



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

Notice of Time and Location Change

FINANCE/ADMINISTRATION COMMITTEE MEETING

Tuesday, November 24, 2020

8:30 a.m.

*****Virtual*****

Notice is hereby given that the Tuesday, November 24, 2020 Finance/Administration Committee Meeting of the Board of Directors has been rescheduled from 10:00 a.m. to 8:30 a.m.

Due to COVID-19 and in accordance with the most recent Alameda County Health Order, and with the Governor's Executive Order N-29-20 which suspends portions of the Brown Act, **this meeting will be conducted via webinar or teleconference only**. In compliance with said orders, a physical location will not be provided for this meeting. These measures will only apply during the period in which state or local public health officials have imposed or recommended social distancing.

Dated: November 19, 2020

A handwritten signature in blue ink that reads 'Rischa S. Cole' is written over a horizontal line.

Rischa S. Cole
Secretary of the District

This page is intentionally left blank.



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 – 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA
Finance/Administration Committee
Tuesday, November 24, 2020
8:30 a.m.
Virtual**

Location

Due to COVID-19 and in accordance with the most recent Alameda County Health Order, and with the Governor's Executive Order N-29-20 which suspends portions of the Brown Act, **this meeting will be conducted via webinar and teleconference only**. In compliance with said orders, a physical location will not be provided for this meeting. These measures will only apply during the period in which state or local public health officials have imposed or recommended social distancing.

*Committee Members William B. Patterson {Chair}, John A. Coleman and Andy Katz
will participate via webinar or teleconference*

***** Please see appendix for public participation instructions*****

ROLL CALL:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

DETERMINATION AND DISCUSSION:

1. Monthly Investment Transactions Report (Skoda)
2. Collection Strategy for Delinquent Accounts Update – Flow Restrictors (Lee)

ADJOURNMENT:

Disability Notice

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

Document Availability

Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

Finance/Administration Committee Meeting
Tuesday, November 24, 2020
8:30 a.m.

EBMUD public Board meetings will be conducted via Zoom.
Please note that Board committee meetings are recorded and live-streamed on the District's website.

Please visit this page beforehand to familiarize yourself with Zoom.
<https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

Online

<https://ebmud.zoom.us/j/93823710972?pwd=QWRUTTh6ZzRBWGd6M2hqS0NxV245QT09>

Webinar ID: 938 2371 0972

Passcode: 931035

By Phone

Telephone: 1 669 900 6833

Webinar ID: 938 2371 0972

Passcode: 931035

International numbers available: <https://ebmud.zoom.us/j/93823710972?pwd=QWRUTTh6ZzRBWGd6M2hqS0NxV245QT09>

Providing public comment

The EBMUD Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

If you wish to provide public comment please:


- Use the raise hand feature in Zoom to indicate you wish to make a public comment
<https://support.zoom.us/hc/en-us/articles/205566129-Raising-your-hand-in-a-webinar>
 - If you participate by phone, press *9 to raise your hand
- When prompted by the Secretary, please state your name, affiliation if applicable, and topic
- The Secretary will call each speaker in the order received
- Comments on **non-agenda items** will be heard at the beginning of the meeting
- Comments on **agenda items** will be heard when the item is up for consideration
- Each speaker is allotted 3 minutes to speak; the Committee Chair has the discretion to amend this time based on the number of speakers
- The Secretary will keep track of time and inform each speaker when his/her allotted time has concluded


To observe the Finance/Administration Committee Meeting,
please visit: <https://www.ebmud.com/about-us/board-directors/board-meetings/>

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: November 19, 2020

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Monthly Investment Transactions Report

SUMMARY

In accordance with Policy 4.07 – Investment Policy, staff presents a monthly transactions report for the Finance/Administration Committee to review and for the Board to consider each month. The October 2020 report is being submitted for Board consideration. This report will be presented at the November 24, 2020 Finance/Administration Committee meeting.

DISCUSSION

Pursuant to Policy 4.07 – Investment Policy, staff generates a monthly report of investment transactions (buys, sales, deposits, withdrawals) as well as transactions that occur as a feature of the securities held (interest, calls, maturities). Information on portfolio performance, balances, and other factors are presented in the quarterly investment report.

In October 2020, the portfolio increased from \$813.9 million to \$816.8 million. Net transactions increased the total by \$2.4 million. Interest received added \$0.6 million to the portfolio. Deposits into short-term liquidity funds totaled \$12.5 million and \$10.7 million was withdrawn. The District purchased \$146.0 million in securities, \$97.0 million in securities matured and \$4.1 million in securities were called. No securities were sold. Net transactions at the District's commercial bank resulted in a decrease of \$44.5 million.

CCC:SDS:RLH

Attachment

I:\Sec\2020 Board Related Items\Committees 2020\112420 Finance Ctte\FIN - Monthly Investment Transactions Report Memo FINAL.docx

This page is intentionally left blank.

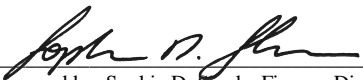
Monthly Investment Transactions Report

October 2020

This report is presented to the Board pursuant to Government Code Section 53607 and in accordance with the District's Investment Policy 4.07.

The attached report details transactions in the District's portfolio as follows:

- **Monthly Investment Transactions Summary** **Page 1**
- **Monthly Investment Activity** **Page 2**
 - Buys Page 3
 - Deposits Page 4
 - Matured Page 5
 - Calls Page 6
 - Sales Page 7
 - Withdrawals Page 8
- **Monthly Interest Activity** **Page 9**
 - Interest Received (Transferred to Wells Fargo) Page 10
 - Interest Received (Reinvested) Page 11


Approved by: Sophia D. Skoda, Finance Director

11/06/2020
Date

SDS:AMM:aw



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Transactions Summary
October 2020

Portfolio	Beginning Balance*	Monthly Net Transaction Activity	Monthly Interest Activity	Ending Balance
001 - Water System Consolidated	600,416,725.34	37,546,000.00	18,777.55	637,981,502.89
007 - Wastewater Consolidated	101,527,964.28	7,460,000.00	6,920.51	108,994,884.79
049 - Ferc Partnership	2,000,000.00	-	-	2,000,000.00
009 - BACWA	2,262,600.00	-	-	2,262,600.00
015 - DERWA	1,000,000.00	-	-	1,000,000.00
002 - FRWA	1,000,000.00	-	-	1,000,000.00
014 - IICP	150,500.00	-	-	150,500.00
010 - UMRWA	64,000.00	-	-	64,000.00
003 - Employees Retirement	16,645,423.40	1,865,000.00	27,320.97	18,537,744.37
099 - Wells Fargo**	88,788,068.74	(44,455,628.07)	504,777.06	44,837,217.73
Total	813,855,281.76	2,415,371.93	557,796.09	816,828,449.78

* Portfolio balance presented at face value.

**Wells Fargo's month-end available balance per bank statement. Gross amount; not allocated by fund and not included in balances above.

Anjanique Walsh
 Prepared by: Anjanique Walsh, Accounting Technician

Sandy Lindley
 Reviewed by: Sandy Lindley, Accounting Supervisor

Andrea Miller
 Approved by: Andrea M. Miller, Controller

11-5-2020
 Date

11/5/20
 Date

11/6/20
 Date

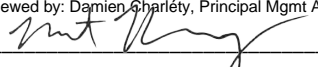


EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
October 2020

Portfolio	Buys	Deposits	Matured	Calls	Sales	Withdrawals	Non-Investment Transactions*	Net Transaction Activity
001 - Water System Consolidated	134,500,000.00	-	(96,954,000.00)	-	-	-	-	37,546,000.00
007 - Wastewater Consolidated	11,520,000.00	-	-	(4,060,000.00)	-	-	-	7,460,000.00
049 - Ferc Partnership	-	-	-	-	-	-	-	-
009 - BACWA	-	-	-	-	-	-	-	-
015 - DERWA	-	-	-	-	-	-	-	-
002 - FRWA	-	-	-	-	-	-	-	-
014 - IICP	-	-	-	-	-	-	-	-
010 - UMRWA	-	-	-	-	-	-	-	-
003 - Employees Retirement	-	12,528,000.00	-	-	-	(10,663,000.00)	-	1,865,000.00
065 - Water S2008A DSRF	-	-	-	-	-	-	-	-
068 - Water 2010A DSRF	-	-	-	-	-	-	-	-
Investment Activity Total	146,020,000.00	12,528,000.00	(96,954,000.00)	(4,060,000.00)	-	(10,663,000.00)	-	46,871,000.00
099 - Wells Fargo	(146,020,000.00)	(12,528,000.00)	96,954,000.00	4,060,000.00	-	10,663,000.00	2,415,371.93	(44,455,628.07)
Total	-	-	-	-	-	-	2,415,371.93	2,415,371.93

*Non-investment transactions are net receipts and expenditures in Wells Fargo resulting from activities other than investment and interest transactions detailed in this report.

Reviewed by: Damien Charléty, Principal Mgmt Analyst


 Approved by: Robert L. Hannay, Treasury Manager

Date

11/6/2020

Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Buys										
001 - Water System Consolidated	Medium Term Notes	Apple Inc 2.25 2/23/2021	037833BS8	10/02/2020	10/06/2020	02/23/2021	12,500,000.00	12,578,500.00	33,593.75	12,612,093.75
001 - Water System Consolidated	US Treasuries	T-Bill 0 11/19/2020	9127963A5	10/07/2020	10/08/2020	11/19/2020	34,000,000.00	33,996,430.00	0.00	33,996,430.00
001 - Water System Consolidated	Federal Agency Issues Coupon	FFCB 0.125 5/14/2021	3133ELZH0	10/28/2020	10/29/2020	05/14/2021	20,000,000.00	20,002,580.00	11,458.33	20,014,038.33
001 - Water System Consolidated	US Treasuries	T-Note 1.375 5/31/2021	912828R77	10/28/2020	10/29/2020	05/31/2021	34,000,000.00	34,253,674.88	192,875.68	34,446,550.56
001 - Water System Consolidated	US Treasuries	T-Note 2 5/31/2021	912828WN6	10/28/2020	10/29/2020	05/31/2021	34,000,000.00	34,378,515.63	280,546.45	34,659,062.08
Total							134,500,000.00			
007 - Wastewater Consolidated	Medium Term Notes	Apple Inc 2.25 2/23/2021	037833BS8	10/05/2020	10/07/2020	02/23/2021	3,000,000.00	3,018,660.00	8,250.00	3,026,910.00
007 - Wastewater Consolidated	Medium Term Notes	Apple Inc 2.85 5/6/2021	037833AR1	10/06/2020	10/08/2020	05/06/2021	3,575,000.00	3,630,827.20	43,019.17	3,673,846.37
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FHLB 1.75 4/7/2021	3130AB5A0	10/28/2020	10/29/2020	04/07/2021	1,025,000.00	1,032,421.00	1,096.18	1,033,517.18
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FNMA 2.5 4/13/2021	3135G0U27	10/28/2020	10/29/2020	04/13/2021	3,920,000.00	3,962,806.40	4,355.56	3,967,161.96
Total							11,520,000.00			
							146,020,000.00	146,854,415.11	575,195.12	147,429,610.23



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Deposits										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	10/30/2020	10/30/2020	N/A	4,166,000.00	4,166,000.00	0.00	4,166,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	10/16/2020	10/16/2020	N/A	4,178,000.00	4,178,000.00	0.00	4,178,000.00
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	10/02/2020	10/02/2020	N/A	4,184,000.00	4,184,000.00	0.00	4,184,000.00
Total							12,528,000.00			

12,528,000.00	12,528,000.00	0.00	12,528,000.00
----------------------	----------------------	-------------	----------------------



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Matured										
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLB 0.145 10/15/2020	3130AJMP1	10/15/2020	10/15/2020	10/15/2020	34,900,000.00	34,900,000.00	0.00	34,900,000.00
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLB 0.145 10/22/2020	3130AJN39	10/22/2020	10/22/2020	10/22/2020	20,000,000.00	20,000,000.00	0.00	20,000,000.00
001 - Water System Consolidated	Federal Agency Issues Coupon	FNMA 2.875 10/30/2020	3135G0U84	10/30/2020	10/30/2020	10/30/2020	8,054,000.00	8,054,000.00	0.00	8,054,000.00
001 - Water System Consolidated	US Treasuries	T-Bill 0 10/27/2020	9127964K2	10/27/2020	10/27/2020	10/27/2020	34,000,000.00	34,000,000.00	0.00	34,000,000.00
Total							96,954,000.00			

96,954,000.00	96,954,000.00	0.00	96,954,000.00
---------------	---------------	------	---------------



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Calls										
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 1.74 10/21/2022-20	3133EK2U9	10/21/2020	10/21/2020	10/21/2022	4,060,000.00	4,060,000.00	0.00	4,060,000.00
Total							4,060,000.00			

4,060,000.00	4,060,000.00	0.00	4,060,000.00
--------------	--------------	------	--------------



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Sales										

No Transactions this Period

0.00	0.00	0.00	0.00
------	------	------	------



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Investment Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Withdrawals										
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	10/29/2020	10/29/2020	N/A	10,663,000.00	10,663,000.00	0.00	10,663,000.00
Total							10,663,000.00			

10,663,000.00	10,663,000.00	0.00	0.00
----------------------	----------------------	-------------	-------------



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
October 2020

Portfolio	Total Interest Received	Interest Transferred to Wells Fargo*	Net Interest Activity (Reinvested)**
001 - Water System Consolidated	390,380.38	(371,602.83)	18,777.55
007 - Wastewater Consolidated	126,332.97	(119,412.46)	6,920.51
049 - Ferc Partnership	4,250.45	(4,250.45)	-
009 - BACWA	4,808.25	(4,808.25)	-
015 - DERWA	2,124.43	(2,124.43)	-
002 - FRWA	2,124.43	(2,124.43)	-
014 - IICP	318.74	(318.74)	-
010 - UMRWA	135.47	(135.47)	-
003 - Employees Retirement	27,320.97	-	27,320.97
065 - Water S2008A DSRF	-	-	-
068 - Water 2010A DSRF	-	-	-
Interest Transactions Total	557,796.09	(504,777.06)	53,019.03
099 - Wells Fargo	-	504,777.06	504,777.06
Total	557,796.09	-	557,796.09

*Coupon and other interest received; reinvestment unavailable.

**Coupon and other interest payments reinvested in specific portfolio.

Anjanique Walsh
 Prepared by: Anjanique Walsh, Accounting Technician
Sandy Lindley
 Reviewed by: Sandy Lindley, Accounting Supervisor
Andrea Miller
 Approved by: Andrea M. Miller, Controller

11-5-2020
 Date
11/5/20
 Date
11/6/20
 Date



EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Transferred to Wells Fargo)										
001 - Water System Consolidated	Federal Agency Issues Coupon	FNMA 2.5 4/13/2021	3135G0U27	10/13/2020	10/13/2020	04/13/2021	0.00	0.00	90,937.50	90,937.50
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLB 0.145 10/15/2020	3130AJMP1	10/15/2020	10/15/2020	10/15/2020	0.00	0.00	20,101.43	20,101.43
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLB 0.145 10/22/2020	3130AJN39	10/22/2020	10/22/2020	10/22/2020	0.00	0.00	11,680.56	11,680.56
001 - Water System Consolidated	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	125,377.75	125,377.75
001 - Water System Consolidated	Federal Agency Issues Coupon	FHLMC 1.5 4/27/2021-18	3134G9EE3	10/27/2020	10/27/2020	04/27/2021	0.00	0.00	7,500.00	7,500.00
001 - Water System Consolidated	Money Market Mutual Funds	Fidelity Investments MM	MM4022	10/30/2020	10/30/2020	N/A	0.00	0.00	229.34	229.34
001 - Water System Consolidated	Federal Agency Issues Coupon	FNMA 2.875 10/30/2020	3135G0U84	10/30/2020	10/30/2020	10/30/2020	0.00	0.00	115,776.25	115,776.25
								Total		371,602.83
002 - FRWA	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	2,124.43	2,124.43
								Total		2,124.43
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 1.75 4/1/2021	3133ECKF0	10/01/2020	10/01/2020	04/01/2021	0.00	0.00	4,375.00	4,375.00
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 2 4/4/2022	3133ECKQ6	10/04/2020	10/04/2020	04/04/2022	0.00	0.00	5,000.00	5,000.00
007 - Wastewater Consolidated	Medium Term Notes	Toyota Motor Credit Corp 2.95 4/13/2021	89236TEU5	10/13/2020	10/13/2020	04/13/2021	0.00	0.00	3,171.25	3,171.25
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 2.375 4/15/2021	3133EKG6	10/15/2020	10/15/2020	04/15/2021	0.00	0.00	41,562.50	41,562.50
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FFCB 1.74 10/21/2022-20	3133EK2U9	10/21/2020	10/21/2020	10/21/2022	0.00	0.00	35,322.00	35,322.00
007 - Wastewater Consolidated	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	20,232.25	20,232.25
007 - Wastewater Consolidated	Federal Agency Issues Coupon	FNMA 2.28 4/23/2021-14	3136G0EG2	10/23/2020	10/23/2020	04/23/2021	0.00	0.00	9,690.00	9,690.00
007 - Wastewater Consolidated	Money Market Mutual Funds	Fidelity Investments MM	MM4022	10/30/2020	10/30/2020	N/A	0.00	0.00	59.46	59.46
								Total		119,412.46
009 - BACWA	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	4,808.25	4,808.25
								Total		4,808.25
010 - UMRWA	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	135.47	135.47
								Total		135.47
014 - IICP	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	318.74	318.74
								Total		318.74
015 - DERWA	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	2,124.43	2,124.43
								Total		2,124.43
049 - Ferc Partnership	LAIF	LAIF LGIP	LGIP1001	10/22/2020	10/22/2020	N/A	0.00	0.00	4,250.45	4,250.45
								Total		4,250.45
								0.00	0.00	504,777.06
										504,777.06




EAST BAY MUNICIPAL UTILITY DISTRICT
Monthly Interest Activity
October 2020

Portfolio Name	Asset Class	Description	CUSIP/Ticker	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Interest Received (Reinvested)										
001 - Water System Consolidated	Local Government Investment Pool	CalTRUST LGIP	CALTRUST9230	10/30/2020	10/30/2020	N/A	0.00	0.00	1,318.02	1,318.02
001 - Water System Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	10/30/2020	10/30/2020	N/A	0.00	0.00	15,469.09	15,469.09
001 - Water System Consolidated	Money Market Mutual Funds	Federated MM	MM3767	10/30/2020	10/30/2020	N/A	0.00	0.00	1,526.63	1,526.63
001 - Water System Consolidated	Money Market Mutual Funds	Morgan Stanley I	MM0852	10/30/2020	10/30/2020	N/A	0.00	0.00	463.81	463.81
									Total	18,777.55
003 - Employees Retirement	LAIF	LAIF LGIP	LGIP1005	10/15/2020	10/15/2020	N/A	0.00	0.00	27,320.97	27,320.97
									Total	27,320.97
007 - Wastewater Consolidated	Local Government Investment Pool	CAMP LGIP	CAMP6035	10/30/2020	10/30/2020	N/A	0.00	0.00	6,406.01	6,406.01
007 - Wastewater Consolidated	Money Market Mutual Funds	Federated MM	MM3767	10/30/2020	10/30/2020	N/A	0.00	0.00	394.85	394.85
007 - Wastewater Consolidated	Money Market Mutual Funds	Morgan Stanley I	MM0852	10/30/2020	10/30/2020	N/A	0.00	0.00	119.65	119.65
									Total	6,920.51
							0.00	0.00	53,019.03	53,019.03

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: November 19, 2020

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Andrew L. Lee, Manager of Customer and Community Services 

SUBJECT: Collection Strategy for Delinquent Accounts – Flow Restrictors

SUMMARY

At the October 27, 2020 Board meeting, staff introduced the concept of including flow restrictors in the payment collection process as an alternative to water shutoffs. By installing flow restrictors in lieu of water shutoffs, single-family residential (SFR) customers unable to pay their bills would continue to have access to water for basic consumption, cooking, and sanitary purposes. The proposed alternative recognizes the human right to water and the Proposition 218 requirement that customers are responsible for the cost of service received. In response to feedback received from the Board at its October 27, 2020 meeting, staff will present additional information at the November 24, 2020 Finance/Administration Committee meeting.

DISCUSSION

The District suspended water shutoffs on March 12, 2020 in response to the COVID-19 pandemic. Shortly thereafter, on April 2, the governor issued an executive order (EO) placing a moratorium on water shutoffs. Since March, approximately 7,000 SFR accounts reached shutoff status through October 2020, with more than 50 percent of those accounts in this status for the first time. It is not known when the EO will be rescinded; however, if the District returns to shutoffs when the executive order is rescinded, many of the 7,000 SFR customers could lose water service if they are unable to pay or make arrangements to pay their delinquent bills.

To prepare for the rescission of the EO and recognizing the human right to water, the District is proposing installation of flow restrictors instead of water shutoffs for customers delinquent in paying their bill. This approach would allow the District to continue providing basic water service while sending a signal to customers to pay their overdue bill, thus adhering to the requirement of Proposition 218 that customers are responsible for the cost of service received.

The information below provides additional information in response to feedback during the October 27, 2020 Board meeting.

Additional Outreach Prior to Flow Restrictor Installation

Similar to the existing notification process for water shutoffs, the District would make multiple attempts to communicate with the customer, culminating in leaving a written notice at the premises prior to installation of a flow restrictor. The notice would explain the device will reduce flow and pressure, which may make some home appliances and fire sprinkler systems inoperable.

To minimize the use of flow restrictors, the District could add an outbound call to the account holder, as a new step in the outreach process. If an account holder is contacted by the District, they are more likely to take steps to address their delinquent bills. The District will continue to focus on offering our portfolio of programs to support customers experiencing financial difficulty in paying their bills such as the Customer Assistance Program (CAP), Water Lifeline, payment plans/extensions, and water conservation services to reduce water use thus lowering their water bills. The figure below shows the proposed flow restrictor notification guideline.

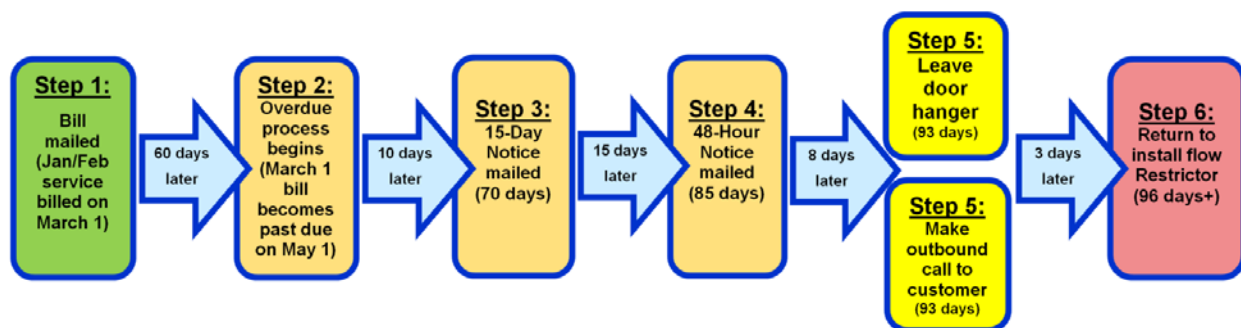


Figure 1: Proposed Flow Restrictor Notification Guideline

Flow restrictors will only be used when all options to make necessary arrangements with customers have been exhausted. The District will not begin installation of flow restrictors when the governor rescinds his EO; the District will first attempt to contact and work with the customer as described above. In addition, there are other circumstances where the District will not install flow restrictors including when the customer provides a medical certification from a licensed primary care provider stating that interrupting the level of water service would be life threatening to the customer provided the customer agrees to make regular payments toward the unpaid balance.

Cost Comparison (Flow Restrictor versus Water Shutoff) and Fee Discount

The District's current Rates and Charges, Schedule C – Charges for Special Services, allow for the installation of flow restrictors. Based on current charges, it is expected the vast majority of the flow restrictor installations will cost \$127 (\$273 for meters 1½" in size and larger), since many of the District's SFR customers are served by meters 1" and smaller. This cost is comparable to the current \$100 charge for water shutoff. Charging SFR customers who trigger a flow restrictor for related costs is consistent with the requirements of Proposition 26 and

Proposition 218; and the District's approach to charge customers, who are subject to water shutoffs, for the District's costs related to the shutoff.

Staff recognizes that customers who are already in delinquency will have additional charges imposed for the flow restrictors. To reduce the financial impacts to low-income customers, one option could be to apply the CAP on the flow restrictor fees. For example, the District charges CAP participants \$30 for an account establishment fee, instead of the usual \$60. A similar approach for installation/removal of flow restrictors will be evaluated as part of the implementation plan. These costs must be funded through unrestricted, non-rate revenues, such as the District's ad valorem tax revenues or lease revenues.

Accumulation of Arrears

The Board expressed concerns that flow restrictors would result in customers continuing to accumulate delinquencies, potentially adding to their already difficult financial situation. The use of a flow restrictor balances the customer's need for water and the additional cost for water used. The flow restrictor will significantly limit the volume of water used while sending a strong signal to the customer to pay their bill, enter into a payment plan/extension, or participate in the CAP. The Yarra Valley Water District in Australia has used flow restrictors to address delinquencies for nearly 20 years, and found the program effective to prompt action from customers. The District expects the flow restrictor will be nearly or as effective as the existing water shutoff process.

Flow and Pressure Considerations

The flow restrictor will restrict the flow to 0.5 gallons per minute (GPM), which is consistent with other agencies that have flow restrictor programs. Yarra Valley's flow restrictor program reduces flow to around two liter/min (0.5 GPM), enough for customers to flush toilets or use faucets for washing and food preparation. Similarly, the Cape Fear Public Utility Authority (CFPUA), located in Wilmington, North Carolina, is launching a pilot flow restrictor program as an alternative to water shutoffs following the rescission of the state's shutoff moratorium. CFPUA will also restrict flow to 0.5 GPM. The City of Phoenix installs flow restrictors on extreme heat days for customers that have had their service shutoff restricting flow to 0.4 GPM.

Increasing the flow rate above 0.5 GPM may reduce the effectiveness of the program. The flow restrictor is intended to be an alternative to water shutoffs and meant to provide customers enough water to meet their health and safety needs until they are able to repay their bill or make necessary arrangements with the District. While a flow restrictor may be viewed as impacting a customer's convenience, the current practice of shutoffs has a much greater impact as the customer loses access to water.

Considering the District's complex water system and varied topography, water pressure within the distribution system can range from 40 pounds per square inch (psi) to 130 psi. A recent field test had the flow restrictor installed at a property with a pressure of 65 psi at the house. The test

demonstrated the flow restrictor provided sufficient water to meet minimum health and safety needs while signaling a lower level of service tied to the delinquency.

Alternative to Address Customer Arrears

Retroactive discounts for new CAP participants was considered and staff's findings were presented during the January 22, 2019 Budget Workshop No. 1. The Board concluded that applying CAP retroactively would not be an effective means to address ongoing delinquencies for all customers, whether they were low-income and eligible for CAP or not. The analysis concluded that the administrative burden to implement CAP retroactively would be significant, and not all first-time applicants would be eligible for this benefit since the District is unable to verify if a customer was eligible for CAP prior to application.

Instead of implementing a retroactive CAP program, the District decided to focus its efforts on increasing CAP enrollment through enhanced outreach. Based on direction from the Board, staff has been conducting targeted CAP outreach within disadvantaged communities and intensified these outreach activities since the COVID-19 pandemic. To date, CAP participation has increased by 19 percent since January 2019 (from 6,805 to 8,120 CAP participants), and the District will continue to focus on growing participation while enhancing non-rate revenues to fund CAP.

NEXT STEPS

Staff will present this information to the Board at its November 24, 2020 meeting. Based on feedback from the Board, a resolution will be prepared for the Board to consider at its December 8, 2020 meeting. The resolution would authorize staff to develop a plan to implement flow restrictors as part of its collection strategy. In developing this plan, staff will gather input from key community stakeholders and research institutes to ensure the success of the program. The plan will be presented at the February 2021 CAP Workshop.

CCC:ALL:dlb