

Customer Assistance Program Funding

Finance/Administration Committee

November 23, 2021

Agenda

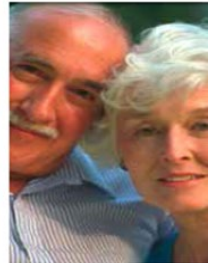


- COVID-19 relief funding
- Customer Assistance Program (CAP) funding needs
- Non-rate revenue funding options
- CAP funding strategy
- Next steps

**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。**



Securing COVID-19 Relief Funds



- Emergency Rental Relief Program (ERAP)
- Water and Wastewater Arrearage Payment Program (CWWAPP)

ERAP – Water Arrearage Relief



- Coordinated with California Department of Housing and Community Development (HCD)
- Worked with HCD to validate ERAP eligibility for 708 households
- Approximately \$50,000 received on behalf of ERAP households to date
- ERAP payment for water was placed on hold due to rollout of CWWAPP



**RENTAL
ASSISTANCE
PROGRAM**

CWWAPP Funding

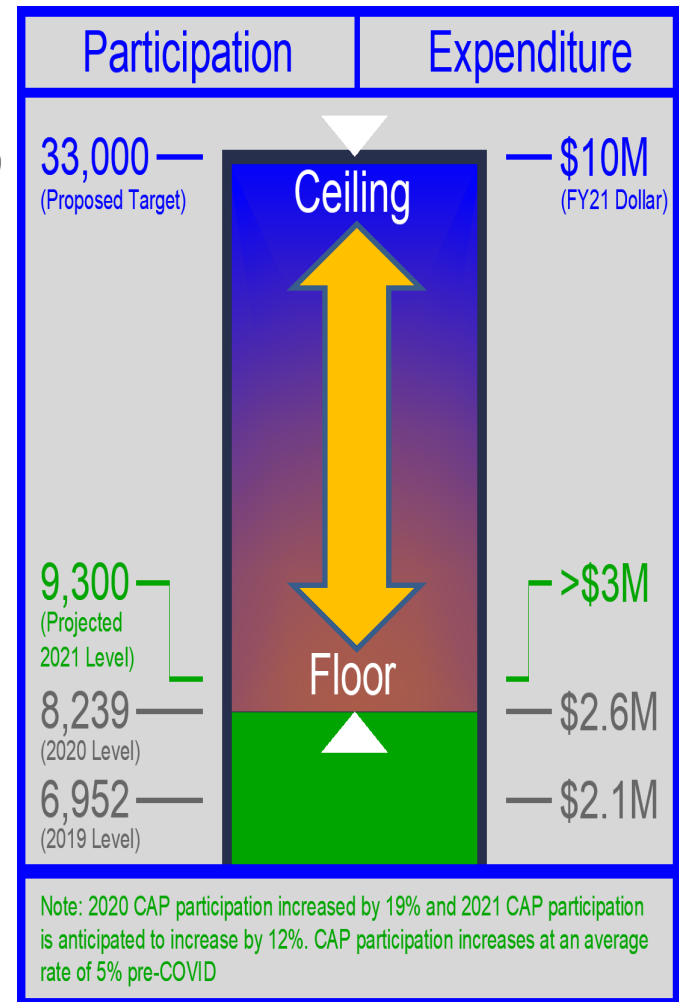


- Provides relief to customers with past-due bills from the COVID-19 pandemic period (March 2020 through June 2021)
- Water agencies responsible to apply, receive funds, and issue bill credits
- District eligible for approximately \$12M in relief funds to assist over 11,000 customers
- In process of applying for CWWAPP, will submit application in November 2021

CAP Funding Needs



- CAP participation increased by approximately 30% since COVID
- Approximately \$336,000 to fund every 1,000 new participants
- CAP expenditures will increase to >\$3M
- CAP is funded by non-rate revenue
- Sustainable non-rate revenue needed to support CAP growth



Non-Rate Revenue Funding Options



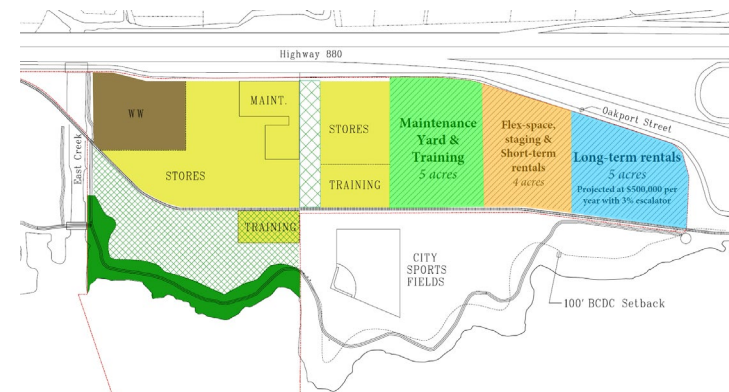
- Real Estate Leases
- Unclaimed Funds
- Donation Program
- Service Lateral Insurance



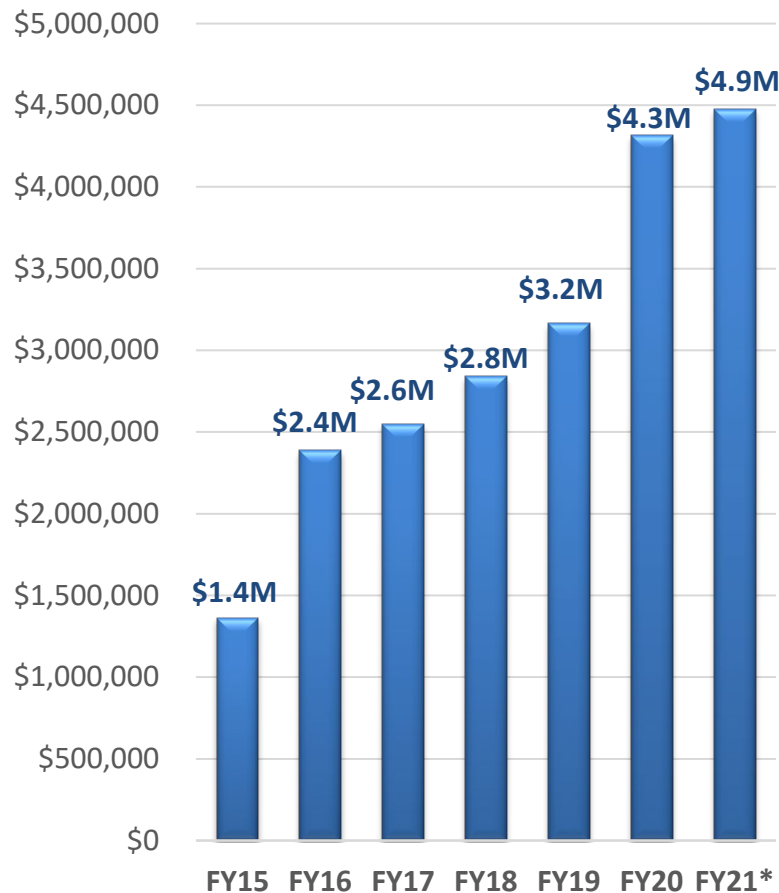
Real Estate Leases



- Provide long-term and stable revenue (up to 15 years)
- Built-in annual increases
- Minimal administrative costs after agreement is signed
- Little to no impact on District's operations
- Most of the lease sites are non-performing assets



Real Estate Lease Revenue



Real Estate Revenue Trend
(FY15 thru FY21)

- District owns 979 parcels of land (50K acres)
- A number of these parcels generated \$4.9M in non-rate revenue in FY21
 - 41 telecom leases = ~\$2.9M
 - 22 land leases = ~\$2M
 - Misc. land use = ~\$50K
- Telecom leases has the most growth potential

Telecom Lease Challenges

- Delegation Resolution adopted in 1996 to expand telecom leases
- Resolution requires completion of California Environmental Quality Act (CEQA) review prior to lease
- One-year options with potential lessees to obtain all approvals
- Potential lessees found District process impractical and efforts to expand the telecom leases stalled



Recommendation: Expand Real Estate Revenues



- Update Delegation Resolution to modernize telecom lease process
 - Proposed installation determined to be exempt from CEQA – authorize direct execution of leases
 - Proposed installation determined not to be exempt from CEQA – completion of environmental review and permit approval prior to lease execution
- Expand the pool of available properties
- Focus marketing efforts on high-margin and long-term leases

Unclaimed Funds



- Government Code Section 50050 authorizes the District to claim funds remained unclaimed
 - Balance of <\$15 and unclaimed for one year can be claimed immediately
 - Balance of >\$15 and older than three years can be claimed after notification process
- Nearly \$2.1M in unclaimed funds available from closed accounts
 - Approx. \$27K with balances <\$15
 - Approx. \$1.4M in balances >\$15 that is >3 years old
 - Remaining balances >\$15 that is <3 years old

Recommendation: Transfer Funds to Support CAP



- Updated Regulation to codify handling of unclaimed funds
- Finalizing procedure to provide guideline
- Transfer \$27,000 in unclaimed funds to support FY22 CAP activities
- Begin public notification process for the approx. \$1.4M



Customer Donation Program



- Explored two donation programs to support CAP
 - Bill round up donations
 - Direct one-time donations
- State law requires establishment of a trust to hold donations
- Managing the trust requires additional staff resources



Recommendation: Expand Water Lifeline to Receive Donations



- Work with charity partners to expand Water Lifeline program capabilities for CAP participants
 - Create secure portal to direct donations to partner charities
 - Water Lifeline partners manage and distribute funds to eligible CAP customers
 - Donations are tax-deductible since paid directly to charities
- Market donation options to customers once a program is implemented



Private Lateral Insurance



- Private lateral insurance used to help offset the customer's repair cost
- Utilities have partnered with providers to sell plans
- Utilities receive portion of the proceeds
- The District elected to share information of providers on its website since 2019

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Optional private water service line plan

Considerations for a Private Lateral Insurance Partnership



Potential Benefits

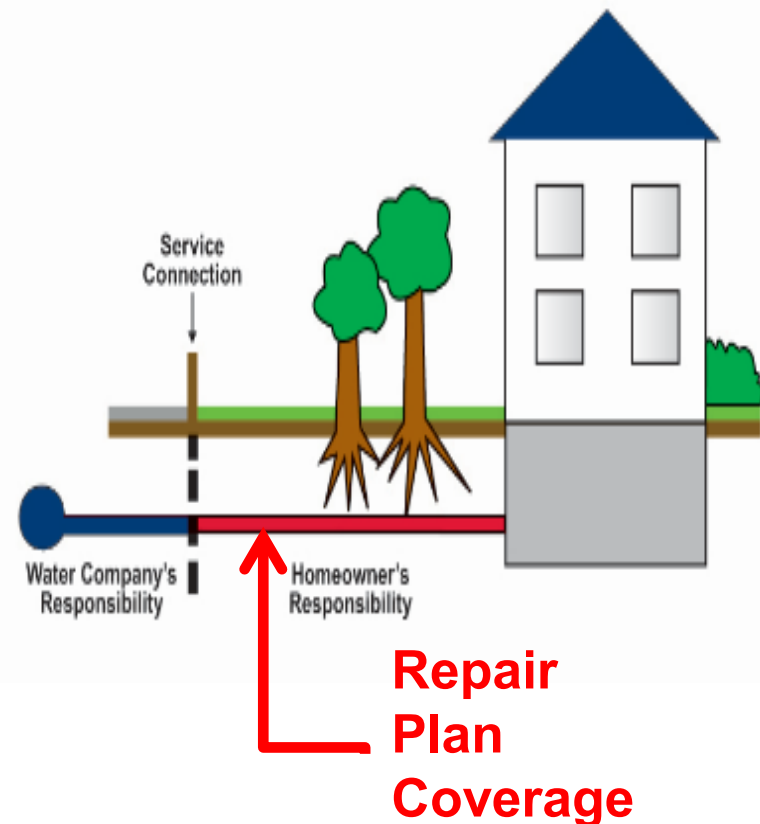
- Partnership could provide a sustainable source of non-rate revenue (\$140,000 to \$500,000)
- Providers could offer additional incentives to support CAP households
- Educate customers about leaks and their responsibility for repairs to avoid high bills from water loss
- Could be viewed as customer centric by helping customer avoid high repair costs

Potential Concerns

- A partnerships could confuse customers
- Customers could incorrectly conclude the plans are offered by the District
- Dissatisfaction with the provider could impact the District's reputation
- Could increase liability exposure as customers could pursue claims against the District and provider

Recommendation: Continue to Assess Long-Term Benefits

- Assess options to minimize potential exposures resulting from a program
- Evaluate long-term financial benefit for CAP
- Maintain current model by sharing information on District website



CAP Funding Strategy



- Prioritize real estate revenue by expanding telecom leases
- Transfer unclaimed funds to support CAP
- Continue working on other options as time and resources allow
 - Expand Water Lifeline to receive donations
 - Assess long-term benefits of a private lateral insurance program

Next Steps



- Incorporate committee feedback into CAP funding strategy
- Discuss CAP funding strategy with full Board during 2022 CAP Workshop

Questions?