

MINUTES

Tuesday, March 24, 2026

**East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California**

Special Meeting

President Luz Gómez called to order the Special Meeting of the Board of Directors at 9:31 a.m. in the Administration Building Boardroom. The Board met in workshop session to receive a presentation on updates to the Customer Assistance Program (CAP). President Gómez announced that Director April Chan had notified the General Manager and the Secretary of the District of the need to participate in the meeting from a remote location for just cause due to an illness pursuant to Government Code section 54953.8.3(c)(2). Director Chan was advised of the need to keep the audio open and camera on at all times while appearing remotely. Director Chan confirmed that no one over the age of 18 was present in the room.

ROLL CALL

Directors April Chan (remote), Andy Katz, Valerie D. Lewis, Jim Oddie, Joey D. Smith, Marguerite Young and President Luz Gómez were present at roll call. Staff participants included General Manager Clifford C. Chan, General Counsel Derek T. McDonald, Director of Customer and Community Services Andrew L. Lee, Customer Support Program Administrator Sherilyn Tran, and Secretary of the District Rischa S. Cole.

Public Comment. Addressing the Board was Stephanie Sewell, Vice-President of Development, Bay Area Rescue Mission, who expressed appreciation and thanked the District for its support through CAP, described the services offered by the agency, and shared the success story of an agency participant.

Presentations/Documentation. 1) Presentation entitled “Customer Assistance Program Workshop,” dated March 24, 2026.

DISCUSSION

General Manager Clifford C. Chan introduced the workshop. Staff is seeking Board guidance regarding long-term CAP funding and potential program adjustments, as well as strategies for addressing customer accounts that remain in arrears and are actively living with a flow restrictor.

Director of Customer and Community Services Andrew L. Lee reviewed the workshop agenda, noting staff provided the most recent CAP update in 2023. In 2027, CAP will celebrate its 40th anniversary.

Customer Support Program Administrator Sherilyn Tran highlighted CAP history, eligibility guidelines, and benefits. CAP was established in 1987 and funded through non-rate revenue. Since 2019, CAP enrollment has increased approximately 66 percent and as of 2025, is providing total annual assistance of approximately \$4.6 million to 13,200 households. The program provides a 50 percent discount on water service and flow charges and a 35 percent discount on wastewater service and flow charges. The average annual EBMUD CAP credit is approximately \$350 per household. Ms. Tran compared CAP eligibility and benefits with assistance programs at other Bay Area water agencies and highlighted the CAP benefit provided to eligible customers by the cities of Berkeley, Emeryville, and Oakland between 2021 and 2025 (35 percent discount on the cities' sewer collection charges). The District's Water Lifeline Program, funded by employees through the annual employee giving campaign, and administered by a local community organization, provides additional financial support for CAP customers.

Next, she provided an update on key initiatives established in 2023 to enhance customer support program strategies; expand community partnerships; provide leak repair and replacement assistance; enhance enrollment; and enhance outreach strategies for customers in arrears. CAP was redesigned to provide more comprehensive support. Staff collaborated with local partners and shared information to help increase program participation and visibility. The application process was streamlined to reduce turnaround time from approximately 30 days to one to three business days. A leak repair and replacement assistance pilot was launched in January 2024 and found that CAP customers are water efficient and aware of conservation resources. The District implemented an arrearage management plan following the distribution of COVID-19 relief funds, obtained legislative authority to increase payment plans beyond 12 months, and is working with the University of California to study post-pandemic payment trends to enhance affordability efforts. Ms. Tran discussed projected CAP enrollment and revenue growth. Based on current trends, CAP demand is projected to exceed available non-rate revenue between Fiscal Years 2027 and 2029 without program modifications. If all eligible households were enrolled (~33,000), program costs could reach approximately \$11.6 million annually. Current non-rate revenue used to support CAP credits include real estate leases and a marketing agreement with Service Line Warranties of America (SLWA). She outlined potential additional non-rate revenue sources, including expanding the SLWA marketing agreement, a voluntary round-up donation program, increased community partnerships, and philanthropic or foundation-based funding. The SLWA program was implemented in November 2025 and has generated approximately \$600,000 in revenue. Funding levels from round-up donations and leveraging community partnerships are uncertain. A community foundation could be viable but would require extensive expertise and resources to develop. While expanding the SLWA marketing agreement would provide more immediate funding, the District would need to evaluate how to proceed based on ongoing customer feedback versus the financial benefit for CAP. Ms. Tran reiterated that additional non-rate revenue is needed to avoid potential impacts to CAP enrollment and reviewed CAP restructuring options and funding levels which include maintaining the same level of benefits; providing benefits based on income; reducing CAP benefits for all customers; or providing a fixed benefit amount.

- Director Oddie left the meeting at 10:35 a.m. and returned at 10:36 a.m.
- Director Young left the meeting at 10:42 a.m. and returned at 10:42 a.m.

Next, Mr. Lee reviewed two new collection paths implemented in August 2024 to manage owner-occupied and tenant-occupied single-family residential (SFR) account arrearage; the overall SFR arrearage trend; and reconciliation of abandoned accounts. Since August 2024, delinquent debt greater

than 100 days decreased from \$22.9 million to \$8 million. Approximately 95 percent of customers pay within 60 days; however, arrearage reductions have begun to level off, and a small number of customers remain unresponsive despite extensive outreach efforts. For owner-occupied accounts, delinquent balances are transferred to the property tax roll through liens, allowing continued water service. For tenant-occupied accounts, the District utilizes outreach, payment plans, and flow restrictors in lieu of service shutoffs. While most customers are responding to the flow restrictor, 546 accounts were transferred to live account collection which has yielded limited results. He discussed the limited circumstances when shutoffs have to be used and the number of accounts that have been shutoff to date. To ensure customers can maintain access to water, the District has conducted extensive outreach, offered custom payment plan options, enhanced CAP outreach, and installed flow restrictors as a last resort. He reported 439 customers are living with a flow restrictor and remain unresponsive to outreach. The District has exhausted all measures and further action is needed to address these accounts. Staff is seeking Board guidance on implementing shutoffs for any accounts that remain unresponsive to the third-party live collection process 14 days after final outreach.

There was considerable Board discussion regarding the long-term sustainability of CAP; drivers for current and projected enrollment growth; funding strategies and other non-rate revenue options; pursuing legislation to adjust the federal poverty level; applying CAP benefits to fixed service charges; implementing an option on customer bills to opt-in to a voluntary assistance charge; communications about the SLWA marketing agreement; restructuring CAP benefits; program eligibility criteria and requirements; arrearage management strategies; continued reliance on flow restrictors; eligibility requirements at other agencies; addressing customers who remain unresponsive after repeated outreach; equity impacts; tracking customers with abandoned accounts; and efforts to reach eligible, but unenrolled households. There was Board consensus about maintaining the current CAP benefit structure, exploring other non-rate revenue options, and moving forward with shutoffs for accounts that remain unresponsive to outreach.

The Board requested the following:


- Information on drivers contributing to the increase in CAP participation (e.g., demographic changes, economic conditions). Use the findings to inform targeted outreach strategies and to refine projections for future CAP growth
- Additional information regarding assistance program eligibility criteria and benefits provided by other agencies including southern California agencies
- Consider amendments to the MUD Act to change CAP eligibility criteria and consider options for CAP eligibility for seniors and larger households
- Work with Board members to identify areas where customers have the greatest need for CAP and conduct targeted outreach in those communities
- Information on the cost and benefit of a round-up donation program, including information on other agencies that use a similar program
- Provide an update on the results of shutoffs for accounts that remain unresponsive to outreach, include information on shutoffs in the General Manager's Monthly Report, and continue efforts to prevent shutoffs
- Continue to refine arrearage management strategies, particularly for customers who remain unresponsive following extensive outreach efforts
- Implement safety plans for staff performing shutoffs

- Protocols for addressing shutoffs for highly vulnerable households that may result in health or safety impacts
- Develop language regarding shutoffs that encourages customers to contact the District in order to avoid service disconnection
- Consider working with SupplyBank.org and other programs to include CAP enrollment in their processes
- Explore the following options for increasing non-rate revenue for CAP: partnering with foundations, a property tax measure, hydropower sales, opt-in and opt-out programs, tipping (disposal) fees, and expanding the SLWA marketing agreement (along with improved customer communications)
- Consider CAP benefit options, including tiered, reduced, or fixed-charge only
- Confirm identification requirements for CAP enrollment

ADJOURNMENT

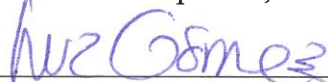
President Gómez adjourned the Special Meeting at 11:18 a.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: April 14, 2026



Luz Gómez, President of the Board