



BOARD OF DIRECTORS  
EAST BAY MUNICIPAL UTILITY DISTRICT

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**Notice of Special Meeting**

**FINANCE/ADMINISTRATION  
COMMITTEE MEETING**

**8:30 a.m.**

**Tuesday, July 11, 2017**

Notice is hereby given that on Tuesday, July 11, 2017, a special meeting of the Finance/Administration Committee of the Board of Directors has been scheduled for 8:30 a.m. The meeting will be held in the Training Resource Center of the Administration Building, 375 - 11th Street, Oakland, California.

Dated: July 6, 2017

A handwritten signature in blue ink that reads "Rischa S. Cole".

Rischa S. Cole  
Secretary of the District





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

375 – 11<sup>th</sup> Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

**AGENDA  
Finance/Administration Committee  
Tuesday, July 11, 2017**

**Special Meeting**

**8:30 a.m.**

**Training Resource Center**

**(Committee Members: Directors Patterson {Chair}, Coleman and Mellon)**

**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. Continuation of Water Theft Penalty Ordinance and Guarantee Deposits Discussion (Hong)

**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](http://www.ebmud.com).*



## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: July 6, 2017

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Sherri A. Hong, Manager of Customer and Community Services *s.hong*

SUBJECT: Continuation of Water Theft Penalty Ordinance and Guarantee Deposits Discussion

### BACKGROUND

At the June 27, 2017 Finance/Administration Committee meeting, staff presented options for changes to the Water Theft Penalty Ordinance to mitigate the impacts of these charges to low-income customers.

During public comment, members from the Service Workers Project for Affordable Utilities and Water (SWPAUW) voiced concern regarding the human right to water and the impacts from the termination of water service. A number of speakers provided comment and the Committee did not have sufficient time for discussion. The Committee requested a follow-up Finance/Administration Committee meeting for July 11, 2017 and staff will provide a presentation.

### DISCUSSION

Staff has prepared a range of options to address water theft as outlined below and summarized in Table 1.

- A. Retain the existing water theft administrative penalties of \$1,000, \$2,000, and \$3,000 for hydrant theft only which results in greater water loss. Establish new reduced administrative penalties of \$200, \$400, and \$800 for lateral diversions (unauthorized connection) and meter tampering (restoral of service) and retain the other required charges associated with tampering to obtain/restore service.
- B. Eliminate meter tampering (restoral of service) from the ordinance as there are other mechanisms in place to address tampering. Retain the administrative penalties of \$1,000, \$2,000, and \$3,000 for lateral diversions (unauthorized connection) and hydrant theft as applicable theft types. Also retain the other required charges associated with tampering to obtain/restore service.
- C. Eliminate the Water Theft Penalty Ordinance in its entirety and retain the other required charges associated with tampering to obtain/restore service.
- D. Make no change to the existing ordinance.

Under all options, the District retains required charges associated with tampering to obtain/restore service as highlighted in Table 2. The District also retains the right found in District regulations, the Penal Code and the Civil Code to bring legal actions to enjoin water theft, recover damages, refer matters to law enforcement, and to protect the District under appropriate circumstances including egregious violations.

#### Guarantee Deposits - Payment History Deposits

In fall 2016, customers expressed concern that extensive deposits were assessed on delinquent accounts. Following review, staff determined that large deposits were an unintentional result of drought surcharges, excessive use charges, and water theft penalty fees contributing to higher customer bills in 2015. Systems and procedures have been modified to ensure these charges are not included in the system-generated deposit calculations. Additionally, if a customer has recently been approved for Customer Assistance Program (CAP), the deposit will be adjusted to reflect the CAP discount, thereby reducing the deposit. Customers are also allowed to make installment payments for deposits. The modifications put in place have been effective and staff will continue to monitor this area. Guarantee deposits have been an effective long-term District practice to reduce unpaid bills and help keep rates low.

An average of more than 5,000 accounts per year is eligible for deposits where service has been disconnected one or more times, or the customer had a previous bankruptcy or write-off. Deposits average \$350 - \$450 depending on the customer's average bill. A preliminary review indicates that at least 20 percent of the deposits paid are applied to the final bill upon closure of an account and 15 percent are applied towards unpaid debt prior to write-off. The remaining deposits are refunded to the customer or retained until satisfactory pay history is maintained.

Attached is an example of an account where a payment history deposit was assessed as a result of service disconnections and paid in March 2016. In February 2017, the customer's account was delinquent and eligible for disconnection. Working with the customer, staff applied the deposit to avoid the customer being disconnected. For 2017, the customer has not experienced service disconnection. The deposit assisted the customer at a time when they were vulnerable for turn-off and helped the customer catch up with their bill.

#### **NEXT STEPS**

Staff will evaluate the remaining two items: 1) automatic CAP enrollments and retroactive assistance and 2) developing a performance indicator(s) to better assist low-income customers and reduce or eliminate low-income turn-offs. These items will be included as a part of the long-term financial sustainability discussions planned later in 2017.

ARC:SAH:sah

**Table 1. Charges for the First/Second/Third Instances of Different Water Theft Options**

<b>Theft Type</b>	<b>No Change to Ordinance</b>	<b>Option A - Reduce Tampering and Diversion</b>	<b>Option B - Eliminate Tampering</b>	<b>Option C - Eliminate Ordinance</b>
Meter Tampering	\$ 1,000/ \$ 2,000/ \$ 3,000	\$ 200/ \$ 400/ \$ 800	No Penalty Charge <sup>1</sup>	No Penalty Charge <sup>1</sup>
Lateral Diversion	\$ 1,000/ \$ 2,000/ \$ 3,000	\$ 200/ \$ 400/ \$ 800	\$ 1,000/ \$ 2,000/ \$ 3,000	No Penalty Charge <sup>1</sup>
Unauthorized Hydrant Use	\$ 1,000/ \$ 2,000/ \$ 3,000	\$ 1,000/ \$ 2,000/ \$ 3,000	\$ 1,000/ \$ 2,000/ \$ 3,000	No Penalty Charge <sup>1</sup>

<sup>1</sup> Other charges applicable under EBMUD's rates and charges apply

**Table 2. Required charges associated with meter tampering applicable to all options**

<b>Action</b>	<b>Current Charge</b>
Turn-off/on Service/trip charge	\$45
Pad lock service	\$45
Remove meter and plug/unplug service	\$57
Re-install service and lateral	\$394
Hydrant meter site visit	\$6,200+



YOUR ACCOUNT NO. IS:

H Next Read Date is 05/30/2017  
 Your Payment is Due by 04/20/2017

Delivering reliable, high quality water takes financial stewardship.  
 Learn how EBMUD reinvests in our water and wastewater systems to better serve you.  
 Visit [ebmud.com/stewardship](http://ebmud.com/stewardship).

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Bill Date: 04/05/17  
 Billing Period  
 From 1/27/17 To 3/30/17

OAKLAND, CA 94603-2907

For: Private Residence

	AMOUNT	TOTAL
<b>PREVIOUS CHARGES AND CREDITS</b>		
PREVIOUS AMOUNT DUE	612.45	
CREDIT - DEPOSIT APPLIED	-100.00	512.45
<b>WATER CHARGES - EBMUD</b>		
WATER SERVICE CHARGE	41.38	
WATER FLOW CHARGE 15 UNITS @3.16	47.40	
14 UNITS @4.34	60.76	
CREDIT - DEPOSIT APPLIED	-385.00	-235.46
<b>WASTEWATER CHARGES - EBMUD</b>		
WASTEWATER TREATMENT CHARGE	46.00	
SF BAY POLLUTION PREVENTION FEE	0.40	46.40

CITY OF OAKLAND SEWER SERVICE 75.14

PLEASE SEE REVERSE SIDE FOR BILLING EXPLANATION

Please Pay This Amount Now Due **398.53**

METER SIZE	ELEV. Band	METER READINGS		UNITS	CONSUMPTION INFORMATION		
		Current	Previous		Gallons	Days	Gal/Day
5/8 inch	1	1,345	1,316	29	21,892	62	350
		LAST	YEAR	23	17,204	57	301

PLEASE DETACH AND RETURN THIS PAYMENT STUB WITH CHECK OR MONEY ORDER PAYABLE TO EBMUD  
 Oakland, CA 946032907 1/27/17 3/30/17 ACCOUNT NO 3109

Pay by credit/ATM/e-check for a fee.  
 Call 1-888-963-0909

Mail payment to: TOTAL PREVIOUS 512.45  
 TOTAL CURRENT -113.92

EBMUD PAYMENT CENTER  
 PO BOX 1000  
 OAKLAND CA 94649-0001 Please Pay This Amount Now Due **398.53**

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