customers most in need of assistance are served by the Lifeline Rate program; and

WHEREAS, the City Council supports the concept of providing discounted rates to eligible customers as defined within the amended Lifeline Rate Program.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez, that Section 2.12, Lifeline Rate, for the Martinez Water System - Regulations Governing Water Service, be amended as follows:

SECTION 2.12

LIFELINE RATE

Lifeline water rates will reduce the Monthly Service Charge ~~for~~ ~~customers of the Martinez Water System who qualify~~ by an amount equivalent to 50% off the cost of a 5/8" meter, as indicated in the table in Section 14.2.1, Meter Charges Monthly, ~~for residential customers of the Martinez Water System who qualify.~~

Lifeline Rates are available to those ~~persons~~ households who ~~qualify under~~ meet all the following ~~criteria~~ requirements:

- Occupy a single family dwelling served by a water meter of no greater than 1 inch; and
- Have historical usage and continued usage of no greater than 24 units on average per billing cycle for a family of four (plus an additional 6 units for each additional family member), for the immediately preceding 12 months period (or shorter timeframe if less than 12 months of usage history is available); and

- Have a household annual income below the "very low" limits of 50% of the median income as set by the U.S. Department of Housing and Urban Development (HUD) for Contra Costa County based on the number of persons in the household.
- ~~Be disabled as established by the Social Security Administration Supplemental Income Program; and/or~~
- ~~Have an annual household income below the poverty level set by HUD for Contra Costa County based on the number of dependents; and~~
- ~~Occupy a single family dwelling served by a water meter smaller than 1 inch; and~~
- ~~Must file needed information with the City Finance Department annually.~~

Applicants for the Lifeline Rate Program must submit a complete application on the City's form and provide all required documentation to be eligible for a Lifeline water rate. Actual gross household income shall mean the gross (not net) income of all persons residing in the household of the applicant. "Very low" income must be verified through the applicant's submittal of any of the following forms of documentation for all persons residing in the household:

- Social Security Benefit Document for the current year for a qualifying low income senior as defined by the Social Security Administration; or
- Social Security Benefit Document for the current year if qualified as low income due to a disability as established by the Social Security Administration Supplemental Income Program; or
- Other proof of government assistance as deemed acceptable by the City.

Participation and continued eligibility in the Lifeline Rate Program is subject to annual recertification by June 30th of the year following the date of the original application or prior recertification date. All decisions regarding an applicant's initial and continued eligibility for participation in the Lifeline Rate Program shall be made at the discretion of the Administrative Services Director, or equivalent.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 18<sup>th</sup> day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ

Exhibit A - 2014 Area Lifeline Survey

City or District	Lifeline Program?	Eligibility Requirements	Amount of Discount	Duration of Discount
Antioch	No - Discontinued. Existing lifeline customers are grandfathered in the program	n/a	n/a	n/a
Brentwood	No - Discontinued as of 01/10/2014. Existing lifeline customers are grandfathered in the program	n/a	n/a	n/a
CCWD	Yes	Senior (62 yrs) or Disabled (permanently and totally), + proof of low income (similar to HUD very low income levels)	50% discount on service demand charges for meter no greater than 1" (= \$8.48/mo)	recertify every 3 years with proof of income
Diablo Water District	Yes	Disabled (permanently and totally) with annual household income of \$46k or less	25% off the monthly service charge (= \$2.53/mo)	no recertification
EBMUD	Yes	Proof of low income	50% off the standard bimonthly service charge (= \$13.42/mo), and 50% of home water use up to maximum of 1,050 gal per person/mo	recertify every 2 years
Martinez - current	Yes	Proof of low income (regardless of age or disability) similar to HUD very low income levels; limited to meter size of less than 1"	50% discount on 5/8" meter charge (= \$13.18/mo)	recertify annually
Martinez - proposed	Yes	<i>same or similar as current, but program is expanded to include 1" meters and historical usage cannot exceed average of 24 units for preceding 12 month period (or less if applicable) on either 5/8" or 1" line</i>	50% discount on 5/8" meter charge (= \$13.18/mo)	recertify annually
Pittsburg	Yes	Senior (62 yrs) or Disabled (permanently and totally), + proof of low income (cannot exceed \$11,640, excluding SSI)	Discount on the first 4 units of water (maximum of \$3.96 per billing)	no recertification