CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD LA CRESCENTA, CALIFORNIA

Agenda for the Meeting of the Finance Committee of the
Crescenta Valley Water District
To be held on Friday, June 5, 2020 at 1:00 p.m.
Posted: Thursday, June 4, 2020 at 12:00 p.m.

TELECONFERENCING NOTICE

[This meeting will be held by teleconference only.]

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 18, 2020, the public may not attend the meeting in person.

Any member of the public may participate by listening or making comments using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increased phone traffic)

(669) 900-6833	**(346) 248-7799**	**(929) 205-6099**
(253) 215-8782	**(301) 715-8592**	**(312) 626-6799**

Then, enter Access Code: 845 4720 1084

[Pursuant to the above Executive Order, the public may not attend the meeting in person.]

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting the District by phone or in writing at the above email address. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Call to Order

Adoption of Agenda

Action Item(s)

1. Discuss temporary COVID-19 policies
2. Discuss potential changes to the customer low-income discount program
3. Discuss a potential level payment plan for customers
4. Discuss revisions to customer deposits, non-rate fees, and labor recovery rates
5. Discuss practice of imposing liens on properties for non-payment

Committee Members' Request for Future Agenda Items

Adjournment

G:\Management\AGENDA\Policy Committee\2020\06052020 Fin Com.doc

Attachment(s): A. Staff report; B. Summary of policies

Attachment A

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

June 5, 2020

To: Policy Committee

From: Nem Ochoa – General Manager

Subject: **Digest of Implemented Policies and Policy Updates for Consideration**

BACKGROUND:

Discuss policies that have been implemented and policy updates that are being considered.

DISCUSSION:

1) **Report on Temporary COVID-10 Policies**

Resolution No. 758 was adopted by the Board to authorize the General Manager to take actions necessary to ensure the health and safety of staff, families, and the public at District facilities and continue operations to the extent possible. Since then, the State and Los Angeles County are progressing through Stage 2 of the State's Resilience Roadmap and employees transition with the roadmap toward what may be a "new normal" for governmental operations.

The General Manager has implemented a number of policies to ensure health and safety while maintaining operations to the extent possible. Resolution No. 758 states that the General Manager will report actions that have been taken. The following policies reflect federal, state, and local guidance, in addition to regulatory agencies such as DPH and OSHA and labor counsel. They are subject to change with circumstances as needed and appropriate. They are summarized in Attachment B. [1]

- Accommodation of High-Risk Employees
- Cleaning & Disinfecting
- Employee Leave Under the Families First Coronavirus Response Act (FFCRA)
- Social Distancing
- Temperature Screening
- Testing Employees for COVID
- Use and Disclosure of Medical Information
- Emergency Telecommuting

2) **Low-Income Discount Program for Customers**

The District currently offers a Senior Low-Income Discount program which serves approximately 140 accounts with a financial impact of approximately \$25K - \$30K annually. The discount is supported by non-rate revenues such as new account and late fees and rental income.

At the May 21, 2020 Finance Committee meeting, the Committee directed staff to prepare information regarding the existing program and the Care Lifeline program for the Policy Committee. The Lifeline program is used by many major utilities including SCE and SoCal Gas, and is an alternative that provides a standardized approach to providing discounts for the customers who depend on them most.

[1] Attachment B is configured to be printed and viewed on ledger paper (11x17).

The Lifeline program requirements are more flexible than the District's current requirements, and the number of participants and annual financial impact to the District is projected to increase marginally. The tables below provide a summary of the programs –

Requirements & Provisions	Current	Care of Lifeline
Discount	20% off the service charge and 20% of the usage charge up to 26 units	
Income Requirement (annual)	Total household income less than $30K	Match Lifeline program guidelines (see Table 1)
Age Requirement	Over the age of 62	*< eliminates requirement >*
Tenure Requirement	Account holder for at least 6 months	*< eliminates requirement >*
Verification	Income - most recent copies of Federal and State incomes statements for all members of the household Age - picture ID Renewal - verified every 2 years	*Per Lifeline program guidelines*
Participants	~ 140	if: 5% increase - ~ 150 10% increase - ~ 155 15% increase - ~ 161
Financial Impact (annual)	$25K-$30K	if: 5% increase - ~ $29K 10% increase - ~ $31K 15% increase - ~ $32K

Table 1 - Qualification through Public Assistance Programs <u>OR</u> Maximum Household Income

Public Assistance Programs	Number of Persons in Household	Total Annual Household Income
Medi-Cal/Medicaid	1-2	$34,480
Medi-Cal for Families A & B	3	$43,440
Women, Infants, & Children (WIC)	4	$52,400
CalWORKs (TANF)1 / Tribal TANF	5	$61,630
Head Start Income Eligible — Tribal Only	6	$70,320
Bureau of Indian Affairs General Assistance	7	$79,280
CalFresh (Food Stamps)	8	$88,240
National School Lunch Program (NSLP)	-	-
Low-Income Home Energy Assistance	-	-
Supplemental Security Income	-	-

3) Level Pay Plan for Customers

The Board directed staff to provide information on a level pay plan for customers. A level pay plan option can help smooth the ups and downs in water bills that typically occur due to varying seasonal usage. It is not a discount program; it is a program that offers to support customers' individual or household budgeting. The District bills bi-monthly, and there are 6 billing periods over one year.

The typical approach for peer agencies offering this option is to:

a. Evaluate annual average water usage for a customer to determine what the projected dollar amount for the subsequent year;

b. The dollar amount is divided by 5 bills and becomes the Level Pay Plan the customer pays over the next 10 months;

c. The 6th bill (on the 12th month), the customer receives a settlement bill showing either a payment due or a credit to the account based on how much water and/or services were used during the year.

Other than one-time setup costs to implement the program in the District's utility billing system, there is likely no continuing direct financial impact to provide an option for a level pay plan. There would be moderate administrative burden on staff, and that also is not likely to impose an ongoing financial impact. Staff is currently working on a complex and significant upgrade to its utility billing software, "Springbrook". With the standardization and advanced customization features the upgrade includes, the implementation costs would be reduced. The upgrade is expected for July/August completion, and if the Board moves to incorporate a level pay plan option, staff recommends confirming at that time the resources needed to make such a program function effectively.

4) Updated Fees & Deposits: New Account Deposits, New Account & Late Fees, Labor Recovery Rates

a. <u>Customer Deposits</u> – The District currently collects deposits in the amount of $100 from customers who sign up as tenants. This is to defray potential inability to collect charges, particularly for final bills upon accounts being closed. When tenant customers close their accounts, the deposit is applied to their final bill or a refund check is issued. Currently, the District writes off approximately $2K-$10K annually.

During the May 21, 2020 Finance Committee meeting, the Committee discussed various alternatives to the policy, including: 1) increasing the deposit amount; 2) requiring owners to provide a deposit as well; 3) basing deposits on a sliding scale according to credit score; 4) returning deposits to customers after a period based on good payment history.

The Finance Committee directed staff to discuss customer deposits with the Policy Committee to consider updates to customer deposits.

b. <u>New Account & Late Fees</u> – A 2017 survey of peer agencies showed that the majority of agencies charged a fee for new accounts and that the District's late, shutoff, and other fees were lower than other agencies. New account fees of $40 were implemented in July 2018, and fees were increased (late fees are $25).

During the May 26, 2020 Board meeting, the Board directed staff to determine a method to ensure such fees maintain pace with inflation. The District can adopt a practice of updating Appendix C of the Rules & Regulations annually according to an inflation index such as the Bureau of Labor Statistics' CPI-U, a common inflation index.

c. <u>Labor Recovery Rates</u> – In July 2018, the hourly rate that the District recovers from District staff working on developer projects was updated after a number of years. Rates are based on the impacted ("all-in") cost of staff time.

During the May 26, 2020 Board meeting, the Board directed staff to determine whether the labor recovery rates need to be updated. The District can adopt a practice of updating those labor rates annually based on updated costs.

5) Lien Claims on Property for Non-Payment

The District relies on customer deposits to minimize write-offs related to non-payment of bills.

During the May 21, 2020 Finance Committee meeting, the Committee directed staff to discuss with the Policy Committee whether the District file liens on property for non-payment.

Section 12.07b of the Rules & Regulations read, "Claim of Lien: Unpaid charges for water and other services may, at the discretion the District, be secured by filing in the Office of the County Recorder of any county, a certificate specifying the amount of such charges, and the name and address of the person liable therefore. (Water Code Sec. 31701.7)."

The District can file a lien to real property owned or later acquired by the customer. If the customer is a tenant, there may be no asset to lien. A lien likely cannot be foreclosed, and a liened property would need to be sold, with proceeds being paid off through the escrow process.

RECOMMENDATION

Discuss next steps regarding policy updates.

Prepared by:

James Lee
Director of Finance & Administration

Prepared by:

Christy Colby
Regulatory & Public Affairs Manager

Submitted by:

Nem Ochoa
General Manager

g:\management\Policy Committee\06062020 Policy Committee/Policy Committee Meeting 06052020.docx

Crescenta Valley Water District
Summary of Emergency Policies
May 2020

Attachment B

Please review the following, acknowledge that you have read and understand by signing, and return to your department head Dennis Maxwell, David Gould, or James Lee by end of Wednesday, June 3, 2020.
A signature page is provided following this summary.

- All, the District has prepared emergency policies.
- They are intended to provide a safe workplace for employees while complying with laws and regulations as the District and community transition toward a "new normal" until further notice.
- The policies capture federal, state, and local regulations and guidance from the CA DPH, the CDC, and OSHA, among others.
- A number of these policies formalize what we are already doing a great job with with respect to social distancing, cleaning, providing accommodations, etc.
- Policies are subject to revision as circumstances improve.
- All policies are effective upon receipt.
- Please note that the District has designated all of its employees as Essential Workers and Emergency Responders.

	Accommodation of High-Risk Employees	Cleaning & Disinfecting	Employee Leave Under FFCRA	Social Distancing	Temperature Screening	Testing Employees for COVID	Use and Disclosure of Medical Information	Emergency Telecommuting [1]
PURPOSE	Provide reasonable work accommodations for employees at higher risk of severe illness from COVID-19	Assure safe and healthy working conditions for all workers by reducing the risk of exposure and infection from surface germs	FMLA provides family leave such as parental leave. This policy covers a temporary law that expands family and medical leave for reasons related to COVID	Provides guidance on social distancing	Establishes protocol for daily temperature screening	Establishes protocol for testing employees for COVID-19. At this time, the District is not expecting blanket testing	Establishes protocol for maintaining confidentiality over employee medical records	Establishes protocol for instances where employee must work remotely as a result of COVID-19
PROVISIONS	Individuals can identify themselves as higher risk based on age or varying underlying conditions as listed in the Policy	Disinfection cleaning is to be conducted at minimum, daily (once per shift). Disinfection includes surfaces such as light switches, doorknobs, coffee makers, vehicle door handles etc.	Disability takes two weeks (10 days) to take effect. This Policy provides a bridge to cover this time	Social distancing is to be maintained to the extent it is practically possible, including in vehicles	Testing at the beginning of each shift on a daily basis. Each dept head establishes a procedure for testing for their respective buildings / workplaces	Employees refusing a request to test will be placed on unpaid leave, but may supplement that time with sick or other leave	If the District receives notice that an employee tested positive for COVID, the District will provide a Notice of Privacy Practices	Employees are to adhere to a schedule determined by their supervisor
	Employees have the right to request HR for reasonable accommodations if they fall within the above categories	District will provide disinfectants in buildings and each vehicle to the extent they are available	There are two categories of Emergency Paid Sick Leave, and the provisions are detailed in the Policy	Face coverings are to be worn at all times to the extent practical - e.g., at minimum, cloth face coverings when outside work stations or in the event vehicles must be shared	Testing is non-invasive and is conducted through using a contactless infrared thermometer	The District will have a testing clinic partner, and they will notify the employee of the results in a confidential manner	The District may, in specific cases, disclose medical information if there is a serious threat to public safety or a public authority is authorized by law to request the information from the District	Employees are to remain fit for duty at their alternate workplaces
		District will ensure air filters and HVAC systems are properly maintained	1. Employee is experiencing symptoms or has been advised by a health care provider to self-quarantine	This includes any members of the public, vendors, or other visitors	If an employee's temperature is over 100.4, they are to inform HR and not enter the building		Employees are entitled to access their medical file as maintained by the District	Employees are to maintain District network security by logging in through VPN
			2. Employee is caring for an individual who is subject to quarantine or a child's school has been closed and childcare is unavailable due to COVID-19	Wash hands with soap or sanitizer at minimum, once every hour				Participating employees will review a Telecommuting Agreement with their supervisor

1 - Will be distributed to those who must telecommute.