

**FY20 & FY21
Long-Term Financial Stability,
Strategic Plan Update
and
Mid-Cycle Budget
Workshop**

Board of Directors
May 26, 2020

Agenda



- Introduction
- 2020 Strategic Plan
- FY20 & FY21 Mid-Cycle Budget Update
- Break
- FY21 Non-Prop 218 Rates, Charges, Fees and Regulations
- Review of Collecting Water System Fixed Charges on Property Tax Bills
- Workshop Summary & Next Steps
- Board Discussion

2020 Strategic Plan



Goals

Long-Term Water Supply

Water Quality & Environmental Protection

Long-Term Infrastructure Investment

Long-Term Financial Stability

Customer & Community Services

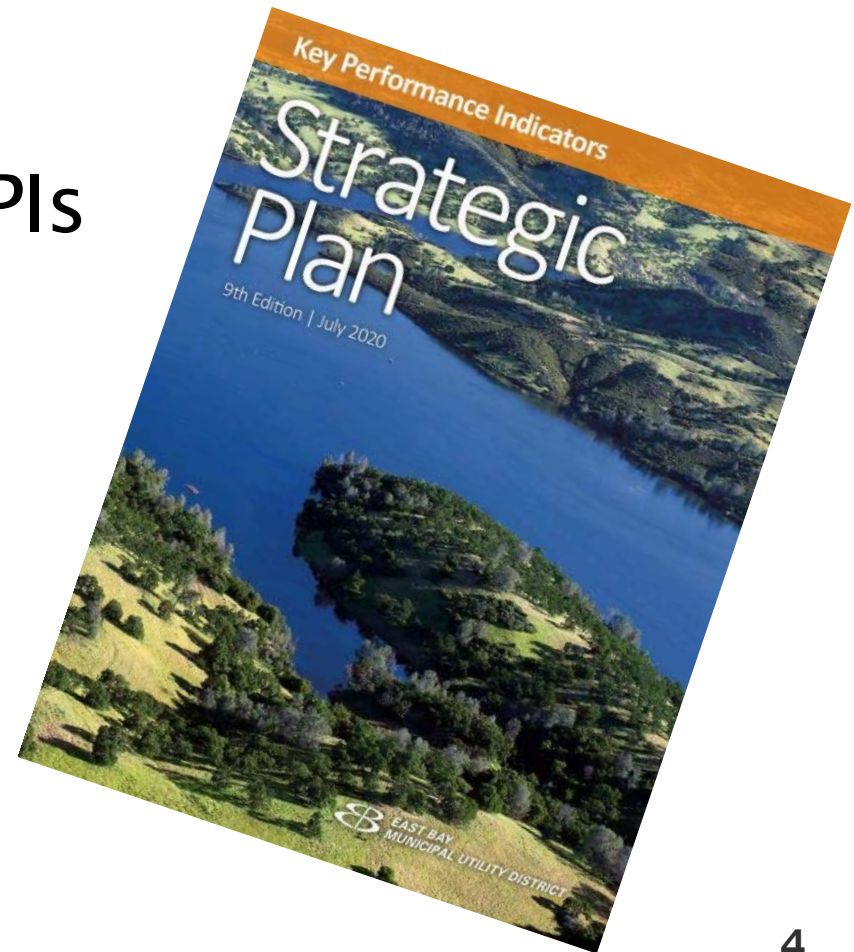
Workforce Planning & Development

- Created in 2004
- Interim update every 2 years
- Comprehensive update every 4 to 6 years
- 2020 Plan is an interim update

Strategic Plan Overview of Updates



- Goals still on target
- Minor modifications and additions to strategies/objectives
- Updated and added new KPIs
- Created a separate KPI document



Strategic Plan Presentations To Date



Strategic Plan Goal	Presentation Date
Long-Term Water Supply	<i>February 25, 2020</i>
Water Quality & Environmental Protection	<i>Planning & Sustainability/Energy Committee Meetings & Today</i>
Long-Term Infrastructure Investment	<i>November 26, 2019 & Today</i>
Long-Term Financial Stability	<i>Finance & Administration Committee Meetings & Today</i>
Customer & Community Services	<i>January 28, 2020 & Today</i>
Workforce Planning & Development	<i>Leg/HR Committee Meetings</i>

Strategic Plan

Goals/Strategies – Minor Updates



Long-Term Water Supply	Water Quality and Environmental Protection	Long-Term Financial Stability
<p>Goal: We ensure a reliable high quality water supply for the future.</p>	<p>Goal: We meet or surpass environmental and public health standards and protect public trust values.</p>	<p>Goal: We manage the District’s finances to meet funding needs and maintain fair and reasonable water and wastewater rates.</p>
<p>S1: Preserve current water rights and entitlements and augment the District’s successful water supply projects by obtaining supplemental supplies to meet customer demands.</p>	<p>S1: Manage the Mokelumne and East Bay watersheds to ensure a high quality water supply and protect natural resources while providing appropriate public access.</p>	<p>S1: Maintain a Long-Range Financing Plan that sets forth the long-term funding needs of the District.</p>
<p>S2: Reduce potable water demand through water efficiency and conservation and build on past water savings success to help ensure a reliable water supply.</p>	<p>S2: Operate and maintain District facilities to surpass federal and state drinking water regulations.</p>	<p>S2: Implement water and wastewater rates and charges that are legal, fair, reasonable, and equitable.</p>
<p>S3: Reduce potable water demand through water recycling and build on past success to achieve a diversified and reliable water supply.</p>	<p>S3: Operate and maintain District facilities to anticipate and meet all water discharge, air emission, and land disposal requirements to protect and enhance the environment.</p>	<p>S3: Ensure integrity, accountability and transparency in financial management.</p>
<p>S4: Maintain a Climate Change Monitoring and Response Plan to inform the District’s planning efforts for future water supply, water quality and infrastructure and support sound water and wastewater infrastructure investment decisions. Consider the impacts of climate change and take appropriate action to understand and balance mitigation and adaptation responses to those impacts through sustainable activities.</p>	<p>S4: Minimize impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources.</p>	<p>S4: Implement technologies that improve the efficiency and effectiveness of business processes.</p>
	<p>S5: Ensure protection and stewardship of San Francisco Bay.</p>	
	<p>S6: Operate Pardee and Camanche Reservoirs and facilities jointly as an integrated system to achieve multiple objectives including municipal water supply, stream flow regulation, environmental protection, flood control, hydropower, and releases for downstream requirements.</p>	

Strategic Plan

Goals/Strategies – Minor Updates (Cont'd)



Customer and Community Services	Workforce Planning & Development
<p>Goal: We build stakeholder trust and long-term relationships through service excellence, proactive communication and education.</p>	<p>Goal: We create an environment that attracts, retains and engages a high performing diverse <u>and inclusive</u> workforce in support of the District's mission and core values.</p>
<p>S1: Educate the<u>Build</u> public <u>awareness of</u> on the District's priorities, initiatives, systems and services.</p>	<p>S1: Maintain<u>Coordinate</u> robust workforce <u>plans</u><u>planning activities</u> to determine future needs, identify gaps and implement actions to close the gaps.</p>
<p>S2: Continue to build trust by providing quality service, timely information, and resolution of customer and community inquiries.</p>	<p>S2: Continue to develop employees to meet <u>evolving</u> workforce demands <u>and implement actions to close gaps</u>.</p>
<p>S3: Build long-term partnerships in the community, regionally and nationally, in areas of shared interest <u>and in support of the District's mission</u>.</p>	<p>S3: Integrate<u>Support</u> District values, recognize employee contributions, and establish clear performance measures to achieve a high performance culture.</p>
<p>S4: Maintain an active Emergency Preparedness <u>and business continuity</u> Programs to plan for, <u>minimize interruptions</u>, and manage the District's <u>essential</u> functions during an emergency and allow for an efficient and effective recovery following an emergency.</p>	<p>S4: Enhance the District's ability to recruit a highly qualified, diverse staff that exhibits the District's values.</p>

Goals

Long-Term Water Supply

Water Quality & Environmental Protection

Long-Term Infrastructure Investment

Long-Term Financial Stability

Customer & Community Services

Workforce Planning & Development

Water Quality and Environmental Protection



Goal

We meet or surpass environmental and public health standards and protect public trust values.

Key Performance Indicators – Proposed Changes



Strategy 4	Key Performance Indicator	FY21 Target	FY22 Target
<p>Reduce, Recycle, Reuse, Reclaim</p>	<p>Capture biogas sufficient to produce on-site energy in excess of Main Wastewater Treatment Plant electric power demands <u>sufficient to produce on-site energy to meet electric power demands of the Main Wastewater Treatment Plant and evaluate the best uses of excess biogas</u></p>	<p>+30% <u>100%</u> of plant power demand</p>	<p>+30% <u>100%</u> of plant power demand</p>

Goals

Long-Term Water Supply

Water Quality & Environmental Protection

Long-Term Infrastructure Investment

Long-Term Financial Stability

Customer & Community Services

Workforce Planning & Development

Long-Term Infrastructure Investment



Goal

We maintain and improve the District's infrastructure to ensure sustainable delivery of reliable, high quality service now and in the future, addressing economic, environmental and social concerns.

Key Performance Indicators - Proposed Changes



Strategy 1	Key Performance Indicator	FY21 Target	FY22 Target
<u>Master Plans</u>	<u>Complete the Wastewater Treatment Plant Master Plan</u>	<u>Complete draft plan</u>	<u>Complete final plan</u>

Key Performance Indicators - Proposed Changes (Cont'd)



Strategy 2	Key Performance Indicator	FY21 Target	FY22 Target
Effective Management of Infrastructure <u>Infrastructure Maintenance</u>	Miles of pipe surveyed <u>for leaks</u>	600 <u>≥800</u>	<u>≥ 800</u>
	% of water system valves exercised	<u>≥ 10%</u>	<u>≥ 10%</u>
	Infrastructure Leakage Index *(ILI)	<2.5	<2.5
	% of high priority meter repair orders completed in 60 days	<u>≥ 90%</u>	<u>≥ 90%</u>

Key Performance Indicators - Proposed Changes (Cont'd)



Strategy 3	Key Performance Indicator	FY21 Target	FY22 Target
Capital Budget Priorities	Miles of distribution pipe replaced	+5 <u>≥ 20</u>	+7.5** <u>≥ 20</u>
	Design errors and omission <u>District directed non-discretionary</u> change orders on construction contract	< 3% <u>≤ 5%</u>	< 3% <u>≤ 4%</u>
	Number of concrete wastewater treatment tanks and sewer interceptor reaches <u>digesters and concrete aerated grit tanks</u> rehabilitated	2	2

Key Performance Indicators – Proposed Changes (Cont'd)



Strategy 3	Key Performance Indicator	FY21 Target	FY22 Target
Capital Budget Priorities	<u>Implement the Orinda Water Treatment Plant Disinfection Improvements (UV/CCB)</u>	<u>Complete design</u>	<u>Begin construction</u>
	<u>Cumulative annual average</u> N number of steel water tanks rehabilitated	<u>32</u>	<u>32</u>
	<u>Cumulative annual average</u> N number of pumping plants rehabilitated	<u>32</u>	<u>32</u>

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Customer and Community Services

Workforce Planning and Development

Goal

We manage the District's finances to meet funding needs and maintain fair and reasonable water and wastewater rates.

Key Performance Indicators – Proposed Changes



Strategy 2	Key Performance Indicator	FY21 Target	FY22 Target
<p>Sufficient Revenue/Fair Rates & Charges <u>Rates and Charges</u></p>	<p><u>Water Rates</u> as compared to other Bay Area agencies</p>	<p>At or below median</p>	<p>At or below median</p>
	<p><u>Wastewater treatment charge as a share of the total bill when compared to other Bay Area agencies</u></p>	<p><u>At or below median %</u></p>	<p><u>At or below median %</u></p>

Key Performance Indicators – Proposed Changes (Cont'd)



Strategy 3	Key Performance Indicator	FY21 Target	FY22 Target
Integrity, Accountability and Transparency	Capital expenditures as a percentage of capital budgeted cash flow	<u>Between 90% and 110% of a two year rolling average</u>	<u>Between 90% and 110% of a two year rolling average</u>

Key Performance Indicators – Proposed Changes (Cont'd)



Strategy 4	Key Performance Indicator	FY21 Target	FY22 Target
<u>Technology</u>	Planned patch cycles met	> 90%	> 90%
	Security controls reviews	Annually	Annually
	Database security reviews	Annually	Annually
	Business recovery exercises	2 per year	2 per year
	Security awareness events	4 per year	4 per year
	<u>Biennial IT security controls assessment biennially</u>	Complete independent assessment audit <u>N/A</u>	N/A <u>Assessment completed</u>

Goals

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Customer and Community Services

Workforce Planning and Development

Goal

We build stakeholder trust and long-term relationships through service excellence, proactive communication and education.

Key Performance Indicators – Proposed Changes



Strategy 1	Key Performance Indicator	FY21 Target	FY22 Target
Communications	Unify K-12 school education schools program <u>Consolidate District education resources</u>	Complete	Review
	Conduct outreach campaign <u>Conduct media/advertising campaigns</u>	3	3
	Conduct District-wide biennial customer outreach survey <u>Conduct customer opinion research</u>	Complete	N/A
	<u>Publish external digital/print publications</u>	<u>8</u>	<u>8</u>
	<u>Participate in community engagement events</u>	<u>100</u>	<u>100</u>

Key Performance Indicators – Proposed Changes (Cont'd)



Strategy 2	Key Performance Indicator	FY21 Target	FY22 Target
Customer Satisfaction	% of customers rating the District's services as "Good" or "Excellent": Field Services Contact Center New Business Water Quality Recreation	≥ 90%	≥ 90%
	% of customers rating "Overall Job" as "Good" or "Excellent" <u>from the customer opinion survey</u>	75% <u>N/A</u>	N/A <u>Establish baseline</u>
	Average speed of answer to calls coming into the Contact Center	≤ 60 seconds	≤ 60 seconds
	Contact Center service level: % of calls answered within the target of ≤60 seconds	80%	80%
	Abandonment rate	3%	3%

Key Performance Indicators – Proposed Changes (Cont'd)



Strategy 2	Key Performance Indicator	FY21 Target	FY22 Target
Customer Satisfaction	Contact Center service level		
	<ul style="list-style-type: none"> Average speed of answer to calls coming into the Contact Center 	≤ 60 seconds	≤ 60 seconds
	<ul style="list-style-type: none"> % of calls answered within the target of ≤60 seconds 	≥ 80%	≥ 80%
	<ul style="list-style-type: none"> <u>% of customers rating Call Center as “Good” or “Excellent” base on first call resolution, staff knowledge, promptness, courtesy, and overall quality</u> 	≥ 80%	≥ 80%
	<ul style="list-style-type: none"> Abandonment rate 	≤ 3%	≤ 3%
	Timely billing of customer statements as scheduled	≥ 99%	≥ 99%

Key Performance Indicators - Proposed Changes (Cont'd)



Strategy 2	Key Performance Indicator	FY21 Target	FY22 Target
Customer Satisfaction	Notify customers in writing or via automated contact 48 hours in advance of shut-off for non-payment; <u>and</u> provide information on <u>options to avoid service interruption for non-payment of bills CAP and payment plans to avoid shut-off</u> per District Regulations - Section 15	≥ 99% <u>100%</u>	≥ 99% <u>100%</u>
	% of time customer dependent systems are available	≥ 99.9%	≥ 99.9%

Key Performance Indicators – Proposed Changes (Cont'd)



Strategy 3	Key Performance Indicator	FY21 Target	FY22 Target
<u>Partnerships and Programs</u>	Review shut-off guidelines and customer assistance programs	<u>Annually Complete annual review</u>	<u>Annually Complete annual review</u>

Key Performance Indicators – Proposed Changes (Cont'd)



Strategy 4	Key Performance Indicator	FY21 Target	FY22 Target
Emergency Preparedness	Update the District's Emergency Operation Plan every five ^{two} years and conduct an EOT exercise annually	100% <u>Complete update</u>	100% <u>N/A</u>
	<u>Conduct the District's Emergency Operations Team exercise annually</u>	100% <u>Complete annual exercise</u>	100% <u>Complete annual exercise</u>
	Update all Business Continuity plans every two years and conduct an exercise for each annually	100% <u>Complete updates</u>	100% <u>N/A</u>
	<u>Conduct Business Continuity exercises annually</u>	<u>100%</u>	<u>100%</u>
	Review specific emergency communication plans	Annually	Annually
	<u>Update the District's Risk and Resilience assessment every five years</u>	100% <u>Complete update</u>	100% <u>N/A</u>

Goals

- Still on target

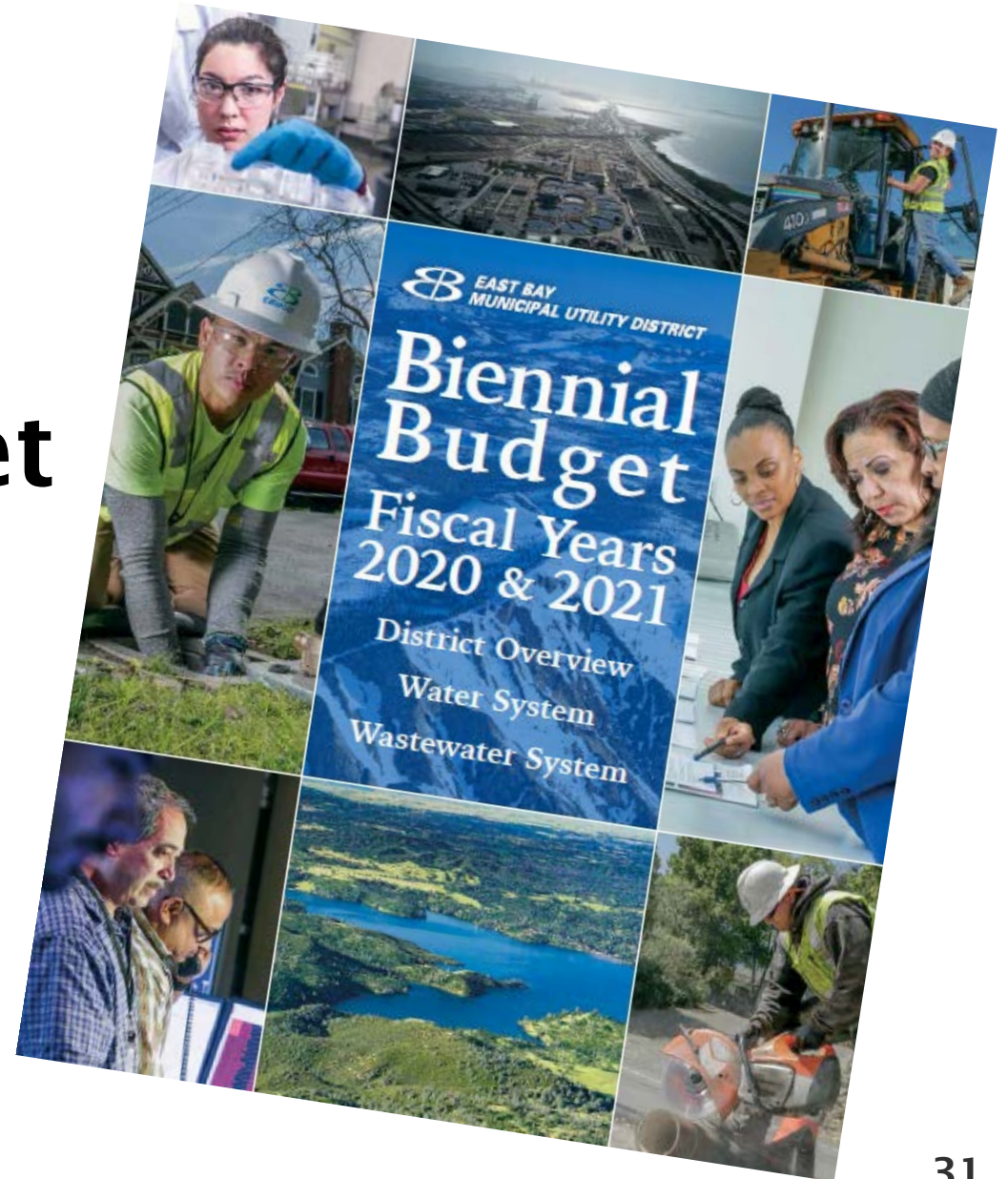
Strategies/Objectives

- Minor changes

Key Performance Indicators

- Primary focus of update
 - Certain KPI targets were not well suited to their intentions
 - Established realistic targets to track progress
- Created a supplemental KPI publication

FY20 & FY21 Mid-Cycle Budget Update



FY21 Mid-Cycle Budget Update



- FY20 & FY21 Year-End Projections
- FY21 Staffing Changes
- Affirm FY21 Appropriations



FY20 & FY21 Budget Priorities and Accomplishments



- Increase investments in and maintenance of aging infrastructure
 - Pipeline Replacements
 - Reservoir Rehabilitation
 - Water Treatment Plants Upgrade
 - Wastewater Treatment Plant Rehabilitation
- Plan for long-term financial stability
 - Initial commercial paper pay-off

Water System FY20 Year-End Projection



FY20 Revenues and Expenses Δ to Net Revenue		
(\$Millions)	February Projection	Current Projection
Total Operating Revenues	16.8	11.0
Total Operating Expenses	(26.8)	(29.0)
Δ to Net Revenue	43.6	40.0

- Revenues
 - 2% decrease in residential water sales revenue for the last three months of the fiscal year
 - 50% decrease in commercial/institutional water sales revenue for three months
- Expenses
 - Higher operations costs due to COVID-19 such as the implementation of field staff on rotation in support of the District emergency related to the pandemic

Water System FY20 Year-End Projection (Cont'd)



(\$Millions)	Amended Budget	Year-End Projection	Over/(Under) Budget
Operating Revenues:			
Water Charges	543.5	539.7	(3.8)
SCC Revenues	40.0	51.0	11.0
Other	79.7	83.6	3.9
TOTAL REVENUES	663.2	674.3	11.0
Operating Expenses:			
Operations	299.2	279.9	(19.3)
Debt Service	232.2	222.5	(9.7)
TOTAL EXPENSES	531.4	502.4	(29.0)

- What reductions in demand and development will we see? What will the revenue impact be?
- What are other economic indicators showing that could foretell an increase in the level of delinquencies?
- What if there is a resurgence of the virus?

Water System FY21 Year-End Projection



Revenues and Expenses Δ to Net Revenue	
(\$Millions)	Scenario A
Total Operating Revenues	(45.3)
Total Operating Expenses	(37.2)
Δ to Net Revenue	(8.1)

Scenario A

- Adopted 6.25% rate increase effective July 1st
- 2% decrease in residential water sales revenue for twelve months
- 30% decrease in commercial/institutional water sales revenue for twelve months
- 37.5% loss of budgeted SCC revenue
- Backfill all vacant positions, normal retirements and no field staff rotation

Water System

FY21 Year-End Projection (Cont'd)



Revenues and Expenses Δ to Net Revenue	
(\$Millions)	Scenario B
Total Operating Revenues	(79.4)
Total Operating Expenses	(13.1)
Δ to Net Revenue	(66.3)

Scenario B

- Adopted 6.25% rate increase effective July 1st
- 5% decrease in residential water sales revenue for twelve months
- 50% decrease in commercial/institutional water sales revenue for twelve months
- 62.5% loss of budgeted SCC revenue
- 12th Pipeline Rebuild crew deferred until FY22
- Backfill only for operational necessity, fewer retirements and six months field staff rotation

Water System FY21 Year-End Projection



(\$Millions)	Adopted Budget	Scenario A		Scenario B	
		Year-End Projection	Over/ (Under) Budget	Year-End Projection	Over / (Under) Budget
Operating Revenues:					
Water Charges	582.5	559.0	(23.5)	536.4	(46.1)
SCC Revenues	40.0	25.0	(15.0)	15.0	(25.0)
Other	81.4	74.6	(6.8)	73.1	(8.3)
TOTAL REVENUES	703.9	658.6	(45.3)	624.5	(79.4)
Operating Expenses:					
Operations	315.4	282.8	(32.6)	306.9	(8.5)
Debt Service	217.7	213.1	(4.6)	213.1	(4.6)
TOTAL EXPENSES	533.1	495.9	(37.2)	520.0	(13.1)

Wastewater System FY20 Year-End Projection



FY20 Revenues and Expenses Δ to Net Revenue		
(\$Millions)	February Projection	Current Projection
Total Operating Revenues	2.7	0.8
Total Operating Expenses	(5.6)	(5.4)
Δ to Net Revenue	8.3	6.2

- Revenues
 - 2% decrease in residential treatment revenue for three months
 - 50% decrease in commercial/institutional treatment revenue for three months
- Expenses
 - Unlike the Water System, the cost of the staff rotation did not shift capital related work to operating as only staff normally charged to operating were placed on the rotation

Wastewater System FY20 Year-End Projection (Cont'd)



(\$Millions)	Amended Budget	Year-End Projection	Over/ (Under) Budget
Operating Revenues:			
Treatment Charges & Permits	79.3	77.8	(1.5)
Resource Recovery	10.0	12.0	2.0
Capacity Charges (WCF)	4.0	5.2	1.2
Other	46.9	46.0	(0.9)
TOTAL REVENUES	140.2	141.0	0.8
Operating Expenses:			
Operations	75.1	69.9	(5.2)
Debt Service	35.2	35.0	(0.2)
TOTAL EXPENSES	110.3	104.9	(5.4)

Wastewater System FY21 Year-End Projection



Revenues and Expenses Δ to Net Revenue	
(\$Millions)	Scenario A
Total Operating Revenues	(8.5)
Total Operating Expenses	(5.7)
Δ to Net Revenue	(2.8)

- Scenario A

- Adopted 4.0% rate increase effective July 1st
- 2% decrease in residential treatment revenue for twelve months
- 30% decrease in commercial/institutional treatment revenue for twelve months
- 37.5% loss of budgeted WCF revenue
- Backfill all positions, normal retirements and no staff rotation

Wastewater System FY21 Year-End Projection (Cont'd)



Revenues and Expenses Δ to Net Revenue	
(\$Millions)	Scenario B
Total Operating Revenues	(13.7)
Total Operating Expenses	(5.0)
Δ to Net Revenue	(8.7)

- Scenario B

- Adopted 4.0% rate increase effective July 1st
- 5% decrease in residential treatment revenue for twelve months
- 50% decrease in commercial/institutional treatment revenue for twelve months
- 3.5% decrease in Wet Weather revenue
- 62.5% loss of budgeted WCF revenue
- Backfill only for operational necessity, fewer retirements and six month staff rotation

Wastewater System FY21 Year-End Projection (Cont'd)



(\$Millions)	Adopted Budget	Scenario A		Scenario B	
		Year-End Projection	Over/ (Under) Budget	Year-End Projection	Over / (Under) Budget
Operating Revenues:					
Treatment Charges & Permits	82.5	78.3	(4.2)	75.1	(7.4)
Resource Recovery	10.0	10.0	0.0	10.0	0.0
Capacity Charges (WCF)	4.0	2.5	(1.5)	1.5	(2.5)
Other	47.9	45.1	(2.8)	44.1	(3.8)
TOTAL REVENUES	144.4	135.9	(8.5)	130.7	(13.7)
Operating Expenses:					
Operations	78.6	73.1	(5.5)	73.8	(4.8)
Debt Service	29.8	29.6	(0.2)	29.6	(0.2)
TOTAL EXPENSES	108.4	102.7	(5.7)	103.4	(5.0)

Reasons to Affirm FY21 Budget and Rate Increases



- Through long-term financial stability efforts the District has:
 - Focused on future annual rate increases of $\leq 5\%$
 - Supported the needed to invest in aging systems
 - Recovered from dramatically decreased water use from the last recession and droughts
 - Addressed years of deferred maintenance
- Capital investment supports our economy
 - \$1 spent in water/wastewater sector creates a multiplier of \$6.35 in economic output (US Conference of Mayors)
 - \$1 revenue in water/wastewater sector increases revenue in industry by \$2.62 (US Department of Commerce Bureau of Economic Analysis)
 - 15-18 jobs are created for each \$1 million of water capital spending (US Bureau of Economic Analysis)

Support for Those in Need



- Unemployment has increased from <4% to between 12% and 20%
- Average rate increase for FY21 is \$3.73/month for water and \$0.87/month for wastewater treatment
- If most customers can pay the increase, allowing for the continued investment in the system, the multipliers in the local and national economy, and the support for good local jobs, then the remaining question is what about those who have been impacted by COVID-19? What do we have for them?
 - Payment plans
 - Waiver of late fees upon request
 - CAP program
 - No shutoffs

Formulating a Plan for FY21



- Positive FY20 budget performance would allow us to proceed with FY21 budget through a range of likely scenarios if rate is implemented as adopted on July 1.
 - Scenario A without adoption of a new budget
 - Scenario B would trigger adaptive management actions
- A delayed implementation to October 1 can also be accommodated.
 - Bills with full rate increase would go out on December 1.

Not Proceeding with Adopted Rate Increase Requires



- Deep cuts in capital (~35%-40%) would likely include:
 - Distribution and large diameter pipeline replacements which increases breaks and leaks
 - Water treatment plant upgrades to address taste and odor issues
 - Various pumping plant upgrades to improve system reliability
 - Various reservoir rehab projects to improve water quality
- Need to revise budget and hold a public hearing on the rate change
- FY22 & FY23 rate increases on the order of 10% in each year to address structural deficit

FY09 – FY11 Recession Budgetary Actions



- Deferred/suspended capital projects
- Delayed filling positions
- Deferred maintenance
- Reduced discretionary spending including staff training and travel
- Deferred vehicle and technology replacements

Rate Considerations



- Delaying the adopted rate increase to October 1 can be accommodated within MUD Act Section 14401 provisions.
- No additional Prop 218 process is needed to accommodate a delay or decrease in the currently adopted rate increase.
- Decreasing the currently adopted rate requires action under the MUD Act:
 - File a new GM Rates Report and set a new public hearing date
 - Publish notice in newspapers two weeks prior
 - Hold public hearing on July 28 at earliest
 - Earliest date to approve rates and adopt reduced budget is July 28
 - Interim spending appropriation will be required before July 1

FY21 Approved Staffing Changes



- No additional staffing changes recommended
- Delete 2.0 LT FTEs authorized in FY21 budget

Project/Program	Job Classification	FTE	System
Completion of school lead sampling	(LT) Water System Inspector I/II	(1.0)	Water
Workload efficiencies	(LT) Administrative Clerk, Conf.	(1.0)	Water

Affirm FY21 Budget Appropriations

(\$Millions)	Water System	Wastewater System
Operating	\$315.4	\$78.6
Debt Service	\$217.7	\$29.8
Capital	<u>\$352.3</u>	<u>\$41.8</u>
Total	\$885.4	\$150.2

Break

FY21 Proposed Non-Prop 218 Rates, Charges, Fees & Regulations

Proposed Updates to Rates, Charges & Fees (Non-Prop 218)



Ensuring reasonable fees based on cost recovery

- Water Account Establishment (Schedule B)
- Charges for Special Services(Schedule C)
- Installation Charges: Meter, Fire Service, Hydrant, and Water Main Extension Charges (Schedules D, E, F, & G)
- Public Records Act Fee Schedule
- Real Property Use Application Fees
- Recreation Use Fees for 2020 and 2021
- Wastewater PSL Fees (Schedule D)
- Wastewater Capacity Fee (Schedule G)

Schedule B – Account Establishment Charge



Action	Current Charge	Proposed FY21 Charge
Via Phone	\$57	\$60
Via Phone – Customer Assistance Program	\$28	\$30
Via On-Line	\$41	\$44
Water Service Agreement (Landlord): One-time charge	\$59	\$62

Schedule C - Charges for Special Services



Action	Current Charge	Proposed FY21 Charge
Meter Testing (by meter size)	from \$65 to \$291	from \$68 to \$304
Trip Charge	\$49	\$50
Service Interrupt	\$49	\$50
Meter S-Lock	\$62	\$64
Flow Restrictor (by meter size)	from \$122 to \$262	from \$127 to \$273
Backflow Violation	\$506	\$527

Schedule C - Charges for Special Services: Liens



Action*	Current Charge	Proposed FY21 Charge
Lien Filing Fee (CC/AL)	\$117/\$141	\$135/\$159
Lien Removal Fee (CC/AL) 1 st lien removed Subsequent liens removed	\$94/\$103 \$42/\$51	\$138/\$142 \$55/\$59
Property Tax Transfer CC County AL County	\$21 + \$3 parcel \$21 + 1.7%	\$30 \$42

*Partial list of changes is shown – the complete list is available in Schedule C

Schedules D, E, F and G – Updated Installation Charges



2018 Comprehensive Update

- Resulted in significant fee increases to many installation charges
- Board approved implementing increases gradually over three years (FY19, FY20, and FY21)
 - Minimizes impacts on recent development
- Resulting installation fees are comparable to fees charged by neighboring water utilities

Schedule D - Standard Meter Install Paved



Standard Meter Install	Current	Phase-In Year 3 Proposed FY21	% Increase
1" Lateral	\$8,140	\$9,100	12%
1-1/2" and 2" Lateral	\$12,247	\$14,611	19%
3" and 4" Lateral	\$31,534	\$32,514	6%

Standard installations greater than 4" are charged on an actual cost basis

Schedule E – Private Fire Service Meter Installation Charges



Private Fire Service Install	Current	Phase-In Year 3 Proposed FY21	% Increase
4" Fire Service	\$25,242	\$27,934	11%
6" Fire Service	\$26,506	\$28,739	8%
8" Fire Service	\$29,344	\$28,739	-2%

Standard installations greater than 8" are charged on an actual cost basis

Schedule F – Public Fire Hydrant Installation Charges



Fire Hydrant Installation	Current	Phase-In Year 3 Proposed FY21	% Increase
District Installed	\$24,030	\$28,551	19%
Applicant Installed (District materials)	\$3,918	\$3,849	-2%

Schedule G – Main Extension Charges – District Installed (up to 1,000')



Material	Size	Surface	Current Charge per Foot	Phase-In Year 3 Proposed FY21 Charge per Foot	% Increase
Steel	2-Inch Copper	Dirt	\$203	\$243	20%
		Paved	\$314	\$375	19%
	6- & 8-inch	Dirt	\$315	\$376	19%
		Paved	\$421	\$499	19%
	12-inch	Dirt	\$416	\$509	22%
		Paved	\$523	\$634	21%

Public Records Act Fee Schedule



Labor Cost	Current Charge	Proposed FY21 Charge
Duplication time for existing records	\$0.59/min	\$0.61/min
Duplication time for records that do not currently exist	\$1.11/min	\$1.16/min
Duplicating CDs and DVDs	\$0.59/min	\$0.61/min

Fees to cover the cost of reviewing/approving use of District property. Four categories of use applications:

- **Title Transfers** – Outright purchase of District's property. Transfers ownership with all the rights to buyer.
- **Easements** – Conveys rights for permanent use of District property. Could include either above or below ground rights or both. New Long Term Easement proposed FY20.
- **Leases and Licenses** – Transfers the right to occupy and use District property for specified time; term could range from 1 to 25 years.
- **Permits (entry, encroachment, temporary construction, land use)** – Provide permission for temporary access to District property; term rarely exceeds one year.

Real Property Use Application Fees

(Cont'd)



Use Type	Current Charge	Proposed FY21 Charge
Fee Title – Property for Sale	\$2,200	\$2,300
Fee Title – Unsolicited	\$13,000	\$13,700
Easement – Utility Type	\$2,200	\$2,300
Easement – Other	\$6,100	\$6,400
Quitclaim – Pipe Abandonment	\$1,100	\$1,200
Quitclaim – Other	\$2,500	\$2,600
Revocable License	\$1,800	\$1,900
Telecomm Lease	\$3,800	\$4,000
Other Lease	\$2,200	\$2,300

Real Property Use Application Fees

(Cont'd)



Use Type	Current Charge	Proposed FY21 Charge
Temporary Construction Easement/Encroachment Permit		
Open Land (no facilities)	\$660	\$700
With Facilities	\$2,400	\$2,500
Property Entry Permits	\$330	\$350
Limited Land Use Permit	\$120	\$130
Information Only	\$140/hr	\$150/hr
Process and Review of Proposals	\$140/hr	\$150/hr
Survey Cost if needed for review	\$150/hr	\$160/hr
Long Term Encroachment Permit	\$22,000	\$23,200

Recreation Use Fees for 2020



Fee	Current Charge	Proposed CY20 Charge	Proposed CY21 Charge
Camanche - Lakeside Premium Campsites Nightly (Off-season)	\$19.50	\$24.50	\$24.50
Camanche - Lakeside Premium Campsites Nightly Second Car Parking	\$15.50	\$16.00	\$17.00

- Also removed extraneous wording on parking fee for the Lafayette Recreation Area

Wastewater Schedule D - Other Fees



- Add new PSL fees for FY21 for new services
 - Specific Appointment time \$280
 - Home Owners Association Oversight (HOA) \$300 to administer HOA PSL
 - Compliance Agreement \$190 for costs to manage and track property owners who require additional time to comply with the PSL ordinance

Update to Water Service Regulations



Regulation Section	Summary of Proposed Changes
6 – Public Fire Hydrants	Clarifies the purpose and function of public fire hydrants and their use
7 – Service Through Public Fire Hydrants	Changes to protect the health and safety of customers as well as protect the integrity of the water distribution system
17 – Change in Use And/Or Size of Service	Requires customers to file a water service application for increased water use to determine if a larger meter and an SCC payment is required
30 – Nonpotable Water Service	Clarifies responsibilities for retrofit work for existing customers. If agreed upon retrofit work is not completed, authorizes District remedies including flow restrictors and legal action
31 – Water Efficiency	Updates for new code requirements

Capacity Fees

Proposed Water and Wastewater Capacity Charges Changes



Water System Capacity Charge (SCC)

- District currently completing new SCC Study
 - Update methodology and process for SCC applicants
 - Results and recommendation to be presented in FY21
- Hold current SCC rates until new study is completed

Wastewater Capacity Fee (WCF)

- Adjust charges for ENR Construction Cost Index
- SFR WCF increase 2.2% from \$2,750 to \$2,810

- The District's SCC does not currently have a "Tiny Home" category but does offer:
 - Micro Unit Pilot Program for projects supporting the homeless
 - Staff recommends extending micro-unit pilot through 2022
 - Temporary arrangement to allow water service to "Tiny Homes" in Castro Valley supporting the homeless
- SCC for Accessory Dwelling Units
 - No SCC where the existing meter can accommodate total water demand
 - Proportionate SCC payment is only required if total water demand exceeds existing water meter

Accessory Dwelling Unit (ADU) Process Begins with Local Jurisdictions









 Planning and Development Department
Land Use Planning Division

Publication Date: February 18, 2020

ACCESSORY DWELLING UNIT ORDINANCE SUMMARY Effective January 1, 2020

Processing + Land Use Development Standards

Ministerial land use approval for ADUs will be issued within **60-days** of receiving a **complete** building permit application.

ADU Type	JADU ¹		SINGLE – FAMILY ADU		MULTIFAMILY ADU	
	 Conversion JADU ² <i>[interior conversion of some portion of a single-family dwelling]</i>	 Conversion ADU ² <i>[interior conversion of existing habitable or non-habitable area within a single-family dwelling, or conversion of a legally built detached accessory structure or accessory building]</i>	 Detached ADUs <i>[new construction]</i>	 Attached ADU <i>[addition/new construction]</i>	 Conversion ADU <i>[interior conversion of existing non-habitable area of multifamily building]</i>	 Detached ADUs <i>[new construction]</i>
Zoning	Allowed on all lots zoned for <u>residential use</u> except in the following districts/circumstances: Environmental Safety- Residential (ES-R), Manufacturing (M), Mixed Manufacturing (MM), Mixed Use-Light Industrial (MU-LI), Unclassified (U), and on a lot with frontage on a roadway with less than 26 feet in pavement width in the Hillside Overlay (H).					
Number of Accessory Units	1	1		At least one and no more than 25% of the existing unit count in multifamily building. ³		2
Maximum Size (Square Feet)	500	850 for studio and 1 bedroom 1,000 for 2+ bedrooms	1,200	No more than 50% of the floor area of an existing or proposed primary dwelling unit	850 for studio and 1 bedroom 1,000 for 2+ bedrooms	1,200
Maximum Height (Feet)	N/A	N/A	16		N/A	16
Side Setbacks (Feet)	N/A	N/A	4		N/A	4
Rear Setbacks (Feet)	N/A	N/A	4		N/A	4
Entrance(s)	Exterior entrance required.		Exterior entrance required.		Independent entrance required. ⁴	
Kitchen	Efficiency kitchen required. ⁵		Full kitchen required. ⁶			
Parking Requirements	N/A		No parking required for ADUs. Replacement parking for existing dwelling unit(s) not required when a garage, carport, or covered parking structure is physically replaced by an accessory dwelling unit.			
Deed Restrictions	The owner of the property must record a deed restriction to include the requirements listed in Government Sections 65852.2 and 65852.22.		The owner of the property must record a deed restriction with Alameda County that restricts the sale of the ADU from the existing dwelling unit(s) and prohibits Short Term Rentals.			
Owner Occupancy	Required for either single-family dwelling or JADU.		Not required for ADUs permitted between January 1, 2020 and January 1, 2025.			
Natural Gas Prohibition	Does not Apply	May Apply ⁷	Applies	Does not Apply	Does not Apply	Applies
Short Term Rentals	Prohibited					
Impact Fees	None		ADUs Less than 750 SF- None ADUs Equal to or Greater than 750 SF- Impact fees collected must be proportional to square footage of existing dwelling unit(s).			
Utility Fees and Connections	No connection fee or capacity charge and no direct line required between ADU or JADU and utility unless in conjunction with a new single-family dwelling.		Connection fee or capacity charge "proportionate to the burden" of the ADU and may require new or separate utility connections.			

¹ A Junior ADU (JADU) is a small dwelling unit created from some portion of a single family dwelling. These units can have their own bathroom facilities or share with the single family dwelling.

² Conversions do not allow modifications to building footprint/ dimensions of legally built structures or buildings, except where sufficient egress and ingress requires modifications -- in which case, an expansion of up to 150 square feet is allowed for JADUs and legally built accessory buildings and structures.

³ When calculating, round down to the nearest integer.

⁴ Exterior entrance not required, but independent entrance (e.g. off hallway, stairwell or other common space) is required.

⁵ An efficiency kitchen includes 1) a sink; 2) a cooking facility with appliances; and 3) food preparation counter and storage cabinets.

⁶ A full kitchen requires habitable space used for preparation of food that contains at least a sink, a refrigerator of no less than 10 cubic feet, and either a cooktop and an oven, or a range.

⁷ Conversions of detached Accessory Buildings or Accessory Structures that involve Demolition are subject to the Natural Gas Prohibition.

N/A = not applicable

SF = square feet

EBMUD Reviews ADU Permits to Determine SCC and Metering



- No SCC is assessed and no metering changes are required for conversion ADUs that meet the requirements of Government Code section 65852.2(e)(1)(A)
 - Local jurisdictions ministerially approve conversion ADUs that meet the requirements of section 65852.2(e)(1)(A)
- Additional SCC/connection/metering charges may be required for ADUs that are not described in Government Code section 65852.2(e)(1)(A), including detached or attached ADUs and new construction
- ADU applicants must have an approved building permit issued by the local jurisdiction stating the project qualifies as an ADU with project details

Review of Water Service Installation Charges

Updated Installation Charges in 2018 Schedules D, E, F and G



Last comprehensive cost analysis was 2003, limited increases to fees since 2003, with no increases since 2014:

- 2.8% effective per year increase from FY04 to FY18
- No increase in recent years (FY16, FY17, FY18) as we focused financial efforts on drought recovery
- FY19 analyzed each component of installation costs:
 - Labor
 - Equipment and materials
 - Paving
 - Overhead

Updated Installation Charges in 2018 Schedules D, E, F and G



FY19 Comprehensive Update

- Resulted in significant fee increases to many installation charges
- Recommend implementing increases gradually over next three years
 - Minimized impacts on recent development
- Resulting installation fees are comparable to fees charged by neighboring water utilities

Schedule D - Standard Meter Install Paved



Standard Meter Install	Then Current (FY15)	FY19	FY20	FY21 Proposed
1" Lateral	\$6,193	\$7,100	\$8,140	\$9,100
1-1/2" Lateral	\$6,379	\$9,650	\$12,247	\$14,611
2" Lateral	\$7,301	\$9,650	\$12,247	\$14,611
3" Lateral	\$23,892	\$28,748	\$31,514	\$33,514
4" Lateral	\$25,885	\$28,748	\$31,514	\$33,514

Standard installations greater than 4" are charged on an actual cost basis

2018 Comparison of 1-1/2" and 4" Service Installation with Other Agencies



Agency	1-1/2" Standard Service Installation	4" Standard Service Installation
SFPUC	\$13,620	\$38,940
ACWD	\$13,000	\$41,300
CCWD	\$13,273	\$35,000
EBMUD	\$14,349*	\$34,474**

*Three-year phase in. FY19 rate will be \$9,650.

**Three-year phase in. FY19 rate will be \$28,748.

Standard Meter Install 1” Lateral – Description of Work



Installation fees ensure the District recovers its full costs:

- Requires 1 day of work for 4 + field staff – total 37 labor hours
- Follows best management practices and regulations for environmental protection, saw cutting, and traffic control
- Includes travel time to and from work site
- Includes administrative and supervisory time to coordinate work with applicant and manage field staff
- Includes temporary and final paving to District and local specifications by District forces

Category	Costs (2018)
Labor including benefits and overhead	\$5,665
Equipment	\$643
Materials	\$920
Paving	\$1,872
Total	\$9,100

Review of Collecting Water System Fixed Charges on Property Tax Bills

Overview – Water System Fixed Charges on Property Tax Bill



	Authority	Requirements	Issues
Collect Water Charges on Tax Bill	Health and Safety Code	Health & Safety Code - 2/3 Board approval Prop 218 MUD Act Contract law principles	Common for wastewater utilities (Sanitation Code) – rare for water utilities

- Lends itself better to fixed charges rather than variable
- H&SC imposes various requirements and dictates allowable costs
- The District would need to address issue of property owner vs. customer of record and revamping CIS and overhauling existing District billing procedures; property owner would need to be named as account holders in addition to tenant account holders
- New Cost of Service Study needed to justify costs collected against property owners

Reasons to Consider Collecting Fixed Charges on the Property Tax Bill



- Would lower EBMUD bi-monthly water bill
- Property owners share in cost of water service that benefits their property
- Possibly result is up to 100% variable EBMUD water charges on the bill (not including other charges on the EBMUD bill)

SFR Water Use	% of EBMUD Water Charges Fixed
4 CCF/mo	62%
6 CCF/mo	52%
10 CCF/mo	37%
24 CCF/mo	16%

Concerns with Collection Fixed Charges on the Property Tax Bill



- Moving EBMUD fixed charges would still leave a large fixed charge on the bi-monthly bill for many customers
 - Many EBMUD customers are billed fixed charges for EBMUD wastewater treatment and city sewer collection
- Disassociates customer from full EBMUD water charges
- Does not benefit low income customers who are property owners
- Imposes numerous additional legal requirements
- Receipt of revenue would be twice a year

Billing Challenges with Collection on the Property Tax Bill



- Further increases complexity and administrative burden of rate process
 - Parcel data and water account records would need to be paired for a 100% sure match which is extremely difficult – this has been challenging for Wet Weather billing. Unlike WW, where the parcel being billed not the account, for Water it is only active accounts we would want to charge.
- Requires a revamp of the District's Customer Information System and an overhaul of the District's billing processes
- Adds another EBMUD fee to property tax bill; increases tax bill by a minimum of \$350 per year

Sample Property Tax Bill - Lafayette



- A new fixed charge of \$350 would be the third largest charge out of 20 after the 1%

Asterisk (*) next to special tax or assessment below indicates SENIOR exemption may be available. Call number next to asterisk below for further information.

PARCEL NUMBER	BILL NUMBER	TRA	ISSUE DATE	TYPE	CORTAC	DEFAULT #
			09/16/2019	ORIGINAL		
SPECIAL TAXES & ASSESSMENTS				AD VALOREM TAXES & ASSESSMENTS		
DESCRIPTION	CODE	INFORMATION	AMOUNT	DESCRIPTION	RATE	AMOUNT
MOSQUITO & VECTOR	DV	(925) 867-3400	4.74	1% COUNTYWIDE TAX	1.0000	10,266.00
EMERGENCY MED B	DY	(925) 608-5454	10.00	ADD:		
CCCSO SEWER CHG	GE	(925) 229-7115	598.00	CITY OF LAFAYETTE	.0060	61.59
LAF MEAS J&B PCLTX	IB *	(844) 332-0549	604.00	BART	.0074	75.97
FED STORMWATER A-7	IJ	(925) 313-2023	59.50	BART BOND 2016	.0046	47.22
SFBRA PCL TAX	IB	(888) 508-8157	12.00	EAST BAY REG PK BD	.0094	96.50
ACL MEAS G&A PCLTX	JF *	(800) 441-8280	301.00	ACALANES BOND 97	.0118	121.14
LAF ST LT Z 1-12	JL	(866) 807-6864	78.94	ACALANES BOND 2002	.0208	213.54
EASTBAY TRAILS LLD	KA *	(888) 512-0316	5.44	LAFAYETTE ELEM 95	.0180	184.78
				LAFAYETTE ELEM 16	.0221	226.88
				COMM COLL 2002 BND	.0030	30.80
				OTHER BONDS/ TAX	.0158	162.20
				TOTAL AD VALOREM TAXES	1.1189	11,486.62
				ADD: SPECIAL TAXES & ASSESSMENTS		1,673.62
				DELINQUENT PENALTY		0.00
				DELINQUENT COST		0.00
				LESS: PAYMENTS RECEIVED		0.00
TOTAL SPECIAL TAXES & ASSESSMENTS			1,673.62	TOTAL AMOUNT DUE		13,160.24

Sample Property Tax Bill - Berkeley



- A new fixed charge of \$350 would be the fifth largest charge out of 29 after the 1%
- Total EBMUD charges would be ~\$460 or second largest

2019-2020

For Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020

ALAMEDA COUNTY
SECURED PROPERTY TAX STATEMENT
 Henry C. Levy, Treasurer and Tax Collector
 1221 Oak Street, Room 131
 Oakland, California 94612

Parcel Number	Tracer Number	Tax-Rate Area	Special Handling
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Tax-Rate Breakdown		
Taxing Agency	Tax Rate	Tax Amount
COUNTYWIDE TAX	1.0000%	13,195.00
VOTER APPROVED DEBT SERVICE :		
COUNTY GO BOND	.0108%	142.50
CITY OF BERKELEY	.0435%	573.98
SCHOOL UNIFIED	.1204%	1,588.68
SCHOOL COMM COLL	.0257%	339.11
BAY AREA RAPID TRANSIT	.0120%	158.34
EAST BAY REGIONAL PARK	.0060%	79.17
TOTAL	1.2184%	16,076.78

Fixed Charges and/or Special Assessments		
Description	Phone	Amount
CITY ST LIGHTING	(510)981-7200	17.46
CITY LANDSCP/PARK	(510)981-7200	279.42
CITY LIBRARY SVC	(510)981-7200	367.16
MOSQUITO ABATEMENT	(800)273-5167	1.74
CSA PARAMEDIC	(925)867-3400	34.02
CSA VECTOR CONTROL	(800)273-5167	5.92
PARAMEDIC SUPPLMNT	(510)981-7200	63.52
FIRE/EMG SRVC TAX	(510)981-7200	94.02
2018 STREET LIGHT	(510)981-7200	12.32
2018 STORM WATER	(510)981-7200	45.30
CSA LEAD ABATEMENT	(510)567-8280	10.00
PERALTA CCD MEAS B	(800)792-8021	48.00
SCHOOL MAINTENANCE	(510)644-8717	113.64
SCHL ED PROGS/BSEP	(510)644-8717	643.18
SFBRA MEASURE AA	(888)508-8157	12.00
HAZ WASTE PROGRAM	(800)273-5167	6.64
CSA VECTOR CNTRL B	(800)273-5167	5.08
MOSQUITO ASSESS 2	(800)273-5167	2.50
AC TRANSIT MEAS WV	(800)273-5167	96.00
PHYS DISABLED	(510)981-7200	26.48
CFD1 DISASTER FIRE	(510)981-7200	20.20
EBMUD WETWEATHER	(866)403-2683	111.24
* Possible Sr Exempt - Call Agency		
Additional Total from Reverse Side		55.32
Total Fixed Charges and/or Special Assessments		2,071.16

Tax Computation Worksheet			
Description	Full Valuation	Tax Rate	Tax Amount
LAND	371,420		
IMPROVEMENTS	955,080		
FIXTURES			
TOTAL REAL PROPERTY	1,326,500		
PERSONAL PROPERTY			
GROSS ASSESSMENT & TAX	1,326,500	1.2184%	16,162.06
HOMEOWNERS EXEMPTION	-7,000	1.2184%	-85.28
OTHER EXEMPTION			
NET ASSESSMENT AND TAX	1,319,500	1.2184%	16,076.78
			16,076.78
First Installment	Second Installment	Total Amount Due	
\$9,073.97	\$9,073.97	\$18,147.94	

Sample Property Tax Bill - Berkeley



(Cont'd)

- A new fixed charge of \$350 would be the fifth largest charge out of 29 after the 1%
- Total EBMUD charges would be ~\$460 or second largest

2019-2020

For Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020

ALAMEDA COUNTY
SECURED PROPERTY TAX STATEMENT
 Henry C. Levy, Treasurer and Tax Collector
 1221 Oak Street, Room 131
 Oakland, California 94612

Parcel Number	Tracer Number	Tax-Rate Area	Special Handling
---------------	---------------	---------------	------------------

Fixed Charges and/or Special Assessments		
Description	Phone	Amount
CITY ST LIGHTING	(510)981-7200	17.46
CITY LANDSCP/PARK	(510)981-7200	279.42
CITY LIBRARY SVC	(510)981-7200	367.16
MOSQUITO ABATEMENT	(800)273-5167	1.74
CSA PARAMEDIC	(925)867-3400	34.02
CSA VECTOR CONTROL	(800)273-5167	5.92
PARAMEDIC SUPPLMNT	(510)981-7200	63.52
FIRE/EMG SRVC TAX	(510)981-7200	94.02
2018 STREET LIGHT	(510)981-7200	12.32
2018 STORM WATER	(510)981-7200	45.30
CSA LEAD ABATEMENT	(510)1567-8280	10.00
PERALTA CCD MEAS B	(800)792-8021	48.00
SCHOOL MAINTENANCE	(510)644-8717	113.64
SCHL ED PROGS/BSEP	(510)644-8717	643.18
SFBRA MEASURE AA	(888)508-8157	12.00
HAZ WASTE PROGRAM	(800)273-5167	6.64
CSA VECTOR CNTRL B	(800)273-5167	5.08
MOSQUITO ASSESS 2	(800)273-5167	2.50
AC TRANSIT MEAS W	(800)273-5167	96.00
PHYS DISABLED	(510)981-7200	26.48
FED1 DISASTER FIRE	(510)981-7200	20.20
EBMUD WETWEATHER	(866)403-2683	111.24
Possible Sr Exempt - Call Agency		
Additional Total from Reverse Side		55.32
Total Fixed Charges and/or Special Assessments		2,071.16

FED1 DISASTER FIRE	(510)981-7200	20.20
EBMUD WETWEATHER	(866)403-2683	111.24
* Possible Sr Exempt - Call Agency		
Additional Total from Reverse Side		55.32
Total Fixed Charges and/or Special Assessments		2,071.16

Sample Property Tax Bill - Piedmont



- A new fixed charge of \$350 would be the sixth largest charge out of 23 after the 1% following just behind the Wet Weather Charge; total EBMUD charges would be ~\$750 or fourth largest

2019-2020
 For Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020
ALAMEDA COUNTY
SECURED PROPERTY TAX STATEMENT
 Henry C. Levy, Treasurer and Tax Collector
 1221 Oak Street, Room 131
 Oakland, California 94612

Parcel Number	Tracer Number	Tax-Rate Area	Special Handling



Tax-Rate Breakdown		
Taxing Agency	Tax Rate	Tax Amount
COUNTYWIDE TAX	1.0000%	9,262.40
VOTER APPROVED DEBT SERVICE		
COUNTY GO BOND	.0108%	100.02
SCHOOL UNIFIED	.1692%	1,567.20
SCHOOL COMM COLL	.0257%	238.04
BAY AREA RAPID TRANSIT	.0120%	111.15
EAST BAY REGIONAL PARK	.0060%	55.57
TOTAL	1.2237%	11,334.38

Fixed Charges and/or Special Assessments		
Description	Phone	Amount
CITY SEWER SERVICE	(800)676-7516	917.00
CITY WATER USE TAX	(800)676-7516	12.00
MOSQUITO ABATEMENT	(800)273-5167	1.74
CSA PARAMEDIC	(925)867-3400	34.02
CSA VECTOR CONTROL	(800)273-5167	5.92
PARAMEDIC SUPPLMNT	(800)676-7516	18.46
SCHOOL MEASURE A	(800)676-7516	2,709.00
PERALTA CCD MEAS B	(800)792-8021	48.00
SFBRA MEASURE AA	(888)508-8157	12.00
HAZ WASTE PROGRAM	(800)273-5167	6.64
CSA VECTOR CNTRL B	(800)273-5167	5.08
MOSQUITO ASSESS 2	(800)273-5167	2.50
AC TRANSIT MEAS VV	(800)273-5167	96.00
EBMUD WETWEATHER	(866)403-2683	397.20
* EAST BAY TRAIL LLD	(888)512-0316	5.44
* EBRP PARK SAFETY/M	(888)512-0316	12.00
MUN SERVICES TAX	(800)676-7516	793.00
* Possible Sr Exempt - Call Agency		
Total Fixed Charges and/or Special Assessments		5,076.00

Tax Computation Worksheet			
Description	Full Valuation	x Tax Rate	= Tax Amount
LAND IMPROVEMENTS	279,972		
FIXTURES	653,268		
TOTAL REAL PROPERTY	933,240		
PERSONAL PROPERTY			
GROSS ASSESSMENT & TAX	933,240	1.2237%	11,420.03
HOMEOWNERS EXEMPTION	-7,000	1.2237%	-85.65
OTHER EXEMPTION			
NET ASSESSMENT AND TAX	926,240	1.2237%	11,334.38
			11,334.38
First Installment	Second Installment	Total Amount Due	
\$8,205.19	\$8,205.19	\$16,410.38	

Sample Property Tax Bill - Piedmont



(Cont'd)

- A new fixed charge of \$350 would be the sixth largest charge out of 23 after the 1% following just behind the Wet Weather Charge; total EBMUD charges would be ~\$750 or fourth largest

2019-2020

For Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020

ALAMEDA COUNTY

SECURED PROPERTY TAX STATEMENT

Henry C. Levy, Treasurer and Tax Collector

1221 Oak Street, Room 131

Oakland, California 94612

Parcel Number	Tracer Number	Tax-Rate Area	Special Handling

Fixed Charges and/or Special Assessments		
Description	Phone	Amount
CITY SEWER SERVICE	(800)676-7516	917.00
CITY WATER USE TAX	(800)676-7516	12.00
MOSQUITO ABATEMENT	(800)273-5167	1.74
CSA PARAMEDIC	(925)867-3400	34.02
CSA VECTOR CONTROL	(800)273-5167	5.92
PARAMEDIC SUPPLMNT	(800)676-7516	18.46
SCHOOL MEASURE A	(800)676-7516	2,709.00
PERALTA CCD MEAS B	(800)792-8021	48.00
SFBRA MEASURE AA	(888)508-8157	12.00
HAZ WASTE PROGRAM	(800)273-5167	6.64
CSA VECTOR CNTRL B	(800)273-5167	5.08
MOSQUITO ASSESS 2	(800)273-5167	2.50
AC TRANSIT MEAS VV	(800)273-5167	96.00
EBMUD WETWEATHER	(866)403-2683	397.20
* EAST BAY TRAIL LLD	(888)512-0316	5.44
* EBRP PARK SAFETY/M	(888)512-0316	12.00
MUN SERVICES TAX	(800)676-7516	793.00

EBMUD WETWEATHER	(866)403-2683	397.20
* EAST BAY TRAIL LLD	(888)512-0316	5.44
* EBRP PARK SAFETY/M	(888)512-0316	12.00
MUN SERVICES TAX	(800)676-7516	793.00
* Possible Sr Exempt - Call Agency		
Total Fixed Charges and/or Special Assessments		5,076.00

EBMUD Water Bill Often Has Other Fixed Charges



For many customers, the bi-monthly bill will still be mostly fixed even after moving the EBMUD fixed water charges to the property tax bill

SFR Water Use	EBMUD Wastewater Treatment SFR Fixed	Oakland City Collection Charge Fixed	% of Fixed Charges Currently	% of Fixed Charges with Fixed on Property Tax
4 CCF/mo	\$14.53/mo	\$41.37/mo	79%	71%
10 CCF/mo	\$14.53/mo	\$41.37/mo	59%	50%

Impact of Removing Fixed Charges from EBMUD Bill for Water Only Customers



For water only EBMUD customers, moving the fixed water charges to the property tax bill reduces the monthly water bill

Danville Average Water Use	EBMUD Monthly SFR Bill*	EBMUD Monthly Fixed	EBMUD Monthly Volume*	% Bill reduction if Fixed is moved to Property Tax Bill
9 CCF/mo (winter)	\$72.54/mo	\$26.23/mo	\$46.31/mo	36%
25 CCF/mo (summer)	\$189.50/mo	\$26.23/mo	\$163.27/mo	14%

*includes elevation surcharge band 1

Collecting on Property Tax Bill Imposes New Legal Requirements



Existing Approach – Collection of all charges on bi-monthly bill

- Proposition 218
 - Imposes numerous substantive and procedural requirements, including Proposition 218 notice and hearing
 - Prohibits cross-subsidies where one group of individuals (e.g., owners) subsidize the costs generated by another group (e.g., tenants)
 - Requires cost of service justification for charges billed to property owners versus tenants
- MUD Act/Contract Law
 - Impose limitations on collecting charges of tenants against property owners

Collecting on Property Tax Bill Imposes New Legal Requirements (Cont'd)



New Approach – Collect some fixed charges on property tax bill

- All Prop 218 and MUD Act requirements
- Health & Safety Code section 5471
 - Contained within “Sanitation” Division of H&SC; uncertain application to water charges
 - Typically used for collection of sewer charges
 - Imposes additional layer of substantive and procedural requirements, including identifying properties subject to the charge, filing report with Secretary and counties
 - Requires annual notice and public hearing process
 - Requires 2/3 Board approval each year to collect on tax rolls
 - Limits the use of revenues to the purposes listed in the statute (cannot be used for new laterals)

Property Tax Bill Collection Procedural Challenges



- A rate increase could be passed by the Board after a Prop 218 process by a 4 to 3 vote. The subsequent approval to place the charge on the property tax bill requires a two-thirds vote (at least 5-2) annually per the Health & Safety Code.
- If a successful vote (5-2) could not be obtained, the District would not be able to collect its fixed charges on the tax bill. A new 218 process to notice collection on the regular bi-monthly bill would need to be completed which would be complicated by the issue of tenants who would now be billed a charge the District has established to be allocable to property owners.
- Lastly, charges must be submitted to the counties in August which provides little margin between the Prop 218 process, the required Health & Safety Code hearing, and the county deadlines.

Agencies That Collect Water Charges on the Property Tax Bill



Agency	Charge on Property Tax Purpose	Considerations
Marin Municipal	Fire Protection and Infrastructure Renewal	Infrastructure Renewal charge is facing legal challenge
Lake Arrowhead	Supplemental Water Supply	Not for ongoing operating costs
South Coast Water District	Infrastructure Costs and Peak Demand Costs	Monthly meter charges on tax bill and prior year peak demand informs demand charges
Monterey Peninsula Water Management	Water Supply Charge	On tax bill because CPUC disallowed collection on CALAM water bill

Alternatives to Collecting Water Fixed Charges on Property Tax Bill



- If goal is to increase affordability of bi-monthly bill
 - Remove fixed city sewer charges from EBMUD bill
 - Encourage Oakland and Emeryville to move to volume based charges
 - Implement CAP for city collection charges

Workshop Summary



- Strategic Plan and KPIs updated
- FY20 net budget performance projected to be above budget although to a lesser extent
- Projected impact is greater on the FY21 budget including significantly below-budget revenues
- Staff will provide the Board ongoing updates on financial and budgetary impacts
- Recommend no change to FY21 appropriations and staffing linked to FY21 adopted rates
- Recommend changes to FY21 non-Prop 218 rates and no change to FY21 SCC rates
- Development of FY22 & FY23 budget to begin in the fall

Next Steps



Milestone	Date
Public hearing on rates & charges	June 9, 2020
Board consider adoption & budget affirmation	June 9, 2020
Water & Wastewater rates take effect	July 1, 2020
WCF rates take effect	July 1, 2020
SCC rates – no change	July 1, 2020

Board Discussion

