



JOSHUA BASIN WATER DISTRICT  
REGULAR MEETING OF THE CITIZENS ADVISORY COMMITTEE  
TUESDAY, SEPTEMBER 11, 2018, AT 6:00 PM  
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM
4. APPROVAL OF AGENDA
5. PUBLIC COMMENTS  
This public comment portion of this agenda provides an opportunity for the public to address the Committee on items not listed on the agenda that *are of interest to the public at large* and are within the subject matter jurisdiction of this Committee. The Committee is prohibited by law from taking action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the Committee does not respond to public comments at this time.
6. CONSENT CALENDAR
  - Approve draft minutes of the Regular CAC meeting of July 10, 2018
7. CUSTOMER ACCOUNT ASSISTANCE PROGRAM – Receive for information only.
8. DISCUSSION ON STRATEGIC PLANNING PROCESS – Receive for information only.
9. GENERAL MANAGER REPORT –
10. CONFIRM DATE FOR NEXT CITIZENS ADVISORY COMMITTEE MEETING
  - November 13, 2018, at 6:00 p.m.
11. ADJOURNMENT

Pages 2-3

Pages 4-10

INFORMATION: state your name, have your information prepared, and be ready to provide your comments to the Committee. The District is interested and appreciates your comments. A 3-minute time limit will be imposed. Thank you.

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting to make a request for a disability-related accommodation.

CAC Meeting Notes 7/10/18

1. Called to Order at 6:02 PM
2. Pledge
3. Quorum...YES: Karen Tracy, Tom Kayne, Jeff Dongvillo, Shari Long, Gayle Austin + GM Sauer  
Others in attendance: Kathleen Radnich, President Luckman, Public: Al Marquez
4. Approval of Agenda 1st- Long/ 2nd-Austin 5/0
5. Public Comments: Al Marquez thanked the CAC, on behalf of the JT Community, for all they have done
6. Consent Calendar
  - (1) Approve Draft Minutes of the Speical Workshop Committee meeting of 2018:  
Approved (1st-Kayne/2nd Dongvillo) with two corrections:
    - 1) Item #7, 3rd Paragraph (opens with, "Tom Kayne...") Second sentence was not from Tom Kayne, but from a "public attendee," who made comment about it being unfair...
    - 2) Jeff Dongvillo asked that his name on item #3 show that he was "EXCUSED" for CERT Training.
7. Changes in Office Hours: GM Sauer reviewed the Committee Report presented.
  - (1) A lengthy discussion followed. Long asked if employees would still have full hours; GM Sauer affirmed they would, and explained how their hours would be spent with the new schedule.
  - (2) Tracy did not feel the regular customers would be impacted; Austin and Kayne agreed
  - (3) Radnich noted the alternate ways customers can make payments aside from walking in the door, and that lock-off days are never on a Friday.
  - (4) Marquez asked about doing 10 hr. work days (like other Agencies), and if the Union would approve of these changes. GM Sauer noted that staff currently works 9-hr. days.
8. Customer Account Assistance Program: GM Sauer explained the current program at length.
  - (1) A correction on the report was noted (shown as \$1,884, vs. \$7,884) of increased revenues unrealized.
  - (2) Committee members weighed in on concerns and options:
    - 1) Austin wants the whole program scrapped completely
    - 2) Long stated it was not fair to be subsidizing AirBnBs and VRBOs
    - 3) Dongvillo agreed, but hoped we could find a compassionate solution
    - 4) Radnich reminded the Committee that residential "pipes" are aging considerably, and population is growing, creating potential for endless future claims for help. Adding: If assistance was given, we might not go with free water, but charging the wate loss at the lowest tier—just once.
    - 5) Kayne and Dongvillo felt Radnich's suggestion had merit.
    - 6) Tracy felt the whole program just needed to "go away".
    - 7) Austin added that trying to determine who should qualify for assistance would only open the District up to lawsuits.
  - (3) The CAC voted to recommend to the Board that they should completely do away with the program: 1st: Austin / 2nd: Dongvillo 5/0
9. General Manager Report:
  - (1) Coloform Paper Announcement: The situation was explained thoroughly (indicating we had a "false positive" due to the lab's mishandling of our samples. Regardless, we were required to notify the public, which created concern. The radio (Z107.7)

broadcast story noted it wasn't a public concern, although their headliner did incite unnecessary concern.

(2) Well 14 will be sanitized one more time by the current contractor (at his expense.) If it doesn't work, we may have to drill another well.

10. Confirm Date for Next CAC meeting: September 11, 2018 @6PM

(1) Long requested the next meeting has the agenda item of discussing property owners "having water meter responsibility," and "delinquent water payments on tax liens." GM Sauer agreed and would ask AGM Greer to attend that meeting.

11. Adjourn: The meeting was adjourned at 7:07PM

JOSHUA BASIN WATER DISTRICT  
STAFF REPORT

Meeting of the Citizens Advisory Committee

September 12, 2018

Report to: Committee Members

Prepared by: Susan Greer 

TOPIC:

CUSTOMER ACCOUNT ASSISTANCE PROGRAM – RECOMMENDED POLICY  
CHANGE

RECOMMENDATION:

Recommend policy change to Board of Directors

ANALYSIS:

The Customer Account Assistance Program (CAAP) was established almost 20 years ago to assist customers that experience large bills from unknown or accidental circumstances, such as large leaks or water theft, and has been modified several times in the ensuing years.

Each year the District has provided assistance for accounts that are rental properties with the bill paid by the owner, or vacation rentals, or from customers that own second homes in the District but do not live here and do not routinely monitor their properties.

The General Manager met with the Citizens Advisory Committee (CAC) on 7/10/18, recommending the policy be changed to apply only to customers that are living at their primary residence. After significant discussion, the CAC voted 5-0 to recommend elimination of the CAAP program entirely. The CAC cited personal responsibility, the 10-fold increase in the cost of the CAAP program over the last five years, and leaving the District open to complaints of bias when a primary residence is also used as a home business versus a house being rented as a vacation rental as the reasons for their recommendation.

This past 12 months would have resulted in increased revenues of \$2,476 if CAAP was applied to only primary residents, and a savings of \$6,761 if the program was entirely eliminated. The current year is already outpacing last year and a majority of that cost has been incurred by out-of-town or vacation rental owners

History of CAAP assistance over the last five years, increased more than ten-fold, is below:

2013	\$ 609.34
2014	1,199.97
2015	1,647.74
2016	6,184.60
2017	6,761.36

The CAAP program was created as a tool to allow staff to assist with large water bills for customers who needed help paying. Prior to the Program, such requests for assistance were rare, but had to be heard by the Board of Directors at a public meeting. This was long before vacation rentals and a significant amount of out-of-town account holders, as we have now. While elimination of the CAAP would save significant staff time, we don't want to go back to requiring the Board to be involved in such issues. A simpler alternative exists.

Using the criteria required for the CAAP, a bill that is at least \$400 more than the prior year's bill for the same month, Staff could be authorized to adjust the water bill to reflect all usage charged based on the Water Flow Charges paid by the larger meters (what I call the composite rate because it covers all costs.) That rate is currently \$4.60 per unit, while the tiered Water Flow Charges for ¾" and 1" meters vary from \$3.70 to \$5.80 per unit. The composite rate is designed to cover all District costs, so while the customer will pay less than with the tiered rates, the District is still *whole*. Let's look at an example:

Customer had a bill of \$737.28 for 162 units of water compared to 41 units the prior year. Assistance of \$139.78 was provided via the CAAP policy. If we simply adjusted the bill to reflect the composite rate, assistance of \$97.52 would have been provided, a reduction in the amount of assistance, resulting in savings of 30% by the District. This is still a discount of more than 13% from the original bill for the customer. Importantly, this is a very simple adjustment, not involving significant amounts of staff time, unlike the current program that requires the District to incur quite a bit of additional cost to help customers avoid paying us.

Note that the current criteria, a bill at least \$400 more than the prior year, has been in place since 2014. Considering that water rates have increased each year since 2014, this base number should also increase to stay relevant and not simply provide assistance for increasing water rates. Note that different amounts of consumption result in larger or smaller percentages of increase, but *only substantial consumption will meet the criteria to qualify for assistance anyway*, 100 units or more. Cumulatively, current rates are 74% higher than they were in 2014 for customers using 100 units or more. Applying that increase to the original \$400 criteria in the 2014 CAAP, that number should now be \$696, rounded to \$700. This means that the water bill must be at least \$700 more than the bill from the same month in the prior year to qualify for assistance. Staff would then recalculate the bill by applying the composite rate. Customers with smaller bills that don't meet the \$700 threshold are provided assistance in the form of a payment plan, allowing them to pay the large bill over time without interest. Customers that do qualify for assistance are also provided the opportunity for a payment plan to pay the reduced bill over time without interest.

A copy of the existing Rules & Regulations language, a marked-up copy and clean copy of the proposed changes is attached. A resolution will be required to make this change.

**Fiscal Impact:** In most cases, providing assistance using the Water Flow Charges for larger size meters will result in less assistance for customers, which reduces JBWD expense. In cases of very significant water use, this methodology will provide greater assistance, because more of the

customer water use is calculated at the Tier 4 rate. This threshold is generally 800 units of water or more, but depends on the individual customer's prior year comparison bill.

## EXISTING ARTICLE

### Article 1.23 (b) of the Rules & Regulations

#### b) Customer Account Assistance Program

The Customer Account Assistance Program provides a method to request bill reduction for a bill of unknown or accidental origin as defined by the customer, specifically the CAAP application. The Program was created to assist customers who have experienced extraordinary or unusual circumstances.

The procedure includes the customer's written application and JBWD investigation. Until the JBWD receives the customer's written application, the bill is due as presented. The application, plus information obtained as a result of the review and investigation, will be forwarded to the General Manager or a designee. While the CAAP application is being reviewed, a good faith payment, equal to the amount of the bill for the same month in the prior year, must be paid by the due date.

The General Manager or a designee shall determine the amount of assistance, if any, based upon review of the information obtained and in accordance with the current policy. No assistance will be considered for excessive water use cases that result from a violation of the JBWD Rules and Regulations.

#### Guidelines for assistance

- Account holder must show proof of repair of any leaks before receiving assistance. A Water Survey is also required before assistance is provided. Customer, or representative, must be present at the water survey conducted by a District employee.
- Customers are limited to two (2) CAAP's within a five (5) year period at the same location. A new owner-customer at the same location may be considered for additional assistance.
- Assistance is limited to no more than two consecutive monthly billing cycles; assistance is calculated by comparing the difference between the current and the prior year's bills for the month(s) in question. If water bill is greater than \$400.00 compared to the previous year's usage, the customer is eligible for assistance. If this is a new account with no previous year comparable, then an average consumption of all months on the account will be used as the comparator.
- If the difference is less than \$400.00, the account is not eligible for a CAAP. A payment plan, following existing procedures will be offered.
- If the difference is more than \$400.00, an adjustment of no greater than 25 percent of the water usage may be approved by the General Manager (or designee), up to a maximum assistance of \$800.00. The remaining bill is the customer's responsibility to pay. The customer may request a payment plan for the balance.

## EDITED ARTICLE (MARK-UP)

### Article 1.23 (b) Customer Account Assistance Program (CAAP)

The Customer Account Assistance Program provides a method to request bill reduction for a bill of unknown or accidental origin, ~~as defined by the customer, specifically the CAAP application.~~ The Program was created to assist customers who have experienced extraordinary or unusual circumstances.

The procedure includes the customer's written CAAP application and JBWD investigation. Until the JBWD receives the customer's written application, the bill is due as presented. The application, plus information obtained as a result of the review and investigation, will be forwarded to the General Manager or a designee. While the CAAP application is being reviewed, a good faith payment, equal to the amount of the bill for the same month in the prior year, must be paid by the due date.

The General Manager or a designee shall determine the amount of assistance, if any, based upon review of the information obtained and in accordance with the current policy. No assistance will be considered for excessive water use cases that result from a violation of the JBWD Rules and Regulations.

#### Guidelines for assistance

- Account holder must show proof of repair of any leaks before receiving assistance. A Water Survey ~~is also required before assistance is provided~~ will be offered to customer to help detect leaks and opportunities for reducing water use. Customer, or representative, must be present at the water survey conducted by a ~~District~~ JBWD employee.
- Customers are limited to two (2) CAAP's within a five (5) year period at the same location. A new owner-~~or~~ customer at the same location may be considered for additional assistance.
- Customers must live as their primary residence at property address where assistance is requested and provide proof of residency satisfactory to JBWD, such as property tax homeowner's exemption.
- Assistance is limited to no more than two consecutive monthly billing cycles; assistance is calculated ~~by comparing the difference between the current and the prior year's bills for the month(s) in question. If~~ difference between current and prior year's water bills is greater than \$4700.00 ~~compared to the previous year's usage~~, the customer is eligible for assistance. If this is a new account with no previous year comparable usage, then an average consumption of all months on the account will be used as the comparator. If this is the first bill for the account, the District-wide average consumption for similar meters will be used to calculate the amount of assistance.
- If the difference is less than \$4700.00, the account is not eligible for a CAAP. Assistance in the form of an interest-free payment plan, following existing procedures will be offered.
- If the difference is more than \$4700.00, the water bill will be recalculated using the Water Flow Charges (composite rate) for 1.5", 2" and 3" meters. an adjustment of no greater than 25 percent of the water usage may be approved by the General Manager (or



designee), ~~up to a maximum assistance of \$800.00~~ The remaining recalculated bill is the customer's responsibility to pay. The customer may request a payment plan in accordance with existing procedures for the balance.

## FINAL RECOMMENDED ARTICLE

### Article 1.23 (b) Customer Account Assistance Program (CAAP)

The Customer Account Assistance Program provides a method to request bill reduction for a bill of unknown or accidental origin... The Program was created to assist customers who have experienced extraordinary or unusual circumstances.

The procedure includes the customer's written CAAP application and JBWD investigation. Until the JBWD receives the customer's written application, the bill is due as presented. The application, plus information obtained as a result of the review and investigation, will be forwarded to the General Manager or a designee. While the CAAP application is being reviewed, a good faith payment, equal to the amount of the bill for the same month in the prior year, must be paid by the due date.

The General Manager or a designee shall determine the amount of assistance, if any, based upon review of the information obtained and in accordance with the current policy. No assistance will be considered for excessive water use cases that result from a violation of the JBWD Rules and Regulations.

#### Guidelines for assistance

- Account holder must show proof of repair of any leaks before receiving assistance. A Water Survey will be offered to customer to help detect leaks and opportunities for reducing water use. Customer, or representative, must be present at the water survey conducted by a JBWD employee.
- Customers are limited to two (2) CAAP's within a five (5) year period at the same location. A new owner or customer at the same location may be considered for additional assistance.
- Customers must live as their primary residence at property address where assistance is requested and provide proof of residency satisfactory to JBWD, such as property tax homeowner's exemption.
- Assistance is limited to no more than two consecutive monthly billing cycles; assistance is calculated by comparing the difference between the current and the prior year's bills for the month(s) in question. If difference between current and prior year's water bills is greater than \$700.00, the customer is eligible for assistance. If this is a new account with no previous year comparable usage, then an average consumption of all months on the account will be used as the comparator. If this is the first bill for the account, the District-wide average consumption for similar meters will be used to calculate the amount of assistance.
- If the difference is less than \$700.00, the account is not eligible for a CAAP. Assistance in the form of an interest-free payment plan, following existing procedures will be offered.
- If the difference is more than \$700.00, the water bill will be recalculated using the Water Flow Charges for 1.5", 2" and 3" meters. The recalculated bill is the customer's responsibility to pay. The customer may request a payment plan in accordance with existing procedures for the balance.