

2021 Customer Assistance Program Workshop

Board of Directors

February 9, 2021

Workshop Agenda

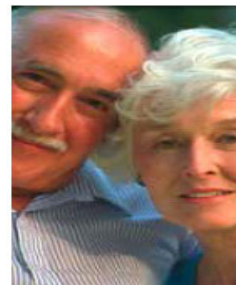


- 2020 CAP Highlights
- COVID-19 Impacts
- Customer Support Program Redesign
- Effort to Address Homelessness
- Next Steps

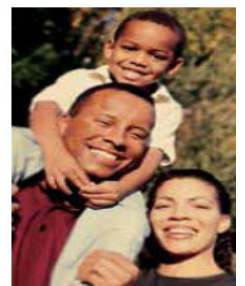
**Trouble
paying your
water bill?
EBMUD
can help.**



**¿Problemas
para pagar
su factura
del agua?
EBMUD le
puede ayudar.**



**無力支付
水費帳單?
東灣水務局
(EBMUD)
能幫助您。**

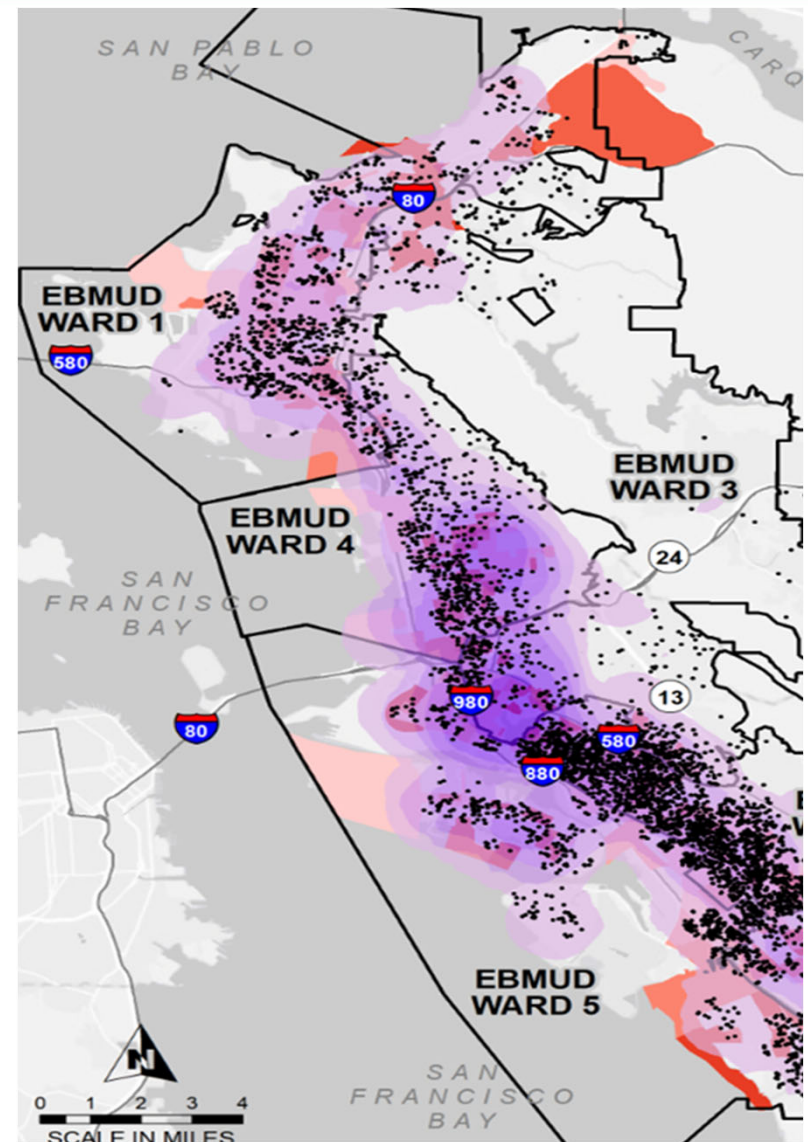


2020 CAP Highlights

2020 CAP Workshop Recap



- Estimated 33,000 eligible households as program goal
- Many income eligible customers **do not** receive a water bill
- CAP has room for growth



CAP Eligibility and Credit



Household Size	2020 District CAP Income Eligibility	2020 Federal Poverty Guidelines (200%)
1	\$52,200	\$25,520
2	\$52,200	\$34,480
3	\$58,750	\$43,440
4	\$65,250*	\$52,400

**\$5,200 for each additional family member*

KEY TAKEAWAY

One of the most generous thresholds and highest credits

- 50% credit on water charges
- 35% credit on wastewater charges

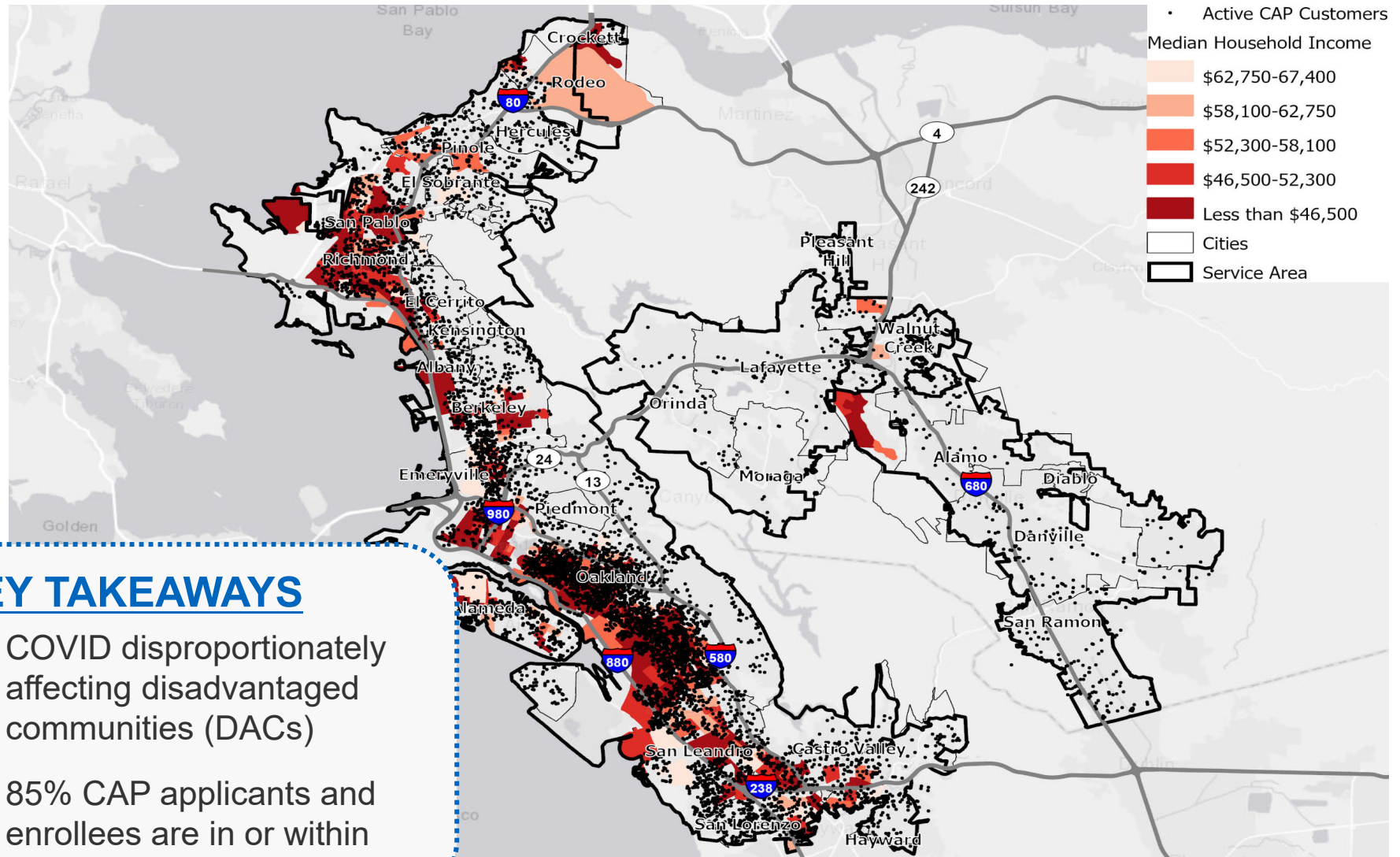
Key 2020 CAP Highlights



- Expanded outreach activities
- Overall participation up nearly 19%
 - ~6,800 CAP applications processed
 - 2,730 first-time CAP enrollments
- Shifted resources to support increased CAP participation
- Expanded Water Lifeline funds
- Alternative to water shutoffs



Majority of CAP Applicants and Enrollees are in DACs



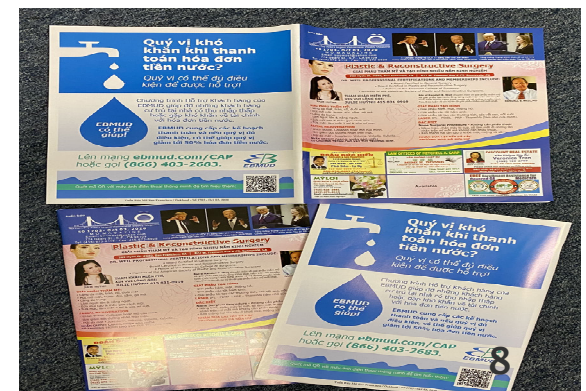
KEY TAKEAWAYS

- 1 COVID disproportionately affecting disadvantaged communities (DACs)
- 2 85% CAP applicants and enrollees are in or within 0.5 mile of DACs

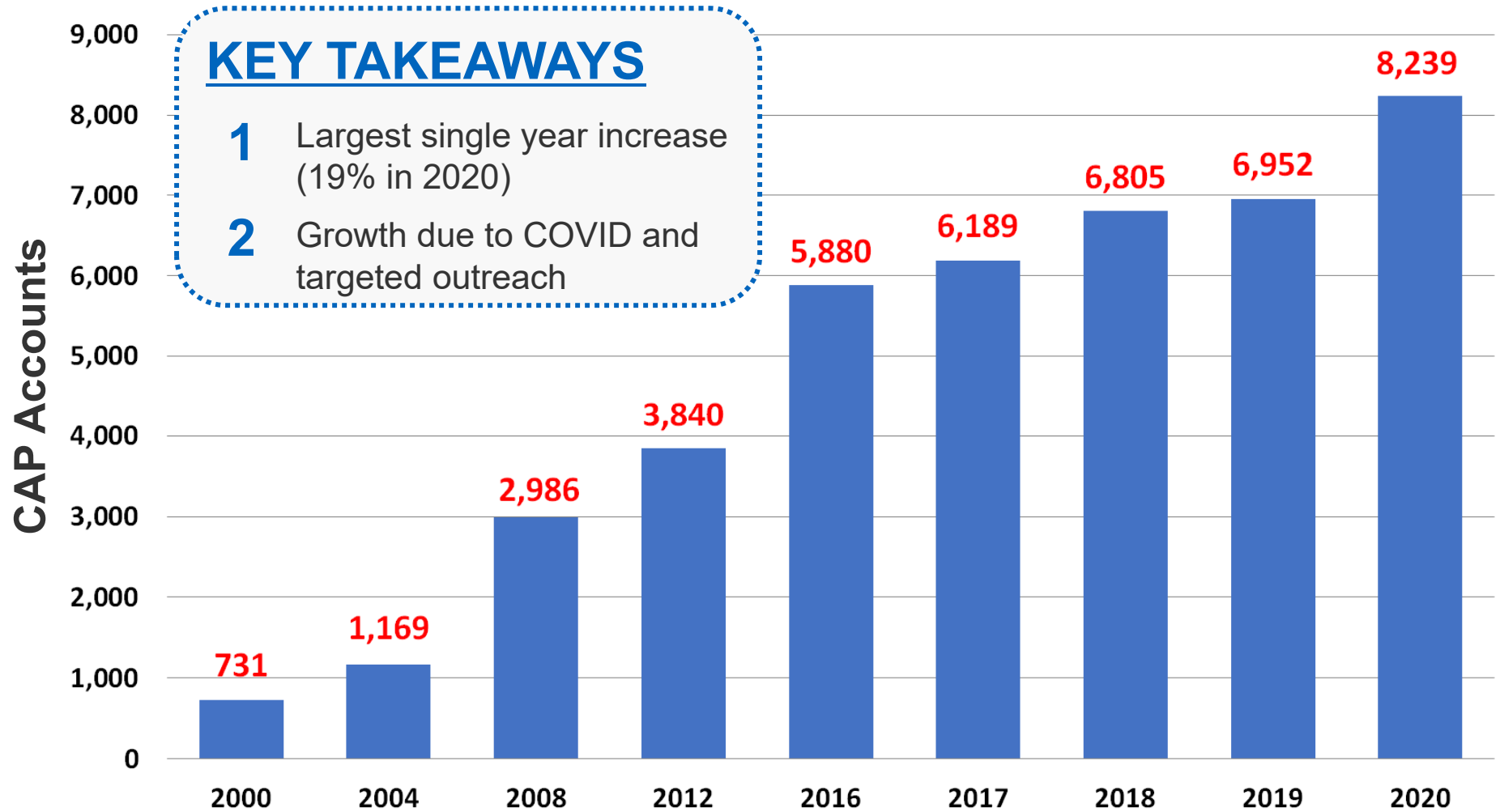
Targeted CAP Outreach



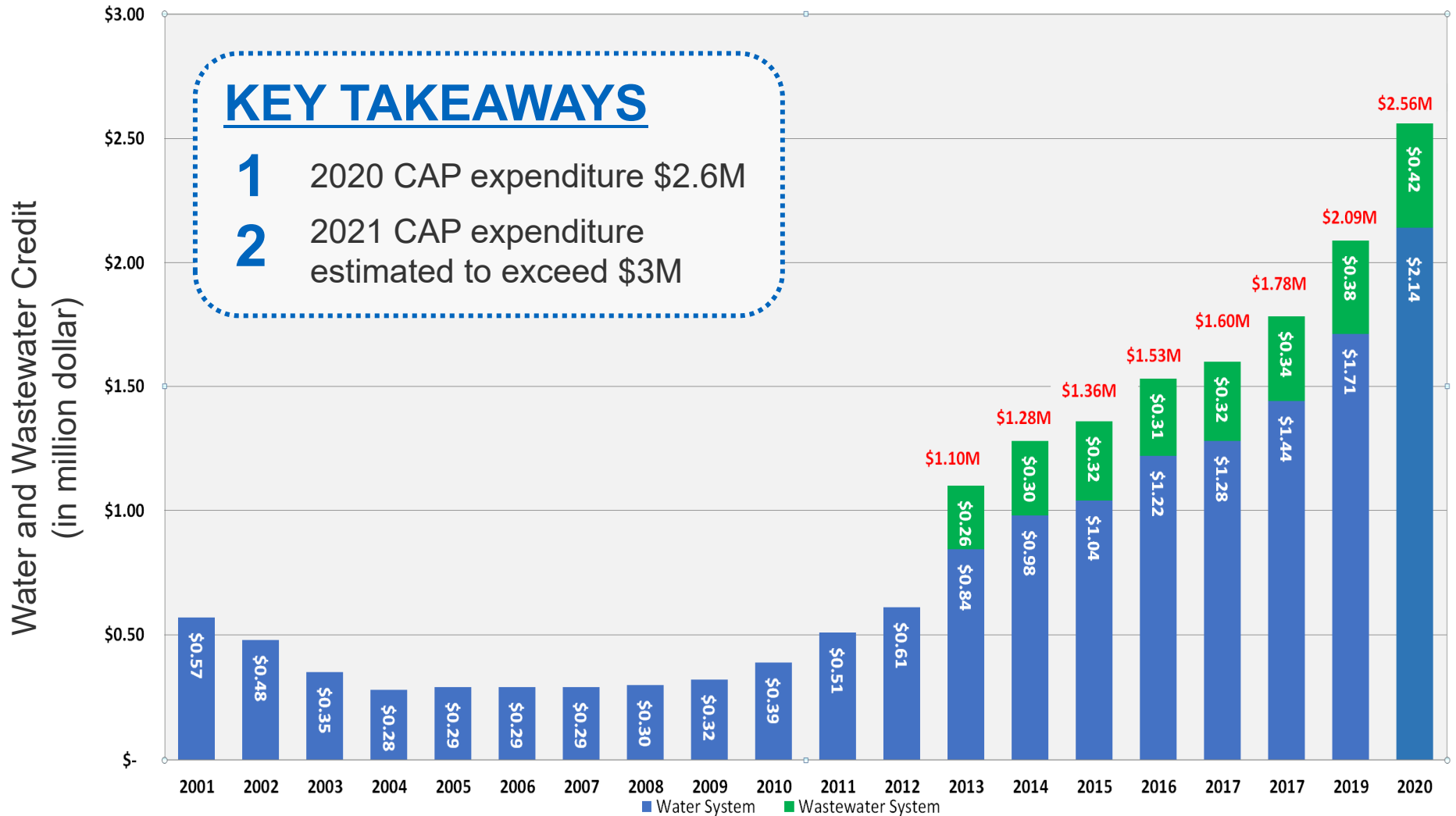
- Brochures and targeted ads
 - Bus station and billboard ads
 - Community and language specific newspaper ads
 - Mailers and online publications
- Community collaborations
 - Food banks, non-profits, and religious sectors
 - Local school districts (lunch programs)
 - Farmer's markets
 - County Supervisor Offices and services agencies
 - City agencies



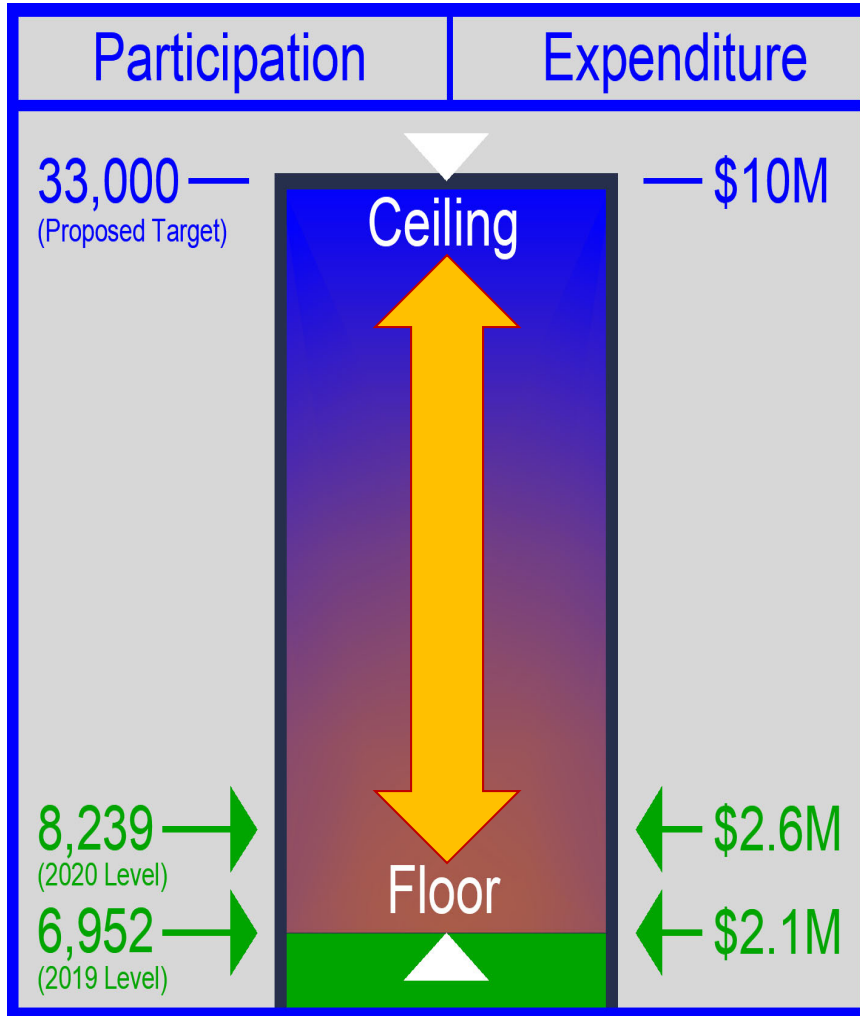
2020 CAP Participation



CAP Expenditures Increasing



Additional Resources Needed



(Admin Cost ~ \$0.5M)

- \$2.6M in CAP expenditure is highest to date
- Approximately \$336,000 is needed to fund every 1,000 new participants (FY21)
- Significant non-rate revenue needed to fund increased participation

A line graph with two lines: a red line and a green line. The red line starts high, peaks, and then generally trends downwards with some fluctuations. The green line starts low, peaks, and then trends upwards with some fluctuations. The lines are thick and have a slight 3D effect.

COVID-19 Impacts on Delinquencies

Early District Response to COVID



Having trouble paying your water bill?
You may qualify for assistance!

EBMUD's Customer Assistance Program helps residential customers who are low-income or experiencing financial hardship with their water bill.

EBMUD can help!

EBMUD offers payment plans and if you qualify, can help you reduce your water bill by up to 50%.

Visit ebmud.com/CAP
or call (866) 403-2683.



Scan QR code with a smartphone camera to learn more:



- In March 2020
 - Suspended water service shutoffs
 - Restored water service to customers with active accounts
- Intensified outreach efforts
- Directed resources to support increased CAP demand

Delinquency Trend

All Accounts



Year	No. of Accounts* (Monthly Average)
2017	21,540
2018	21,362
2019	21,361
2020	20,875

* 60 days after statement

- Delinquencies have not increased during COVID
- 98% of customers are paying their water bill or making arrangements
- 90% of payments are remitted on time

Delinquency Trend Single-Family Residential



Year	No. of Accounts (Monthly Average)
2017	19,131
2018	19,001
2019	18,927
2020	18,720

* 60 days after statement

- Delinquencies have not increased during COVID
- 98% of customers are paying their water bill or making arrangements
- 94% of payments are remitted on time

Delinquency Trend Multi-Family Residential



Year	No. of Accounts (Monthly Average)
2017	1,420
2018	1,363
2019	1,386
2020	1,468

* 60 days after statement

- Delinquencies remained consistent during COVID
- 98% of customers are paying their water bill or making arrangements
- 95% of payments are remitted on time

Delinquency Trend Non-Residential

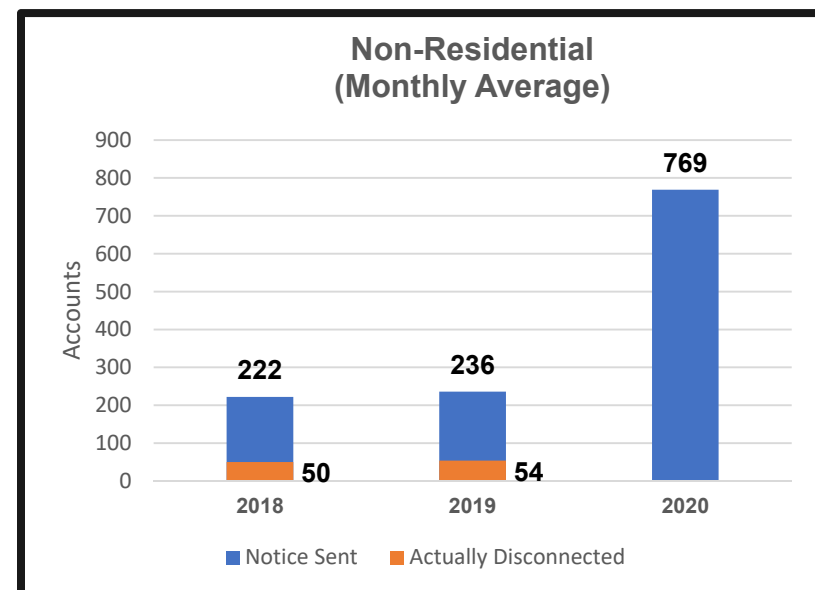
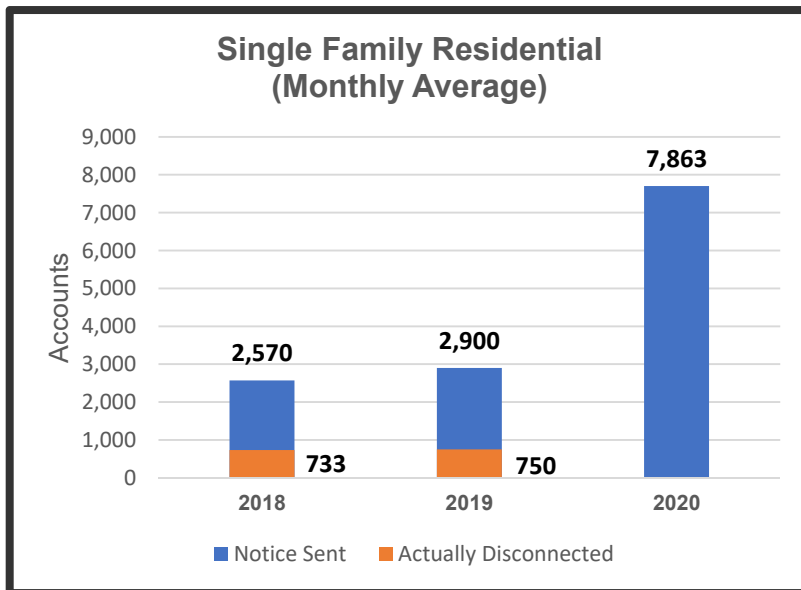


Year	No. of Accounts (Monthly Average)
2017	1,167
2018	1,195
2019	1,236
2020	1,542

* 60 days after statement

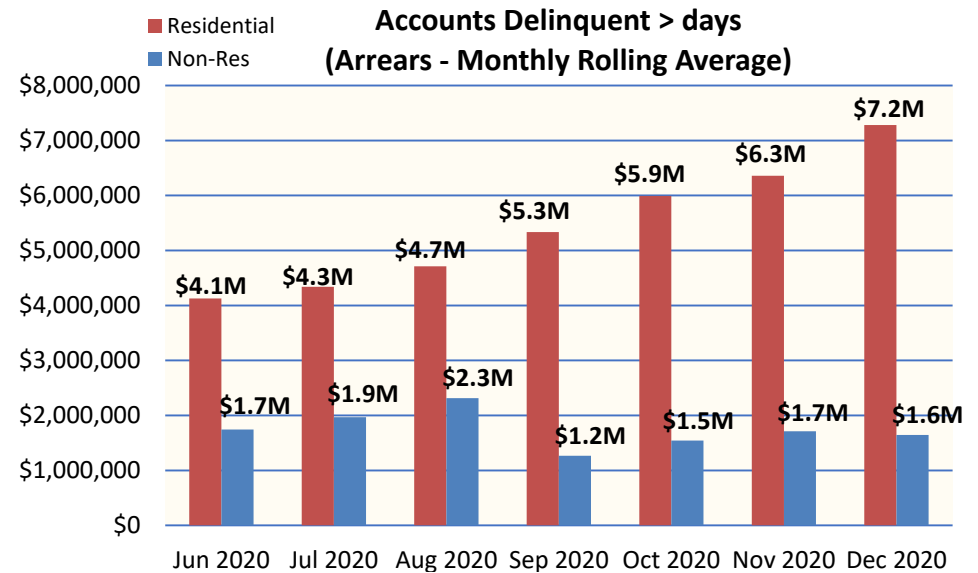
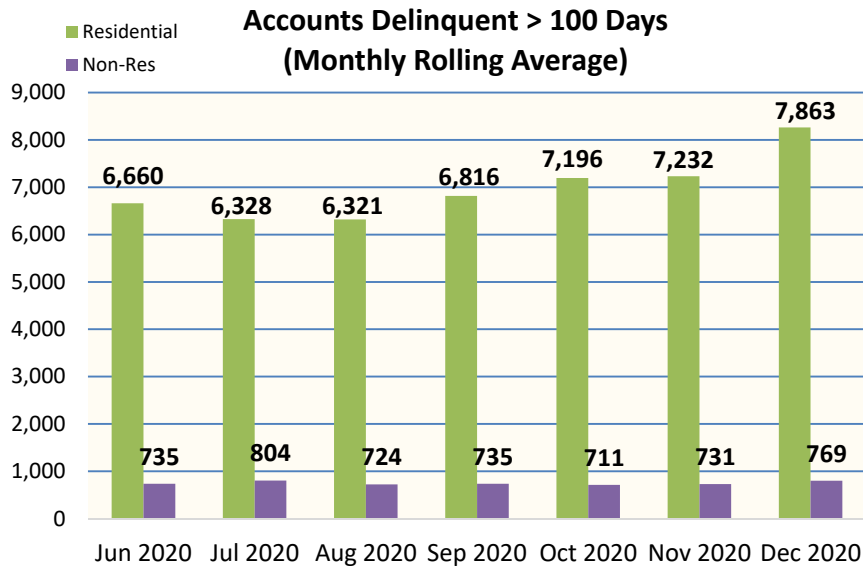
- Delinquency trend increased during COVID
- 95% of payments are remitted on time or making arrangements
- 53% of those impacted in the service industry

Accounts Delinquent for >100 Days Increased



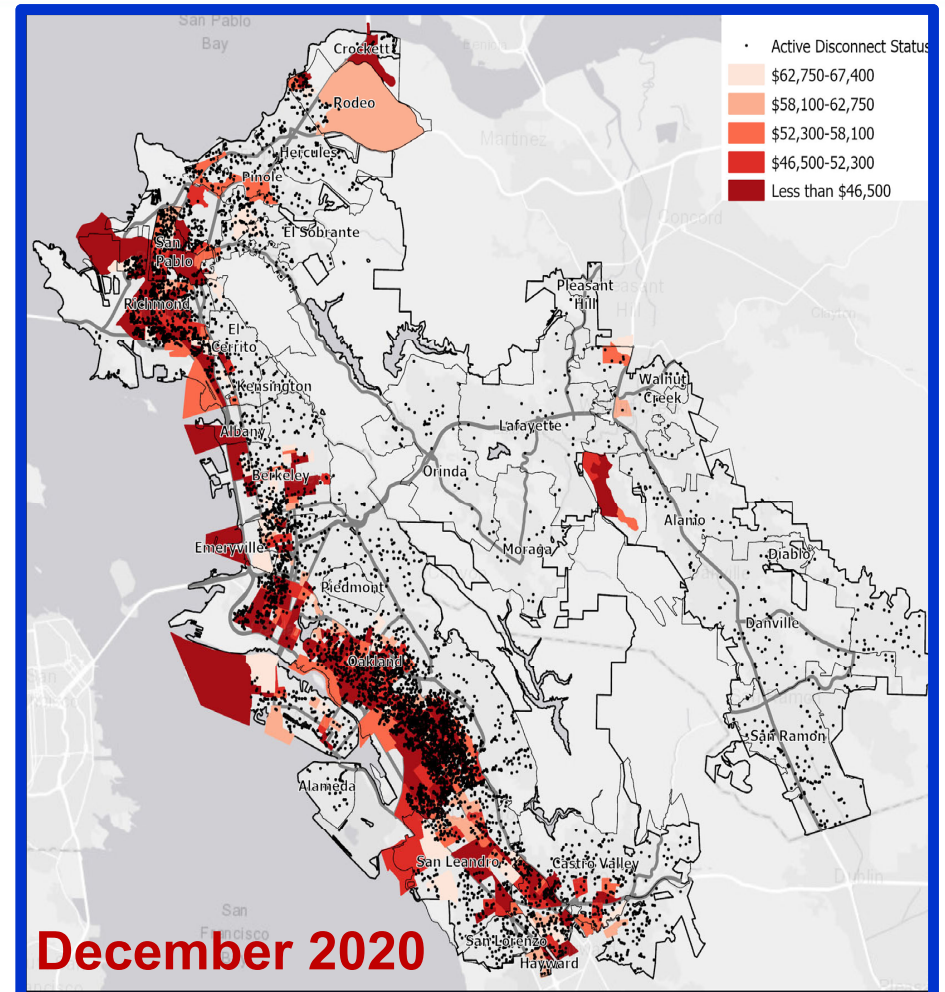
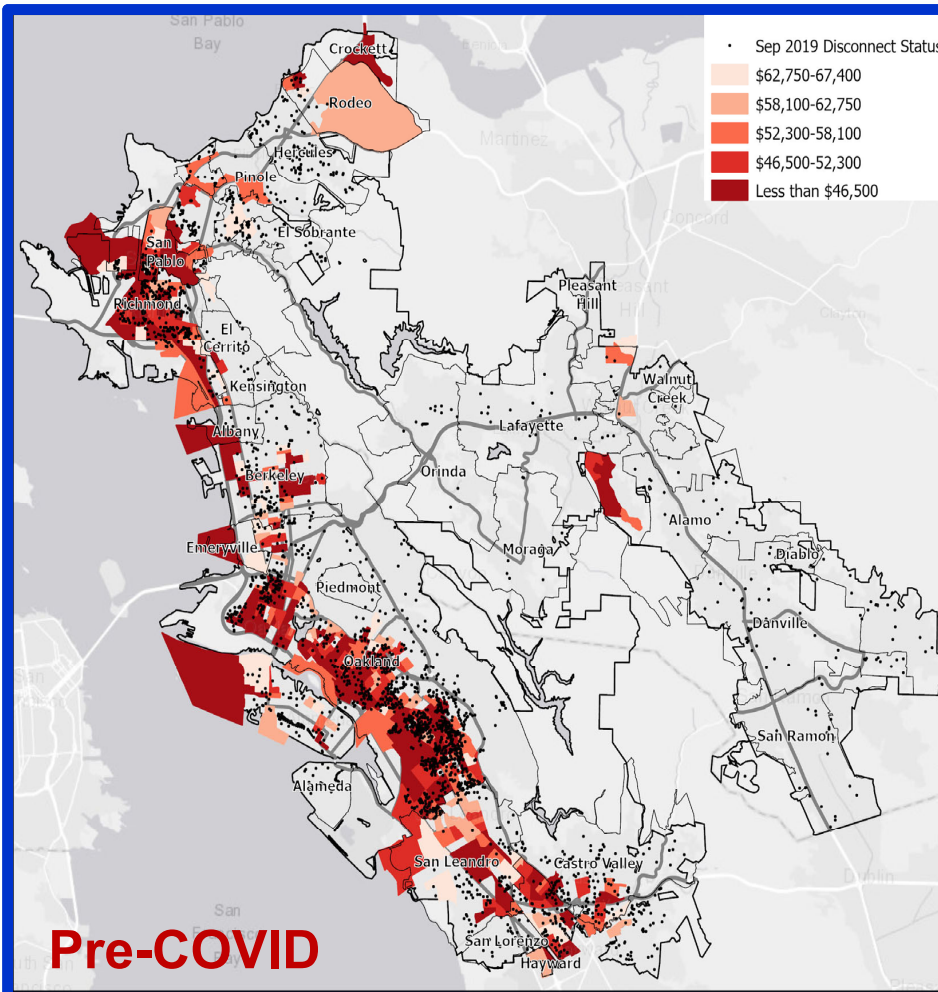
- Number of accounts delinquent for >100 days increased
- Surge in April and May but have remained steady since
- Prior to suspension of shutoffs, most accounts delinquent for >100 days were not disconnected
 - Less than 30% of SFR accounts were interrupted
 - Less than 25% of non-residential accounts were interrupted

Arrearage thru December 2020



- 7,863 SFR accounts delinquent for >100 days
 - Nearly 4,300 accounts for the first time
 - Over 1,700 accounts have not paid since March 2020
- 769 non-residential accounts delinquent for >100 days
 - Over 500 accounts for the first time
 - 159 accounts have not paid since March 2020

Location of Delinquent Single Family Accounts



- 84% of delinquent accounts located in or near disadvantaged communities

COVID Impacts Key Takeaways

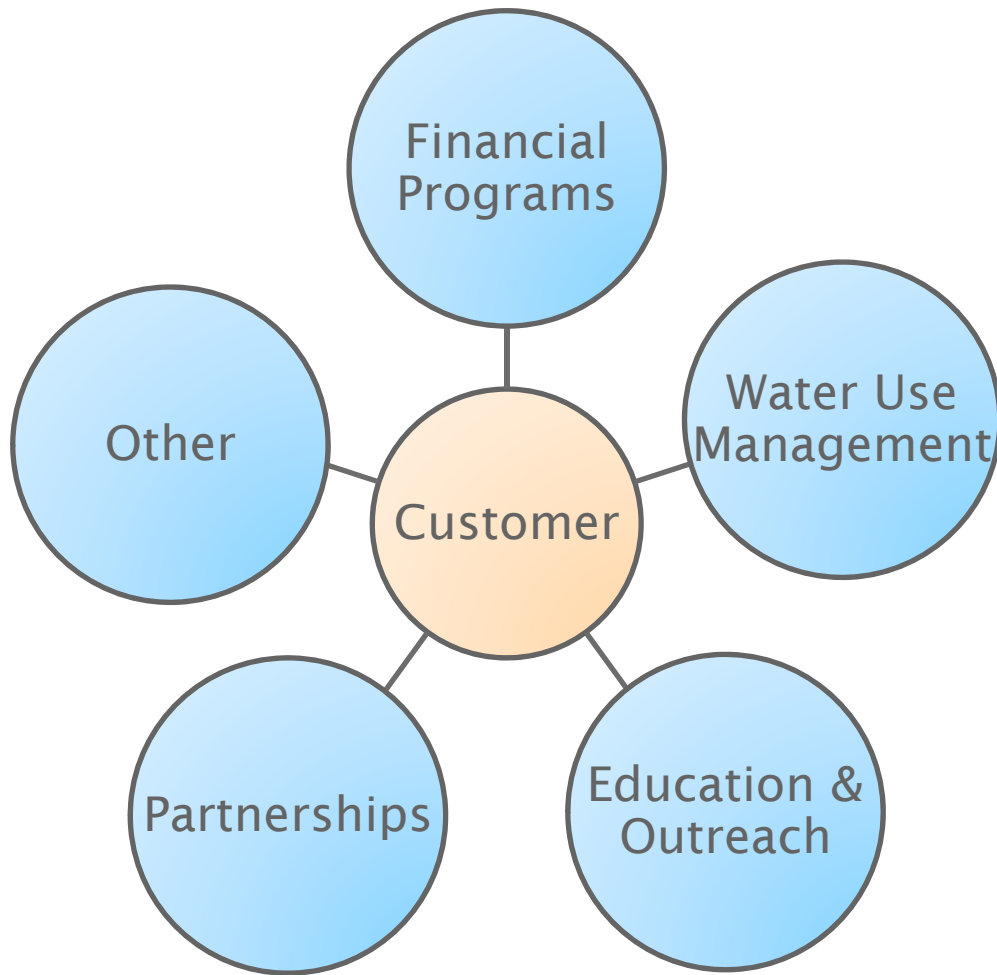


- Most customers paying their water bill or making arrangements
- Number of SFR accounts delinquent more than 100 days doubled
- MFR account delinquencies consistent
- Non-residential account delinquencies increased significantly



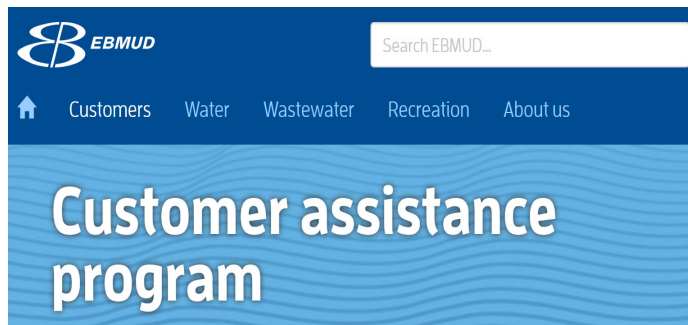
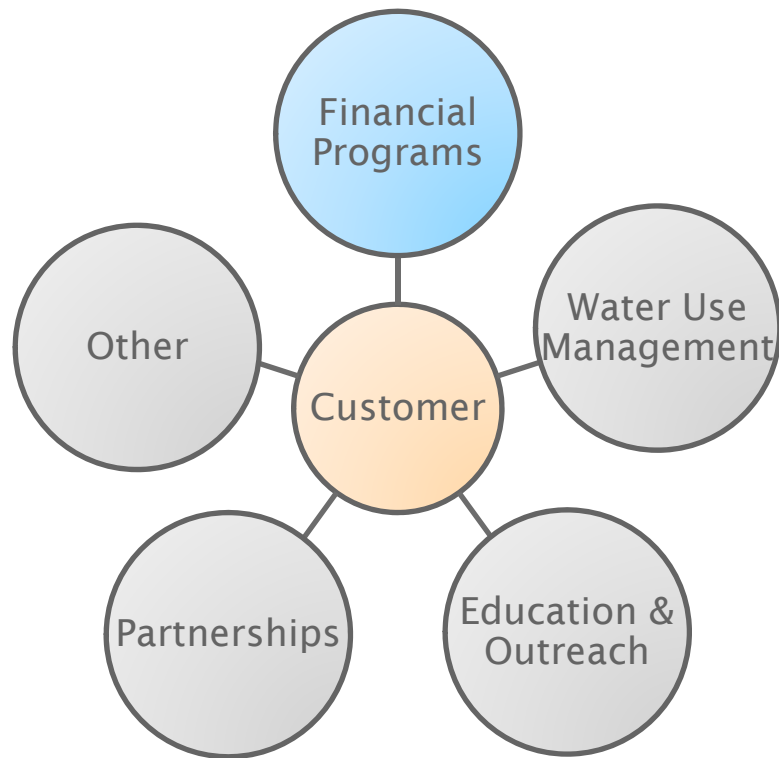
Customer Support Program Redesign

Customers at the Core of Everything We Do!



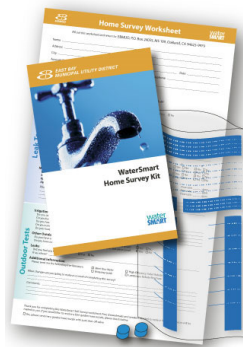
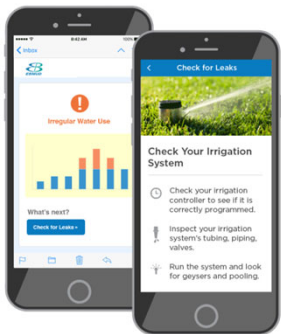
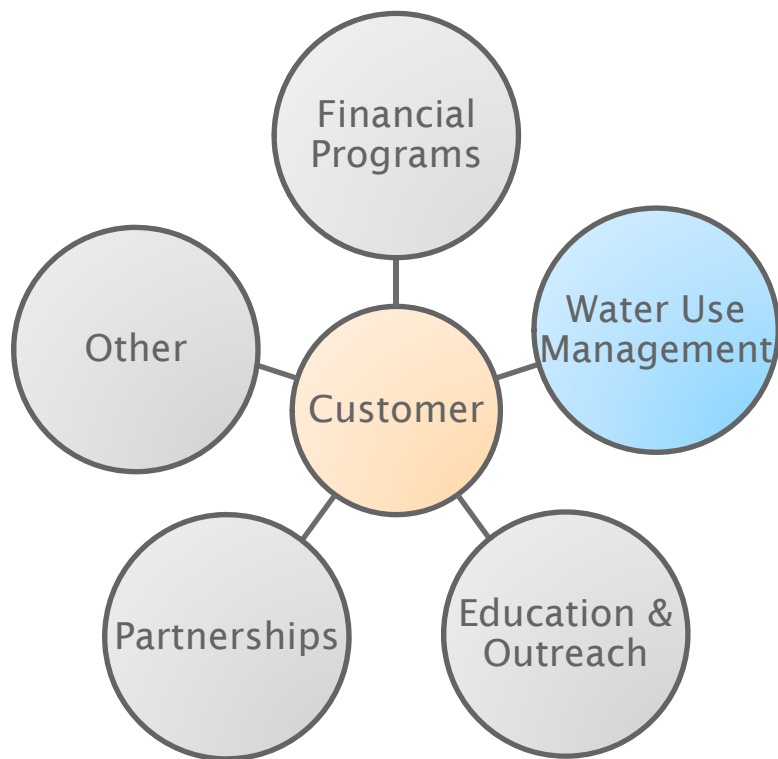
- Customer-centric approach
- Proactive and responsive
- Flexibility
- Empathy
- Innovative
- Program equity

Financial Programs



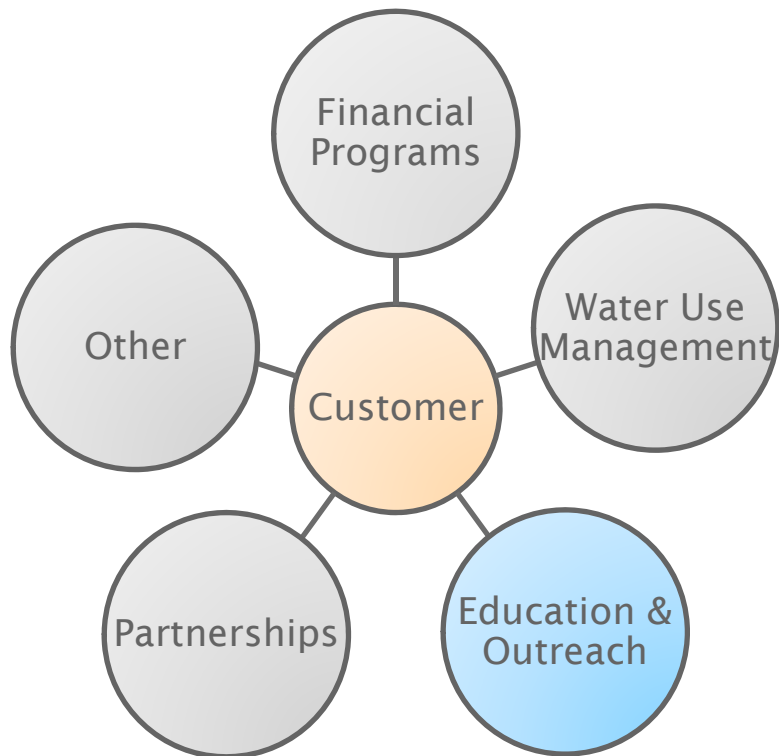
- Customer Assistance Program (CAP)
- Payment plans
- Payment extensions
- Water Lifeline
 - Over \$6,000 in 2021 employee pledges
 - Over \$26,000 in employee donations to date
- City sewer charge discounts (on-going)

Water Use Management



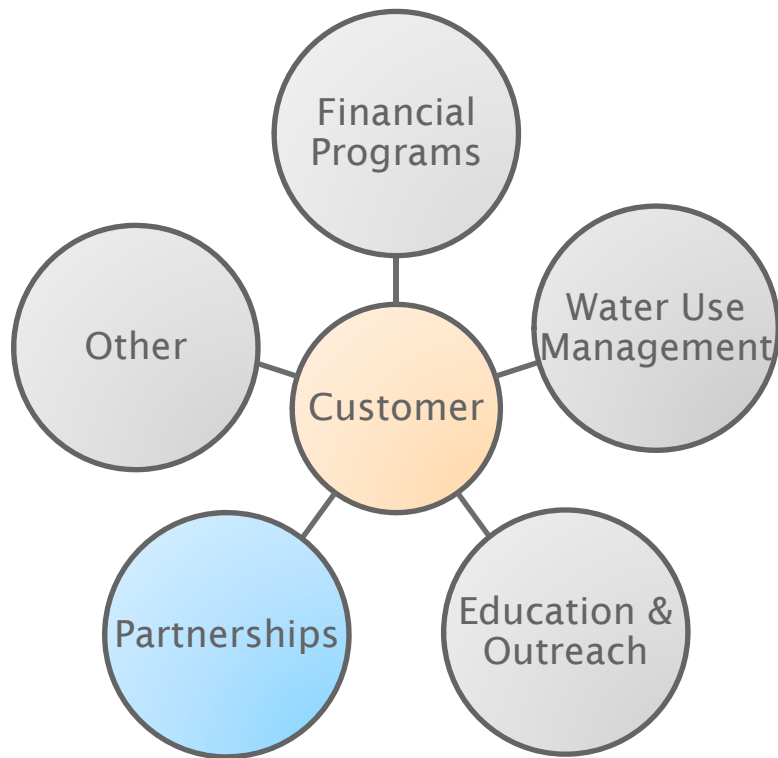
- **Water Conservation**
 - Leak alerts and Home Water Reports
 - Residential water audits
 - Rebates and device distribution
 - On-bill financing
- **Future Initiatives**
 - Partnership with PG&E ESA Program
 - Leak repair/assistance
 - Toilet direct install
 - Flowmeter rebate partnership

Outreach and Education



- Traditional program marketing
- Non-traditional marketing
- Webinars
- Website updates
- Leveraging community partners
- Targeted outreach to homeless shelters

Partnerships

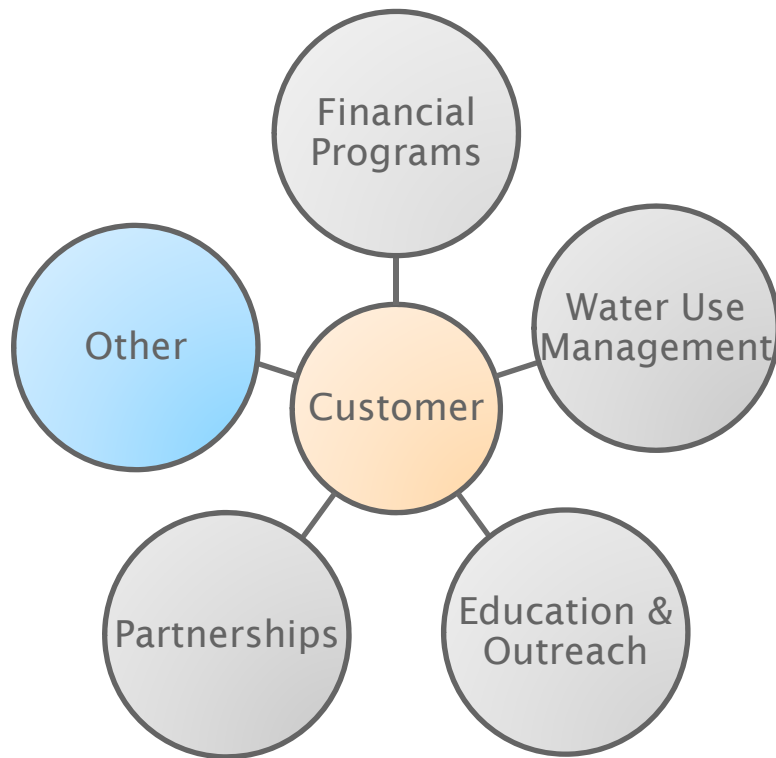


- CAP outreach by creating a community network
- St Vincent de Paul and Richmond Community Foundation
- Coordination with key stakeholders
- Exploring public-private partnerships for select water conservation projects

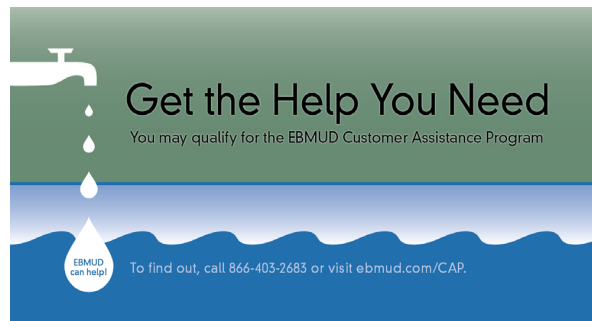


building healthy thriving communities

Other Customer Support



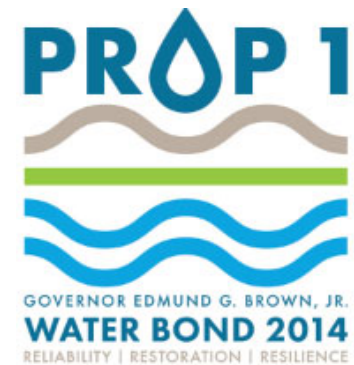
- Lead testing program
- Community support referrals
- CAP application assistance
- Online CAP application (new for 2021)



Sustainable Funding for Long-term Success



- Non-rate Revenue
 - Telecom leases
 - Long-term and short-term property leases
- Potential new sources
 - Private lateral insurance program
 - Bill payment “round up”
 - Unclaimed funds
- Grant funding to support water use management



Keeping the Water Flowing: An Alternative to Shutoffs



- Goal of policy is to keep water on for all customers
- Focus on assisting customers with hardships

Alternative to Address Delinquencies



- Resolution adopted on December 8, 2020
 - Recognize the human right to water
 - COVID-19 has underscored the importance of water
 - Water service termination disproportionately affects low-income customers in disadvantaged communities
 - Ensure compliance with Proposition 218
 - More progressive alternatives to address delinquencies than water service termination
- Board directed staff to develop an implementation plan

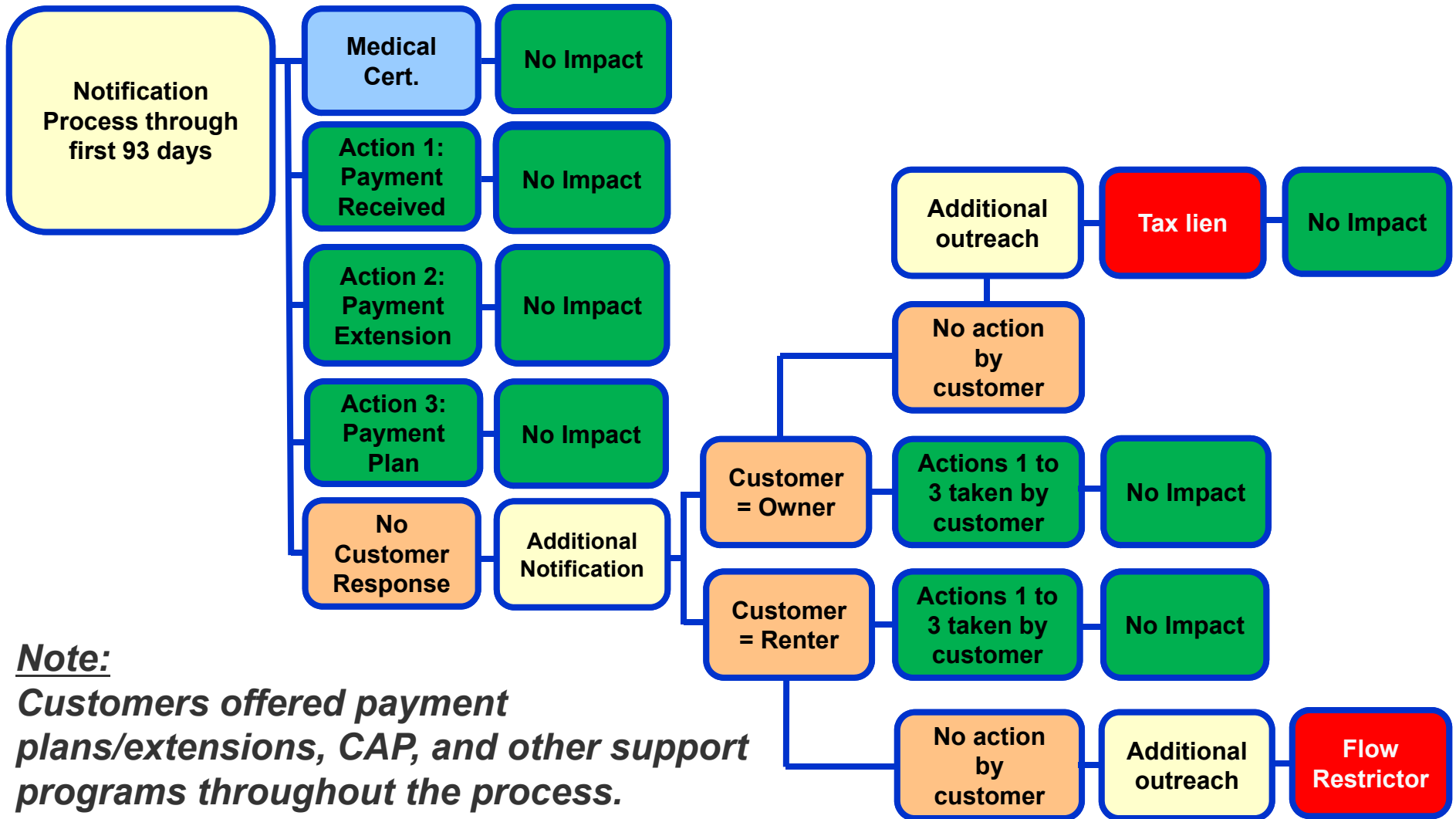
Developing an Implementation Plan through Collaboration



- Engaged key stakeholders and community partners
 - NGOs
 - Policy makers
 - City government
 - Associations
 - Other utilities



Keeping Water On: Residential Delinquency Decision Tree



Note:
Customers offered payment plans/extensions, CAP, and other support programs throughout the process.

Keeping the Water On: Implementation Plan



Implementation Plan

**Policy &
Procedure**

**Comm.
Strategy**

Operations

Admin.

**Financial
Impact**

Resource Alignment

Policy and Procedure



- Adoption of new Regulation
- Update existing policy
- Update Rates and Charges
- Revise administrative procedure to incorporate new step in collection path
- Ensure MUD Act, Prop. 26 and Prop. 218 conformance



Communication Strategy



- Pre-install outreach
 - Update notification materials to highlight potential service level impact
 - Emphasis on options to avoid flow restrictors
 - Highlight availability of customer support programs
- Post-install support
 - Communication/follow-up with customer
- Pathways for customers to avoid flow restrictor

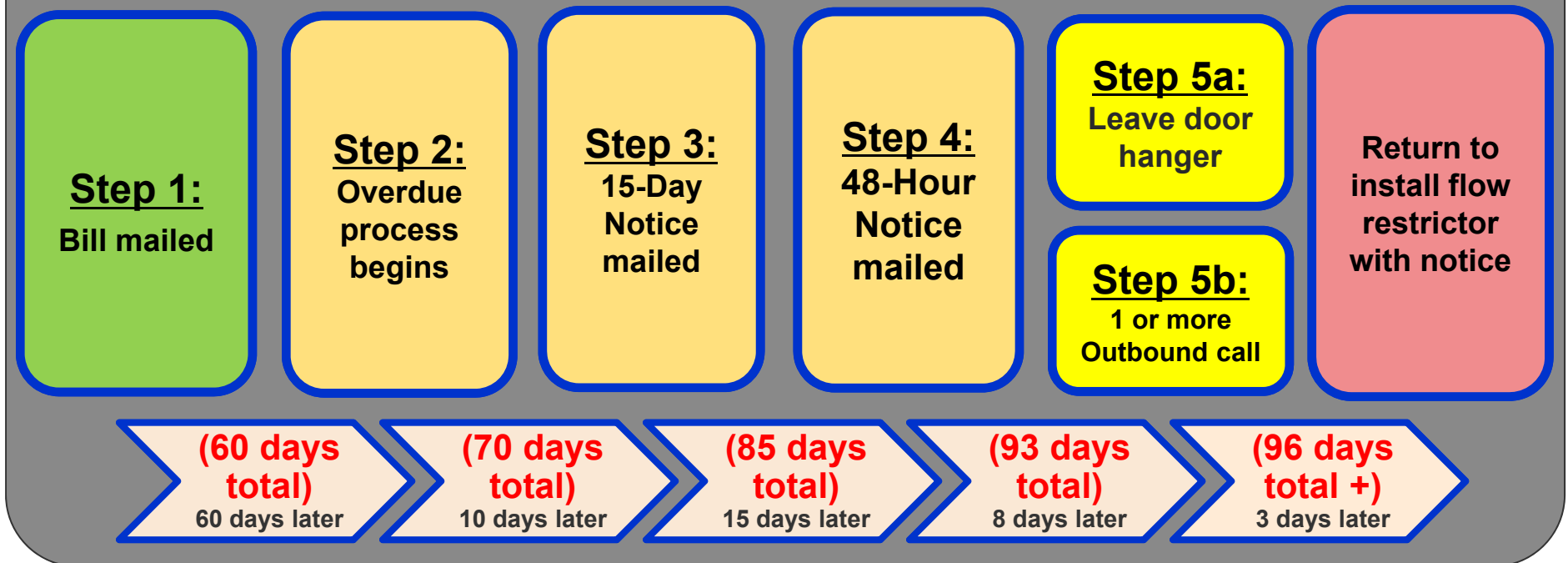


Communication Strategy

Pre-installation



Pre-installation Notifications & Outreach



KEY TAKEAWAY

Flow restrictor will only be used after all options to work with customer to make arrangements exhausted

Communication Strategy

Post-installation



Post-installation Support

Flow restrictor installed with notice

Step 1:
Bi-monthly reminders (USPS, outbound call, and email)

Step 2a:
Customer makes arrangement

Step 3a:
Device removed within 24 hours

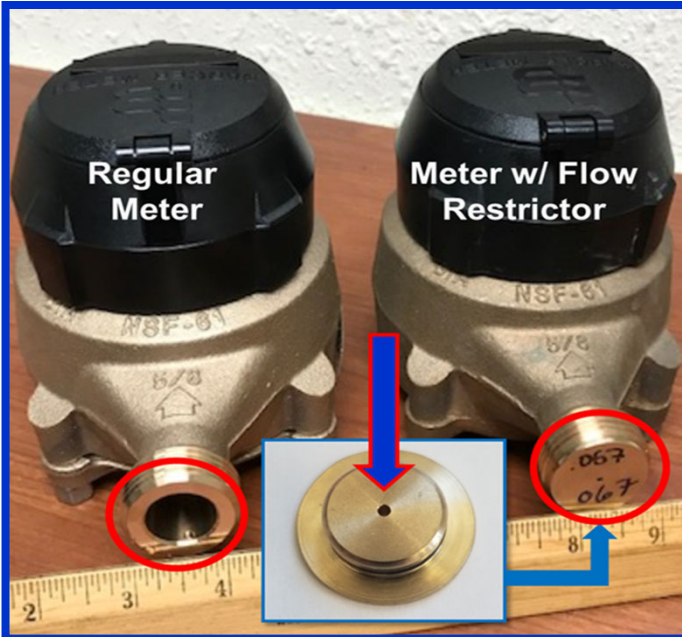
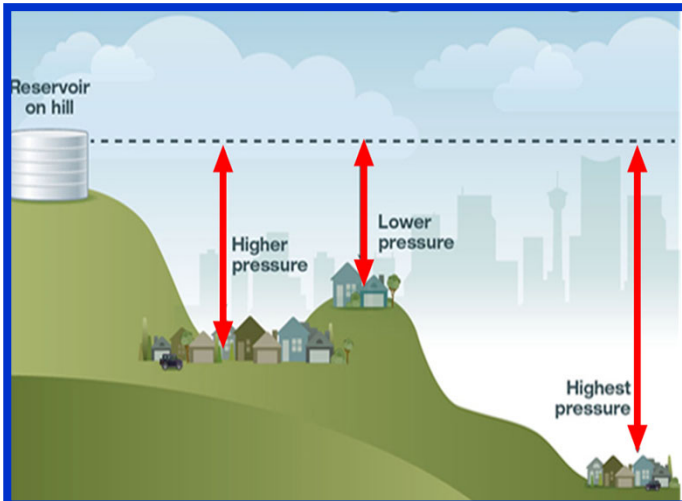
Step 2b:
Customer unresponsive

Step 3b:
Customer continue to receive reminders, but device remains in place until arrangement is made

KEY TAKEAWAY

Provide multiple options for customers to have flow restrictor removed

Operational Considerations



- Maintaining adequate inventory
- Installation and removal
 - Installation within 5 days after exhausting all options
 - Removal within 24 hours after arrangements are made
- Varying water flow and pressure
- Written notifications
 - Impact of flow restrictor
 - Contact customer service



Collection Path

- Process redesign
 - Outbound call flow and support
 - Liens and collections
- Update CIS collection path
- Enforcement and monitoring
- Tracking and reporting
- Form Task Force
- In dialogue with Unions

Financial Impacts (Customers)

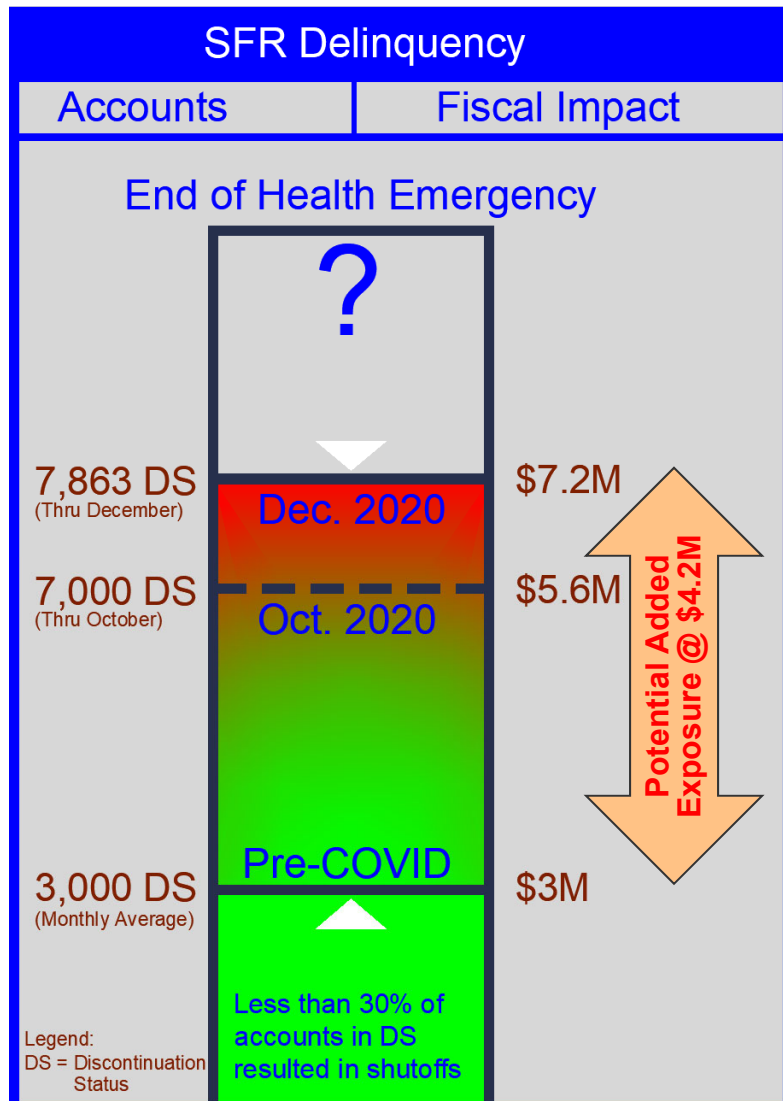


 EAST BAY
MUNICIPAL UTILITY DISTRICT

Water and
Wastewater
System Schedules
of
Rates and Charges,
Capacity Charges
and Other Fees

- 98% of the flow restrictor will be installed on <1” meters (\$127)
- Installation cost may be significant for customers with financial hardship
- Minimize financial impacts to customers
 - Investigating a zero installation cost option
 - Installation cost to be funded by rate revenue

Fiscal Impact (District)

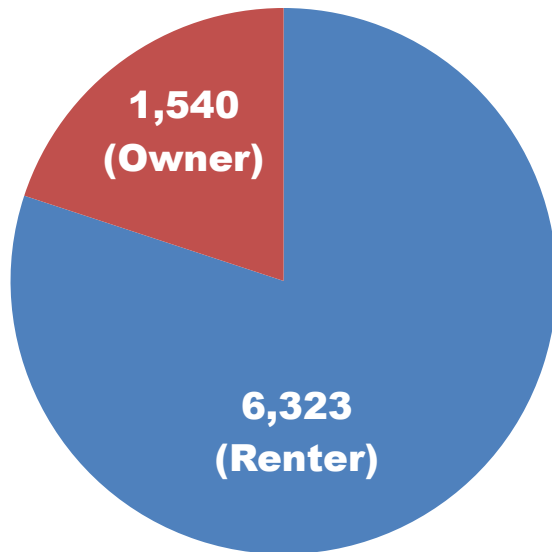


- Flow restrictor could be as effective as shutoff
- Pre-COVID exposure for SFRs between \$2M and \$3M
- Potential added exposure could be as high as \$4.2M

Steps to Minimize District's Financial Exposure



Delinquency in Shutoff Status (Owner vs. Renter Occupied)



Owner = \$1.4M Renter = \$5.8M

- Increase outreach
- Customer support program
- Flow restrictor to signal delinquency
- Lien authority to collect from owner occupied properties
 - Up to 90% recovery rate
- Third-party collection for renter occupied properties
 - Approx. 20% recovery rate
- Potential state and federal utility rate assistance

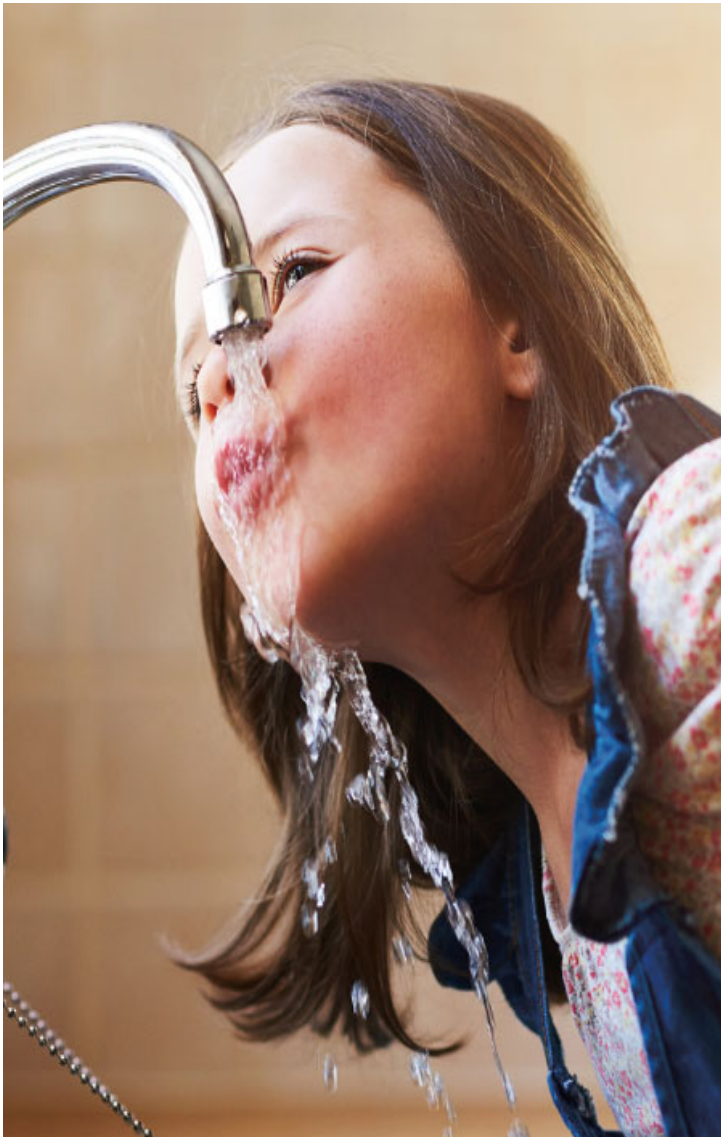
Long-term Customer Support Program Cost Considerations



- 2 FTEs will be reassigned to administer customer support program
 - Additional notifications and follow-ups
 - Customer support (pre and post installation)
 - Lien processing
 - Enforcement and monitoring
- Postage and outreach materials
- Device fabrication and inventory
- Evaluating other resource impacts



Customer Support Programs Key Takeaways



- Collaboration with community partners to ensure success
- Focus on assisting most impacted customers
- Flow restrictors will only be used as last option
 - Will not be used during emergency order
 - Will not be implemented after emergency order and until extensive outreach
- Implementation timeline (~6 months following the end of emergency order)

CAP for City Sewer Collection Charges

City Sewer Charges

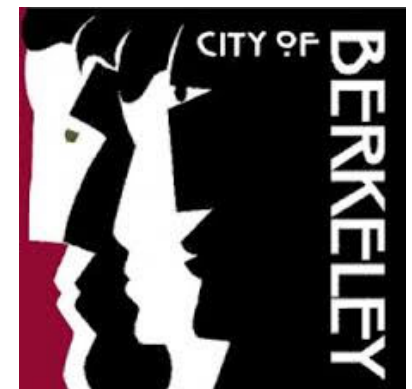


- Actively working with Oakland, Berkeley, and Emeryville since 2018
- Billing Collection Agreements with cities expire in 2023
- At decision point to renew agreements

Coordinating with Cities



- City of Emeryville
 - City remains unresponsive
- City of Berkeley
 - Ongoing discussions with City
 - City staff expressed support for a 35 percent discount
 - Staff to present at City meeting to gauge support prior to its FY22 budget adoption



Coordinating with Cities



- City of Oakland
 - City Council voted in support of a phase-in discount
 - Encouraged staff to ensure discount in future years
 - Addendum being developed



Oakland CAP Approach



Incremental Phase-in Through FY24

Fiscal Year	% of Credit	Credit Amount	City Funding
2021	~10%	~ \$8.40	<\$112,000
2022	21%	~ \$17.40	~ \$336,000
2023	28%	~ \$23.20	~ \$448,000
2024	35%	~ \$29.00	~ \$560,000

- Advancing CAP with a 10% credit as baseline beginning in FY21
- Maintain goal to achieve full 35% credit by FY24

Impact of Discontinuing Collection Sewer Service Charge



- Pass through charge is significant
- Potential credit on city charges will reduce cost for CAP customers
- Removing pass through charges reduce overall water bill
- \$2.3M loss in revenue for the District (0.3% on rates)

Next Read Date is 05/04/2021
Your Payment is Due by 03/30/2021

Combine EBMUD Charges for CAP Customers = \$76.81 (2 months)

1234 PIPELINE ST
OAKLAND, CA 94606-1234

Billing Period (60 Days)

From	To
1/4/21	3/5/21

For: 1234 Pipeline St Private Residence	AMOUNT	TOTAL
PREVIOUS CHARGES AND CREDITS		
PREVIOUS AMOUNT DUE	159.55	
FULL PAYMENT - 01/14/21	-159.55	0.00
EBMUD - WATER CHARGES		
WATER SERVICE CHARGE	55.74	
WATER FLOW CHARGE 10 UNITS @4.25	42.50	
CUSTOMER ASSISTANCE PROGRAM CREDIT	-49.12	49.12
EBMUD - WASTEWATER CHARGES		
WASTEWATER TREATMENT CHARGE	43.00	
SF BAY POLLUTION PREVENTION FEE	0.40	
CUSTOMER ASSISTANCE PROGRAM CREDIT	-15.71	27.69

City Pass Through Charge = \$84.06 (2 months)

PASS THROUGH CHARGES FOR THE CITY OF OAKLAND SEWER SERVICES 84.06

PLEASE SEE REVERSE SIDE FOR ADDITIONAL INFORMATION **TOTAL CURRENT CHARGES 160.87**

METER SIZE	ELEV. Band	METER READINGS		UNITS	CONSUMPTION INFORMATION		
5/8 inch	1	Current	Previous		Gallons	Days	Gal/Day
		524	514	10	7,480	60	124
		LAST	YEAR	12	8,976	59	152

Next Steps for City Sewer CAP



- Based on feedback from Budget Workshop
 - Scheduling meetings between elected officials
 - Signal to cities their ability to collect sewer collection charges via property tax
 - Implement city sewer CAP or work with city to transition to property tax for collection



Efforts to Address Homelessness

Working with Advocacy Group to Meet Water Needs

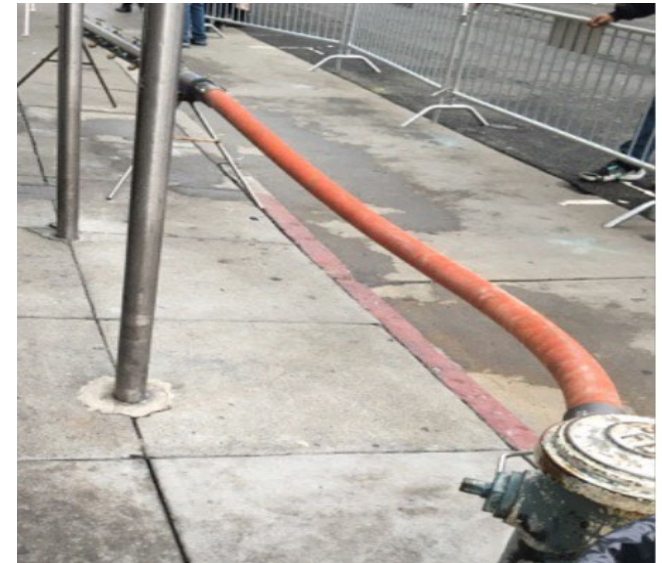


- Regulation (Section 19) prohibits the redistribution of water
- “Special approval” can be considered in unique circumstances
- Developing framework to allow good Samaritans to share water with homeless encampments

Meeting Temporary Needs at Homeless Encampments



- Exploring use of hydrant meter to provide temporary service
 - Regulation updates to include provisions for domestic use
 - Public health and safety
 - Operational and device requirements
- Coordinating with local jurisdictions
- Explore pilot framework



Working with Developers to Address Homelessness



- Extended pilot program to evaluate water demand for micro-units housing the homeless
 - Advancing pilot at two development projects
- Accelerated water service reviews for emergency homeless shelters (COVID response)



2012 Berkeley Way
Berkeley, CA



Fairmont Safer Homes
San Leandro, CA

District Efforts to Support the Growing Needs



- Working with non-profits to support mobile shower buses
- Accept and treat wastewater from shower buses and portable toilets
- Extend CAP to non-profit operated homeless shelters
- Continue to partner with cities and faith-based organization to support navigation facilities



Next Steps

Ensuring Rate Assistance is Extended to District Customers



- Engaged in rate assistance discussions at federal and state levels
- Seeking solutions that will benefit District customers
- Seeking fair proportional and efficient allocation
- Coordinating with local counties and city on utility aspect of rental assistance relief



2021 CAP Priorities



- Continue to respond to customers impacted by COVID
- Increase participation through targeted outreach
- Continue to promote and enhance outreach efforts

2021 CAP Priorities – con't



- Develop online CAP application to streamline process
- Host CAP application workshop
- Advance CAP for city charges
- Grow Water Lifeline Program
- Advocate at State and Fed levels to ensure rate assistance benefits are extended to District customers
- Assess new CAP eligibility threshold



Summary and Next Steps



- Finalize implementation plan for an alternative to shutoffs
- Redesign Customer Support Programs
- Work with community partners to address homelessness
- Secure additional resources to meet growing need and develop sustainable funding strategy



Questions & Discussion